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重庆农村商业银行
CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

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

(Stock Code: 3618)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board of directors of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the "**Bank**") (the "**Board**") is pleased to announce the unaudited consolidated interim results of the Bank and its subsidiaries (the "**Group**") for the six months ended 30 June 2013. This announcement contains the full text of the interim report of the Group for the six months ended 30 June 2013 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Condensed Consolidated Financial Statements prepared by the Group for the six months ended 30 June 2013 has been reviewed by Deloitte Touche Tohmatsu in accordance with the International Standard on Review Engagements. Unless otherwise stated, the financial figures of the Group are expressed in RMB. The interim results have also been reviewed by the Audit Committee of the Bank (the "**Audit Committee**"). This results announcement is also published on the websites of the Bank (www.cqrcb.com) and the HKEx (www.hkexnews.hk). The interim report of the Bank for the six months ended 30 June 2013 will be despatched to shareholders and will also be available at the abovementioned websites in due course.

By Order of the Board
Chongqing Rural Commercial Bank Co., Ltd.*
重慶農村商業銀行股份有限公司*
Tan Yuansheng
Executive Director and President

Chongqing, the PRC, 26 August 2013

As at the date of this announcement, the Executive Directors of the Bank are Mr. Liu Jianzhong, Mr. Tan Yuansheng and Mr. Sui Jun; the Non-Executive Directors are Mr. Tao Jun, Mr. Hua Yusheng, Mr. Wang Yongshu, Mr. Wen Honghai, Mr. Gao Xiaodong and Mr. Wu Xiufeng; and the Independent Non-Executive Directors are Mr. Sun Leland Li Hsun, Mr. Yin Mengbo, Mr. Wu Qing, Mr. Chen Zhengsheng and Mr. Liu Weili.

* *The Bank holds a financial licence number B0335H250000001 approved by China Banking Regulatory Commission and was authorised by the Administration for Industry and Commerce of Chongqing to obtain a corporate legal person business licence with a registration number 500000000001239. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

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Financial Summary

The financial information of the Group set forth in this interim report is prepared on a consolidated basis in accordance with International Financial Reporting Standards ("IFRS") and expressed in Renminbi unless otherwise stated.

(Expressed in RMB million, unless otherwise stated)	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Change in amount	Change *(%)*
Operating results				
Net interest income	**7,592.5**	6,234.4	1,358.1	21.78
Net fee and commission income	**303.0**	179.1	123.9	69.18
Operating income	**7,963.3**	6,503.2	1,460.1	22.45
Profit before tax	**4,239.1**	3,679.3	559.8	15.21
Net profit	**3,219.7**	2,810.1	409.6	14.58
Net profit attributable to equity holders of the Bank	**3,217.3**	2,803.7	413.6	14.75
Basic earnings per share *(Expressed in RMB per share)*	**0.35**	0.30	0.05	16.67

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**	As at 31 December 2012 (Restated)	Change in amount	Change *(%)*
Scale indicators				
Total assets	**487,976.7**	433,827.1	54,149.6	12.48
Among which: loans and advances to customers, net	**185,790.8**	167,614.9	18,175.9	10.84
Total liabilities	**453,807.7**	401,611.4	52,196.3	13.00
Among which: due to customers	**338,523.1**	294,510.5	44,012.6	14.94
Equity attributable to equity holders of the Bank	**33,601.8**	31,906.9	1,694.9	5.31
Non-controlling interests	**567.2**	308.8	258.4	83.68
Total equity	**34,169.0**	32,215.7	1,953.3	6.06

(Expressed in percentage)	For the six months ended 30 June 2013	For the six months ended 30 June 2012	Change
Profitability indicators			
Annualised return on total assets[1]	**1.32**	1.40	(0.08)
Annualised average return on total assets[2]	**1.40**	1.50	(0.10)
Annualised return on shareholders' equity[3]	**18.85**	19.01	(0.16)
Net interest spread[4]	**3.18**	3.25	(0.07)
Net interest margin[5]	**3.39**	3.50	(0.11)
Net fee and commission income to operating income	**3.80**	2.75	1.05
Cost-to-income ratio[6]	**34.62**	33.04	1.58

(Expressed in percentage)	As at 30 June 2013	As at 31 December 2012 (Restated)	Change
Assets quality indicators[7]			
Non-performing loan ratio	**0.73**	0.98	(0.25)
Allowances to non-performing loans	**464.82**	350.60	114.22
Allowances to total loans	**3.40**	3.42	(0.02)
Capital adequacy indicators			
Core Tier 1 capital adequacy ratio[8]	**10.92**	—	—
Tier 1 capital adequacy ratio[8]	**10.92**	—	—
Capital adequacy ratio[8]	**12.71**	—	—
Core capital adequacy ratio[9]	**12.08**	12.01	0.07
Capital adequacy ratio[9]	**12.91**	12.92	(0.01)
Total equity to total assets	**7.00**	7.43	(0.43)

(Expressed in percentage)	As at 30 June 2013	As at 31 December 2012	Change
Other indicators			
Loan-to-deposit ratio[7]	**56.81**	58.93	(2.12)

Notes:

(1) Representing the net profit for the period (including profit attributable to non-controlling interests) as a percentage of the period-end balance of total assets.

(2) Representing the net profit for the period (including profit attributable to non-controlling interests) as a percentage of the average balance of total assets at the beginning and the end of the period.

(3) Representing the net profit for the period (including profit attributable to non-controlling interests) as a percentage of the period-end balance of total equity including non-controlling interests.

(4) Calculated as the difference between the average yield on total interest-earning assets and the average cost rate on total interest-bearing liabilities.

(5) Calculated by dividing net interest income by average interest-earning assets.

(6) Calculated by dividing total operating expenses (excluding business tax and surcharges) by operating income.

(7) Non-performing loan ratio, allowances to non-performing loans, allowances to total loans and loan-to-deposit ratio were calculated on basis of the contractual amount of loans and advances.

(8) Calculated in accordance with the "Regulation Governing Capital of Commercial Banks (Provisional)" promulgated by CBRC.

(9) Calculated in accordance with the "Management of Capital Adequacy Ratios of Commercial Banks" (Amendments) promulgated by CBRC.

BASIS OF PREPARATION OF CERTAIN FINANCIAL INDICATORS

Under the IFRS, the restructuring of the Bank was accounted for as an acquisition of the business from the 39 Rural Credit Unions and Chongqing Rural Credit Cooperative Union (the "CRCU") by the Bank on 27 June 2008 instead of merger accounting due to the fact that there were no same party or parties ultimately controlling the 39 Rural Credit Unions, CRCU and the Bank before and after the restructuring. Therefore, certain disclosures in relation to loans and advances to customers and relevant assets quality indicators in the "Management Discussion and Analysis" in this report were prepared based on the contractual amount of relevant loans and advances for management discussion and analysis purpose, which are not the same as the carrying amount of these loans and advances to customers stated in the reviewed condensed consolidated financial statements of the Group.

For the six months ended 30 June 2013, the Group has applied the new and revised International Financial Reporting Standards ("new and revised IFRSs") that are effective for the financial year beginning on 1 January 2013. International Accounting Standards 19 (Revised 2011): Employee Benefits has been applied retrospectively for the comparative periods. For relevant analysis, please refer to Notes 3 "Principal accounting policies" to the Condensed Consolidated Financial Statements. The financial impact arising from the adoption of other new and revised IFRSs in the reporting period is not material and has not resulted in any retrospective adjustments.

Company Information

Legal name and abbreviation in Chinese	重慶農村商業銀行股份有限公司 (abbreviated as "重慶農村商業銀行")
Legal name and abbreviation in English	Chongqing Rural Commercial Bank Co., Ltd. (abbreviated as Chongqing Rural Commercial Bank)
Legal representative	LIU Jianzhong
Authorised Representatives	TAN Yuansheng SUI Jun
Secretary to the Board	PENG Yanxi
Joint Company Secretaries	PENG Yanxi CHENG Pik Yuk, Patsy
Registered address and postcode	No. 10 East Yanghe Road, Jiangbei District, Chongqing City, the PRC 400020
Principal place of business in Hong Kong	Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong
Company's website	www.cqrcb.com
Email address	cqrcb@cqrcb.com
Newspaper for information disclosure (domestic shares)	China Securities Journal
Listing stock exchange, stock name and stock code	The Stock Exchange of Hong Kong Limited Stock name: CQRC Bank Stock code: 3618
Date and authority of first incorporation	27 June 2008 Administration for Industry and Commerce of Chongqing, the PRC
Registration number of corporate legal person business licence	500000000001239

Code of organisational structure	67612972-8
Financial licence institution number	The Bank holds a financial licence number B0335H250000001 approved by CBRC
Taxation registration number	Yu Guo Shui Zi (渝國税字) No. 500105676129728 Yu Di Shui Zi (渝地税字) No. 500105676129728
Auditors	Deloitte Touche Tohmatsu 35th Floor, One Pacific Place, 88 Queensway, Hong Kong Deloitte Touche Tohmatsu CPA LLP 30th Floor, No. 222 Yan'an East Road, Shanghai, the PRC
Legal advisor as to the PRC laws	Chongqing Jingsheng Law Firm ABC, 16th Floor, Peninsula International Business Tower (半島國際商務大廈), 50 Zou Rong Road, Yuzhong District, Chongqing City, the PRC
Legal advisor as to Hong Kong laws	Morrison & Foerster 33/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Domestic Share Registrar	China Securities Depository and Clearing Co., Ltd. No. 17 Taipingqiao Avenue, Xicheng District, Beijing, PRC

Management Discussion and Analysis

FINANCIAL REVIEW

The first half of 2013 passed swiftly amidst an overall improved global economy. However, the economic growth was still feeble. Three major risk factors, namely debt crisis in the euro area, fiscal cliff in the United States and sharp slowdown of certain developing countries, left the world economy downside risks and uncertainties. According to the latest report published by the United Nations entitled World Economic Situation and Prospects as of mid-2013, the growth of Gross World Product (GWP) is expected to be 2.3% in 2013, 0.1 percentage point lower than the forecast at the beginning of the year.

The environment is complex and ever-changing at home and abroad. Chinese new leaders, insisting on the keynote of seeking progress while maintaining stability, continued to carry out proactive fiscal policy and prudent monetary policy. Focusing on improving the quality and efficiency of economic growth, a reform was launched to propel the adjustment, and the adjustment in turn promoted the development. The national economy achieved progress in a steady manner. In the first half of the year, the gross domestic product (GDP) amounted to RMB24,800.9 billion, a year-on-year increase of 7.6%. On a month-on-month basis, GDP increased by 1.7% in the second quarter. The fixed assets investment reached RMB18,131.8 billion, a year-on-year increase of 20.1%. As at the end of June 2013, outstanding broad money (M2) reached RMB105.45 trillion, up 14.0% year on year; outstanding narrow money (M1) reached RMB31.36 trillion, up 9.1% year on year. As at the end of June 2013, the balance of RMB loan amounted to RMB68.08 trillion. New RMB-denominated loans amounted to RMB5.08 trillion, representing a year-on-year increase of RMB221.7 billion. The balance of RMB deposits amounted to RMB100.91 trillion. New RMB-denominated deposits amounted to RMB9.09 trillion, representing a year-on-year increase of RMB1.71 trillion.

In the first half of 2013, Chongqing Municipal Government focused on improving the quality and efficiency of economic growth, accelerated the economic transition and development, thus maintained a sound development momentum of economy with progress achieved in stability. In the first half of 2013, the Gross Regional Product (GRP) of Chongqing reached RMB584.051 billion, representing a year-on-year increase of 12.4%. The fixed assets investment reached RMB453.116 billion, representing a year-on-year increase of 21.3%. Foreign trade maintained a relatively fast growth, with the total exports and imports reached US$30.159 billion, representing a year-on-year increase of 20.4% in the first half of 2013. The total amount of exports and imports of Chongqing was among the top 10 in the PRC for the first time and ranked the first place in the western region of China.

I. Income Statement Analysis

(Expressed in RMB million, unless otherwise stated)	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Change in amount	Change (%)
Net interest income	**7,592.5**	6,234.4	1,358.1	21.78
Net fee and commission income	**303.0**	179.1	123.9	69.18
Net trading gain	**38.2**	83.3	(45.1)	(54.14)
Other operating income (losses), net	**29.6**	6.4	23.2	362.50
Operating income	**7,963.3**	6,503.2	1,460.1	22.45
Operating expenses	**(3,260.5)**	(2,586.2)	(674.3)	26.07
Impairment on assets	**(463.7)**	(237.7)	(226.0)	95.08
Net (losses) gain on disposal of available-for-sale financial assets	**(0.01)**	0.01	(0.02)	(200.00)
Profit before tax	**4,239.1**	3,679.3	559.8	15.21
Income tax expense	**(1,019.4)**	(869.2)	(150.2)	17.28
Net profit	**3,219.7**	2,810.1	409.6	14.58

In the first half of 2013, the Group recorded profit before tax of RMB4,239 million, representing an increase of 15.21% over the same period of the previous year, and net profit of RMB3,220 million, representing an increase of 14.58% over the same period of the previous year. Profit before tax and net profit saw faster growth year on year, which was primarily due to an increase of RMB1,358 million, or 21.78% of net interest income over the same period of the previous year, resulting from a steady growth of interest-earning assets.

(I) Net interest income

In the first half of 2013, the Group recorded a net interest income of RMB7,593 million, representing an increase of RMB1,358 million, or 21.78% over the same period of the previous year, including an increase of RMB1,416 million of net interest income arising from changes in average balance of various assets and liabilities, and a decrease of RMB58 million in net interest income attributable to the decrease in average yield or average cost rate under the impact of interest rate cut. Net interest income accounted for 95.34% of the total operating income of the Group.

The table below sets forth, for the periods indicated, the interest income, the interest expense and the net interest income of the Group.

(Expressed in RMB million, unless otherwise stated)	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Change in amount	Change (%)
Interest income	**12,902.8**	10,742.6	2,160.2	20.11
Interest expense	**(5,310.3)**	(4,508.2)	(802.1)	17.79
Net interest income	**7,592.5**	6,234.4	1,358.1	21.78

The table below sets forth, for the periods indicated, the average balances of the Group's interest-earning assets and interest-bearing liabilities, the related interest income or interest expense and the average yield (for assets) or average cost rate (for liabilities).

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2013			For the six months ended 30 June 2012		
	Average balance	Interest income/ expense	Annualised average yield/cost rate (%)	Average balance	Interest income/ expense	Annualised average yield/cost rate (%)
Assets						
Loans and advances to customers	**182,145.8**	**6,534.6**	**7.18**	153,532.3	5,803.2	7.56
Debt securities investments	**101,057.9**	**2,937.6**	**5.81**	80,987.2	2,261.6	5.59
Balances with central bank	**61,941.1**	**483.9**	**1.56**	50,639.6	401.5	1.59
Due from banks and other financial institutions	**102,657.2**	**2,946.7**	**5.74**	71,034.3	2,276.3	6.41
Total interest-earning assets	**447,802.0**	**12,902.8**	**5.76**	356,193.4	10,742.6	6.03
Liabilities						
Due to customers	**322,004.5**	**3,237.1**	**2.01**	259,811.3	2,723.1	2.10
Borrowings from central bank	**107.1**	**1.5**	**2.80**	26.4	0.4	3.03
Due to banks and other financial institutions	**86,826.4**	**2,008.5**	**4.63**	62,422.6	1,721.5	5.52
Subordinated bonds	**2,300.0**	**63.2**	**5.50**	2,300.0	63.2	5.50
Total interest-bearing liabilities	**411,238.0**	**5,310.3**	**2.58**	324,560.3	4,508.2	2.78
Net interest income		**7,592.5**			6,234.4	
Net interest spread			**3.18**			3.25
Net interest margin			**3.39**			3.50

Under the influence of two interest rate cuts in 2012, the average yield on overall interest-earning assets decreased by 27 basis points to 5.76% from the same period of the previous year. Both the average cost rate of due to customers and the average cost rate of deposits from banks and other financial institutions declined from the same period of the previous year, whereas the average cost rate of overall interest-bearing liabilities decreased by 20 basis points to 2.58% from the same period of the previous year. The average yield of interest-earning assets decreased by 27 basis points from the same period of the previous year, the average cost rate for interest-bearing liabilities decreased by 20 basis points from the same period of the previous year, resulting in a decrease of 7 basis points in net interest spread to 3.18% from the same period of the previous year, whereas the net interest margin dropped by 11 basis points to 3.39% from the same period of the previous year.

The following table sets out the changes in the Group's interest income and interest expense as compared with the same period of the previous year due to changes in volume and interest rate. Changes in volume are measured by the movement of average balance, while changes in interest rate are measured by the movement of average interest rate.

(Expressed in RMB million, unless otherwise stated)	Volume factor	Rate factor	Changes in interest income/ expense
Assets			
Loans and advances to customers	1,027.2	(295.8)	731.4
Debt securities investments	583.1	92.9	676.0
Balances with central bank	88.2	(5.8)	82.4
Due from banks and other financial institutions	907.6	(237.2)	670.4
Changes in interest income	2,606.1	(445.9)	2,160.2
Liabilities			
Due to customers	625.0	(111.0)	514.0
Due to banks and other financial institutions	565.6	(277.5)	288.1
Changes in interest expense	1,190.6	(388.5)	802.1

1. Interest Income

In the first half of 2013, the Group recorded interest income of RMB12,903 million, representing an increase of RMB2,160 million or 20.11% over the same period of the previous year.

(1) Interest Income from Loans and Advances to Customers

The average balance, interest income and annualised average yield for each component of loans and advances to customers of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	**For the six months ended 30 June 2013**			For the six months ended 30 June 2012		
	Average balance	**Interest income**	**Annualised average yield (%)**	Average balance	Interest income	Annualised average yield (%)
Corporate loans	**110,437.8**	**3,951.1**	**7.16**	98,975.4	3,619.3	7.31
Retail loans	**65,504.9**	**2,397.5**	**7.32**	51,349.2	2,048.0	7.98
Discounted bills	**6,203.1**	**186.0**	**6.00**	3,207.7	135.9	8.47
Total loans and advances to customers	**182,145.8**	**6,534.6**	**7.18**	153,532.3	5,803.2	7.56

Interest income from loans and advances to customers amounted to RMB6,535 million, representing an increase of RMB731 million or 12.60% over the same period of the previous year, primarily due to the increase in average balance of loans and advances to customers.

(2) Interest Income from Debt Securities Investments

In the first half of 2013, interest income from debt securities investments of the Group amounted to RMB2,938 million, representing an increase of RMB676 million or 29.89% over the same period of the previous year, primarily owing to the rise in both the average balance and average yield of debt securities investments.

(3) Interest Income from Balances with Central Bank

In the first half of 2013, the Group's interest income from balances with central bank amounted to RMB484 million, representing an increase of 82 million or 20.52% over the same period of the previous year, which was primarily due to an increase of 22.32% in average balance of balances with central bank over the same period of the previous year, following the increase in due to customers.

(4) Interest Income from Due from Banks and Other Financial Institutions

The average balance, interest income and annualised average yield for each component from due from banks and other financial institutions of the Group are set forth as follows:

	For the six months ended 30 June 2013			For the six months ended 30 June 2012		
(Expressed in RMB million, unless otherwise stated)	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
Deposits and placements with banks and other financial institutions	44,047.7	1,146.1	5.20	33,063.0	951.9	5.76
Financial assets held under resale agreements	58,609.5	1,800.6	6.14	37,971.3	1,324.4	6.98
Total due from banks and other financial institutions	102,657.2	2,946.7	5.74	71,034.3	2,276.3	6.41

In the first half of 2013, the interest income from deposits and placements with banks of the Group amounted to RMB1,146 million, representing an increase of RMB194 million, or 20.40% over the same period of the previous year, which was primarily due to the increase of 33.22% in average balance of deposits and placements with banks as compared to the same period of the previous year. However, under the impact of low market interest rates, the increase was partially offset by the decrease in average yield.

In the first half of 2013, the interest income from financial assets held under resale agreements of the Group amounted to RMB1,801 million, representing an increase of RMB476 million, or 35.96% over the same period of the previous year. This was primarily due to the increase of 54.35% in average balance of financial assets held under resale agreements as compared to the same period of the previous year. However, under the impact of low market interest rates, the increase was partially offset by the decrease in average yield.

2. Interest Expense

In the first half of 2013, interest expense of the Group amounted to RMB5,310 million, representing an increase of RMB802 million, or 17.79% over the same period of the previous year.

(1) Interest Expense on Due to Customers

The average balance, interest expense and annualised average cost rate for each component of due to customers of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2013			For the six months ended 30 June 2012		
	Average balance	**Interest expense**	**Annualised average cost rate (%)**	Average balance	Interest expense	Annualised average cost rate (%)
Corporate deposits						
Demand	**58,346.3**	**133.5**	**0.46**	46,897.1	125.2	0.53
Time	**26,727.2**	**357.8**	**2.68**	17,139.9	193.9	2.26
Subtotal	**85,073.5**	**491.3**	**1.16**	64,037.0	319.1	1.00
Retail deposits						
Demand	**68,823.5**	**135.0**	**0.39**	54,769.5	127.1	0.46
Time	**168,107.5**	**2,610.8**	**3.11**	141,004.8	2,276.9	3.23
Subtotal	**236,931.0**	**2,745.8**	**2.32**	195,774.3	2,404.0	2.46
Total due to customers	**322,004.5**	**3,237.1**	**2.01**	259,811.3	2,723.1	2.10

In the first half of 2013, interest expense on due to customers of the Group amounted to RMB3,237 million, representing an increase of RMB514 million, or 18.88% over the same period of the previous year, which was primarily due to the average balance of due to customers increased by 23.94% over the same period of the previous year. Under the lagging effect of interest rate cut implemented by the central bank in 2012, the average cost rate of due to customers dropped by 9 basis points to 2.01% as compared to the same period of the previous year.

(2) Interest Expense on Due to Banks and Other Financial Institutions

The average balance, interest expense and annualised average cost rate for each component of due to banks and other financial institutions of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2013 Average balance	Interest expense	Annualised average cost rate (%)	For the six months ended 30 June 2012 Average balance	Interest expense	Annualised average cost rate (%)
Deposits and placements from banks and other financial institutions	**44,466.7**	**1,114.1**	**5.01**	23,585.0	728.0	6.17
Financial assets sold under repurchase agreements	**42,359.7**	**894.4**	**4.22**	38,837.6	993.5	5.12
Total due to banks and other financial institutions	**86,826.4**	**2,008.5**	**4.63**	62,422.6	1,721.5	5.52

In the first half of 2013, the Group's interest expense on deposits and placements from banks amounted to RMB1,114 million, representing an increase of RMB386 million, or 53.04% over the same period of the previous year, which was primarily due to the rise in the average balance of deposits from banks and other financial institutions.

In the first half of 2013, the interest expense on financial assets sold under repurchase agreements amounted to RMB894 million, representing a decrease of RMB99 million, or 9.97% from the same period of the previous year, which was primarily due to the decrease of 90 basis points in the average cost rate of financial assets sold under repurchase agreements as compared with the previous year.

3. Net Interest Spread and Net Interest Margin

In the first half of 2013, the Group posted a net interest spread of 3.18%, representing a decrease of 7 basis points from the same period of the previous year. The decrease of the net interest spread reflected a more substantial decrease in the average rate of return on interest-earning assets than the decrease in the average cost rate of interest-bearing liabilities over the same period of the previous year.

In the first half of 2013, the net interest margin was 3.39%, representing a decrease of 11 basis points from the same period of the previous year.

(II) Non-interest Income

1. Net Fee and Commission Income

(Expressed in RMB million, unless otherwise stated)	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Change in amount	Change *(%)*
Fee and commission income	**327.0**	198.8	128.2	64.49
Settlement and clearing fees	**26.4**	16.8	9.6	57.14
Agency commissions	**74.6**	56.9	17.7	31.11
Bank card fees	**80.0**	50.8	29.2	57.48
Custodian and other fiduciary service fees	**4.1**	1.9	2.2	115.79
Consultancy and advisory fees	**138.9**	70.2	68.7	97.86
Others	**3.0**	2.2	0.8	36.36
Fee and commission expense	**(24.0)**	(19.7)	(4.3)	21.83
Net fee and commission income	**303.0**	179.1	123.9	69.18

In the first half of 2013, the net fee and commission income amounted to RMB303 million, representing an increase of RMB124 million or 69.18% over the same period of the previous year, and its proportion to operating income increased by 1.05 percentage points to 3.80%, primarily attributable to the increase in consultancy and advisory fees, bank card fees and agency commissions.

Settlement and clearing fees amounted to RMB26 million, representing an increase of RMB10 million or 57.14% over the same period of the previous year, primarily attributable to an increase in the volume of settlement.

Agency commissions increased by RMB18 million or 31.11% to RMB75 million as compared with the same period of the previous year, which was primarily attributable to the growth in trust agency business volume over the same period of the previous year.

Bank card fees amounted to RMB80 million, representing an increase of RMB29 million, or 57.48% over the same period of the previous year, which was primarily attributable to a continuous increase in resources invested, rapid development of E-banking business and remarkable improvement in card quality, and a sustained stable growth in amount of settled transaction and inter-bank transactions through self-service facilities.

Custodian and other fiduciary service fees amounted to RMB4 million, representing an increase of RMB2 million, or 115.79% over the same period of the previous year.

Consultancy and advisory fees amounted to RMB139 million, representing an increase of RMB69 million, or 97.86% over the same period of the previous year, which was primarily attributable to the growth in wealth management business over the same period of the previous year.

2. Net Trading Gain

Net trading gain primarily comprises changes in the fair value of held-for-trading debt securities and gain arising from trading. In the first half of 2013, the Group's net trading gain amounted to RMB38 million, primarily due to the restructuring of debt securities investment portfolio.

3. Other Operating Income, Net

In the first half of 2013, other operating income, net, amounted to RMB30 million, representing an increase of RMB23 million or 362.5% over the same period of the previous year, which was primarily due to the increase of RMB14 million in the exchange gain (losses) and government subsidy as compared to the same period of the previous year.

(III) Operating expenses

In the first half of 2013, the operating expenses of the Group amounted to RMB3,261 million, representing an increase of RMB674 million, or 26.07% over the same period of the previous year.

(Expressed in RMB million, unless otherwise stated)	**For the Six months ended 30 June 2013**	For the Six months ended 30 June 2012	Change in amount	Change *(%)*
Staff costs	**2,006.9**	1,540.5	466.4	30.28
Business tax and surcharges	**503.9**	437.5	66.4	15.18
Depreciation and amortisation	**225.4**	183.9	41.5	22.57
Others	**524.3**	424.3	100.0	23.57
Total operating expenses	**3,260.5**	2,586.2	674.3	26.07

1. Staff Costs

Staff costs is the largest component of operating expenses of the Group, accounting for 61.55% and 59.57% of its total operating expenses for the six months ended 30 June 2013 and 30 June 2012 respectively.

(Expressed in RMB million, unless otherwise stated)	**For the Six months ended 30 June 2013**	For the Six months ended 30 June 2012	Change in amount	Change *(%)*
Salaries, bonuses and allowances	**1,436.3**	1,142.9	293.4	25.67
Staff welfare, social insurance and housing funds	**385.8**	304.3	81.5	26.78
Others	**184.8**	93.3	91.5	98.07
Total staff costs	**2,006.9**	1,540.5	466.4	30.28

In the first half of 2013, staff costs of the Group amounted to RMB2,007 million, representing an increase of RMB466 million, or 30.28% over the same period of the previous year, which was primarily due to an increase of RMB293 million in salaries, bonuses and allowances over the same period of the previous year as a result of stricter compliance with the results of quarterly evaluations in granting bonuses and allowances. Staff welfare, social insurance and housing funds increased by RMB82 million, or 26.78% over the same period of the previous year, which was primarily due to the recognition of actuarial losses on retirement benefits amounted to RMB44 million.

2. Business Tax and Surcharges

Business tax and surcharges mainly relate to revenue generated from lending (interest income), transfer of securities and provision of other financial products and services. In the first half of 2013, business tax and surcharges amounted to RMB504 million, representing an increase of RMB66 million, or 15.18% over the same period of the previous year.

3. Depreciation and Amortisation

In the first half of 2013, depreciation and amortisation of the Group was RMB225 million, representing an increase of RMB42 million, or 22.57% over the same period of the previous year, which was primarily due to more investment put in properties and equipment in support of business development.

4. Others

For the six months ended 30 June 2013, other expenses increased by 23.57% to RMB524 million over RMB424 million for the same period of the previous year, primarily due to business expansion.

(IV) Impairment on Assets

Impairment on assets consists primarily of provisions charged on loans and advances to customers and other assets. Provisions charged for impairment on assets was RMB464 million for the six months ended 30 June 2013, representing an increase of RMB226 million or 95.08% over the same period of the previous year.

The following table sets forth, for the periods indicated, the principal components of the provisions for impairment on assets.

(Expressed in RMB million, unless otherwise stated)	**For the Six months ended 30 June 2013**	For the Six months ended 30 June 2012	Change in amount	Change *(%)*
Loans and advances to customers	**460.3**	237.7	222.6	93.65
Other assets	**3.4**	—	3.4	100.00
Total impairment on assets	**463.7**	237.7	226.0	95.08

In the first half of 2013, provisions for impairment on loans and advances to customers were RMB460 million, representing an increase of RMB223 million over the same period of the previous year, primarily due to an increase in loans and a strengthened portfolio of provisions on loans as the Group fully took account of the uncertainties hanging over the macro economy.

(V) Income Tax Expense

In the first half of 2013, income tax expense amounted to RMB1,019 million, representing an increase of RMB150 million over the same period of the previous year. The effective tax rate was 24.05%, which was lower than the statutory tax rate due to the fact that the interest income from government bonds held by the Group was tax-free pursuant to tax regulations and the revenue from small-amount loans to farmers was partially tax-exempted.

II. Analysis on Statement of Financial Position

(I) Assets

The following table sets forth, for the dates indicated, the composition of the Group's total assets.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013		As at 31 December 2012	
	Amount	**% of Total**	Amount (Restated)	% of Total
Loans and advances to customers, gross[1]	**192,328.5**	**39.41**	173,559.3	40.01
Allowances for impairment on loans and advances to customers[1]	**(6,537.7)**	**(1.34)**	(5,944.4)	(1.37)
Loans and advances to customers, net	**185,790.8**	**38.07**	167,614.9	38.64
Investment securities[2]	**78,854.9**	**16.16**	82,987.2	19.13
Investments in associates	**100.0**	**0.02**	100.0	0.02
Cash and balances with central bank	**71,631.7**	**14.68**	58,964.1	13.59
Deposits with banks and other financial institutions	**21,045.3**	**4.31**	12,263.1	2.83
Placements with banks and other financial institutions	**41,264.0**	**8.46**	29,748.9	6.86
Financial assets held under resale agreements	**53,704.1**	**11.01**	51,765.1	11.93
Financial assets held for trading	**5,705.2**	**1.17**	3,774.3	0.87
Financial assets designated as at fair value through profit or loss	**20,648.7**	**4.23**	18,112.6	4.18
Goodwill	**440.1**	**0.09**	440.1	0.10
Other assets[3]	**8,791.9**	**1.80**	8,056.8	1.85
Total assets	**487,976.7**	**100.00**	433,827.1	100.00

Notes:

(1) Loans and advances to customers, gross and allowances for impairment on loans and advances to customers were disclosed on basis of the contractual amount, resulting in discrepancies with those set out in the condensed consolidated financial statements prepared under the IFRS.

(2) Investment securities consist of available-for-sale financial assets, held-to-maturity investments and debt securities classified as receivables.

(3) Other assets consist of property and equipment, deferred tax assets and other assets.

As at 30 June 2013, the Group's total assets amounted to RMB487,977 million, representing an increase of RMB54,150 million, or 12.48% as compared to the end of the previous year. Among which:

The amount of gross loans and advances to customers increased by RMB18,769 million, or 10.81% as compared to the end of the previous year. This was primarily due to the fact that the Group increased loans to prime projects and key customers under effective risk control, whilst extending its support to areas with great market potentials and robust customer demand in line with the features in the economic development of Chongqing;

Investment securities decreased by RMB4,132 million or 4.98% as compared to the end of the previous year, primarily due to decreased holdings of treasury bonds classified as receivables and wealth management products;

Cash and balances with central bank increased by RMB12,668 million, or 21.48% as compared to the end of the previous year, primarily because of the growth in reserve deposits with central bank following the increase in due to customers;

The total amount of deposits with banks and other financial institutions and placements with banks and other financial institutions increased by RMB20,297 million or 48.31%, whilst the proportion to total assets increased by 3.08 percentage points as compared to the end of the previous year, primarily due to the enhancement of utilisation efficiency of surplus funds under the premise of ensuring sufficiency of liquidity;

Financial assets held under resale agreements increased by RMB1,939 million or 3.75% as compared to the end of the previous year. This was mainly because the Group increased holdings of trust beneficial rights held under resale agreements to enhance capital utilisation efficiency.

1. Loans and advances to customers (Contractual amount)

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013		As at 31 December 2012	
	Amount	**% of Total**	Amount	% of Total
Corporate loans	**115,093.2**	**59.84**	106,204.8	61.19
Short-term loans[1]	**28,988.2**	**15.07**	22,771.2	13.12
Medium-and long-term loans[2]	**86,105.0**	**44.77**	83,433.6	48.07
Retail loans	**71,571.4**	**37.21**	62,098.1	35.78
Residential mortgage and personal commercial property loans [3]	**40,065.8**	**20.83**	35,184.5	20.27
Personal business and re-employment loans[4]	**23,273.4**	**12.10**	18,764.9	10.81
Loans to farmers[5]	**1,432.3**	**0.74**	1,569.5	0.90
Others[6]	**6,799.9**	**3.54**	6,579.2	3.80
Discounted bills	**5,663.9**	**2.95**	5,256.4	3.03
Loans and advances to customers, gross	**192,328.5**	**100.00**	173,559.3	100.00

Notes:

(1) Short-term loans primarily consist of loans with contractual maturities of one year or less.

(2) Medium-and-long-term loans primarily consist of loans with contractual maturities over one year.

(3) Residential mortgage and personal commercial property loans primarily consist of personal mortgage loans, second mortgage loans and loans to retail customers to acquire property for small business purposes, such as store premises.

(4) Personal business and re-employment loans primarily consist of personal loans for business purposes, personal working capital loans and employment and re-employment related small amount loans.

(5) Loans to farmers primarily consist of rural cross-guaranteed loans, rural small credit loans and rural home appliance consumption loans.

(6) Other loans mainly include personal commercial property mortgage loans, personal residential maximum mortgage loans, credit card loans, personal car loans, loans for personal durables and personal education loans.

As at 30 June 2013, the amount of gross loans and advances to customers of the Group increased by RMB18,769 million, or 10.81%, to RMB192,329 million as compared to the end of the previous year.

Corporate loans (excluding discounted bills) increased by RMB8,888 million, or 8.37%, to RMB115,093 million as compared to the end of the previous year, and accounted for 59.84% of loans and advances to customers, gross, 1.35 percentage points lower than that of the end of the previous year. During the period, the Group actively adjusted the credit structure in support of the State's industrial policy, and focused on real economy. During the period, loans to manufacturing industry, retail and wholesale industry, as well as the water, environment and public utilities management industry increased by RMB2,578 million, RMB1,449 million and RMB4,820 million respectively, the total of which accounted for 99.53% of additional corporate loans.

The Group also reinforced credit structural adjustment and risk control by looking closely into the general direction and development trend of the industry whilst diligently adopting a differentiated approach to loan extension plans based on different regions, customers and industries under the strategy of "promoting some loans while curtailing others, advancing the superior while exiting the inferior" (「有保有壓、有進有退」). Strict control was imposed on industries with "high pollution, high energy consumption and excess capacity" (「兩高一剩」) as well as the real estate industry. In particular, the balance of loans to the real estate industry decreased by 1.64 percentage points as compared to the end of the previous year.

Retail loans increased by RMB9,473 million, or 15.26%, to RMB71,571 million as compared to the end of the previous year, which accounted for 37.21% of total loans and advances to customers with a rise of 1.43 percentage points as compared to the end of the previous year. Among which, the residential mortgage and personal commercial property loans, mainly to finance self-occupied home purchases, rose by RMB4,881 million, or 13.87% as compared to the end of the previous year; personal business and re-employment loans grew by RMB4,509 million, or 24.03% as compared to the end of the previous year; and other loans increased by RMB221 million, or 3.35% as compared to the end of the previous year. In face of complicated market changes, the Group took active measures to avoid systemic risks in markets, and stressed on meeting credit needs of premium personal customers.

Discounted bills increased by RMB408 million, or 7.75%, to RMB5,664 million as compared to the end of the previous year, largely due to the increase in the discounted bills of counter-parties with high credit ratings.

Distribution of loans and advances by type of collateral (Contractual amount)

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

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**% of Total**	Amount	% of Total
Unsecured loans	**15,701.8**	**8.16**	16,313.5	9.40
Guaranteed loans	**34,977.8**	**18.19**	34,369.5	19.80
Collateralised loans	**123,558.8**	**64.24**	108,159.2	62.32
Pledged loans	**18,090.1**	**9.41**	14,717.1	8.48
Loans and advances to customers, gross	**192,328.5**	**100.00**	173,559.3	100.00

Allowance for Impairment on Loans and Advances to Customers (Contractual amount)

The following table sets forth, for the dates indicated, the impairment on loans and advances to customers.

(Expressed in RMB million, unless otherwise stated)	Allowance for impairment losses on loans and advances which is collectively assessed [1]	Impaired loans and advances identified [2]		Total
		For which allowance is collectively assessed	For which allowance is individually assessed	
As at 1 January 2013	**4,807.4**	**639.4**	**497.6**	**5,944.4**
Charge for the period	**3,235.0**	**140.2**	**54.7**	**3,429.9**
Reverse for the period	**(2,524.9)**	**(200.8)**	**(243.9)**	**(2,969.6)**
Recovery of loans and advances previously written off	**—**	**118.5**	**36.9**	**155.4**
Unwinding of discount on allowance	**(2.7)**	**(1.2)**	**(18.5)**	**(22.4)**
The balance as at 30 June 2013	**5,514.8**	**696.1**	**326.8**	**6,537.7**

Notes:

(1) Loans and advances to customers for which allowance is collectively assessed consist of loans and advances which have not been specifically identified as impaired.

(2) Identified impaired loans and advances include loans for which objective evidence of impairment exists and which have been identified as bearing an impairment loss and assessed either individually or collectively.

In the first half of 2013, the Group adhered to its prudent principle and was in strict compliance with the relevant requirements of accounting standards, so as to provide sufficient allowances for impaired loans and advances to customers whilst fully considering external economic dynamics and macro monitoring policies. As at 30 June 2013, balance of allowances for impairment on loans and advances to customers increased by RMB593 million to RMB6,538 million over the end of the previous year. The allowance to non-performing loans was 464.82%, representing an increase of 114.22 percentage points as compared with the end of the previous year.

2. Investments

The following table sets forth, for the dates indicated, the composition of the Group's investments.

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**% of Total**	Amount	% of Total
Financial assets held for trading	**5,705.2**	**5.42**	3,774.3	3.60
Financial assets designated as at fair value through profit or loss	**20,648.7**	**19.63**	18,112.6	17.27
Available-for-sale financial assets	**6,023.7**	**5.73**	4,599.0	4.39
Held-to-maturity investments	**48,679.2**	**46.26**	45,773.8	43.65
Debt securities classified as receivables	**24,152.0**	**22.96**	32,614.4	31.09
Total	**105,208.8**	**100.00**	104,874.1	100.00

As at 30 June 2013, total investments increased by RMB335 million to RMB105,209 million as compared to the end of the previous year, among which, financial assets held for trading increased by RMB1,931 million to RMB5,705 million as compared with the end of the previous year, which was mainly attributable to the Bank's increase in the holdings of corporate bonds with controllable risks and higher yield to adapt to the market. Financial assets designated as at fair value through profit or loss of the period increased by RMB2,536 million or 14.00% as compared to the end of the previous year, primarily due to the achievement of higher profit resulting from the Group's timely seizing of the market opportunities and proactive adjustment of the investment structure. Available-for-sale financial assets increased by RMB1,425 million as compared to the end of previous year, primarily due to increase in holdings of corporate bonds with controllable risk and higher yield. Held-to-maturity investments increased by RMB2,905 million as compared to the end of previous year, primarily due to increased holdings of corporate bonds and public sector, quasi-government bonds with comparatively higher yields within the credit facility limits. Debt securities classified as receivables decreased by RMB8,462 million as compared to the end of the previous year, primarily due to strict control of credit risk and adjustment in investment structure upon the maturity of certain wealth management products.

Debt Securities Investments

The following table sets forth, for the dates indicated, the composition of debt securities investments of the Group.

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**% of Total**	Amount	% of Total
Government bonds	**8,200.4**	**7.80**	8,696.6	8.30
Public sector, quasi-government bonds	**23,005.3**	**21.88**	21,464.2	20.48
Financial institution bonds	**5,069.9**	**4.82**	3,049.9	2.91
Corporate bonds	**26,632.4**	**25.32**	23,570.5	22.49
Debt instruments issued by financial institutions	**42,256.8**	**40.18**	48,044.0	45.82
Total	**105,164.8**	**100.00**	104,825.2	100.00

(II) Liabilities

The following table sets forth, for the dates indicated, the composition of total liabilities of the Group.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013 Amount	% of Total	As at 31 December 2012 Amount (Restated)	% of Total
Due to customers	**338,523.1**	**74.59**	294,510.5	73.33
Deposits and placements from banks and borrowings from central bank	**54,127.7**	**11.93**	49,203.9	12.25
Financial assets sold under repurchase agreements	**44,511.5**	**9.81**	42,639.3	10.62
Debt securities issued	**2,300.0**	**0.51**	2,300.0	0.57
Other liabilities[1]	**14,345.4**	**3.16**	12,957.7	3.23
Total liabilities	**453,807.7**	**100.00**	401,611.4	100.00

Note:

(1) Other liabilities consist of accrued staff costs, taxes payable, interest payable, other payables and financial liabilities designated as at fair value through profit or loss.

As at 30 June 2013, total liabilities increased by RMB52,196 million, or 13.00%, to RMB453,808 million as compared to the end of the previous year. Due to customers are the Group's largest source of capital, which grew by RMB44,013 million or 14.94% as compared to the end of the previous year. Deposits and placements from banks and borrowings from central bank and financial assets sold under repurchase agreements increased by RMB6,796 million or 7.40% over the end of the previous year.

Due to Customers

The following table sets forth, for the dates indicated, the composition of due to customers of the Group.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013		As at 31 December 2012	
	Amount	**% of Total**	Amount	% of Total
Corporate deposits	**84,829.2**	**25.06**	72,480.1	24.61
Demand deposits	**76,058.6**	**22.47**	64,069.1	21.75
Time deposits	**8,770.6**	**2.59**	8,411.0	2.86
Retail deposits	**245,096.6**	**72.40**	217,409.4	73.82
Demand deposits	**67,265.1**	**19.87**	60,528.0	20.55
Time deposits	**177,831.5**	**52.53**	156,881.4	53.27
Pledged deposits	**8,408.9**	**2.48**	4,477.0	1.52
Other deposits	**188.4**	**0.06**	144.0	0.05
Total due to customers	**338,523.1**	**100.00**	294,510.5	100.00

As at 30 June 2013, total due to customers increased by RMB44,013 million or 14.94% to RMB338,523 million as compared to the end of the previous year. Corporate deposits increased by RMB12,349 million or 17.04% as compared to the end of the previous year, the percentage of which in total due to customers increased by 0.45 percentage point to 25.06% as compared to the end of the previous year. Demand deposits recorded at RMB143,324 million, representing an increase of RMB18,727 million or 15.03% as compared to the end of the previous year. The proportion of demand deposits in total due to customers increased by 0.04 percentage point to 42.34% as compared to the end of the previous year, primarily due to proactive marketing of low-cost deposits.

(III) Shareholders' Equity

The following table sets forth, for the dates indicated, the composition of shareholders' equity of the Group.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013		As at 31 December 2012	
	Amount	**% of Total**	Amount (Restated)	% of Total
Share capital	**9,300.0**	**27.22**	9,300.0	28.87
Capital reserve	**9,201.9**	**26.93**	9,201.9	28.56
Investment revaluation reserve	**5.5**	**0.01**	(13.1)	(0.04)
Actuarial changes reserve	**26.1**	**0.08**	(13.8)	(0.04)
Surplus reserve	**5,797.7**	**16.97**	5,797.7	18.00
General reserve	**5,497.3**	**16.09**	2,847.8	8.84
Retained earnings	**3,773.3**	**11.04**	4,786.4	14.85
Equity attributable to equity holders of the Bank	**33,601.8**	**98.34**	31,906.9	99.04
Non-controlling interests	**567.2**	**1.66**	308.8	0.96
Total equity	**34,169.0**	**100.0**	32,215.7	100.00

As at 30 June 2013, paid-in capital recorded RMB9,300 million. Capital reserve reached RMB9,202 million. General reserve increased by RMB2,650 million as compared to the end of the previous year, as the general reserve was required to be not less than an addition reserve of 1.50% of balance of risk assets at the end of the previous year.

III. Loan Quality Analysis (the Group)

(I) Five-Category Classification of Loans

The following table sets forth, for the dates indicated, the distribution of the Group's loans by the five-category classification under which non-performing loans include loans classified into substandard, doubtful and loss categories.

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**% of Total**	Amount	% of Total
Normal	**184,968.9**	**96.17**	167,865.4	96.72
Special mention	**5,953.1**	**3.10**	3,998.4	2.30
Substandard	**437.6**	**0.23**	661.1	0.38
Doubtful	**968.9**	**0.50**	1,034.4	0.60
Loss	**—**	**—**	—	—
Total loans and advances to customers	**192,328.5**	**100.00**	173,559.3	100.00
Amount of non-performing loans	**1,406.5**		1,695.5	
Non-performing loan ratio *(%)*		**0.73**		0.98

Amid complex macro-economic dynamics in the first half of 2013, the Group strengthened its efforts in restructuring its credit structure, conducted a roll-over risk surveillance of credit assets, actively prevented and mitigated risks and strengthened early risk warning and tracking as well as post loan management, resulting in continuous improvement in credit asset quality. As at 30 June 2013, the balance of non-performing loans dropped by RMB289 million from the end of the previous year to RMB1,407 million; while the non-performing loan ratio posted 0.73%, or 0.25 percentage point down from the end of the previous year. The proportions of substandard and doubtful loans were on a decline. The portion of special mention loans accounted for 3.10%, representing an increase of 0.80 percentage point as compared to the end of the previous year, which was mainly attributable to the fact that the Group conducted collation and surveillance on industries and enterprises significantly affected by downturn of economy, categorised the credit risks for the enterprises involved, adopted a more prudent categorisation principle and degraded some normal loans to special mention under the current complex economic dynamics.

(II) Concentration of Loans

1. Concentration by industry and distribution of non-performing loans

The following table sets forth, for the dates indicated, the loans and non-performing loans by industry.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013				As at 31 December 2012			
	Loan amount	Percentage of total (%)	Non-performing loan amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loan amount	Non-performing loan ratio (%)
Corporate loans	**115,093.2**	**59.84**	**625.4**	**0.54**	106,204.8	61.19	939.2	0.88
Manufacturing	**31,451.4**	**16.35**	**166.6**	**0.53**	28,873.9	16.64	281.5	0.97
Production and supply of electricity, gas and water	**6,748.0**	**3.51**	**28.8**	**0.43**	6,633.9	3.82	19.8	0.30
Real estate	**14,536.1**	**7.56**	**227.6**	**1.57**	15,962.1	9.20	403.6	2.53
Leasing and commercial services	**3,356.0**	**1.74**	**5.8**	**0.17**	3,094.5	1.78	20.6	0.67
Water, environment and public utilities management	**23,235.9**	**12.08**	**0.4**	**0.00**	18,415.6	10.61	0.4	0.00
Construction	**7,810.9**	**4.06**	**26.5**	**0.34**	8,807.3	5.07	15.8	0.18
Retail and wholesale	**7,972.0**	**4.14**	**21.3**	**0.27**	6,522.9	3.76	21.4	0.33
Others	**19,982.9**	**10.40**	**148.4**	**0.74**	17,894.6	10.31	176.1	0.98
Personal Loans	**71,571.4**	**37.21**	**781.1**	**1.09**	62,098.1	35.78	756.3	1.22
Discounted bills	**5,663.9**	**2.95**	**—**	**—**	5,256.4	3.03	—	—
Total	**192,328.5**	**100.00**	**1406.5**	**0.73**	173,559.3	100.00	1,695.5	0.98

In the first half of 2013, to cope with the tumultuous and ever-changing external economic conditions, the Group continued to optimise its industry-specific lending and exit criteria for customers and further refined the management of industry quotas. The amount of non-performing loans and non-performing loan ratios of the real estate industry and the manufacturing industry continued to trend downwards. The amount of non-performing loans of such industries decreased by RMB176 million and RMB115 million whilst the non-performing loan ratios dropped by 0.96 percentage point and 0.44 percentage point as compared with the end of the previous year, respectively.

2. Concentration of borrowers

In the first half of 2013, the Group's total loans to its largest single borrower accounted for 7.12% of its net capital while total loans to its top ten clients accounted for 39.73% of its net capital, both are in compliance with regulatory requirements. As at 30 June 2013, the Group's loans to top ten largest single borrowers were not non-performing loans.

(1) Indicator of concentration

Major Regulatory Indicators	Regulatory Standard	**As at 30 June 2013**	As at 31 December 2012
Loan ratio for the largest single borrower *(%)*	≤10%	**4.81**	6.27
Loan ratio for a single group borrower *(%)*	≤15%	**7.12**	7.10

(2) Loans to top ten single borrowers

(Expressed in RMB million, unless therwise stated)	Industry	**As at 30 June 2013** **Amount**	**Percentage of the total amount of loans *(%)***
Borrower A	Water, environmental and public utility management	**2,784.0**	**1.45**
Borrower B	Water, environmental and public utility management	**1,882.0**	**0.98**
Borrower C	Real estate	**1,630.0**	**0.85**
Borrower D	Manufacturing	**1,598.7**	**0.83**
Borrower E	Water, environmental and public utility management	**1,475.0**	**0.77**
Borrower F	Construction	**1,346.3**	**0.70**
Borrower G	Agricultural, forestry, animal husbandry and fishery	**1,291.3**	**0.67**
Borrower H	Water, environmental and public utility management	**1,232.0**	**0.64**
Borrower I	Real estate	**1,164.5**	**0.61**
Borrower J	Water, environmental and public utility management	**1,133.5**	**0.59**

(III) Distribution of loans and non-performing loans by product type

The following table sets forth, for the dates indicated, the loans and non-performing loans by product type.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013 Loan amount	Non-performing loan amount	Non-performing loan ratio (%)	As at 31 December 2012 Loan amount	Non-performing loan amount	Non-performing loan ratio (%)
Corporate loans	**115,093.2**	**625.4**	**0.54**	106,204.8	939.2	0.88
Short-term loans	**28,988.2**	**71.7**	**0.25**	22,771.2	97.5	0.43
Medium- and long-term loans	**86,105.0**	**553.7**	**0.64**	83,433.6	841.7	1.01
Retail Loans	**71,571.4**	**781.1**	**1.09**	62,098.1	756.3	1.22
Residential mortgage and personal commercial property loans	**40,065.8**	**73.7**	**0.18**	35,184.5	60.5	0.17
Personal business and re-employment loans	**23,273.4**	**217.8**	**0.94**	18,764.9	204.2	1.09
Loans to farmers[1]	**1,432.3**	**311.8**	**21.77**	1,569.5	323.7	20.62
Others[2]	**6,799.9**	**177.8**	**2.61**	6,579.2	167.9	2.55
Discounted bills	**5,663.9**	**—**	**—**	5,256.4	—	—
Total	**192,328.5**	**1,406.5**	**0.73**	173,559.3	1,695.5	0.98

(1) Loans to farmers primarily consist of rural cross-guaranteed loans, rural small credit loans and rural home appliance consumption loans.

(2) Other loans include personal commercial property mortgage loans, personal residential maximum mortgage loans, credit card loans, personal car loans, loans for personal durables and personal education loans.

As at 30 June 2013, non-performing ratio of corporate loans decreased by 0.34 percentage point to 0.54% as compared with the end of the previous year, whereas non-performing ratio of retail loans decreased by 0.13 percentage point to 1.09% as compared with the end of the previous year.

(IV) Rescheduled loans and advances to customers

The following table sets forth, for the dates indicated, the Group's rescheduled loans and advances to customers.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013 Amount	As at 30 June 2013 % of the total loans and advances	As at 31 December 2012 Amount	As at 31 December 2012 % of the total loans and advances
Rescheduled loans and advances to customers	**226.0**	**0.12**	237.0	0.14

(V) Overdue loans and advances to customers

The following table sets forth, for the dates indicated, the ageing analysis of the Group's overdue loans and advances to customers.

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013 Amount	As at 30 June 2013 % of the total loans and advances	As at 31 December 2012 Amount	As at 31 December 2012 % of the total loans and advances
Past due within 3 months	**1,578.2**	**0.82**	1,323.1	0.76
Past due for 3 months to 1 year	**271.9**	**0.15**	207.3	0.12
Past due for over 1 year and within 3 years	**281.8**	**0.15**	661.3	0.38
Past due for more than 3 years	**836.5**	**0.43**	688.7	0.40
Total overdue loans and advances to customers	**2,968.4**	**1.55**	2,880.4	1.66

As at 30 June 2013, the total overdue loans and advances amounted to RMB2,968 million, representing an increase of RMB88 million from the end of the previous year. Overdue loans and advances accounted for 1.55%, representing a decrease of 0.11 percentage point from the end of the previous year.

IV. Analysis of Capital Adequacy Ratio

Since 1 January 2013, the Group has commenced the implementation of "Regulation Governing Capital of Commercial Banks (Provisional)" promulgated by the CBRC, which requires that commercial banks shall measure and disclose capital adequacy ratio in accordance with both "Regulation Governing Capital Adequacy Ratios of Commercial Banks" and "Regulation Governing Capital of Commercial Banks (Provisional)" during the transitional period for compliance before the end of 2018.

The following table sets forth, for the date indicated, the relevant information of the Group's capital adequacy ratio measured in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)".

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013
Core tier 1 capital adequacy ratio *(%)*	**10.92**
Tier 1 capital adequacy ratio *(%)*	**10.92**
Capital adequacy ratio *(%)*	**12.71**
Components of capital base	
Core tier 1 capital:	
Portion of paid-in capital that may be included	**9,300.0**
Portion of capital reserve that may be included	**9,233.5**
Surplus reserve and general risk reserve	**11,295.0**
Unappropriated profit	**3,773.3**
Non-controlling interests	**478.3**
Total core tier 1 capital	**34,080.1**

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013
Deductible items:	
Goodwill, net of relevant deferred tax liabilities	**(440.1)**
Other intangible assets (excluding land use rights), net of relevant deferred tax liabilities	**(43.2)**
Core tier 1 capital, net	**33,596.8**
Other tier 1 capital:	
Non-controlling interests	**2.4**
Net tier 1 capital	**33,599.2**
Tier 2 capital:	
Tier 2 capital instruments and related premium that may be included	**2,070.0**
Excessive loan allowances	**3,426.3**
Non-controlling interests	**12.7**
Net capital	**39,108.2**
Total risk-weighted assets	**307,688.2**

The following table sets forth, for the dates indicated, the relevant information of the Group's capital adequacy ratio measured in accordance with "Regulation Governing Capital Adequacy Ratios of Commercial Banks".

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**	As at 31 December 2012 (Restated)
Core capital adequacy ratio *(%)*	**12.08**	12.01
Capital adequacy ratio *(%)*	**12.91**	12.92
Components of capital base		
Core capital:		
Share capital	**9,300.0**	9,300.0
Portion of capital reserve that may be included	**9,228.0**	9,175.0
Surplus reserve and general reserve	**11,295.0**	8,645.5
Unappropriated profit	**3,752.3**	3,205.4
Non-controlling interests	**567.2**	308.8
Total core capital	**34,142.5**	30,634.7
Deductible items:		
Goodwill	**(440.1)**	(440.1)
Other deductible items	**(12.7)**	(15.6)
Net core capital	**33,689.7**	30,179.0
Supplementary capital:		
Long-term subordinated bonds	**2,300.0**	2,300.0
Other supplementary capital	**23.7**	—
Total capital base before deductions	**36,466.2**	32,934.7
Deductible items:		
Goodwill	**(440.1)**	(440.1)
Other deductible items	**(25.3)**	(31.3)
Total capital base after deductions	**36,000.8**	32,463.3
Risk-weighted assets and market risk capital adjustment	**278,965.5**	251,194.0

As at 30 June 2013, the capital adequacy ratio, core tier 1 capital adequacy ratio and tier 1 capital adequacy ratio of the Group measured in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" were 12.71%, 10.92% and 10.92%, respectively. The capital adequacy ratio of the Group measured in accordance with "Regulation Governing of Capital Adequacy Ratios of Commercial Banks" decreased by 0.01 percentage point as compared with end of the previous year to 12.91%. The core capital adequacy ratio increased by 0.07 percentage point as compared with the end of the previous year to 12.08%. The change in capital adequacy ratio for the first half of 2013 was mainly due to, on one hand, the transformation of assets structure achieved initial success, and credit-related assets favored personal loan and loans to small and micro enterprises with low risk weightings, the growth of which was higher than that of corporate loans, as a result, capital consumption was reduced, and on the other hand, the Group replenished its capital with transfer of profits of the previous year and excessive loan allowance, thus raised its size of capital, which partially offset the impact of the increase of risk assets and dividends to shareholders on its capital adequacy ratio.

V. Segment Information

(I) Summary of geographical segment

	As at 30 June 2013		As at 31 December 2012	
(Expressed in percentage)	**County Area**	**Urban Area**	County Area	Urban Area
Deposits	**66.72**	**33.28**	67.48	32.52
Loans	**51.15**	**48.85**	48.28	51.72
Assets	**46.49**	**53.51**	46.33	53.67
Loan-to-deposit ratio	**43.56**	**83.38**	42.16	93.74
Non-performing loan ratio	**1.27**	**0.17**	1.81	0.19
Allowance to non-performing loans ratio	**406.35**	**931.32**	271.78	1,035.58

	For the six months ended 30 June 2013		For the six months ended 30 June 2012	
(Expressed in percentage)	**County Area**	**Urban Area**	County Area	Urban Area
Return on average total assets	**1.34**	**1.46**	1.40	1.58
Net fee and commission income to operating income	**2.28**	**5.37**	2.81	2.70
Cost-to-income ratio	**40.10**	**28.97**	41.21	25.11

County Area refers to regions other than urban area of Chongqing City. The information of County Area also includes the information of Jiangsu Zhangjiagang CQRC Village and Township Bank Co., Ltd. (江蘇張家港渝農商村鎮銀行股份有限公司), Sichuan Dazhu CQRC Village and Township Bank Co., Ltd. (四川大竹渝農商村鎮銀行股份有限公司), Yunnan Dali CQRC Village and Township Bank Co., Ltd. (雲南大理渝農商村鎮銀行有限責任公司), Yunnan Xiangyun CQRC Village and Township Bank Co., Ltd. (雲南祥雲渝農商村鎮銀行有限責任公司), Yunnan Heqing CQRC Village and Township Bank Co., Ltd. (雲南鶴慶渝農商村鎮銀行有限責任公司), Guangxi Luzhai CQRC Village and Township Bank Co., Ltd. (廣西鹿寨渝農商村鎮銀行有限責任公司), Fujian Shaxian CQRC Village and Township Bank Co., Ltd. (福建沙縣渝農商村鎮銀行有限責任公司), Fujian Fuan CQRC Village and Township Bank Co., Ltd. (福建福安渝農商村鎮銀行有限責任公司), Yunnan Shangri-La CQRC Village and Township Bank Co., Ltd. (雲南香格里拉渝農商村鎮銀行有限責任公司) and the information of Qujing Branch of Chongqing Rural Commercial Bank (重慶農村商業銀行曲靖分行).

(II) Summary of Business Segment

Operating Income

(Expressed in RMB million, unless otherwise stated)	For the Six months ended 30 June 2013		For the Six months ended 30 June 2012	
	Amount	**% of Total**	Amount	% of Total
Corporate banking business	**2,862.1**	**35.94**	2,255.1	34.68
Retail banking business	**2,428.7**	**30.50**	2,307.1	35.48
Treasury operations business	**2,649.7**	**33.27**	1,934.1	29.74
Unallocated	**22.8**	**0.29**	6.9	0.10
Total operating income	**7,963.3**	**100.0**	6,503.2	100.00

VI. Analysis of Off-balance-sheet Items

Off-balance-sheet items of the Group mainly include contingent liabilities and commitments, such as the credit commitments, capital commitments and operating lease commitments and so on. Credit commitments, the major component of off-balance-sheet items, comprise bank acceptances, credit card commitments, issuance of letters of credit and issuance of letters of guarantee etc. Among which, the bank acceptances, credit card commitments and issuance of letters of credit are the major components. As at 30 June 2013, the balances of bank acceptances, credit card commitments and issuance of letters of credit were RMB9,159 million, RMB1,801 million and RMB594 million, respectively.

VII. Significant Accounting Estimates and Judgments

In determining the carrying amounts of some assets and liabilities and the related profit or loss during the reporting period, the Group makes estimates and judgments in certain aspects according to its accounting policies. These estimates and judgments involve assumptions about items such as risk adjustment to cash flows or discount rates used, and future changes in prices affecting other costs. The Group makes estimates and assumptions based on historical experience and expectations of future events, and reviews them on a regular basis. In addition, the Group needs to make further judgments in respect of the application of accounting policies. The Group's management believes that the estimates and judgments made by the Group reflect appropriately the economic context the Group was subject to. The major areas affected by the estimates and judgments include: provision for financial assets, supplementary retirement benefit and early retirement benefit obligation, fair value of financial instruments, held-to-maturity investments, and income taxes.

BUSINESS OPERATION

I. Corporate Banking Business

The following table sets forth the major operating figures of the corporate banking business and changes thereof.

(Expressed in RMB million, unless otherwise stated)	**For the Six months ended 30 June 2013**	For the Six months ended 30 June 2012	Change *(%)*
Net interest income	**2,760.4**	2,182.1	26.50
Net fee and commission income	**101.7**	73.0	39.32
Operating income	**2,862.1**	2,255.1	26.92
Operating expenses	**(1,489.6)**	(1,074.0)	38.70
Impairment on assets	**(426.0)**	(281.6)	51.28
Profit before tax	**946.5**	899.5	5.23

	As at 30 June 2013	As at 31 December 2012	Change *(%)*
Segment assets	**116,839.7**	106,239.4	9.98

In the first half of 2013, the total profit before tax from the corporate banking business accounted for 22.33% of the Group's profit before tax. The overall growth in corporate loan business of the Group had driven the net interest income of corporate banking business to increase by 26.50% over the same period of the previous year.

1. *Corporate deposits*

   Corporate deposits maintained steady growth. The Group strived to capture the corporate deposits market, thereby maintaining a steady growth in corporate deposits. As at 30 June 2013, the balance of corporate deposits of the Group, including pledged deposits and other deposits, reached RMB93,426 million, which accounted for 27.60% of the balance of deposits of the Group whilst posting a growth of RMB16,325 million or 21.17% over the end of the previous year.

2. *Corporate loans*

   The Group adopted a prudent and moderate credit policy for corporate loans. On credit extension, it persisted in operating in compliance with laws and abided by the principle of "promoting some loans while curtailing others" (有保有壓). The Group effectively observed the macro-economic control policy of the country and expanded its corporate loan business in a prudent, steady and appropriate manner. As at 30 June 2013, the balance of corporate loans (including discounted bills) amounted to RMB120,757 million, representing an increase of RMB9,296 million or 8.34% over the end of the previous year. Meanwhile, asset quality of corporate loans continued to improve, with a balance of non-performing loans (excluding discounted bills) of RMB625 million and a non-performing loan ratio of 0.54%, representing a decrease of RMB314 million and 0.34 percentage point as compared with the end of the previous year, respectively.

   The structure of credit assets continued to improve. On industry structure, in consideration of the 3 pillar industries and 7 key industries of Chongqing, the Group speeded up the integrated development of Chongqing's industry. The Group primarily extended loans to industries of manufacturing, water and environment and public utility management, real estate, retail and wholesale as well as construction, which accounted for 27.33%, 20.19%, 12.63%, 6.93% and 6.79% of the total amount of corporate loans (excluding discounted bills), respectively. In working on its customer portfolio, the Group forged closer collaboration with quality enterprises among the top 500 enterprises in the world, top 500 enterprises of China, top 100 enterprises of Chongqing, industry leaders as well as government institutions whilst maintaining and strengthening its partnership with prime SME customers. As at 30 June 2013, the Group had a total of 4,766 SME customers with RMB91,452 million loans outstanding (including discounted bills), accounting for 75.73% of the corporate loan balance (including discounted bills).

3. *Corporate banking products*

A more established system of corporate banking products has taken shape. Taking regional economy, development of major industries and customer needs, the Bank kept pushing forward innovation in product development. In the first half of 2013, domestic factoring, inventory mortgage business and Bank-Hospital Express business (銀醫通) were officially launched. Research and development concerning new products such as domestic credit letter, overdraft facility of legal person's account, Financing and Leasing Express (融租通), discounted bills with interest payments payable by buyers, and bills pool business has been commenced, and these products are expected to be launched in the second half of the year. Meanwhile, to go along with the trend of industrialisation, economies of scale and integration of agriculture, the Bank keeps actively exploring and introducing innovative modes for financing for agricultural land. These endeavours will improve the Bank's system of corporate banking products.

4. *Corporate customer managers*

The establishment of the corporate customer manager mechanism has been reinforced. Over years of development, the team of the corporate customer managers of the Bank has taken shape with more members and higher quality. To continue improving the team of customer managers, the Bank compiled books and periodicals, offered training based on levels, and conducted examinations prior to commencement of work. These efforts enhanced the business knowledge of customer managers, and improved their overall quality as a team with competitiveness. As at 30 June 2013, the number of corporate customer managers increased by 6.46% as compared to the end of the previous year. The expansion and growth of the team of the corporate customer managers will substantially facilitate the growth of corporate business.

5. *Small and micro enterprise business*

The Bank actively implemented the instructions of the State Council and CBRC on strongly supporting the development of small and micro enterprise business. It has been improving the quality of financial services for small and micro enterprises to support the development of real economy. As at 30 June 2013, the balance of loans to small and micro enterprises reached RMB31,427 million (excluding discounted bills), representing an increase of RMB2,796 million or 9.77% as compared with the end of the previous year.

(1) Specialised institutions for small and micro enterprises

The Bank has been actively facilitating the development of specialised branches for small and micro enterprises. Pursuant to the requirements of "six mechanisms" (「六項機制」) issued by CBRC on lending business for small enterprises, and Guiding Opinions on Establishing Specialised Branches for Small and Micro Enterprises (《關於設立小微企業專營支行的指導意見》) issued by Banking Regulatory Commission Chongqing Bureau, the Bank selected three branch outlets that met the requirements for establishing specialised branches for small and micro enterprises, including Beibei Caijia branch outlet, Jiangjin Shuangfu branch outlet and Wanzhou Gaosuntang branch outlet and upgraded them as specialised branches for small and micro enterprises, so as to further facilitate the "establishment of six mechanisms" (「六項機制建設」) for small and micro enterprises of the Bank, and sharpened the competitive edge of its business.

(2) Credit products for small and micro enterprises

Since this year, the Bank has been optimising and innovating credit products with the philosophy of "change according to customers and the market". On the one hand, an effective system has been established for tracking on the operation of credit products which have entered the market, and collecting customers' feedback and experience on time. The existent products under the "Easy Commercial Loans" (商易貸) series were perfected and optimised. On the other hand, the Bank reinforced its efforts in product innovation, segmented customers and markets, and intended to introduce three specialised products, namely, domestic invoice financing credit (「國內發票融資貸」), order credit (「訂單貸」) and Easy Tax Loans for Small Businesses (「小企業稅易貸」) for segmented customers and markets which lack effective security and third party guarantee. These products meet the needs of industrial chain, commercial circle and individual customers. The credit products system of small and micro enterprises is more complete.

(3) Credit approval process for small and micro enterprises

First, the credit approval process has been streamlined. The investigation reports traditionally presented in words were now changed to tables, which facilitated the review of reviewers and improve the efficiency through more direct presentation. Second, renewal procedures of credit approval have been established for small enterprise customers with existing loans. For small and micro enterprises with existing loans to apply for renewal of the old and make new loans for turnaround of liquidity, creating a case at the front office departments at the headquarters for inspection would not be needed but a direct application to credit approval department for their approval would suffice if their credit ratings have fallen as compared with the end of the previous year and conditions like loan limit, terms and type of guarantee have not changed. Third, information collection has been simplified. In the past, auditor's report was required for credit approval on loans over RMB10 million, but now there is no mandatory requirements on that for credit approval for small enterprises with credit rating above "AA" (including "AA") for loans below RMB30 million (including RMB30 million). The credit approval process for small and micro enterprises is simplified and more convenient.

6. *International business*

The international business experienced a rapid growth. In the first half of 2013, the volume of agency international settlement and agency sale and purchase of foreign exchange handled by the Bank increased by 63.94% and 28.78% year on year to US$757 million and US$370 million, respectively, ranking first among local legal person financial institutions in Chongqing. By putting in more efforts in marketing campaigns, the Bank strived to build its international business into a brand with core competitiveness and distinctive characteristics. The Bank recorded a robust growth in the trade financing business. For the six months ended 30 June 2013, the finance amount reached US$361 million, representing an increase of 81.37% over the same period of the previous year. As the network of correspondent banks further expanded, the Bank has established correspondent banking relationship with 328 well-known banks at home and abroad and obtained credit extension from overseas banks including China CITIC Bank International, Fubon Bank, and Cathay United Bank, thus broadening the channels for capital income and utilisation. Leveraging on continuous improvement of the product system of the international business, the Bank spared no efforts in developing new products of the foreign exchange business and successfully obtained the qualification to develop the business of letter of guarantee for foreign exchange through application to regulatory authorities, and has initiated the application for offshore foreign exchange settlement, and research and development as well as reporting on the transaction of financial derivatives in response to the diversified needs from customers.

7. Investment Banking Business

The Bank maintained steady and rapid growth in its wealth management business. Under the precondition that the capital was utilised in compliance with the requirements of the national macro-control and regulatory policies, the Bank strived to satisfy the needs of investors. In the first half of 2013, the Bank designed and issued 220 tranches of wealth management products in total and raised proceeds of RMB47,626 million, 134.17% higher than that for the corresponding period of previous year. The balance of wealth management products amounted to RMB27,048 million, representing an increase of 103.94% over the corresponding period of the previous year.

II. Personal Banking Business

The table below sets forth the major operating figures of the personal banking business and changes thereof.

(Expressed in RMB million, unless otherwise stated)	**For the Six months ended 30 June 2013**	For the Six months ended 30 June 2012	Changes *(%)*
Net interest income	**2,314.7**	2,266.6	2.12
Net fee and commission income	**114.0**	40.5	181.48
Operating income	**2,428.7**	2,307.1	5.27
Operating expense	**(941.4)**	(928.0)	1.44
Reversals of impairment on assets	**(34.3)**	43.9	(178.13)
Profit before tax	**1,453.0**	1,423.0	2.11

	As at 30 June 2013	As at 31 December 2012	Changes *(%)*
Segment assets	**68,762.1**	59,575.2	15.42

The personal banking business recorded a profit before tax of RMB1,453 million, up 2.11% over the same period of the previous year. Profit of the business maintained steady growth, representing 34.28% as a proportion of the Bank's profit. Personal banking card and agent business have been on steady growth, driving an increase of 181.48% in the fee and commission income of this business as compared with the corresponding period of the previous year.

1. *Retail Deposits*

To address China's macro economic adjustment and intense market competitions, the Bank positioned itself by aligning its brand value services with key marketing campaigns, highlighting streamlined management and taking full advantage of the regional competitiveness of its brands whilst strengthening its active liability management together with targeted sales and marketing strategies. Based on the provision of classification guidance, the transformation of branch outlets in urban areas as well as the promotion of the value of branch outlets, the Bank dedicated itself to extending the base of middle- and high-end customers. The Bank carried forward the campaign of bringing financial services to villages, to communities, to companies, to the market and to the gathering place of immigrant workers (the "Five To-s"), and consolidated its customer base and reinforced its leading edge in the market. For the product and service strategies, the Bank diversified its retail banking products and stepped up efforts in the sales of non-deposit products and the distribution of automatic service machines, in an attempt to secure and attract deposit customers. Moreover, given its efforts in refining the anonymous inspection system, enhancing the quality of counter services, enhancing the team-building of marketing personnel, setting up and improving the differentiated customer service system, boosting customer satisfaction and increasing the proportion of the financial assets owned by middle- and high-end customers, the Bank continued to maintain a stable and rapid growth in retail deposits, which amounted to RMB245,097 million, representing an increase of RMB27,688 million or 12.74% in retail deposits over the end of the previous year. The Bank continued to set itself apart from its counterparts in Chongqing in terms of the total amount, annual growth and market share of retail deposits.

2. *Retail Loans*

With a view to becoming the largest and the best local retail bank, the Bank managed to further consolidate its leading presence in retail loan business by sparing no efforts in creating its retail loan business brand, strengthening its sales and marketing management on retail loans, strengthening its capability of price negotiation and price level subject to negotiation, optimising its credit structure whilst actively developing employment assistance loans and personal automobile loans (個人汽車消費貸款). The Bank also proactively promoted residential mortgage loans for first housing with over 98% of its loans customers on first housing. It further strengthened its ties with leading real estate developers and large-scale automobile distributors in Chongqing City. Initiatives were further introduced to equip its retail loan centres with consolidated services and to optimise the process of retail loan business for more efficient and better customer services in a sustainable manner. Henceforward, retail loans maintained steady growth. As at 30 June 2013, the balance of retail loans amounted to RMB71,571 million, representing an increase of RMB9,473 million or 15.26% over the end of the previous year. In particular, residential mortgage and personal commercial property loans amounted to RMB40,066 million, posting a growth of RMB4,881 million or 13.87% over the end of the previous year.

Policy loans saw a steady growth. The government-supported employment and re-employment related small amount loans, a cutting-edge policy-based loan project of the Bank, had remarkably contributed to the employment conditions of the urban and rural citizens of Chongqing and the profitability of the Bank. The Bank deepened its communication with regional fiscal and employment departments. Through measures such as raising the cap of credit line for a single household and raising the proportion for guarantee fund, the Bank effectively eliminated the setback against business development due to the low cap of credit line and insufficient guarantee fund, and led to a steady and fast growth in employment and re-employment related small amount loans. As at 30 June 2013, the balance of employment and re-employment related small amount loans reached RMB4,197 million, representing an increase of RMB459 million or 12.29% over the end of the previous year.

3. *Bank Cards*

The Bank is committed to branding a bank card business with distinctive features. On one hand, the Bank has been enriching bank card product series, on another, it scaled up the promotion of products and services. Through the marketing campaign for bank card series featuring the fifth anniversary of the Bank, the Bank realised integrate promotion of card issuance and acquiring market, the two major businesses. By initiating large-scale featured campaigns together with famed businesses in the city, the Bank kept expanding the influence of "One Alliance" (1聯盟) in the market. Taking the chance of transformation of outlets and the initiation of the "Five To-s" (五走進), the Bank scaled up the promotion of cutting-edge customised products such as Jiangyu Xiangqing Card (江渝鄉情卡) and Farmer's Fortune Card (福農卡) as well as products with differentiated services, namely VIP debit card, gold, platinum and diamond cards. For the six months ended 30 June 2013, the total number of debit cards in issue reached 11,873,500, representing an increase of 1,070,100 or 9.91% as compared with that at the end of the previous year; spending related to credit cards amounted to RMB30,150 million; the fee income reached RMB79,989,000, representing an increase of 57.35% over the same period of the previous year. The number of credit cards in issue had accumulated to 73,800, an increase of 8,300 or 12.67% over the end of the previous year; while spending related to credit cards amounted to RMB5,617 million, representing an increase of 169.79% over the same period of the previous year; the balance of loans amounted to RMB1,581 million, representing an increase of RMB358 million over the end of the previous year.

4. Agency Business

The structure of revenue of intermediary business was optimised with enriched sales techniques. Through activities such as "Wealth Management on Campus" and "Wealth Salons" co-organised with Chongqing TV Station, the Bank consolidated and expanded the base of quality customers. It initiated "Tour Sales of Precious Metal" and simplified the sales procedures of precious metal for customers to have better purchasing experiences. The income from distribution of precious metals was RMB53.19 million, representing an increase of 289.1% as compared with the corresponding period of the previous year. The income from the sale of insurance was RMB723 million, and that from the sale of funds was RMB512 million.

III. Treasury Business

The following table sets forth the major operating figures of the treasury business of the Group and the changes thereof.

(Expressed in RMB million, unless otherwise stated)	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Changes *(%)*
Net interest income	**2,517.4**	1,785.7	40.98
Net fee and commission income	**87.3**	65.6	33.08
Net trading gain	**38.2**	83.3	(54.14)
Other operating income (loss), net	**6.8**	(0.5)	(1,460.00)
Operating income	**2,649.7**	1,934.1	37.00
Operating expense	**(829.5)**	(584.2)	41.99
Impairment on assets	**(3.4)**	—	100.00
Net (loss) gain on disposal of available-for-sale financial assets	**(0.01)**	0.01	(200.00)
Profit before tax	**1,816.8**	1,349.9	34.59

	As at 30 June 2013	As at 31 December 2012	Changes *(%)*
Segment assets	**296,478.3**	262,315.7	13.02

Since the beginning of this year, the interbank yield dropped significantly with the release of liquidity. In the meantime, issue of trust, wealth management and other relevant products decreased due to the decrease in the demand of financing from business enterprises, drop in economic growth and the further opening of direct financing channels. Compared to the previous year, the investment environment this year was more complicated and the pressure on capital utilisation increased. Under this situation, the Bank selectively targeted at the investment of bonds, wealth management, bills and interbank lending with increased investment in bonds and interbank lending and innovation in financial products, thereby maintained stable growth in profit in a capital market where the spread of the interest rates was tightening.

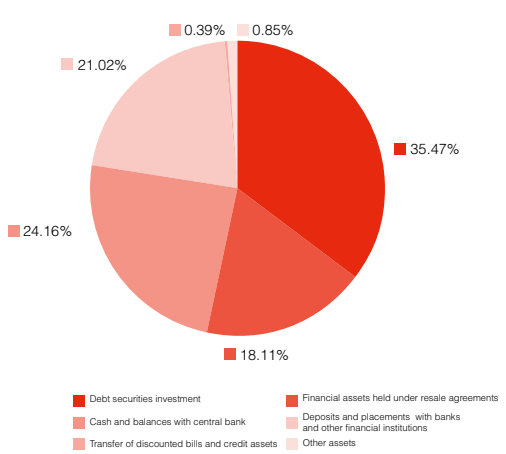
Firstly, the Bank adopted prudent operation style and multiple financing channels, effectively guarding against liquidity risk. Secondly, the Bank swiftly seized market opportunities and continued to expand the business of bills held under resale agreement so as to ensure a steady growth in earnings. Thirdly, the Bank strove to raise the efficiency of capital operation by stressing the refinement of risk management. Fourthly, the Bank improved its interbank lending business, created new investments in trust plans and purchased business of beneficial interests in trust plan held under resale agreements, thereby further broadening its capital utilisation channels and increasing exchange and cooperation with peers.

The treasury businesses recorded profit before tax of RMB1,817 million in the first half of 2013, representing an increase of RMB467 million or 34.59% as compared with the same period of the previous year, which contributed 42.86% to the Group's profit and became an important source of profit of the Group.

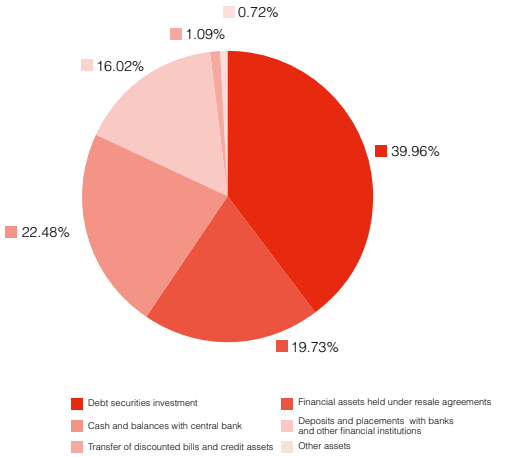
1. Segment Assets

(Expressed in RMB million, unless otherwise stated)	As at 30 June 2013 Amount	Percentage (%)	As at 31 December 2012 Amount	Percentage (%)
Debt securities investments	**105,164.8**	**35.47**	104,825.2	39.96
Financial assets held under resale agreements	**53,704.1**	**18.11**	51,765.1	19.73
Cash and balances with central bank	**71,631.7**	**24.16**	58,964.1	22.48
Deposits and placements with banks and other financial institutions	**62,309.3**	**21.02**	42,012.0	16.02
Transfer of discounted bills and credit assets	**1,150.8**	**0.39**	2,855.0	1.09
Other assets	**2,517.6**	**0.85**	1,894.3	0.72
Total assets	**296,478.3**	**100.00**	262,315.7	100.00

Structure of operating assets as at 30 June 2013



Structure of operating assets as at 31 December 2012



As at 30 June 2013, the total size of operating assets was RMB296,478 million, representing an increase of RMB34,163 million or 13.02% as compared with the end of the previous year. In particular, debt securities investments increased by RMB340 million or 0.32%; cash and balances with central bank increased by RMB12,668 million or 21.48%; financial assets held under resale agreements increased by RMB1,939 million or 3.75%; deposits and placements with banks and other financial institutions increased by RMB20,297 million or 48.31%; transfer of discounted bills and credit assets decreased by RMB1,704 million or 59.69%, mainly due to the fact that the Group has moderately adjusted credit structure, reduced the scale of transfer of discounted bills and credit assets and raised the proportion of credit for quality institutional customers.

2. *Debt Securities Investments*

(1) Distribution of Debt Securities Investments by Holding Purpose

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Held-to-maturity debt securities	**48,679.2**	**46.28**	45,773.8	43.67
Debt securities classified as receivables	**24,152.0**	**22.97**	32,614.4	31.11
Debt securities at fair value through profit or loss	**26,354.0**	**25.06**	21,886.9	20.88
Available-for-sale debt securities	**5,979.6**	**5.69**	4,550.1	4.34
Total	**105,164.8**	**100.00**	104,825.2	100.00

In the first half of 2013, the Group continued to implement the categorisation management of its debt securities investment accounts. Apart from taking held-to-maturity debt securities as the major investment target, the Bank took the market into consideration and moderately invested in certain debt securities categorised as receivables and held for trading. As at 30 June 2013, the Group saw an increase of RMB2,905 million or 2.61 percentage points in proportion in held-to-maturity debt securities as compared with the end of the previous year, a decrease of RMB8,462 million or 8.14 percentage points in proportion in debt securities categorised as receivables over the end of the previous year as well as an increase of RMB4,467 million or 4.18 percentage points in proportion in debt securities at fair value through profit or loss over the end of the previous year.

(2) Distribution of Debt Securities Investments by Credit Rating

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**Percentage (%)**	Amount	Percentage (%)
AAA	**20,861.3**	**19.84**	19,453.9	18.56
AA	**13,555.1**	**12.89**	9,452.3	9.02
A	**156.1**	**0.15**	398.0	0.38
Unrated	**70,592.3**	**67.12**	75,521.0	72.04
Total	**105,164.8**	**100.00**	104,825.2	100.00

In the first half of 2013, the Group proactively leveraged on the trend of policies, further analysed and formed judgment on the market and determined the bond investment strategy of "proactively taking position and profit at the right time". In respect to operation, the main objective of the strategy was to obtain short- and mid-term bonds with higher coupon rate and AA and AA+ ratings in the primary market and appropriately allocate bonds issued by policy banks as well as mid-term and corporate bonds with AAA rating. As at 30 June 2013 bonds with a rating above AA increased by RMB5,510 million or 5.15 percentage points as compared with the end of the previous year, while unrated bonds decreased by RMB4,929 million or 4.92 percentage points in proportion. Unrated bonds are mainly government bonds, bank notes issued by the PBOC, public sector bonds, quasi-government bonds, certificate treasury bonds and debt instruments issued by financial institutions.

(3) Distribution of Debt Securities Investments by Remaining Maturity

(Expressed in RMB million, unless otherwise stated)	**As at 30 June 2013**		As at 31 December 2012	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Within 3 months	**8,166.9**	**7.77**	7,948.0	7.58
3 to 12 months	**12,735.3**	**12.11**	23,175.4	22.11
1 to 5 years	**57,228.8**	**54.41**	48,245.8	46.03
Over 5 years	**27,033.8**	**25.71**	25,456.0	24.28
Total	**105,164.8**	**100.00**	104,825.2	100.00

As at 30 June 2013, the Group's investments in debt securities with a remaining maturity of less than 12 months decreased by RMB10,221 million or 9.81 percentage points in proportion from the end of the previous year. The Group's investments in debt securities with a remaining maturity of over 5 years increased by RMB1,578 million or 1.43 percentage points in proportion as compared with the end of the previous year, mainly due to the Group's improvement in the maturity structure of the investment portfolio given a proper build-up of investments in short-term debt securities with higher coupon rates and relatively higher investment value in accordance with the changes in the bond market and the reasonable allocation of the maturity and yield of its investment portfolio.

(4) Investment in Financial Bonds

Financial bonds refer to the marketable securities issued by policy banks, banks and other financial institutions that are to be repaid pursuant to a pre-determined schedule. As at 30 June 2013, the balance of financial bonds of the Group was RMB23,674 million, which were mainly the financial bonds issued by policy banks.

The table below sets out the top ten financial bonds held by the Group as at 30 June 2013 in terms of nominal value.

Expressed in RMB million, except for percentages

Name of debt securities	Nominal value	Interest rate per annum %	Maturity date	Impairment
Debt securities issued by policy banks in 2010	700.0	3.59	2020-2-25	—
Debt securities issued by policy banks in 2005	650.0	3.60	2020-11-29	—
Debt securities issued by policy banks in 2013	650.0	4.07	2020-4-11	—
Debt securities issued by policy banks in 2012	590.0	3.97	2019-7-9	—
Debt securities issued by policy banks in 2006	570.0	3.79	2021-6-28	—
Debt securities issued by commercial banks in 2006	530.0	3.75	2016-12-19	—
Debt securities issued by policy banks in 2005	510.0	3.42	2015-8-2	—
Debt securities issued by commercial banks in 2013	500.0	5.13	2023-4-18	—
Debt securities issued by policy banks in 2006	450.0	3.60	2026-4-11	—
Debt securities issued by policy banks in 2010	400.0	4.30	2030-3-17	—
Debt securities issued by policy banks in 2012	400.0	4.11	2017-4-23	—
Debt securities issued by policy banks in 2013	400.0	4.33	2020-1-10	—

IV. Distribution Channels

1. Physical outlets

Operating outlets are the primary distribution channels of the Bank. As at 30 June 2013, the Bank had 1,767 branches of various kinds, including one headquarters, one branch, one business department of the headquarters, 42 sub-branches, four tier-two sub-branches and 1,718 branch outlets, among which Qujing Branch in Yunnan became the first cross-regional branch among the domestic rural commercial banks. The network of branches of the Bank covers all the 38 administrative districts and counties of Chongqing with 1,460 distribution outlets in the County Area of Chongqing, including 306 outlets in the city's urban area. The Bank ranked first in the number of branches among its peers in both County Area and the urban area.

The Bank will strategically develop its distribution channels, optimise the layout of outlets and step up restructuring to improve its service coverage, service capabilities and operational efficiency. In the first half of 2013, the Bank presses ahead with the construction work of its branches pursuant to the plan of establishing five new branches, relocating 65 existing branches and refurbishing 211 existing branches throughout the year, craving for improvement and enhancement in the overall image and services of the outlets.

2. *Self-service channels*

In order to expand the scope of customer services and provide customers with more convenient services, as at 30 June 2013, the Bank established 22 24-hour self-service centres and increased the number of ATMs and self-service enquiry terminals to 2,508, of which the number of ATMs increased by 258 to 1,903 and the number of self-service enquiry terminals increased by 117 to 605 over the end of the previous year. The proportion of machine to outlet exceeded 1.4:1.

72 units of convenient rural financial self-service terminals have been newly launched in the first half of 2013. A total of 690 units were launched. As at 30 June 2013, 616 convenient rural financial self-service centres had been established and commenced on-line operation across the organisation while the remaining ones are to be constructed as soon as possible. As such, the Bank greatly extended its financial service coverage whilst bringing convenience and benefits to the people in the rural area, with both social and economic benefits well achieved.

3. *E-banking*

The Bank, being fully aware of the significance of the supporting role of E-channel business, leveraged its comprehensive E-banking business to build an all-round E-banking service system, in the hope of extending the scope of services to match the customers' interests. Given the efforts in providing convenient and responsive financial services and promoting the sound development of green finance, the Bank further bolstered up customers' satisfaction to its services.

(1) Internet banking

Corporate internet banking

The Bank upgraded the customer E-banking system according to the "needs of the customers", adding auto-pay function of corporate annuity upon expiry and e-Tax function in corporate internet banking, which enabled corporate internet banking customers to pay the annual fees and taxes on their own without accessing the outlets, which saved the customers' time and strength. Meanwhile, the Bank enriched and optimised the inter-link business function between banks and enterprises according to the personal requirements of corporate customers. Newly added functions, such as controlled/uncontrolled/control deduction, withholding of batches, signing of amount deduction agreement by proxies and examination were popular among the customers. More excellent corporate customers were attracted to register the internet banking of the Bank.

As at 30 June 2013, the number of corporate internet banking customers of the Bank accumulated to 8,055. 2,457 new accounts were registered in the first half of 2013, representing an increase of 105.01% as compared to the same period of the previous year. The transaction volume for the first half of the year amounted to RMB198.196 billion, representing an increase of 185.07% over the same period of the previous year.

Personal internet banking

A series of convenient services through E-banking, such as the payment functions of Chongqing gas charges and national telephone fees were launched for personal internet banking. The services have covered every daily aspect, including the payment of communication fees, water, electricity and gas fees and traffic penalty. New payment channels, such as water fees of the whole city and cable television fees, would be launched later.

The number of personal internet banking customers reached 337,200 on 30 June 2013, representing an increase of 389.40% over the same period of the previous year. The number of financial transactions in the first half of the year aggregated to 2,838,300, representing an increase of 1,394.63% as compared with the same period of the previous year with an aggregate transaction amount up to RMB22,732 million, an increase of 188.62% over the same period of the previous year.

(2) Mobile banking

The Bank continued to enrich the business functions of its mobile banking, adding an O2O mobile banking electricity supplier platform which allowed pushing notifications and payment functions of bills. Payment channels were further expanded, while the payment processes were simplified, which helped increasing customer loyalty. With the commencement of simultaneous mobile banking payment and real-time remittance mobile service, the service functions of its three-dimensional banking had been further expanded.

As at 30 June 2013, the number of mobile banking customers of the Bank reached 999,500, representing an increase of 356,100 new customers or 214.70% as compared to the same period of the previous year. The number of financial transaction for the first half of the year aggregated to RMB13.7856 million, representing an increase of 234.68% as compared to the same period of the previous year. The amount of transactions reached RMB170.695 billion, representing an increase of 250.22% as compared to the same period of the previous year.

(3) Internet payment

The Bank had made continuous effort in optimising the internet payment function, which renovated the bill payment process of Alipay, adding functions such as internet payment of real-time record of B2C/B2B batch clearing documents and smart notification of transactional results. These functions enhanced the efficiency of capital flow for customers having the electronic commerce platform, and their experience of using the services.

As at 30 June 2013, the internet payment transactions of the Bank increased by 910.87% as compared to the same period of the previous year. The amount of transactions increased by 789.19% as compared to the same period of the previous year.

(4) Telephone and SMS banking

The Bank strived to upgrade and modify the system of customer services, including segments such as a powerful analytical system of customer behavior, a self-learning system for customer service representatives and a bonus point system, which improved the E-banking experience of the customers.

On 30 June 2013, it served customers for 5,078,800 times, with an average response rate up to 96% from the customer service representatives. Given such sound development, the growth of SMS banking is promising. On 30 June 2013, the accounts of SMS of the Bank had been accumulated to 4.5112 million, representing an increase of 1.2024 million or 100.20% as compared with the same period of the previous year, while contracts signed by high-end customers accounted for 64.68%, an increase of 14.24 percentage points as compared with the same period of the previous year.

The internet banking of the Bank achieved sustainable and efficient development through relentless efforts, bold innovations and aspirations across the board. On 30 June 2013, the substitution rate of E-banking account transactions of the Bank reached 66.3%, representing an increase of 10.2 percentage points as compared to the beginning of the year.

V. Principal Subsidiaries

Jiangsu Zhangjiagang CQRC Village and Township Bank Co., Ltd. (江蘇張家港渝農商村鎮銀行股份有限公司), established in April 2010 with a registered capital of RMB200 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB1.004 billion.

Sichuan Dazhu CQRC Village and Township Bank Co., Ltd. (四川大竹渝農商村鎮銀行股份有限公司), established in November 2010 with a registered capital of RMB100 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB389 million.

Yunnan Dali CQRC Village and Township Bank Co., Ltd. (雲南大理渝農商村鎮銀行有限責任公司), established in December 2010 with a registered capital of RMB200 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB608 million.

Yunnan Xiangyun CQRC Village and Township Bank Co., Ltd. (雲南祥雲渝農商村鎮銀行有限責任公司), established in December 2012 with a registered capital of RMB100 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB182 million.

Yunnan Heqing CQRC Village and Township Bank Co., Ltd. (雲南鶴慶渝農商村鎮銀行有限責任公司), established in January 2013 with a registered capital of RMB100 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB127 million.

Guangxi Luzhai CQRC Village and Township Bank Co., Ltd. (廣西鹿寨渝農商村鎮銀行有限責任公司), established in January 2013 with a registered capital of RMB100 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB168 million.

Fujian Shaxian CQRC Village and Township Bank Co., Ltd. (福建沙縣渝農商村鎮銀行有限責任公司), established in February 2013 with a registered capital of RMB100 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB124 million.

Fujian Fuan CQRC Village and Township Bank Co., Ltd. (福建福安渝農商村鎮銀行有限責任公司), established in February 2013 with a registered capital of RMB200 million, is owned as to 51% by the Bank. As at 30 June 2013, its total assets amounted to RMB203 million.

Yunnan Shangri-La CQRC Village and Township Bank Co., Ltd. (雲南香格里拉渝農商村鎮銀行有限責任公司), established in April 2013 with a registered capital of RMB62 million, is owned as to 82.26% by the Bank. As at 30 June 2013, its total assets amounted to RMB70 million.

Fujian Pingtan CQRC Village and Township Bank Co., Ltd. (福建平潭渝農商村鎮銀行有限責任公司), established in August 2013 with a registered capital of RMB100 million, is owned as to 51% by the Bank.

VI. Information Technology

The Group attached great importance to the application and construction as well as research and development of information technology. As at the first half of 2013, the Group committed to the development of core business, electronic channels and management systems, promoting innovation of financial products and the development of application systems.

The Group strengthened the management of repair, maintenance and safety to ensure safe and stable operation of various businesses systems. The normal and stable operation of all business systems are considered by the Bank the focus of its information technology initiatives. Management is as significant as technology in terms of information safety. Firstly, the Group strengthened the management of its customer data, improving the data withdrawal and usage system and ensuring the safety of the customer data by virtually cycling the data within the system. Secondly, the Group constructed a platform for maintenance management, monitoring, managing and protecting all data systems altogether, embedding the process of service management into that of maintenance management. Thirdly, the management of the operational control rooms was enhanced by modifying the internet and electricity of the main-board room. Fourthly, the Group promoted the establishment of a private network for full-time video surveillance. As at the end of 2013 June the Group controlled 1,793 outlets, including unmonitored ATMs, and completed the construction of 1,716 outlets across the organisation. The coverage was up to 96%.

The Group proceeded with the establishment of projects and the modification of systems steadily. Firstly, it optimised the establishment of processing banks, including public transfers and intra-city tickets into the central database system. Secondly, it completed the transfer of counters by doing teller insurance-related business, controlling over the transactional amount under certain predetermined levels of authority and opening accounts of certificates of deposits in batches. Meanwhile, the Group embedded the verification of the two-dimension codes into the new counter systems. Interactive multi-purpose PIN pads also operated successfully in the system of new counters. Thirdly, the Group established a modern call centre which can handle communication channels, such as telephone calls, facsimiles, WebChat, Web voice memo, emails, 3G internet videos, telephone messages and Weibo. Fourthly, the testing over the coordination of the 2nd generation payment system was fully underway. Fifthly, the Group established a lifespan management platform for the non-structural data which process independent intellectual property rights. Sixthly, a monitoring platform for the quantity and quality of the data was established. Special solutions and management for the data were introduced. The data were standardised through means of systemic technology. In addition, the development of an E-banking risk monitoring system, a derivative system, a bill pool system, “Bank-Hospital Express” (銀醫通), credit card submission (信用卡進件) and collecting loans were under progress.

VII. Employees and Human Resources Management

1. Basic Information on Employees

As at the end of June 2013 the Bank had 14,774 regular employees, 8,243 of whom held Bachelor's degrees or above, representing 55.79% of all the Bank's regular employees. In addition, the Bank had 1,127 dispatch workers, 1,784 internally retired employees and 4,205 retired employees.

2. Overview of Human Resources Management

During the first half of 2013, the Bank introduced a mode of management and an organisational reform, continuing the optimisation of structural settings and strengthening the marketing in its line of business, business innovation and the ability of internal management. Through "Two-way Selection" and "Competition for Posts" throughout the organisation, the "Three Fixes" (fixed positions, fixed responsibilities, fixed deployment) were carried out rationally, which optimised the deployment of human resources. The Bank continued to implement "talents for a strong bank" strategy, pursuant to which it stepped up efforts in employing, selecting and training talented staff, strengthening teambuilding, optimising the human resources system and solidifying the fundamental management of human resources. Human resources management thus improved continuously.

The Bank reformed the remuneration proactively through the optimisation of the management of positions and levels of professionals, the establishment of a more dynamic system of incentives and constraints to retain and reward key staff. Cohesion, sense of belonging and happiness were enhanced.

3. Training

The Bank was devoted to the career development of the staff, enhancing staff training with continuous efforts, integrating and optimising training resources and launching systematic trainings and a E-learning system for self-generated tasks, resulting in comprehensive trainings for different levels and categories. Staff's quality was completely upgraded. In the first half of 2013, the Bank funded RMB10.02 million for educational trainings of staff, holding 634 sessions of training of all kinds with attendances of 48,600, with a coverage of off-line training of more than 65% and an average of 3.06 trainings per member, while the E-learning system trained 21,000 employees.

FINANCIAL BUSINESS IN COUNTY AREA

The banking business in County Area has been a long-term strategic focus, and also one of the Bank's major sources of revenue. The Bank provides diversified financial services for customers in County Area through 1 branch, 31 sub-branches located in County Area and their 1,429 distribution outlets as well as 9 village and township banks. During the reporting period, the Bank took the advantage of interactive linkage between urban and rural areas（城鄉聯動優勢）, deepened internal reforms, stimulated innovation in financial services, and kept on increasing the total financial supply in County Area, all of which have led to the rapid growth of financial services in County Area. As at 30 June 2013, the loan balance of the banking business in County Area amounted to RMB98,376 million, representing an increase of RMB14,586 million or 17.41% over the end of the previous year; non-performing loan ratio stood at 1.27%, down 0.54 percentage point from the end of the previous year; the deposit balance amounted to RMB225,848 million, representing an increase of RMB27,102 million or 13.64% over the end of the previous year.

I. Reform and Innovation

1. Organisational Structure

During the reporting period, the Bank further improved its management structure. The responsibilities of the operation department, the risk control department and management department were clarified. Counter marketing departments for companies, small enterprises and personal business divisions were set up, under which divisions such as Agricultural Industry Division (農業產業科) and the Farmers' Financial Division (農戶金融科) were in place to be responsible for "Sannong" (三農) business marketing and management. With guidance from Sannong Financial Service Committee (三農金融服務委員會), Sannong Business Management Department (三農業務管理部) led professional operation and management for financial business in County Area. The Sannong Business Management Department together with the Marketing Department and the Risk Control and Management Department carried out their respective duties effectively, vigorously spurring the rapid development of the Bank's financial businesses in County Area.

2. Credit Management

During the reporting period, the Bank further revised and improved the systems for management measures, operation standards and authorisation of credit business, and standardised the process of Sannong credit business. By arranging dedicated staff to examine and approve loans, and building the team of customer managers, the Bank effectively stepped up efforts in investigation, review and examination of loans of County Area in a bid to improve lending efficiency and enhance loan management.

3. Assessment and Incentives

To further improve the comprehensive assessment system of branches in County Area, the Bank formulated separately the credit plan for County Area banking business, implemented differentiated incentives, offered more incentives and strengthened the assessments in relation thereof, and effectively allocated more resources to County Area credit business.

4. Product Innovation

During the reporting period, the Bank launched and promoted land revenue-insured loans (土地收益保證貸款), operation loans for rural tourism, tobacco cultivation loans etc. In the meantime, it further improved and perfected the management practices and operational procedures of certain credit products, so as to make them more applicable and user-friendly.

II. Corporate Banking Business in County Area

During the reporting period, concentrating on agricultural industrialisation, agricultural technology, circulation of villages, countryside urbanisation and infrastructure construction of the countryside, the Bank continued to, with leading enterprises in such industries as its major target customers, tighten classified management of corporate customers, step up efforts in marketing and strive to foster core customer groups. For flagship companies of different industries, the Bank developed integrated banking services plans, improved its banking services, consolidated and deepened its cooperative relations with enterprises.

As at 30 June 2013, the corporate loan balance (including discounted bills) of the Bank's banking business in County Area stood at RMB49,152 million, representing 40.70% of the corporate loan balance (including discounted bills), up RMB7,312 million or 17.48% over the end of the previous year.

III. Personal Banking Business in County Area

During the reporting period, the Bank devised and implemented special marketing plans in a bid to drive the growth of personal banking business in County Area. Targeting at the county's individual and private business owners, farmer entrepreneurs and middle- and high-end premium customers among urban and rural residents, the Bank energetically developed personal products for specific areas and promoted loans secured by forest property rights, rural residential housing, contractual management rights of rural lands and loans for individual consumption and employment assistance at a steady pace in order to satisfy diversified credit needs in County Area effectively.

As at 30 June 2013, as the only bank in Chongqing offering the new type of pension insurance services in rural areas, the Bank carried out social pension insurance agency services for urban and rural residents in all districts/counties throughout the city, with coverage of over 11 million people. Departments of finance and social insurance of the city and district/county have opened 124 social insurance accounts with the Bank, with a capital balance of RMB5,418 million. In the first half of 2013, the number of individual pensions withheld by the Bank amounted to 3,889,800, totaling RMB614 million; the number of individual pensions paid by the Bank as an agent amounted to 21,075,700, totalling RMB1,937 million. These services provided the Bank with an extensive customer base and helped stabilise the customer resources and facilitate the development of the Bank's businesses.

The Bank made greater efforts in the construction of electronic channels in County Area and vigorously marketed the Jiangyu Card, the Jiangyu Xiangqing Card, the Farmer's Fortune Card（福農卡）, credit card and personal internet banking. As at 30 June 2013, the Bank owned 1,314 ATMs, 484 multi-media enquiry machines in County Area and set up 605 convenient rural financial self-service centres. The number of debit cards and credit cards issued by the Bank in County Area also increased by 846,900 and 6,400 over the end of the previous year, respectively to 9,383,700 and 56,900, respectively, which accounted for 79.03% of the debit cards issued by the Bank and 77.10% of the credit cards issued by the Bank, respectively. With the gradual enhancement in electronic equipment and so the increase in the number of cards, the Bank is well poised to keep expanding its customer base in County Area and increase the penetration of banking business in County Area, and build good business relationship with customers.

As at 30 June 2013, the personal loan balance of the Bank's banking business in County Area stood at RMB49,224 million, representing 68.78% of the total personal loan balance of the Bank, up RMB7,274 million or 17.34% over the end of the previous year.

IV. Summary of Information on Geographical Segments

When information is prepared based on the geographical segments, total operating income is allocated in accordance with the locations of branches recording gains. The table below sets forth the total operating income attributable to County Area branches and urban area branches for the periods indicated.

	For the six months ended 30 June 2013			For the six months ended 30 June 2012		
(Expressed in RMB million)	**County Area**	**Urban Area**	**Total**	County Area	Urban Area	Total
Net interest income	**1,334.1**	**6,258.4**	**7,592.5**	927.2	5,307.2	6,234.4
Net fee and commission income	**92.1**	**210.9**	**303.0**	89.9	89.2	179.1
Net trading gain	**—**	**38.2**	**38.2**	—	83.3	83.3
Other operating income, net	**18.7**	**10.9**	**29.6**	45.3	(38.9)	6.4
Total operating income	**1,444.9**	**6,518.4**	**7,963.3**	1,062.4	5,440.8	6,503.2
Internal transfer of income and expense	**2,594.6**	**(2,594.6)**	**—**	2,141.6	(2,141.6)	—
Gain after adjustment	**4,039.5**	**3,923.8**	**7,963.3**	3,204.0	3,299.2	6,503.2

For the six months ended 30 June 2013, the gain of County Area segment after adjustment was RMB4.04 billion, up 26.08% in comparison with that for the same period of the previous year, which was mainly attributable to increases in net interest income and internal transfer of income and expense.

RISK MANAGEMENT

The Group further improved its risk management system in the first half of 2013. Guided by the New Basel Capital Accord and in compliance with the requirements of the CBRC in the "Guidelines for the Establishment of the Risk Management System of Small-and-Medium-sized Rural Financial Institutions" (《農村中小金融機構風險管理機制建設指引》), the Bank deepened the cultural and organisational construction of risk management system, refined various policy guidelines and procedures of risk management and expedited the development and application of risk management instruments, with an aim to ensuring capital adequacy, optimising its asset quality and strengthening the comprehensive risk management capability gradually.

I. Credit Risk Management

Credit risks refer to the risk of economic loss arising from the failure of the counter party to a transaction to fulfill the corresponding responsibilities in compliance with contracted provisions.

Confronted with macro-economic and financial changes in the first half of 2013, the Group responded by adhering to the operational principle of "foundation consolidation, restructuring, and risk control". It conscientiously adhered to the PRC macro control policy thoroughly and continued to optimise the regime and system development of credit-risk management. It adjusted the credit policy timely and strengthened the risk management and control in key areas, especially the governmental financing platforms, the real estate sector, industries with high-energy consumption, high pollution and overcapacity as well as key industries with reference to both the macro changes and the trend of industry restructuring. It also reinforced the identification and rectification of risks. New means of non-site surveillance were introduced for the Group to actively identify and resolve potential risks. The capital flow of enterprises was monitored closely and greater efforts were made to terminate loans to customers with potential risks and to dispose non-performing loans. The loan portfolio thus gradually improved and the functions and scope of applications of the credit business management system were optimised continuously, resulting in stronger credit risk management on all fronts.

II. Liquidity Risk Management

Liquidity risk refers to the risk of inability in financing or liquidating a position at reasonable costs in a timely manner to cope with increase in assets or debt obligations on maturity. The Group's objective in liquidity risk management is to ensure that it is able to meet all payment obligations and fund all operations in accordance with the Group's development strategy. To this end, the Group gradually and effectively identifies, measures, monitors and controls its liquidity risk over its major operations to strike a balance between risk and income. Meanwhile, the Group monitored its mobility, safety and profitability to meet all payment obligations and fund all operations for the development of business.

The Asset and Liability Management Commission of the Group is responsible for establishing policies and strategies relating to the Group's overall management of liquidity risk. The Financial Planning Department and Risk Management Department of the Group are responsible for implementing the liquidity risk management policies and strategies, monitoring and evaluating the liquidity risks. In the first half of 2013, the Group insisted on the business ideology of prudence and compliance. It prioritised asset safety and mobility in its operation and adopted a series of measures to improve its asset and liability structure. By reducing the proportion of corporate medium-and long-term loans, boosting the growth of deposits whilst enhancing the stability of deposits, it reduced its potential liquidity risks.

The Group, leveraging on its unremitting efforts in strengthening liquidity monitoring and forecast as well as the application of the FTP system, had improved the management of internal fund allocation under the system. To avoid potential liquidity risks, the Group had also carried out real-time monitoring and prepared monthly reports on all liquidity control indicators to reflect the liquidity position of the Bank in a comprehensive and continuous manner. Facing with the pressure from "liquidity shortage" in mid- to late-June 2013, the Group adjusted its active liability structure appropriately to utilize the capital with more flexibility and to optimize the liquidity structure. The management of liquidity risks had become more difficult but the risks were controllable. There were no difficulties in settling payment falling due, and no other liquidity crisis had occurred.

Analysis of Remaining Maturity:

	As at 30 June 2013							
(Expressed in as RMB million)	Past due/ Undated	On demand	1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Net position of assets and liabilities	61,910.4	(140,965.0)	(5,229.5)	(9,397.6)	(73,893.8)	116,415.2	84,364.8	33,204.5

III. Market Risk Management

Market risk refers to the risk of losses from on-balance-sheet and off-balance-sheet businesses of the Group arising from adverse changes in the market price (such as interest rate, exchange rate, commodity price and stock price).

The Group manages its interest rate risk and exchange rate risk in accordance with the requirements of the Guidelines of Market Risk Management of Commercial Banks (《商業銀行市場風險管理指引》), the Guidelines of Internal Control of Commercial Banks (《商業銀行內部控制指引》) and the Guidelines for Stress Testing of Commercial Banks (《商業銀行壓力測試指引》) of the CBRC and with reference to the relevant provisions in the New Basel Capital Accord. The Group has also formulated a management system for market risk through regulations, monitoring, reporting and other measures to govern authorisation, credit extension and limit of risks.

(1) Interest Rate Risk

The market risk of the Group is mainly the interest rate risk. The Group measures interest rate sensitivity gap on a regular basis, evaluates interest rate risk through gap analysis, and further assesses the impact of interest rate changes on net interest income and corporate net value in varied interest rate scenarios.

In the first half of 2013, China further liberalised interest rates, which intensified the competition of the banking industry. The interest rates of the PRC inter-bank market once surged. The Group kept a close eye on changes in macro monetary policy and domestic and foreign financial markets. By applying the FTP pricing system properly, the Group further improved the management of interest rate pricing, duly adjusted the pricing of funds and effectively controlled the fall of interest rates for loans and interest costs for deposits with a view to improving the proactiveness of risk management and ensuring the sustained growth in the profit and market value of the Group.

The structure of the Group's interest rate risk gap on the contract re-pricing date or maturity date (whichever was earlier) is as follows:

	As at 30 June 2013						
(Listed as RMB million)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Interest rate gap	(79,744.4)	11,729.3	13,063.2	62,005.0	23,684.5	2,466.9	33,204.5

As at 30 June 2013, the Group's accumulated gaps for all maturities amounted to RMB33,205 million, representing an increase of RMB3,105 million from the end of the previous year.

(2) Exchange rate risk

Exchange rate risk primarily results from mismatches in the currency denomination of the Group's assets and liabilities, either on- or off-balance sheet, and currency position mismatches caused by foreign currency transactions. The Group mainly adopts foreign exchange exposure analysis and sensitivity analysis to measure exchange rate risk. The Group is mainly engaged in the Renminbi business with certain transactions related to US dollars and HK dollars but seldom conducts transactions in other currencies, whereas transactions in foreign currencies are mainly the Group's business of agency sale and purchase of foreign exchange.

During the first half of 2013, the exchange rate of Renminbi, hit record high for several times since the exchange reform with revaluation on a large scale. During the same period, State Administration of Foreign Exchange (SAFE) enhanced the management of the inflow of foreign exchange by pegging the consolidated position quota of foreign exchange settlements and sales of banks and the loan-to-deposit ratio of foreign exchange. The Group strengthened its management of its exposure to foreign exchange risks and the management standard of off-balance of foreign exchange by enhancing the dynamic management of the deposits and loans of foreign exchange and arranging the utilisation of foreign exchange assets reasonably. It also explored the usage of exchange rate financial instruments to hedge against exchange rate risk.

IV. Operational Risk Management

Operational risk refers to the risk of loss resulting from incompleteness or faults in internal procedures, human error and system failure, or external events. The operational risk of the Group mainly comprises internal and external risks. Internal risks mainly include risks arising from human error, inappropriate procedures and operation flow and IT system failure. External risks include risks arising from external contingencies.

With a view to meeting the demands of the New Basel Capital Accord and the establishment of process-based banking as well as working towards the long-term target necessary for a comprehensive risk management, the Group further strengthened its construction of the internal control system and improved its control and management over operational risks. Firstly, the Group sustained the implementation of a system for experts' review and a subsequent assessment system to ensure that all internal control systems were in line with the laws, regulations and requirements and to satisfy the needs of business operation and management. Secondly, to prevent the occurrence of similar risks, the Group timely issued the Risk Reminder (風險提示) and the Comprehensive Risk Management Communication (全面風險管理信息交流) to regions with frequent operational risks. Thirdly, the Group optimised the two core functions, i.e. "centralised authorisation, centralised operation" by introducing the construction of a post-event monitoring system and strengthening risk aversion and control of fundamental outlet operations. Fourthly, the Group enhanced risk aversion of credit cards and E-banking by strengthening the safety of the E-banking system through introducing the "control system of risky transactions" and the "consolidated evaluation for E-banking security risks". Fifthly, the Group established a "problem tracking system" and an "audit information system" which consisted of functions such as abnormal activities warning, on-site working, off-site analysis and problem rectification, thus improved the efficiency of rectification. Sixthly, the Group strengthened the behavioral management of staff by examining staff's behaviour, cultivating the culture of compliance, promoting and optimising the loyalty points management system and actively preventing the risk of internal operation. Seventhly, the Group perfected the case-prevention system by screening case risks in all dimensions and multiple channels. Through various methods such as dynamic case-prevention screening and specific governance on basis of each cases, it discovered and eliminated potential risks timely. Eighthly, the Group promoted continuous business management in a sustained manner. It launched cutover rehearsals and proposal renewals for important production systems, thus enhanced its contingency capability in case of emergency.

V. Anti-money Laundering

In the first half of 2013, the Group implemented the newly proposed international standards of anti-money laundering(反洗錢國際標準新建議)diligently, carried out in-depth anti-money measures with a "risk-based approach", improved and optimised working system continuously and strived to enhance its performance. During the reporting period, the Group newly established a classification proposal for customers' monetary risks and revised the data extracting regulation about supplementation of data in the anti-money system, which is strictly according to the requirements of the People's Bank and the current situation of customers. Data are supplemented automatically from the notes of transaction details. The pressure of tellers was alleviated, while the operational risk of manual supplementation was effectively controlled. The Group actively launched the promotional activity "Prevention and Attacking of Illegal Fund-raising", further improved public alertness of illegal fund-raising, reduced their losses greatly and maintained financial order and social stability in Chongqing City. The Group wrote its operational suggestions and experiences by collecting and organising all the anti-money laundering photos and information in a decade to support the People's Bank's promotion of anti-money laundering which it had been carried out for a decade. The Group participated in People's Bank's anti-money laundering trainings seriously, enhanced the anti-money laundering prevention skills of our staff and strengthened the overall management standard of anti-money laundering.

INTERNAL AUDIT

The Group constructed an independent internal audit system. An Audit Committee is established under the Board which reported to the Board. The Internal Audit Department which reported to the Board and the Audit Committee is responsible for performing audit overall operation and management of the Bank. The Internal Audit conducted audits independently by the authorisation of the Board and is not interfered by any other department or individual. The Internal Audit Department does not participate in any actual operating activities of other departments to ensure the independence of internal audit.

During the reporting period, the Internal Audit Department of the headquarter adjusted and optimised the tier-two departments, enhanced the guidance and examination to the internal audit of branches, further strengthened the risk-oriented audit ideology, while the focus of internal audit gradually became all-dimension and management-wise. The Group utilized the audit information system reasonably to enhance the specificity of on-site inspection by organising and implementing risk prevention and inspection for cases, comprehensive internal control appraisal, truthful annual appropriation audit, comprehensive controlling village and township banks audit, audit for termination of managers and key personnel, comprehensive audit for three branches and spot checks and key assistance to internal control. The efficiency of auditing raised effectively. The Group specifically strengthened the operational risk audit for key business procedures, such as counters and credit extension. Meanwhile, risk control for asset operations, investment banks, international business, E-banking and departments such as Information Technology. During the reporting period, the Group prevented systemic risks in key business, key organisations, key staff and key regions effectively and motivated sustainable improvement in the standard of internal control.

OUTLOOK

Looking into the second half of 2013, the global economy will continue to recover under the sustained recovery of the U.S. economy, the recovery of the European economy from the second recession and the generally steady new markets. The nation will insist on improvement, competence, quality amid steady growth. It will coordinate and motivate steady growth, adjust the structure, promote reform, sustain the sustainability and steadiness of the macro-economic policy, strengthen the specificity and predictability of adjustment, better manifest the market mechanism, triggers internal impetus of the market and the economy and promote sustained national economic growth to upgrade China's economy. Benefited from policies such as the Western Development Plan (西部大開發), the coordinated reform for urban and rural areas (統籌城鄉綜合配套改革), the development and opening of the Liangjiang New Area (兩江新區開發開放) and the subsequent projects for the Three Gorges (三峽後續工程), etc. Chongqing concentrates on its general mission of "realising common prosperity in Chongqing through scientific development" (科學發展、富民興渝) in which it strives to introduce the "one-coordination, three-transformation and two-transition" (一統三化兩轉變) strategy, to deepen the economic reform, to enhance the quality and benefits of economic development and to establish the first middle-class community in the western region of China.

Opportunities are fleeting, while time waits for no one. The Bank will continue to reform and upgrade itself in the second half of the year by implementing the "Three-Transformation Strategy" fully. It will address three issues, i.e. how to make the most of the new scenario to achieve a scientific and effective development, how to regulate internal governance and improve the management standard in reforms and transformation period, and how to maintain the positive state of spirit and constantly improve overall quality of the team under the rapid development of the society. It will prioritise rapid growth of its business, strengthen the leading position of the retail business, enhance profitability of the financial market, improve the regulatory standard of internal management and strengthen the cultivation of team culture. It will bring cohesion with vision, motivate people with spirit and strive to open a new horizon with relentless efforts. Through practice and aspirations, we will create a better tomorrow.

Changes in Share Capital and Particulars of Shareholders

MOVEMENTS IN SHARES

Unit: share,%

	1 January 2013		Increase/(decrease) +/(-) during the reporting period					30 June 2013	
	Number of shares	Percentage	Private placement	Issue of additional shares	Bonus issue	Shares converted from capital reserve	Others	Sub-total	Number of shares	Percentage
I. Shares not subject to trading restrictions										
1. Non-overseas listed shares held by legal persons	5,227,930,059	56.21					–	–	5,227,930,059	56.21
Including: ① Shares held by state-owned legal person shareholders[1]	2,084,033,959	22.41					–	–	2,084,033,959	22.41
② Shares held by private legal person shareholders	3,143,896,100	33.80					–	–	3,143,896,100	33.80
2. Non-overseas listed shares held by natural persons	1,558,733,900	16.76					–	–	1,558,733,900	16.76
Including: ① Shares held by employee natural persons	148,227,690	1.59					(33,600)	(33,600)	148,194,090	1.59
② Shares held by natural persons other than employees	1,409,243,075	15.15					66,290	66,290	1,409,309,365	15.15
③ Shares held by shareholders without affirmed ownership[2]	1,263,135	0.01					(32,690)	(32,690)	1,230,445	0.01
3. Overseas listed foreign shares	2,513,336,041	27.03					–	–	2,513,336,041	27.03
II. Total number of shares	9,300,000,000	100.00					–	–	9,300,000,000	100.00

Notes:

1. Non-overseas listed shares of the Bank were held by 13 state-owned legal person shareholders including Chongqing Yufu Assets Management Group Company Limited(重慶渝富資產經營管理集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and Chongqing Transport and Travel Investment Group Company Limited (重慶交通旅游投資集團有限公司).

2. Shares held by shareholders without affirmed ownership refer to untraceable shareholders of the Bank. Share interests held by them are shares of the former rural credit cooperatives, and they have not confirmed their ownership in the shares of the Bank. (Note: during the reporting period, 32,690 shares at the time of the former rural credit cooperatives were confirmed as shares of the Bank whilst the number of shares held by shareholders without affirmed ownership amounted to 1,230,445 shares).

PURCHASE, SALE AND REDEMPTION OF SECURITIES

Neither the Bank nor its subsidiaries had purchased, sold or redeemed any securities of the Bank during the reporting period.

ISSUE OF BONDS

During the reporting period, there had been no default by the Bank in respect of either repayment of the principal and interests of the RMB2.3 billion callable subordinated bonds issued on 29 December 2009 in the PRC inter-bank bonds market or any matters in connection therewith.

PARTICULARS OF SHAREHOLDINGS

As at the end of the reporting period, the Bank had a total of 9,300,000,000 shares, comprising 6,786,663,959 non-overseas listed shares and 2,513,336,041 overseas listed H shares.

Particulars of Shareholdings of the Top Ten Shareholders of Non-overseas Listed Shares

Unit: share, %

No.	Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage	Number of shares pledged or frozen	Type of shares
01	Chongqing Yufu Assets Management Group Company Limited (重慶渝富資產經營管理集團有限公司)	state-owned	629,304,418	6.77	—	non-overseas listed shares
02	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	state-owned	621,435,221	6.68	—	non-overseas listed shares
03	Loncin Holdings Limited (隆鑫控股有限公司)	private enterprise	570,000,000	6.13	470,000,000	non-overseas listed shares
04	Chongqing Transport and Travel Investment Group Company Limited (重慶交通旅游投資集團有限公司)	state-owned	423,431,972	4.55	—	non-overseas listed shares
05	Beijing Jiuding Real Estate Co., Ltd. (北京九鼎房地產開發有限責任公司)	private enterprise	300,000,000	3.23	300,000,000	non-overseas listed shares
06	Xiamen Laierfu Trading Co., Ltd. (廈門來爾富貿易有限責任公司)	private enterprise	200,000,000	2.15	180,000,000	non-overseas listed shares
07	Chongqing Emperor Science & Technology Co., Ltd. (重慶愛普科技有限公司)	private enterprise	190,000,000	2.04	170,000,000	non-overseas listed shares
08	Chongqing Tianqi Industry Management Company Limited (重慶天麒產業管理有限公司)	private enterprise	160,000,000	1.72	160,000,000	non-overseas listed shares
09	Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	private enterprise	150,000,000	1.61	—	non-overseas listed shares
10	Jiangsu Huaxi Group Corporation (江蘇華西集團公司)	private enterprise	150,000,000	1.61	—	non-overseas listed shares
Total			**3,394,171,611**	**36.50**	**1,280,000,000**	

Note: As at 30 June 2013, the aforesaid shareholding percentage of non-overseas listed shares is based on the total share capital of the Bank of 9.3 billion shares. In addition, the aforesaid pledged or frozen shares held by shareholders are pledged only and not subject to judicial moratorium.

SUBSTANTIAL INTERESTS AND SHORT POSITIONS

As at 30 June 2013, the interests and short positions of substantial shareholders (within the meaning of the SFO), other than directors and supervisors, in the shares and underlying shares of the Bank as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Domestic Shares

Unit: share, %

Name of shareholder	Capacity	Number of domestic shares held (long position)	% of the total issued domestic share capital of the Bank	% of the total share capital of the Bank
Chongqing Yufu Assets Management Group Company Limited (重慶渝富資產經營管理集團有限公司)	Beneficial owner	629,304,418	9.27	6.77
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Beneficial owner	621,435,221	9.16	6.68
Loncin Holdings Limited (隆鑫控股有限公司)	Beneficial owner	570,000,000	8.40	6.13
Chongqing Transport and Travel Investment Group Company Limited (重慶交通旅游投資集團有限公司)	Beneficial owner	423,431,972	6.24	4.55

H Shares

Unit: share, %

Name of shareholder	Capacity	Number of H shares held (long position)	% of the total issued H share capital of the Bank	% of the total share capital of the Bank
Al Nehayan Mansoor Bin Zayed Bin Sultan	Interest of controlled corporations	147,995,000	5.89	1.59
Nomura Holdings, Inc	Interest of controlled corporations	174,006,712	6.92	1.87

MAJOR SHAREHOLDERS OF THE BANK

At the end of the reporting period, Chongqing Yufu Assets Management Group Company Limited (重慶渝富資產經營管理集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and Loncin Holdings Limited (隆鑫控股有限公司) held 629,304,418 shares, 621,435,221 shares and 570,000,000 shares of the Bank respectively, representing 6.77%, 6.68% and 6.13% of total share capital of the Bank respectively, and are substantial shareholders of the Bank.

Except for the aforesaid shareholders, there were no other legal person shareholders holding 5% or more of the total share capital of the Bank, nor were there any other employees or natural persons other than employees holding 5% or more of the shares of the Bank.

Chongqing Yufu Assets Management Group Company Limited (重慶渝富資產經營管理集團有限公司) (formerly known as Chongqing Yufu Assets Management Company Limited (重慶渝富資產經營管理有限公司)) which was established on 18 March 2004, is a solely state-owned comprehensive assets operation and management company organised under the approval of Chongqing Municipal Government. It was under supervision of Chongqing State-owned Assets Supervision and Administration Commission as a municipal state-owned key enterprise. Under the approval of the Administration for Industry and Commerce of Chongqing, it was renamed as its current name on 28 June 2011 and currently has a registered capital of RMB10 billion.

Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) (formerly known as Chongqing City Construction Investment Company (重慶市城市建設投資公司)) is a solely state-owned enterprise established under the approval of Chongqing Municipal Government in April 1994 and authorised to raise and manage capital for city construction. Under the approval of the Administration for Industry and Commerce of Chongqing, it was renamed as its current name on 7 January 2011 and currently has a registered capital of RMB6 billion.

Loncin Holdings Limited (隆鑫控股有限公司) is a key private enterprise in Chongqing. It was established on 22 January 2003 and currently has a registered capital of RMB1 billion. It has been listed among “Top 500 Chinese Enterprises”.

At the end of the reporting period, there were no substantial shareholders holding 10% or more of the shares (as defined under the Listing Rules) of the Bank.

DIRECTORS', SUPERVISORS' AND THE CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK

As at 30 June 2013, the interests or short positions of the directors, supervisors and the chief executive of the Bank and their associates in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Bank and Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules were as follows:-

Domestic Shares

Unit: share, %

Name	Capacity	Number of domestic shares held (long position)	% of the total issued domestic share capital of the Bank	% of the total issued share capital of the Bank
Tan Yuansheng	Beneficial owner	6,300	0.00009	0.00007
Sui Jun	Beneficial owner	75,400	0.00111	0.00081
Zuo Ruilan	Beneficial owner	11,900	0.00017	0.00013
Zhu Yuzhou	Beneficial owner	37,600	0.00055	0.00040

Other than as disclosed above, none of the directors, supervisors and the chief executive of the Bank nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Bank or any of its associated corporations as at 30 June 2013.

DIRECTORS OF THE BANK

The board of directors of the Bank comprised a total of 14 directors, including three executive directors, namely Mr. Liu Jianzhong (Chairman of the Board and Secretary to the Party Committee), Mr. Tan Yuansheng (President) and Mr. Sui Jun (Vice President); six non-executive directors, namely Mr. Tao Jun, Mr. Hua Yusheng, Mr. Wang Yongshu, Mr. Wen Honghai, Mr. Gao Xiaodong and Mr. Wu Xiufeng; and five independent non-executive directors, namely Mr. Sun Leland Li Hsun, Mr. Yin Mengbo, Mr. Wu Qing, Mr. Chen Zhengsheng and Mr. Liu Weili.

Note: Mr. Tu Minghai, former non-executive director, resigned as the non-executive director, member of the strategic development committee and member of the remuneration committee uner the Board of the Bank on 7 February 2013.

SUPERVISORS OF THE BANK

The board of supervisors of the Bank comprised a total of nine supervisors, including two shareholder representative supervisors, namely Mr. Zeng Jianwu and Ms. Zuo Ruilan; four external supervisors, namely Ms. Dong Yunling, Mr. Chen Huiming, Mr. Zhang Xinyu and Mr. Shi Bentong; and three employee representative supervisors, namely Ms. Yang Mingping (Chairwoman of the Board of Supervisors), Mr. Zheng Yi and Mr. Zhu Yuzhou.

JOINT COMPANY SECRETARY AND SECRETARY TO THE BOARD

Mr. Sui Jun, the executive director and vice president of the Bank, retired as a joint company secretary of the Bank and the secretary to the Board of the Bank on 3 July 2013.

Ms. Peng Yanxi was appointed as a joint company secretary and the secretary to the Board of the Bank on 3 July 2013, qualification for acting as secretary to the Board was approved by Chongqing Supervision Administration of CBRC on 7 August 2013.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Bank has adopted a code of conduct regarding securities transactions by directors and supervisors and relevant employees on terms no less exacting than the required standards as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. Having made specific enquires, all directors and supervisors of the Bank confirmed that they have complied with the aforesaid code throughout the six months ended 30 June 2013.

Major Events

CORPORATE GOVERNANCE

During the reporting period, the Bank continued to refine its corporate governance mechanism and improved its corporate governance in strict compliance with laws and regulations such as the Company Law of the People's Republic of China, the Commercial Banking Law of the People's Republic of China as well as the Listing Rules and in line with actual conditions of the Bank.

Reform of the organisation. In order to deepen the reform of the Bank, promote the development and meet the demand of the market, the Bank, based on the principle of "integrate the resources and refine the management", reformed the management structure and internal organisation in the Bank's businesses of corporate banking, retail banking and financial market. The front office of the headquarters set up three head offices for the corporate financing, personal financing and financial market, aiming to better coordinate the marketing of the branches in terms of guidance and management, planning and assessment and product innovation. The number of departments in the headquarters of the Bank was adjusted to 28 from 29 (please see the "Organisation Chart" for details), providing stronger support for the business development of the Bank.

Corporate Governance Code. For the six months ended 30 June 2013, the Bank had been observing and complying with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Bank purchased Directors' Liability Insurance and published discloseable documents and information onto the websites of the Bank and Hong Kong Stock Exchange pursuant to the amended code provisions. Meanwhile, the Bank had been observing and complying with most of the recommended best practices set out in the aforementioned code.

IMPLEMENTATION OF DIVIDENDS DISTRIBUTION

Upon the approval of the 2012 annual general meeting of the Bank, the Bank distributed cash dividends for 2012 of RMB0.17 per share (tax inclusive) and RMB1,581 million (tax inclusive) in aggregate to the holders of H shares and the holders of domestic shares whose names appeared on the register of members of the Bank as at 24 May 2013.

MATERIAL RELATED PARTY TRANSACTIONS

As at the end of the reporting period, the loan balance of material related party transactions with related parties amounted to RMB4,889 million, accounting for 2.54% of the total loans of the Bank. Loans under the material related party transaction between the Bank and related parties had no negative impact on operating results and the financial position of the Bank.

MATERIAL LEGAL PROCEEDINGS AND ARBITRATIONS

During the reporting period, there were no material legal proceedings or arbitration which had substantial impact on the operating activities of the Bank.

As at the end of the reporting period, pending legal proceedings in which the Bank was involved as a defendant or a third party amounted to RMB8,809,000. In the opinion of the Bank, it would not have any material impact on the Bank's operating activities.

PENALTIES IMPOSED ON THE BANK AND DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK

During the reporting period, the Bank and all its directors, supervisors and senior management had no record of being subject to inspections, administrative penalties and circulating criticisms by China Securities Regulatory Commission or public censures by Hong Kong Stock Exchange, or penalties by relevant regulatory bodies that posed significant impact on the Bank's operation.

PERFORMANCE OF UNDERTAKINGS BY THE BANK AND SHAREHOLDERS HOLDING 5% OR MORE OF THE SHARES

During the reporting period, neither the Bank nor the shareholders holding 5% or more of the total shares in issue of the Bank gave any undertakings.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

During the reporting period, the Bank had not entered into any material contracts nor performed such contracts.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS AND MERGER OF ENTERPRISES

During the reporting period, the Bank had no material acquisition and disposal of assets and merger of enterprises.

THE AUDIT REVIEW

The Bank's interim condensed consolidated financial statements for the year 2013 prepared in accordance with International Financial Reporting Standards had been reviewed by Deloitte Touche Tohmatsu, who had issued an unqualified review opinion.

The Bank's interim report for the year 2013 had been reviewed by the Audit Committee under the Board of the Bank and the Board.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF CHONGQING RURAL COMMERCIAL BANK CO., LTD.
重慶農村商業銀行股份有限公司
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Chongqing Rural Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") set out on pages 82 to 138, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss, statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 August 2013

Condensed Consolidated Statement of Profit or Loss

For The Six Months Ended 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
Interest income	4	**12,902,756**	10,742,606
Interest expense	4	**(5,310,313)**	(4,508,159)
Net interest income	4	**7,592,443**	6,234,447
Fee and commission income	5	**327,012**	198,799
Fee and commission expense	5	**(23,968)**	(19,743)
Net fee and commission income	5	**303,044**	179,056
Net trading gain	6	**38,241**	83,296
Other operating income, net	7	**29,584**	6,394
Operating income		**7,963,312**	6,503,193
Operating expenses	8	**(3,260,553)**	(2,586,235)
Impairment on assets	9	**(463,700)**	(237,702)
Net (losses) gain on disposal of available-for-sale financial assets		**(8)**	8
Profit before tax		**4,239,051**	3,679,264
Income tax expense	10	**(1,019,364)**	(869,203)
Profit for the period		**3,219,687**	2,810,061
Attributable to:			
Equity holders of the Bank		**3,217,254**	2,803,707
Non-controlling interests		**2,433**	6,354
		3,219,687	2,810,061
Earnings per share *(Expressed in RMB yuan per share)*			
— Basic	12	**0.35**	0.30

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Six Months Ended 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Restated)
Profit for the period	**3,219,687**	2,810,061
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial gain on defined benefit plans	**44,440**	60
Income tax relating to actuarial gain	**(4,592)**	—
	39,848	60
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on available-for-sale financial assets		
— fair value gain arising during the period	**24,949**	70,041
— amount reclassified to the profit or loss upon disposal	**8**	(8)
Income tax relating to available-for-sale financial assets	**(6,239)**	(17,508)
	18,718	52,525
Other comprehensive income for the period (net of tax)	**58,566**	52,585
Total comprehensive income for the period	**3,278,253**	2,862,646
Total comprehensive income attributable to:		
Equity holders of the Bank	**3,275,820**	2,856,292
Non-controlling interests	**2,433**	6,354
Total comprehensive income for the period	**3,278,253**	2,862,646

Condensed Consolidated Statement of Financial Position

At 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	At 30 June 2013 (Unaudited)	At 31 December 2012 (Restated)
ASSETS			
Cash and balances with central bank	13	**71,631,677**	58,964,060
Deposits with banks and other financial institutions	14	**21,045,340**	12,263,068
Placements with banks and other financial institutions	15	**41,264,029**	29,748,852
Financial assets held for trading	16	**5,705,240**	3,774,309
Financial assets designated as at fair value through profit or loss	17	**20,648,723**	18,112,605
Financial assets held under resale agreements	18	**53,704,066**	51,765,062
Loans and advances to customers	19	**185,790,761**	167,614,916
Available-for-sale financial assets	20	**6,023,642**	4,598,972
Held-to-maturity investments	21	**48,679,226**	45,773,802
Debt securities classified as receivables	22	**24,152,039**	32,614,365
Interest in an associate	23	**100,000**	100,000
Property and equipment		**3,309,355**	3,153,823
Deferred tax assets	30	**1,460,318**	1,456,545
Goodwill		**440,129**	440,129
Other assets	24	**4,022,164**	3,446,551
Total assets		**487,976,709**	433,827,059
LIABILITIES			
Borrowings from central bank		**130,000**	110,000
Deposits from banks and other financial institutions	25	**48,700,480**	42,064,439
Placements from banks		**5,297,176**	7,029,432
Financial liabilities designated as at fair value through profit or loss	26	**4,172,150**	5,076,419
Financial assets sold under repurchase agreements	27	**44,511,475**	42,639,291
Due to customers	28	**338,523,115**	294,510,490
Accrued staff costs	29	**2,457,661**	2,708,032
Tax liabilities		**749,253**	651,756
Debt securities issued		**2,300,000**	2,300,000
Other liabilities	31	**6,966,412**	4,521,466
Total liabilities		**453,807,722**	401,611,325

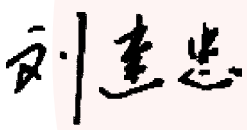
Condensed Consolidated Statement of Financial Position

At 30 June 2013

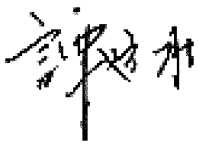
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	At 30 June 2013 (Unaudited)	At 31 December 2012 (Restated)
EQUITY			
Share capital	32	**9,300,000**	9,300,000
Capital reserve	33	**9,201,954**	9,201,954
Investment revaluation reserve		**5,557**	(13,161)
Actuarial changes reserve		**26,070**	(13,778)
Surplus reserve	34	**5,797,650**	5,797,650
General reserve	35	**5,497,269**	2,847,848
Retained earnings		**3,773,266**	4,786,433
Equity attributable to equity holders of the Bank		**33,601,766**	31,906,946
Non-controlling interests		**567,221**	308,788
Total equity		**34,168,987**	32,215,734
Total equity and liabilities		**487,976,709**	433,827,059

The condensed consolidated financial statements on pages 82 to 138 were approved and authorised for issue by the Board of Directors on 26 August 2013 and are signed on its behalf by:



LIU JIANZHONG
CHAIRMAN



TAN YUANSHENG
EXECUTIVE DIRECTOR AND PRESIDENT

Condensed Consolidated Statement of Changes in Equity

For The Six Months Ended 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

		Attributable to equity holders of the Bank									
	Notes	Share capital	Capital reserve	Surplus reserve	General reserve	Retained earnings	Investment revaluation reserve	Actuarial changes reserve	Subtotal	Non-controlling interests	Total
As at 1 January 2013 (as previously reported)		9,300,000	9,201,954	5,797,650	2,847,848	4,786,433	(13,161)	–	31,920,724	308,788	32,229,512
Adjustments	3	–	–	–	–	–	–	(13,778)	(13,778)	–	(13,778)
As at 1 January 2013 (restated)		9,300,000	9,201,954	5,797,650	2,847,848	4,786,433	(13,161)	(13,778)	31,906,946	308,788	32,215,734
Profit for the period		–	–	–	–	3,217,254	–	–	3,217,254	2,433	3,219,687
Other comprehensive income		–	–	–	–	–	18,718	39,848	58,566	–	58,566
Total comprehensive income for the period		–	–	–	–	3,217,254	18,718	39,848	3,275,820	2,433	3,278,253
Contribution from non-controlling shareholders		–	–	–	–	–	–	–	–	256,000	256,000
Appropriation to general reserve	35	–	–	–	2,649,421	(2,649,421)	–	–	–	–	–
Dividend distribution	11	–	–	–	–	(1,581,000)	–	–	(1,581,000)	–	(1,581,000)
As at 30 June 2013 (unaudited)		9,300,000	9,201,954	5,797,650	5,497,269	3,773,266	5,557	26,070	33,601,766	567,221	34,168,987

Condensed Consolidated Statement of Changes in Equity

For The Six Months Ended 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

		Attributable to equity holders of the Bank									
	Notes	Share capital	Capital reserve	Surplus reserve	General reserve	Retained earnings	Investment revaluation reserve	Actuarial changes reserve	Subtotal	Non-controlling interests	Total
As at 1 January 2012 (as previously reported)		9,300,000	9,201,954	3,650,944	1,919,803	3,801,687	(18,879)	–	27,855,509	155,382	28,010,891
Adjustments	3	–	–	–	–	–	–	(16,958)	(16,958)	–	(16,958)
As at 1 January 2012 (restated)		9,300,000	9,201,954	3,650,944	1,919,803	3,801,687	(18,879)	(16,958)	27,838,551	155,382	27,993,933
Profit for the period		–	–	–	–	2,803,707	–	–	2,803,707	6,354	2,810,061
Other comprehensive income (restated)		–	–	–	–	–	52,525	60	52,585	–	52,585
Total comprehensive income for the period (restated)		–	–	–	–	2,803,707	52,525	60	2,856,292	6,354	2,862,646
Appropriation to surplus reserve	34	–	–	1,612,244	–	(1,612,244)	–	–	–	–	–
Appropriation to general reserve	35	–	–	–	928,045	(928,045)	–	–	–	–	–
Dividend distribution	11	–	–	–	–	(1,302,000)	–	–	(1,302,000)	–	(1,302,000)
As at 30 June 2012 (restated and unaudited)		9,300,000	9,201,954	5,263,188	2,847,848	2,763,105	33,646	(16,898)	29,392,843	161,736	29,554,579

Condensed Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
Operating activities		
Profit before tax	**4,239,051**	3,679,264
Adjustments for:		
Depreciation and amortisation	**225,465**	183,917
Impairment on assets	**463,700**	237,702
Interest income arising from debt securities	**(2,356,108)**	(1,934,850)
Interest income arising from impaired financial assets	**(11,041)**	(16,138)
Interest expense arising from debt securities issued	**63,250**	63,250
Net losses (gain) on disposal of investment securities	**8**	(8)
Dividend income from investment securities	**(1,180)**	(105)
Net gain on disposal of property and equipment	**(6,322)**	(7,931)
Exchange (gain) losses	**(2,425)**	5,605
Operating cash flows before movements in working capital	**2,614,398**	2,210,706
Increase in balances with central bank, deposits with banks and other financial institutions	**(7,590,724)**	(3,560,067)
Increase in placements with banks and other financial institutions	**(12,496,997)**	(16,916,463)
Increase in financial assets held under resale agreements	**(3,142,547)**	(7,701,192)
Increase in financial assets held for trading	**(1,903,040)**	(3,712,533)
Increase in loans and advances to customers	**(18,769,159)**	(19,190,827)
(Increase) decrease in financial assets designated as at fair value through profit or loss	**(2,536,118)**	276,657
Increase in financial assets sold under repurchase agreements	**1,872,184**	18,788,250
Increase in due to customers, deposits from banks and other financial institutions	**50,650,403**	35,332,637
Increase in borrowings from central bank	**20,000**	—
Decrease in placements from banks	**(1,731,943)**	(230,880)
(Decrease) increase in financial liabilities designated as at fair value through profit or loss	**(904,269)**	2,153,679
Increase in other operating assets	**(370,500)**	(277,813)
Increase (decrease) in other operating liabilities	**635,697**	(49,338)

Condensed Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2013

(Amounts in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
Cash generated by operating activities	**6,347,385**	7,122,816
Income tax paid	**(936,471)**	(843,552)
Net cash from operating activities	**5,410,914**	6,279,264
Investing activities		
Cash received from disposal and redemption of investment securities	**16,274,132**	6,913,999
Cash received from disposal of property and equipment and other assets	**17,190**	53,637
Cash paid for purchase of investment securities	**(12,055,976)**	(9,736,000)
Cash paid for purchase of property and equipment and other assets	**(424,526)**	(333,306)
Interest income received from investment securities	**2,240,771**	1,640,427
Dividend income from investment securities	**1,180**	105
Net cash from (used in) investing activities	**6,052,771**	(1,461,138)

Condensed Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2013
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June 2013 (Unaudited)	2012 (Unaudited)
Financing activities			
Contribution from non-controlling shareholders		**256,000**	—
Dividends paid to shareholders of the Bank		**(42,982)**	(1,283,259)
Net cash from (used in) financing activities		**213,018**	(1,283,259)
Net increase in cash and cash equivalents		**11,676,703**	3,534,867
Cash and cash equivalents at 1 January		**27,353,070**	18,402,618
Effect of foreign exchange rate changes		**(5,023)**	847
Cash and cash equivalents at 30 June	36	**39,024,750**	21,938,332

	Six months ended 30 June 2013 (Unaudited)	2012 (Unaudited)
Net cash from operating activities include:		
Interest received	**10,039,929**	8,785,764
Interest paid	**(5,006,322)**	(3,547,888)
Net interest received from operating activities	**5,033,607**	5,237,876

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013
(Amounts in thousands of Renminbi, unless otherwise stated)

1. GENERAL INFORMATION

Chongqing Rural Commercial Bank Co., Ltd. (the "Bank") is a joint-stock commercial bank incorporated in the People's Republic of China ("PRC") on 27 June 2008. Prior to its incorporation, the business acquired by the Bank (the "Business") was carried out by 38 rural credit cooperative unions and Chongqing Wulong Rural Cooperative Bank in Chongqing of the PRC (collectively, the "39 Rural Credit Unions"). All of them were managed by the Chongqing Rural Credit Cooperative Union (the "CRCCU") at the municipal level of Chongqing, the PRC.

Pursuant to the promoters' agreement among the promoters of the Bank, the Bank acquired all the assets and liabilities of the 39 Rural Credit Unions and the CRCCU on 27 June 2008, and the Business was transferred to the Bank.

The Bank was listed on The Stock Exchange of Hong Kong Limited on 16 December 2010.

The Bank has financial services certificate No. B0335H250000001 issued by the China Banking Regulatory Commission (the "CBRC"), and business license No. 500000000001239 issued by the Chongqing Administration of Industry and Commerce.

The principal activities of the Bank and its subsidiaries (together referred to as the "Group") comprise the provision of banking services, which includes deposits, loans, payment and settlement services, and other services as approved by the CBRC.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Bank.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013
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3. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012. The condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied a number of new and revised International Financial Reporting Standards ("IFRSs") issued by IASB that are mandatorily effective for the Group's financial year beginning on 1 January 2013.

Amendments to IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities for the first time in the current interim period. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offseting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the condensed consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013
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3. PRINCIPAL ACCOUNTING POLICIES — *CONTINUED*

The impact of the application of these standards that is relevant to the Group is set out below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC 12 Consolidation — Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these IFRSs for the first time.

Amendments to IFRS 10, IFRS 12 and IAS 27 were issued in October 2012 for providing an exception to the consolidation requirement in IFRS 10 and requiring "investment entities" to measure its investments of controlled investees at fair value through profit or loss, instead of consolidation. Disclosure requirements for investment entities are set out in IFRS 12.

The application of these standards has no material impact on the Group's profit or loss, other comprehensive income and financial position in the current and prior periods. However, the directors consider that the application of IFRS 12 will affect the Group's disclosures in the annual consolidated financial statements for the year ending 31 December 2013.

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For The Six Months Ended 30 June 2013
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3. PRINCIPAL ACCOUNTING POLICIES — *CONTINUED*

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 40 of the condensed consolidated financial statements.

IAS 19 (as revised in 2011) Employee Benefits

In the current interim period, the Group has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gain and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013
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3. PRINCIPAL ACCOUNTING POLICIES — *CONTINUED*

IAS 19 (as revised in 2011) Employee Benefits — *continued*

These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (see the tables below for details).

Impact on total comprehensive income for the period

	Six months ended 30 June	
	2013	2012
Impact on profit for the period		
Decrease in profit for the period	**44,220**	—
Decrease in profit for the period attributable to:		
Equity holders of the Bank	**44,220**	—
Non-controlling interests	**—**	—
Impact on other comprehensive income for the period		
Increase in actuarial gain of defined benefit obligation	**44,440**	60
Increase in income tax relating to actuarial gain	**(4,592)**	—
Increase in other comprehensive income for the period	**39,848**	60
Increase in other comprehensive income for the period attributable to:		
Equity holders of the Bank	**39,848**	60
Non-controlling interests	**—**	—

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3. PRINCIPAL ACCOUNTING POLICIES — *CONTINUED*

IAS 19 (as revised in 2011) Employee Benefits — *continued*

Impact on total comprehensive income for the period — continued

	Six months ended 30 June	
	2013	2012
Impact on total comprehensive income for the period		
Decrease (increase) in total comprehensive income for the period	**4,372**	(60)
Decrease (increase) in total comprehensive income for the period attributable to:		
Equity holders of the Bank	**4,372**	(60)
Non-controlling interests	**—**	—

Impact on assets, liabilities and equity as at 1 January 2012

Items	As previously reported	IAS 19 adjustments	As restated
Deferred tax assets	1,517,672	5,653	1,523,325
Accrued staff costs	(2,398,050)	(22,611)	(2,420,661)
Total effect on net assets	(880,378)	(16,958)	(897,336)
Actuarial changes reserve and total effect on equity	—	(16,958)	(16,958)

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For The Six Months Ended 30 June 2013
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3. PRINCIPAL ACCOUNTING POLICIES — *CONTINUED*

IAS 19 (as revised in 2011) Employee Benefits — *continued*

Impact on assets, liabilities and equity as at 31 December 2012

Items	As previously reported	IAS 19 adjustments	As restated
Deferred tax assets	1,451,953	4,592	1,456,545
Accrued staff costs	(2,689,662)	(18,370)	(2,708,032)
Total effect on equity	(1,237,709)	(13,778)	(1,251,487)
Actuarial changes reserve and total effect on equity	—	(13,778)	(13,778)

The application of IAS 19 (as revised in 2011) has no impact on cash flows and earnings per share for both periods.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current interim period. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013
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3. PRINCIPAL ACCOUNTING POLICIES — *CONTINUED*

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new or revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRIC 21	Levies[1]
IFRS 9	Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[2]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 January 2015

The amendments to IFRS 10, IFRS 12 and IAS 27 are effective for annual periods beginning on or after 1 January 2014, with early application permitted. The directors anticipate that the application of the amendments will have no effect on the Group as the Bank is not an investment entity.

IAS 32 Amendment provides additional application guidance to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The directors anticipate that the application of these amendments to IAS 32 will be adopted for the annual period beginning on 1 January 2014. As the Group does not apply any offsetting, the application of the amendments has had no material impact on the amounts recognised in the condensed consolidated financial statements

The directors anticipate that IFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 January 2015 and that the application of IFRS 9 will affect the classification and measurement of the Group's available-for-sale investments and may have impact on the Group's other financial assets and the Group's financial liabilities. The directors have not yet completed the assessment of financial impact to the Group.

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4. NET INTEREST INCOME

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Interest income		
Loans and advances to customers	**6,534,589**	5,803,238
Including: Corporate loans and advances	**3,951,120**	3,619,316
Personal loans and advances	**2,397,516**	2,048,013
Discounted bills	**185,953**	135,909
Financial assets held under resale agreements	**1,800,600**	1,324,406
Debt securities classified as receivables	**1,183,509**	935,733
Held-to-maturity investments	**1,044,719**	950,676
Placements with banks and other financial institutions	**954,962**	575,313
Balances with central bank	**483,928**	401,526
Financial assets designated as at fair value through profit or loss	**472,370**	235,346
Deposits with banks and other financial institutions	**191,170**	376,549
Financial assets held for trading	**109,029**	91,378
Available-for-sale financial assets	**127,880**	48,441
Subtotal	**12,902,756**	10,742,606
Interest expense		
Due to customers	**(3,237,131)**	(2,723,059)
Deposits from banks and other financial institutions	**(951,911)**	(701,547)
Financial assets sold under repurchase agreements	**(894,379)**	(993,541)
Placements from banks	**(162,164)**	(26,315)
Debt securities issued	**(63,250)**	(63,250)
Borrowings from central bank	**(1,478)**	(447)
Subtotal	**(5,310,313)**	(4,508,159)
Net interest income	**7,592,443**	6,234,447
Included: interest income on impaired financial assets	**11,041**	16,138
Included within interest income		
Interest income on listed investments	**1,347,078**	1,113,692
Interest income on unlisted investments	**1,590,429**	1,147,882
	2,937,507	2,261,574

Listed investments includes debt securities traded on the China Domestic Interbank Bond Market.

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5. NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Fee and commission income		
Consultancy and advisory fees	**138,863**	70,208
Agency commissions	**74,655**	56,878
Bank card fees	**79,989**	50,834
Settlement and clearing fees	**26,401**	16,760
Custodian and other fiduciary service fees	**4,111**	1,875
Others	**2,993**	2,244
Subtotal	**327,012**	198,799
Fee and commission expense		
Bank card fees	**(17,355)**	(13,275)
Settlement and clearing fees	**(5,223)**	(3,781)
Other service fees	**(1,390)**	(2,687)
Subtotal	**(23,968)**	(19,743)
Total	**303,044**	179,056

6. NET TRADING GAIN

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Net gain on held-for-trading debt securities	**38,241**	83,296

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013

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7. OTHER OPERATING INCOME, NET

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Net gain on disposal of property and equipment	**6,322**	7,931
Rental income	**3,769**	5,057
Dividend income from unlisted available-for-sale investments	**1,180**	105
Net gain on disposal of foreclosed assets	**402**	103
Exchange gain (losses)	**6,682**	(628)
Government subsidy	**10,129**	2,367
Others	**1,100**	(8,541)
Total	**29,584**	6,394

8. OPERATING EXPENSES

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Staff costs *(Note)*	**2,006,872**	1,540,476
Business tax and surcharges	**503,876**	437,490
General operating and administrative expenses	**424,395**	360,588
Depreciation and amortisation	**225,465**	183,917
Auditor's remuneration	**1,380**	1,400
Others	**98,565**	62,364
Total	**3,260,553**	2,586,235

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For The Six Months Ended 30 June 2013

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8. OPERATING EXPENSES — *CONTINUED*

Note:

Staff costs

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Salaries, bonuses and allowances	**1,436,299**	1,142,871
Social insurance	**246,655**	194,187
Housing funds	**102,504**	80,589
Labor union fees and staff education expenses	**48,626**	35,569
Staff welfare	**36,598**	29,490
Supplementary retirement benefits	**82,240**	48,650
Early retirement benefits	**53,950**	9,120
Total	**2,006,872**	1,540,476

9. IMPAIRMENT ON ASSETS

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Loans and advances to customers		
Net additions	**607,412**	470,101
Recovery of loans	**(147,142)**	(232,399)
Subtotal	**460,270**	237,702
Held-to-maturity investments	**3,360**	—
Debt securities classified as receivables	**70**	—
Total	**463,700**	237,702

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10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Income tax expense comprises:		
Current income tax		
— PRC Enterprise Income Tax	**1,033,968**	730,097
Deferred tax *(Note 30)*	**(14,604)**	139,106
Total	**1,019,364**	869,203

PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit for the current and prior periods.

The tax charges for the six months ended 30 June 2013 and 30 June 2012 can be reconciled to the profit per the condensed consolidated statement of profit or loss as follows:

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Profit before tax	**4,239,051**	3,679,264
Tax calculated at applicable statutory tax rate of 25%	**1,059,763**	919,816
Tax effect of expenses not deductible for tax purpose	**29,896**	15,422
Tax effect of income not taxable for tax purpose	**(70,295)**	(66,035)
Income tax expense	**1,019,364**	869,203

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11. DIVIDENDS

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Dividends recognised as distribution during the period		
2011 Final — RMB14 cents per share	**—**	1,302,000
2012 Final — RMB17 cents per share	**1,581,000**	—

A final dividend of RMB17 cents per share (tax inclusive) in respect of the year ended 31 December 2012 in total of RMB1,581 million has been proposed by the directors on 22 March 2013, and was approved by the annual general meeting in 2012 on 10 May 2013.

A final dividend of RMB14 cents per share (tax inclusive) in respect of the year ended 31 December 2011 in total of RMB1,302 million has been proposed by the board of directors on 19 March 2012, and was approved by the annual general meeting in 2011 on 7 May 2012.

The Bank will not distribute interim dividend for 2013.

12. EARNINGS PER SHARE

The calculation of basic earnings per share is as follows:

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Earnings:		
Profit for the period attributable to equity holders of the Bank	**3,217,254**	2,803,707
Numbers of shares		
Weighted average number of shares in issue *(thousand)*	**9,300,000**	9,300,000
Basic earnings per share *(RMB yuan)*	**0.35**	0.30

There were no potential ordinary shares outstanding during the current and prior periods. Accordingly, no diluted earnings per share was presented.

Notes To The Condensed Consolidated Financial Statements

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13. CASH AND BALANCES WITH CENTRAL BANK

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Cash	**3,182,080**	3,289,508
Mandatory reserve deposits with central bank *(Note)*	**59,980,792**	52,873,721
Surplus reserve deposits with central bank	**7,889,722**	2,279,504
Other deposits with central bank	**579,083**	521,327
Total	**71,631,677**	58,964,060

Note: The Group places mandatory reserve deposits with the People's Bank of China (the "PBOC"). This includes RMB reserve deposits and foreign currency reserve deposits. These mandatory reserve funds are not available for the Group's daily operations.

As at 30 June 2013, mandatory reserve deposits with the PBOC were calculated at 18% (31 December 2012: 18%) of eligible RMB deposits for the Bank, while for the subsidiaries at a range of 14% or 13% (31 December 2012:14% or 13%); and 5% of foreign currency deposits from customers (31 December 2012: 5%). The foreign currency reserve deposits placed with the PBOC are non-interest bearing.

14. DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Deposits with:		
Domestic banks	**21,006,195**	12,165,426
Overseas banks	**39,145**	97,642
Total	**21,045,340**	12,263,068

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15. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Placements with:		
Domestic banks	**922,336**	1,099,999
Other domestic financial institutions	**39,957,756**	28,648,853
Overseas banks	**383,937**	—
Total	**41,264,029**	29,748,852

16. FINANCIAL ASSETS HELD FOR TRADING

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Debt securities issued by:		
Corporations	**5,061,628**	3,774,309
Financial institutions	**496,864**	—
Public sector and quasi-governments	**146,748**	—
Total	**5,705,240**	3,774,309
Analysed as:		
Listed outside Hong Kong *(Note)*	**5,705,240**	3,774,309
Total	**5,705,240**	3,774,309

Note: Debt securities traded on the China Domestic Interbank Bond Market are included in "Listed outside Hong Kong".

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17. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Unlisted debt instruments issued by financial institutions	**20,648,723**	18,112,605

18. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Analysed by collateral type:		
Trust Beneficial Rights	**39,938,961**	25,375,948
Bills	**12,505,105**	26,389,114
Bonds	**1,260,000**	—
Total	**53,704,066**	51,765,062

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19. LOANS AND ADVANCES TO CUSTOMERS

(1) Analysis of loans and advances to customers

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Gross loans and advances	**192,219,816**	173,447,600
Individually assessed	**(278,845)**	(449,611)
Collectively assessed	**(6,150,210)**	(5,383,073)
Allowance for impairment losses	**(6,429,055)**	(5,832,684)
Loans and advances to customers	**185,790,761**	167,614,916

(2) Analysis of loans and advances to customers by collective and individual assessments

	Loans and advances for which allowance is collectively assessed [a]	Identified impaired loans and advances [b]			Total	Identified impaired loans and advances as a % of total gross loans and advances
		For which allowance is collectively assessed	For which allowance is individually assessed	Sub-total		
At 30 June 2013 (Unaudited)						
Gross loans and advances	**190,922,065**	**743,876**	**553,875**	**1,297,751**	**192,219,816**	**0.68**
Allowance for impairment losses	**(5,514,680)**	**(635,530)**	**(278,845)**	**(914,375)**	**(6,429,055)**	
Loans and advances to customers, net	**185,407,385**	**108,346**	**275,030**	**383,376**	**185,790,761**	
At 31 December 2012 (Audited)						
Gross loans and advances	171,861,328	736,680	849,592	1,586,272	173,447,600	0.91
Allowance for impairment losses	(4,804,889)	(578,184)	(449,611)	(1,027,795)	(5,832,684)	
Loans and advances to customers, net	167,056,439	158,496	399,981	558,477	167,614,916	

Notes To The Condensed Consolidated Financial Statements

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(2) Analysis of loans and advances to customers by collective and individual assessments — *continued*

(a) Loans and advances for which allowance is collectively assessed consist of loans and advances which have not been specifically identified as impaired.

(b) Identified impaired loans and advances include loans for which objective evidence of impairment exists and which have been identified as bearing an impairment loss and assessed either individually or collectively.

(3) Movements of allowance for impairment losses on loans and advances to customers

	Individually assessed allowance	Collectively assessed allowance	Total
As at 1 January 2013	**449,611**	**5,383,073**	**5,832,684**
Charge for the period	**54,725**	**3,291,393**	**3,346,118**
Reverse for the period	**(217,192)**	**(2,521,514)**	**(2,738,706)**
Unwinding of discount on allowance	**(8,299)**	**(2,742)**	**(11,041)**
As at 30 June 2013	**278,845**	**6,150,210**	**6,429,055**

	Individually assessed allowance	Collectively assessed allowance	Total
As at 1 January 2012	407,790	4,867,557	5,275,347
Charge for the period	201,592	3,547,305	3,748,897
Reverse for the period	(117,238)	(2,913,278)	(3,030,516)
Written off	(17,784)	(107,237)	(125,021)
Unwinding of discount on allowance	(24,749)	(11,274)	(36,023)
As at 31 December 2012	449,611	5,383,073	5,832,684

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(4) The composition of the contractual amount of loans and advances to customers by industry is analysed as follows:

	At 30 June 2013 (Unaudited)		At 31 December 2012 (Audited)	
	Amount	**% of total**	Amount	% of total
Corporate loans and advances				
Manufacturing	**33,421,616**	**27.68**	30,032,533	26.94
Water, environment and public utilities management	**23,235,900**	**19.24**	18,415,560	16.52
Real estate	**15,219,090**	**12.60**	15,962,106	14.32
Retail and wholesale	**8,932,584**	**7.40**	7,277,005	6.53
Construction	**8,233,224**	**6.82**	9,186,714	8.24
Production and supply of electricity, gas and water	**6,777,953**	**5.61**	6,685,128	6.00
Agriculture	**6,287,471**	**5.21**	4,997,618	4.48
Leasing and commercial services	**3,356,002**	**2.78**	3,098,547	2.78
Education	**3,064,709**	**2.54**	2,642,887	2.37
Transportation, logistics and postal service	**2,340,963**	**1.94**	1,890,361	1.70
Financial concerns	**1,166,287**	**0.97**	2,648,902	2.38
Others	**8,721,292**	**7.21**	8,623,848	7.74
Subtotal	**120,757,091**	**100.00**	111,461,209	100.00
Personal loans and advances				
Residential mortgage and personal commercial property loans	**40,065,768**	**55.98**	35,184,452	56.66
Loans to private business and re-employment loans	**23,273,406**	**32.52**	18,764,920	30.22
Loans to farmers	**1,432,310**	**2.00**	1,569,511	2.53
Credit card	**1,581,275**	**2.21**	1,222,609	1.97
Others	**5,218,664**	**7.29**	5,356,654	8.62
Subtotal	**71,571,423**	**100.00**	62,098,146	100.00
Contractual amount of loans and advances to customers	**192,328,514**		173,559,355	

Notes To The Condensed Consolidated Financial Statements

For The Six Months Ended 30 June 2013

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(5) The composition of the contractual amount of loans and advances to customers by contractual maturity and collateral type is analysed as follows:

	At 30 June 2013 (Unaudited)			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Unsecured loans	**4,411,454**	**7,400,079**	**3,890,314**	**15,701,847**
Guaranteed loans	**15,115,176**	**13,344,080**	**6,518,546**	**34,977,802**
Collateralised and other secured loans				
— loans secured by property and other immovable assets	**20,425,607**	**49,617,569**	**53,515,593**	**123,558,769**
— other pledged loans	**8,951,588**	**5,089,807**	**4,048,701**	**18,090,096**
Total	**48,903,825**	**75,451,535**	**67,973,154**	**192,328,514**

	At 31 December 2012 (Audited)			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Unsecured loans	4,167,880	7,320,997	4,824,631	16,313,508
Guaranteed loans	13,014,107	13,900,166	7,455,232	34,369,505
Collateralised and other secured loans				
— loans secured by property and other immovable assets	15,864,856	47,484,803	44,809,535	108,159,194
— other pledged loans	6,698,999	4,624,403	3,393,746	14,717,148
Total	39,745,842	73,330,369	60,483,144	173,559,355

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(6) Past due loans at contractual amount

	At 30 June 2013 (Unaudited)				
	Up to 90 days	91-360 days	361 days to 3 years	Over 3 years	Total
Unsecured loans	**101,353**	**57,255**	**113,925**	**194,570**	**467,103**
Guaranteed loans	**120,722**	**22,641**	**30,359**	**79,715**	**253,437**
Collateralised and other secured loans					
— loans secured by property and other immovable assets	**1,231,025**	**184,053**	**132,525**	**509,677**	**2,057,280**
— other pledged loans	**125,140**	**7,909**	**5,013**	**52,491**	**190,553**
Total	**1,578,240**	**271,858**	**281,822**	**836,453**	**2,968,373**

	At 31 December 2012 (Audited)				
	Up to 90 days	91-360 days	361 days to 3 years	Over 3 years	Total
Unsecured loans	238,908	45,391	173,093	151,936	609,328
Guaranteed loans	96,149	17,547	34,576	84,089	232,361
Collateralised and other secured loans					
— loans secured by property and other immovable assets	986,116	134,311	442,240	404,360	1,967,027
— other pledged loans	1,955	10,040	11,383	48,302	71,680
Total	1,323,128	207,289	661,292	688,687	2,880,396

Note: Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(7) Credit quality of loans and advances to customers at contractual amounts

	NOTES	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Neither past due nor impaired	(i)	**189,336,400**	170,544,600
Past due but not impaired	(ii)	**1,585,665**	1,319,225
Impaired	(iii)	**1,406,449**	1,695,530
Subtotal		**192,328,514**	173,559,355
Less: Allowance for impairment losses of loans and advances to customers		**(6,537,753)**	(5,944,439)
Loans and advances to customers		**185,790,761**	167,614,916

(i) Loans and advances neither past due nor impaired

	At 30 June 2013 (Unaudited)		
	Normal	**Special mention**	**Total**
Corporate loans and advances	**115,332,218**	**4,649,305**	**119,981,523**
Personal loans and advances	**69,160,398**	**194,479**	**69,354,877**
Total	**184,492,616**	**4,843,784**	**189,336,400**

	At 31 December 2012 (Audited)		
	Normal	Special mention	Total
Corporate loans and advances	107,653,781	2,825,360	110,479,141
Personal loans and advances	59,846,403	219,056	60,065,459
Total	167,500,184	3,044,416	170,544,600

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(7) Credit quality of loans and advances to customers at contractual amounts — *continued*

(i) Loans and advances neither past due nor impaired – continued

Note: The Group generally measures and manages the quality of credit risk-bearing assets based on the Guideline for Loan Credit Risk Classification issued by the CBRC, which requires the Group to classify loans into the following five category loan classification: normal, special mention, substandard, doubtful and loss. The category for normal and special mention is set out as below:

- Normal: Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.
- Special mention: Borrowers are able to service their loans currently, although repayment may be adversely affected by specific factors.

(ii) Loans and advances past due but not impaired

	As at 30 June 2013 (Unaudited)				
	Up to 30 days	31-60 days	61-90 days	Over 90 days	Total
Corporate loans and advances	**139,772**	**9,333**	**705**	**370**	**150,180**
Personal loans and advances	**1,152,455**	**173,806**	**94,132**	**15,092**	**1,435,485**
Total	**1,292,227**	**183,139**	**94,837**	**15,462**	**1,585,665**

	At 31 December 2012 (Audited)				
	Up to 30 days	31-60 days	61-90 days	Over 90 days	Total
Corporate loans and advances	35,120	—	100	7,580	42,800
Personal loans and advances	1,029,044	168,891	69,698	8,792	1,276,425
Total	1,064,164	168,891	69,798	16,372	1,319,225

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19. LOANS AND ADVANCES TO CUSTOMERS — *CONTINUED*

(7) Credit quality of loans and advances to customers at contractual amounts — *continued*

(iii) Impaired loans and advances

	At 30 June 2013 (Unaudited)		
	Contractual amount	**Allowance for impairment losses**	**Carrying value**
Individually assessed	**601,820**	**(326,790)**	**275,030**
Collectively assessed	**804,629**	**(696,283)**	**108,346**
Total	**1,406,449**	**(1,023,073)**	**383,376**

	At 31 December 2012 (Audited)		
	Contractual amount	Allowance for impairment losses	Carrying value
Individually assessed	897,574	(497,593)	399,981
Collectively assessed	797,956	(639,460)	158,496
Total	1,695,530	(1,137,053)	558,477

Including:

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Individually assessed and impaired	**601,820**	897,574
Individually assessed and impaired %	**0.31%**	0.52%
Fair value of collateral	**254,062**	378,913

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	NOTES	**At 30 June 2013 (Unaudited)**	At 31 December 2012 (Audited)
Debt securities issued by			
— Corporations		**5,979,559**	4,550,131
Subtotal		**5,979,559**	4,550,131
Equity instruments			
— at fair value		**25,931**	19,576
— at cost	(1)	**18,152**	29,265
Subtotal		**44,083**	48,841
Total		**6,023,642**	4,598,972
Analysed as:			
Listed outside Hong Kong	(2)	**5,994,377**	4,569,707
Unlisted		**29,265**	29,265
Total		**6,023,642**	4,598,972

Notes:

(1) The unlisted equity securities of RMB18 million (31 December 2012: RMB29 million) are measured at cost because their fair values cannot be reliably measured.

(2) All available-for-sale debt securities traded on the China Domestic Interbank Bond Market are included in "Listed outside Hong Kong".

21. HELD-TO-MATURITY INVESTMENTS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Debt securities issued by:		
Public sector and quasi-governments	**22,810,714**	21,416,453
Corporations	**14,122,579**	13,774,242
Government	**7,999,262**	8,355,758
Financial institutions	**3,811,181**	2,288,499
Subtotal	**48,743,736**	45,834,952
Less: Collectively assessed allowance for impairment losses	**(64,510)**	(61,150)
Total	**48,679,226**	45,773,802

Note: All held-to-maturity investments are traded on the China Domestic Interbank Bond Market.

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22. DEBT SECURITIES CLASSIFIED AS RECEIVABLES

	NOTES	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Debt instruments issued by financial institutions	(1)	**22,055,520**	30,378,880
Corporate bonds		**1,539,457**	1,539,190
Financial institution bonds		**761,878**	761,439
Certificate treasury bonds		**201,139**	340,880
Debt securities issued by public sector and quasi-governments		**47,861**	47,722
Subtotal		**24,605,855**	33,068,111
Less: Collectively assessed allowance for impairment losses		**(453,816)**	(453,746)
Total		**24,152,039**	32,614,365
Analysed as:			
Listed outside Hong Kong	(2)	**2,342,886**	2,342,111
Unlisted		**21,809,153**	30,272,254
Total		**24,152,039**	32,614,365

Notes:

(1) The debt instruments issued by financial institutions are non-callable before maturity with fixed interest rate and not quoted in active market.

(2) Debt securities classified as receivables traded on the China Domestic Interbank Bond Market are included in "Listed outside Hong Kong".

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23. INTEREST IN AN ASSOCIATE

During the year ended 31 December, 2012, pursuant to CBRC's approval (Yin Jian Fu[2011] No.518), the Bank participated in the establishment of Chongqing Auto Finance Co., Ltd.(重慶汽車金融有限公司) and contributed capital of RMB100 million, representing its 20% equity interest in Chongqing Auto Finance Co., Ltd.. The voting power of the Bank in Chongqing Auto Finance Co., Ltd. is the same as its equity interest. Chongqing Auto Finance Co., Ltd. is incorporated in Chongqing, the PRC, with registered capital of RMB500 million and its principal activity is auto financing business.

24. OTHER ASSETS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Interest receivable	**2,889,517**	2,251,414
Land use rights	**525,553**	480,943
Foreclosed assets	**149,610**	151,045
Intangible assets	**43,087**	47,194
Others	**414,397**	515,955
Total	**4,022,164**	3,446,551

Notes To The Condensed Consolidated Financial Statements

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25. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Deposits from domestic banks	**46,791,053**	40,203,372
Deposits from other domestic financial institutions	**1,909,427**	1,861,067
Total	**48,700,480**	42,064,439

26. FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Principal guaranteed wealth management products *(Note)*	**4,172,150**	5,076,419

Note:

As at 30 June 2013, the fair value of such financial liabilities approximates the contractual amount payable upon maturity to the holders of these wealth management products.

There were no significant changes in the Group's credit risk and therefore there were no significant gain or losses attributed to changes in credit risk for those financial liabilities designated at fair value through profit or loss during the period ended 30 June 2013 and the year ended 31 December 2012.

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27. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Analysed by collateral type:		
Bonds	**41,751,459**	35,925,768
Bills	**2,760,016**	6,713,523
Total	**44,511,475**	42,639,291

28. DUE TO CUSTOMERS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Demand deposits		
Corporate customers	**76,058,549**	64,069,062
Individual customers	**67,265,101**	60,527,950
Time deposits		
Corporate customers	**8,770,616**	8,411,066
Individual customers	**177,831,499**	156,881,442
Pledged deposits *(Note)*	**8,408,914**	4,476,991
Others (including outward remittance and remittance outstanding)	**188,436**	143,979
Total	**338,523,115**	294,510,490

Note: Analysed by products for which deposit is required:

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Acceptances	**6,827,212**	3,032,770
Loans and receivables	**1,459,341**	1,328,168
Letters of credit	**83,043**	49,552
Letters of guarantee	**37,418**	37,175
Others	**1,900**	29,326
Total	**8,408,914**	4,476,991

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29. ACCRUED STAFF COSTS

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Restated)
Salaries, bonuses and allowances	**899,409**	1,154,242
Supplementary retirement benefits	**980,410**	981,450
Early retirement benefits	**473,740**	478,960
Labor union fees and staff education expenses	**104,102**	93,380
Total	**2,457,661**	2,708,032

30. DEFERRED TAXATION

For the purpose of presentation in the condensed consolidated statements of financial position, certain deferred tax assets and liabilities have been offset.

The followings are the major deferred tax assets and liabilities recognised and movements thereon:

	Allowances of impairment losses	Retirement benefits	Accrued salaries, bonuses and allowances	Provision	Fair value changes of financial instruments	Interest income/ expense	Fair value changes of net assets including debt securities investment, property and equipment and other assets relating to acquisition of Business	Total
As at 1 January 2013 (As previously reported)	987,249	119,740	287,323	555	4,580	(43,481)	95,987	1,451,953
Adjustment	–	4,592	–	–	–	–	–	4,592
As at 1 January 2013 (Restated)	987,249	124,332	287,323	555	4,580	(43,481)	95,987	1,456,545
Credit (charge) to profit or loss	72,135	(1,347)	(61,280)	–	(6,973)	21,459	(9,390)	14,604
Charge to other comprehensive income	–	(4,592)	–	–	(6,239)	–	–	(10,831)
As at 30 June 2013 (Unaudited)	1,059,384	118,393	226,043	555	(8,632)	(22,022)	86,597	1,460,318

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30. DEFERRED TAXATION — *CONTINUED*

	Allowances of impairment losses	Retirement benefits	Accrued salaries, bonuses and allowances	Provision	Fair value changes of financial instruments	Interest income/ expense	Fair value changes of net assets including debt securities investment, property and equipment and other assets relating to acquisition of Business	Total
As at 1 January 2012 (As previously reported)	1,016,134	136,250	227,989	3,188	6,204	15,216	112,691	1,517,672
Adjustment	—	5,653	—	—	—	—	—	5,653
As at 1 January 2012 (Restated)	1,016,134	141,903	227,989	3,188	6,204	15,216	112,691	1,523,325
(Charge) credit to profit or loss	(28,885)	(16,510)	59,334	(2,633)	282	(58,697)	(16,704)	(63,813)
Charge to other comprehensive income	—	(1,061)	—	—	(1,906)	—	—	(2,967)
As at 31 December 2012 (Restated)	987,249	124,332	287,323	555	4,580	(43,481)	95,987	1,456,545

31. OTHER LIABILITIES

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Interest payable	**2,987,023**	2,682,451
Dividends payable	**1,559,949**	21,931
Business and other tax payables	**274,690**	266,602
Deferred income	**104,528**	102,887
Provision	**2,220**	2,220
Other payables	**2,038,002**	1,445,375
Total	**6,966,412**	4,521,466

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32. SHARE CAPITAL

	Number of shares *(in thousands)*	Amount
As at 1 January 2012 and 31 December 2012 (Audited)	**9,300,000**	9,300,000
As at 30 June 2013 (Unaudited)	**9,300,000**	9,300,000

33. CAPITAL RESERVE

The Bank issued shares at share premium. Share premium was recorded in the capital reserve after deducting direct issue costs which mainly included underwriting fees and professional fees.

34. SURPLUS RESERVE

Under relevant PRC Laws, the Group is required to transfer 10% of its net profit to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of such reserves has reached 50% of the share capital.

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the generally accepted accounting principles of the PRC ("PRC GAAP") to the discretionary surplus reserve upon approval by the shareholders in general meetings. Subject to the approval by the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the Bank, if any, and may be converted into capital.

35. GENERAL RESERVE

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the MOF, in addition to the specific and collective allowances for impairment losses, the Bank is required to establish and maintain a general reserve within equity to address potential unidentified impairment losses. The general reserve should not be less than 1.5% of the aggregate amount of risk assets as defined by the above measures.

Pursuant to the above regulatory requirements in Mainland China, the Bank's subsidiaries are required to appropriate certain amounts of their net profit as general reserve.

During the six months ended 30 June 2013, the Group transferred RMB2,649 million to general and regulatory reserve pursuant to regulatory requirement in the PRC (Six months ended 30 June 2012: RMB928 million).

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36. CASH AND CASH EQUIVALENTS

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents include the following balances with an original maturity of less than three months:

	At 30 June 2013 (Unaudited)	At 30 June 2012 (Unaudited)
Cash	**3,182,080**	2,485,595
Balances with central bank	**7,889,722**	3,771,448
Deposits with banks and other financial institutions	**17,323,443**	6,599,216
Placements with banks and other financial institutions	**3,737,851**	2,080,000
Financial assets held under resale agreements	**6,891,654**	7,002,073
Total	**39,024,750**	21,938,332

37. SEGMENT ANALYSIS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of the directors and relevant management committees (chief operating decision maker) for the purposes of allocating resources to segments and assessing their performance. The Group operates mainly in Chongqing, PRC. Majority of its customers and non-current assets are located in the Chongqing, PRC. The Group's chief operating decision maker reviews financial information based on business activities for the purpose of allocating resources and performance assessment.

The measurement of segment assets and liabilities, segment income and results is based on the Group's accounting policies in accordance with accounting rules and financial regulations applicable to PRC enterprises. There is no significant difference between the segment accounting policy and the policies applied in preparing the condensed consolidated financial statements.

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

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37. SEGMENT ANALYSIS — *CONTINUED*

The Group has no major customers which contribute 10 percent or more of the Group's income.

Segment revenues, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating Segment

The Group provides a diversified range of banking and related financial services. The products and services offered to customers are organised into three operating segments:

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit takings and other types of corporate intermediary services.

Personal banking

The personal banking segment provides financial products and services to individual customers. The products and services include personal loans, deposit products, card business, personal wealth management services and other types of personal intermediary services.

Treasury operations

The Group's treasury operations conduct money market or repurchase transactions, and debt instruments investment for its own accounts or on behalf of customers.

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37. SEGMENT ANALYSIS — *CONTINUED*

Operating Segment — *continued*

	Six months ended 30 June 2013 (Unaudited)					
	Corporate banking	Personal banking	Treasury operations	Segment total	Unallocated	Total
External interest income	4,054,242	2,397,516	6,450,998	12,902,756	—	12,902,756
External interest expense	(491,269)	(2,745,862)	(2,073,182)	(5,310,313)	—	(5,310,313)
Inter-segment interest (expense) income	(802,624)	2,663,007	(1,860,383)	—	—	—
Net interest income	2,760,349	2,314,661	2,517,433	7,592,443	—	7,592,443
Fee and commission income	103,734	134,209	89,069	327,012	—	327,012
Fee and commission expense	(2,023)	(20,175)	(1,770)	(23,968)	—	(23,968)
Net fee and commission income	101,711	114,034	87,299	303,044	—	303,044
Net trading gain	—	—	38,241	38,241	—	38,241
Other operating income, net	—	—	6,825	6,825	22,759	29,584
Operating income	2,862,060	2,428,695	2,649,798	7,940,553	22,759	7,963,312
Operating expenses	(1,489,593)	(941,353)	(829,607)	(3,260,553)	—	(3,260,553)
Impairment on assets	(425,933)	(34,337)	(3,430)	(463,700)	—	(463,700)
Net losses on disposal of available-for-sale financial assets	—	—	(8)	(8)	—	(8)
Profit before tax	946,534	1,453,005	1,816,753	4,216,292	22,759	4,239,051
Income tax expense						(1,019,364)
Profit for the period						3,219,687
Depreciation and amortisation included in operating expenses	102,797	65,489	57,179	225,465	—	225,465
Capital expenditure	193,555	123,308	107,663	424,526	—	424,526

	At 30 June 2013 (Unaudited)					
	Corporate banking	Personal banking	Treasury operations	Segment total	Unallocated	Total
Segment assets	116,839,716	68,762,143	296,478,255	482,080,114	5,896,595	487,976,709
Segment liabilities	96,297,050	248,922,364	106,174,578	451,393,992	2,413,730	453,807,722
Supplementary information						
Credit commitments	9,854,700	1,800,731	—	11,655,431	—	11,655,431

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37. SEGMENT ANALYSIS — *CONTINUED*

Operating Segment — *continued*

	Six months ended 30 June 2012 (Unaudited)					
	Corporate banking	Personal banking	Treasury operations	Segment total	Unallocated	Total
External interest income	3,636,313	2,048,013	5,058,280	10,742,606	—	10,742,606
External interest expense	(688,399)	(2,034,660)	(1,785,100)	(4,508,159)	—	(4,508,159)
Inter-segment interest (expense) income	(765,789)	2,253,303	(1,487,514)	—	—	—
Net interest income	2,182,125	2,266,656	1,785,666	6,234,447	—	6,234,447
Fee and commission income	74,371	55,966	68,462	198,799	—	198,799
Fee and commission expense	(1,421)	(15,446)	(2,876)	(19,743)	—	(19,743)
Net fee and commission income	72,950	40,520	65,586	179,056	—	179,056
Net trading gain	—	—	83,296	83,296	—	83,296
Other operating (losses) income, net	—	—	(495)	(495)	6,889	6,394
Operating income	2,255,075	2,307,176	1,934,053	6,496,304	6,889	6,503,193
Operating expenses	(1,074,059)	(928,037)	(584,139)	(2,586,235)	—	(2,586,235)
(Impairment) reversals of impairment on assets	(281,556)	43,854	—	(237,702)	—	(237,702)
Net gain on disposal of available-for-sale financial assets	—	—	8	8	—	8
Profit before tax	899,460	1,422,993	1,349,922	3,672,375	6,889	3,679,264
Income tax expense						(869,203)
Profit for the period						2,810,061
Depreciation and amortisation included in operating expenses	79,248	72,238	32,431	183,917	—	183,917
Capital expenditure	143,620	130,913	58,773	333,306	—	333,306

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37. SEGMENT ANALYSIS — *CONTINUED*

Operating Segment — *continued*

	At 31 December 2012 (Restated)					
	Corporate banking	Personal banking	Treasury operations	Segment total	Unallocated	Total
Segment assets	106,239,403	59,575,173	262,315,697	428,130,273	5,696,786	433,827,059
Segment liabilities	79,839,559	221,043,224	99,951,969	400,834,752	776,573	401,611,325
Supplementary information						
Credit commitment	5,346,140	1,573,824	—	6,919,964	—	6,919,964

Unallocated assets mainly include property and equipment of the Group, equity investments, goodwill and deferred tax assets. Unallocated liabilities mainly include tax liabilities and dividends payable. The assets and liabilities as at 31 December 2012 have been restated as a result of the application of IAS 19 (as revised in 2011).

38. RELATED PARTY TRANSACTIONS

Related parties of the Group

The directors of the Bank consider that the following shareholders are related parties of the Group:

	Percentage of shares hold	
Name of shareholders	At 30 June 2013 % (Unaudited)	At 31 December 2012 % (Audited)
Chongqing Yufu Assets Management Group Company Limited	**6.77**	6.77
Chongqing City Investment (Group) Co., Ltd.	**6.68**	6.68
Loncin Holding Co., Ltd.	**6.13**	6.13

There are several entities controlled or jointly controlled by the above shareholders and member of the key management personnel of the Group which are considered as related parties of the Group ("other related parties").

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38. RELATED PARTY TRANSACTIONS — *CONTINUED*

Related party transactions

During the six months ended 30 June 2013, the Group entered into the following material transactions with related parties:

	Interest income For the six months ended 30 June		Interest expense For the six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)	**2013 (Unaudited)**	2012 (Unaudited)
Shareholders of the Bank	**81,590**	53,717	**324**	6,115
Other related parties	**58,203**	52,060	**7,043**	1,866

	Operating expenses For the six months ended 30 June		Fee and commission income For the six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)	**2013 (Unaudited)**	2012 (Unaudited)
Shareholders of the Bank	**—**	3,520	**—**	—
Other related parties	**—**	—	**3,123**	—

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38. RELATED PARTY TRANSACTIONS — *CONTINUED*

Related party transactions — *continued*

At the end of each reporting period, the Group had the following material outstanding balances with related parties:

	Loans and advances to related parties		Customer deposits from related parties	
	30 June 2013 (Unaudited)	31 December 2012 (Audited)	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Shareholders of the Bank	**3,216,650**	3,030,450	**165,754**	115,501
Other related parties	**1,672,354**	2,664,982	**1,033,947**	1,738,521

	Interest receivable from related parties		Interest payable to related parties	
	30 June 2013 (Unaudited)	31 December 2012 (Audited)	**30 June 2013 (Unaudited)**	31 December 2012 (Audited)
Shareholders of the Bank	**6,213**	5,797	**19**	9
Other related parties	**3,356**	5,356	**616**	335

As at 31 December 2012, the debt instruments issued by financial institutions of RMB1,000 million included in debt securities classified as receivables were used to lend trust loan to a shareholder of the Bank. The investments were fully recovered upon maturity during the six month ended 30 June 2013.

Transactions between the Group and its associate

The Group may enter into various transactions with its associate. Transactions are made at arm's length and in its ordinary course of business. In the opinion of the directors, there are no material transactions or balances between the Group and its associate, and accordingly such information are not included herein.

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38. RELATED PARTY TRANSACTIONS — *CONTINUED*

Key management personnel

Key management personnel are those persons in the Group who have the authority and responsibility to plan, direct and control the activities of the Bank or the Group.

The Group enters into banking transactions with key management personnel in the normal course of business. During the six month ended 30 June 2013 and 30 June 2012, there were no material transactions with key management personnel.

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Basic salaries, bonuses and allowances	**8,601**	9,760
Contribution to pension schemes	**685**	723
Fees	**690**	338
Total	**9,976**	10,821

39. CONTINGENT LIABILITIES AND COMMITMENTS

Legal proceedings

The Group is involved as defendants in certain lawsuits arising from its normal business operations. As at 30 June 2013 and 31 December 2012, provisions of RMB2.22 million and RMB2.22 million were made based on court judgments or the advice of counsel. The directors of the Bank believe, based on legal advice, that the final result of these lawsuits will not have a material impact on the financial position or operations of the Group.

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39. CONTINGENT LIABILITIES AND COMMITMENTS — *CONTINUED*

Capital commitments

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Contracted but not provided for	**883,420**	854,570
Authorised but not contracted for	**674,662**	601,475
Total	**1,558,082**	1,456,045

Credit commitments

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Acceptances	**9,159,301**	4,666,545
Undrawn credit card limit	**1,800,731**	1,573,824
Letters of credit issued	**593,647**	594,941
Letters of guarantee	**101,752**	84,654
Total	**11,655,431**	6,919,964

Credit commitments represent general facility limits granted to customers. These credit facilities may be drawn in the form of loans and advances or through the issuance of letters of credit, acceptances or letters of guarantee.

The Group grants loan commitments to specific customers. The directors of the Bank are of the opinion that such commitments are conditional and revocable and are therefore not included in the commitments disclosure above.

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39. CONTINGENT LIABILITIES AND COMMITMENTS — *CONTINUED*

Credit risk weighted amounts for credit commitments

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Restated)
Credit commitments	**2,140,924**	1,374,265

The credit risk weighted amounts are the amounts calculated in accordance with the guidelines issued by the CBRC and are dependent on, among other factors, the creditworthiness of the counterparty and the maturity characteristics. The risk weightings used range from 0% to 100%, for contingent liabilities and commitments.

In accordance with the Administrative Measures on the Capital of Commercial Banks (Trial) (「商業銀行資本管理辦法(試行)」) promulgated by CBRC, which has come into force from 1 January 2013, new methods have been introduced to compute the credit risk weighted amounts for credit commitments. Thus the Group restated the comparative figure.

Operating lease commitment

At the end of each reporting period, the Group has the following non-cancellable operating lease commitments as lessee with fixed lease term and lease payment:

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Within 1 year	**40,373**	37,549
1 to 2 years	**30,232**	34,899
2 to 3 years	**19,357**	23,364
3 to 4 years	**14,248**	16,144
4 to 5 years	**10,446**	12,696
Above 5 years	**29,533**	38,569
Total	**144,189**	163,221

The leases are negotiated for a lease term of 1 to 15 years.

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39. CONTINGENT LIABILITIES AND COMMITMENTS — *CONTINUED*

Collateral

Assets pledged

The carrying amount of assets pledged as collateral under repurchase agreement by the Group is as follows:

	At 30 June 2013 (Unaudited)	At 31 December 2012 (Audited)
Bonds	**42,452,945**	36,563,645
Bills	**2,748,728**	6,713,523
Total	**45,201,673**	43,277,168

As at 30 June 2013 and 31 December 2012, the carrying amount of financial assets sold under repurchase agreements by the Group was RMB44,511 million and 42,639 million, respectively.

Collateral accepted

Bills and other documents received as collateral can be resold or re-pledged in connection with bills and other documents purchased under resale agreements. The fair value of these collaterals accepted by the Group is RMB 12,597 million as at 30 June 2013(31 December 2012: RMB26,389 million). The fair value of collaterals sold under repurchase agreement or re-pledged by the Group is RMB 2,780 million as at 30 June 2013 (31 December 2012: 6,703 million).

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40. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available such as the market price of the listed equity securities on exchanges. Where Level 1 inputs are not available, the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models, including discounted cash flow analysis, using prices from observable current market transactions for similar instruments to the extent available.

The main valuation techniques used by the Group is the discounted cash flow model for financial instruments. The main inputs used in discounted cash flow model include recent transaction prices, interest rates, own credit spread and counterparty credit spreads, as appropriate. If these parameters used in the model are substantively based on observable market data and/or obtainable from active open market, the instruments are classified as level 2.

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40. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS — *CONTINUED*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis — *continued*

As at 30 June 2013 and 31 December 2012, the debt securities traded on China Interbank Bond Market are classified into Level 2. Their fair values are provided by China Central Depository & Clearing Co., Ltd. and determined by using the present value valuation technique under income approach and applying the respective interest yield curves of relevant bonds as the key parameter for their fair value measurement.

	Level 1	Level 2	Level 3	Total
At 30 June 2013 (Unaudited)				
Financial assets held for trading				
— Debt securities issued by:				
Corporations	—	5,061,628	—	5,061,628
Financial institutions	—	496,864	—	496,864
Public sector and quasi-governments	—	146,748	—	146,748
	—	5,705,240	—	5,705,240
Financial assets designated as at fair value through profit or loss				
— Unlisted debt instruments issued by financial institutions	—	20,648,723	—	20,648,723
Available-for-sale financial assets				
— Listed equity securities issued by entities in the following business:				
Retail and wholesale	14,818	—	—	14,818
— Unlisted equity securities issued by:				
Financial institutions	—	11,113	—	11,113
— Debt securities issued by:				
Corporations	—	5,979,559	—	5,979,559
	14,818	5,990,672	—	6,005,490
Financial liabilities designated as at fair value through profit or loss				
— Principal guaranteed wealth management products	—	(4,172,150)	—	(4,172,150)

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40. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS — *CONTINUED*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis — *continued*

	Level 1	Level 2	Level 3	Total
At 31 December 2012 (Audited)				
Financial assets held for trading				
— Debt securities issued by:				
Corporations	—	3,774,309	—	3,774,309
Financial assets designated as at fair value through profit or loss				
— Unlisted debt instruments issued by financial institutions	—	18,112,605	—	18,112,605
Available-for-sale financial assets				
— Listed equity securities issued by entities in the following business:				
Retail and wholesale	19,576	—	—	19,576
— Debt securities issued by:				
Corporations	—	4,550,131	—	4,550,131
	19,576	4,550,131	—	4,569,707
Financial liabilities designated as at fair value through profit or loss				
— Principal guaranteed wealth management products	—	(5,076,419)	—	(5,076,419)

There were no transfers between Level 1 and 2 in the current period ended 30 June 2013 and the year ended 31 December 2012.

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40. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS — *CONTINUED*

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The tables below summarise the carrying amounts and fair values of those financial assets and liabilities not measured at their fair values. Financial assets and liabilities for which the carrying amounts approximate their fair values, such as balances with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, borrowings from central bank, deposits from banks and other financial institutions, placements from banks and financial assets sold under repurchase agreements are not included in the tables below.

	At 30 June 2013 (Unaudited)		At 31 December 2012 (Audited)	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Loans and advances to customers	**185,790,761**	**186,107,786**	167,614,916	167,923,369
Held-to-maturity investments	**48,679,226**	**48,804,255**	45,773,802	45,726,635
Debt securities classified as receivables	**24,152,039**	**24,740,188**	32,614,365	32,449,632
Financial assets held under resale agreements	**53,704,066**	**54,069,145**	51,765,062	52,076,731
Total	**312,326,092**	**313,721,374**	297,768,145	298,176,367
Financial liabilities				
Due to customers	**338,523,115**	**338,882,325**	294,510,490	294,833,991
Debt securities issued	**2,300,000**	**2,284,401**	2,300,000	2,281,621
Total	**340,823,115**	**341,166,726**	296,810,490	297,115,612

41. EVENT AFTER THE REPORTING PERIOD

There are no significant events after the reporting period, except the following:

On 9 August 2013, Fujian Pingtan CQRC Village and Township Bank Co., Ltd. (福建平潭渝農商村鎮銀行有限責任公司), which is held by the Bank by 51%, was established in mainland China and commenced business in banking with registered capital of RMB100 million.

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LOANS AND ADVANCES TO CUSTOMERS (CONTRACTUAL AMOUNT)

Under the IFRS, the restructuring of the Bank was accounted for as an acquisition of the Business from the 39 Rural Credit Unions and CRCCU by the Bank on 27 June 2008 instead of merger accounting due to the fact that there were no same party or parties ultimately controlling the 39 Rural Credit Unions, CRCCU and the Bank before and after the restructuring.

The following disclosures in relation to loans and advances to customers have been prepared based on the contractual amount of these loans for management purpose, which are not the same as the carrying amount of these loans and advances to customers stated in the condensed consolidated financial statements of the Group.

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LOANS AND ADVANCES TO CUSTOMERS (CONTRACTUAL AMOUNT) — *CONTINUED*

(1) Distributions of loans and advances to customers by corporate and by retail customers are set out as follows:

	At June 30 2013	At December 31 2012
Corporate loans and advances		
— Loans	**114,392.7**	105,578.0
— Discounted bills	**5,663.9**	5,256.4
— Trade financing	**700.5**	626.8
Subtotal	**120,757.1**	111,461.2
Retail loans and advances		
— Residential mortgage and personal commercial property loans	**40,065.8**	35,184.5
— Loans to private business and re-employment loans	**23,273.4**	18,764.9
— Loans to farmers	**1,432.3**	1,569.5
— Credit card	**1,581.3**	1,222.6
— Others	**5,218.6**	5,356.6
Subtotal	**71,571.4**	62,098.1
Total loans and advances to customers	**192,328.5**	173,559.3
Allowance for impairment losses	**(6,537.7)**	(5,944.4)
Include: Individually assessed	**(326.8)**	(497.6)
Collectively assessed	**(6,210.9)**	(5,446.8)
Loans and advances to customers, net	**185,790.8**	167,614.9

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LOANS AND ADVANCES TO CUSTOMERS (CONTRACTUAL AMOUNT) — CONTINUED

(2) Analysis of loans and advances to customers by collective and individual assessment

		Identified impaired loans and advances [b]				
	Loans and advances for which allowance is collectively assessed [a]	For which allowance is collectively assessed	For which allowance is individually assessed	Sub-total	Total	Identified impaired loans and advances as a % of total gross loans and advances
At 30 June 2013						
Gross loans and advances	**190,922.0**	**804.7**	**601.8**	**1,406.5**	**192,328.5**	**0.73**
Allowance for impairment losses	**(5,514.8)**	**(696.1)**	**(326.8)**	**(1,022.9)**	**(6,537.7)**	
Loans and advances to customers, net	**185,407.2**	**108.6**	**275.0**	**383.6**	**185,790.8**	
At 31 December 2012						
Gross loans and advances	171,863.8	797.9	897.6	1,695.5	173,559.3	0.98
Allowance for impairment losses	(4,807.4)	(639.4)	(497.6)	(1,137.0)	(5,944.4)	
Loans and advances to customers, net	167,056.4	158.5	400.0	558.5	167,614.9	

(a) Loans and advances for which allowance is collectively assessed consist of loans and advances which have not been specifically identified as impaired.

(b) Identified impaired loans and advances include loans for which objective evidence of impairment exists and which have been identified as bearing an impairment loss and assessed either individually or collectively.

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LOANS AND ADVANCES TO CUSTOMERS (CONTRACTUAL AMOUNT) — *CONTINUED*

(3) Movements of allowance for impairment losses on loans and advances to customers

	Individually assessed allowance	Collectively assessed allowance	Total
As at 1 January 2013	**497.6**	**5,446.8**	**5,944.4**
Charge for the period	**54.7**	**3,375.2**	**3,429.9**
Reverse for the period	**(243.9)**	**(2,725.7)**	**(2,969.6)**
Recovery of loans and advances written off in previous years	**36.9**	**118.5**	**155.4**
Unwinding of discount on allowance	**(18.5)**	**(3.9)**	**(22.4)**
As at 30 June 2013	**326.8**	**6,210.9**	**6,537.7**

	Individually assessed allowance	Collectively assessed allowance	Total
As at 1 January 2012	475.2	5,047.4	5,522.6
Charge for the year	201.6	3,576.9	3,778.5
Reverse for the year	(211.6)	(3,295.8)	(3,507.4)
Written off	(31.8)	(121.8)	(153.6)
Recovery of loans and advances written off in previous years	110.1	264.9	375.0
Unwinding of discount on allowance	(45.9)	(24.8)	(70.7)
As at 31 December 2012	497.6	5,446.8	5,944.4

Unaudited Supplementary Financial Information

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LIQUIDITY RATIOS

(Expressed in percentage)

	At June 30 2013	At December 31 2012
RMB current assets to RMB current liabilities	**31.44**	28.76
Foreign currency current assets to foreign currency current liabilities	**64.16**	133.51

CORE LIABILITIES RATIOS

(Expressed in percentage)

	At June 30 2013	At December 31 2012
Core liabilities ratios	**56.74**	53.71

The above liquidity ratios and core liabilities ratios are calculated in accordance with the formula promulgated by CBRC.

Unaudited Supplementary Financial Information

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CURRENCY CONCENTRATIONS

	Equivalent in Renminbi			
	US Dollars	Hong Kong Dollars	Others	Total
At 30 June 2013				
Spot assets	**1,076.8**	**901.9**	**6.4**	**1,985.1**
Spot liabilities	**(934.6)**	**(755.8)**	**(6.1)**	**(1,696.5)**
Net position	**142.2**	**146.1**	**0.3**	**288.6**

	Equivalent in Renminbi			
	US Dollars	Hong Kong Dollars	Others	Total
At 31 December 2012				
Spot assets	928.0	18.1	108.1	1,054.2
Spot liabilities	(728.9)	(11.0)	(4.1)	(744.0)
Net position	199.1	7.1	104.0	310.2

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CROSS-BORDER CLAIMS

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

Cross-border claims mainly include balances with banks.

Cross-border claims have been disclosed by different countries or geographical areas. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of cross-border claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	Banks	Total
At 30 June 2013		
Asia Pacific excluding Mainland China	**391.3**	**391.3**
— of which attributed to Hong Kong	**391.3**	**391.3**
Europe	**6.2**	**6.2**
North America	**25.2**	**25.2**
Total	**422.7**	**422.7**

	Banks	Total
As at 31 December 2012		
Asia Pacific excluding Mainland China	18.2	18.2
— of which attributed to Hong Kong	18.2	18.2
Europe	11.7	11.7
North America	67.7	67.7
Total	97.6	97.6

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OVERDUE ASSETS

Total loans and advances to customers which have been overdue are set out as follows:

	At June 30 2013	At December 31 2012
Below 3 months (inclusive)	**1,578.2**	1,323.1
Between 3 and 6 months	**125.7**	108.4
Between 6 and 12 months	**146.2**	98.9
Over 12 months	**1,118.3**	1,350.0
Total	**2,968.4**	2,880.4
Percentage		
Below 3 months (inclusive)	**0.82**	0.76
Between 3 and 6 months	**0.07**	0.06
Between 6 and 12 months	**0.08**	0.06
Over 12 months	**0.58**	0.78
Total	**1.55**	1.66

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

Unaudited Supplementary Financial Information

For The Six Months Ended 30 June 2013
(Amounts In Millions Of Renminbi, Unless Otherwise Stated)

SUMMARY OF INFORMATION ON GEOGRAPHICAL SEGMENTS

When information is prepared based on the geographical segments, total operating income is allocated in accordance with the locations of branches recording gains. The table below sets forth the total operating income attributable to county area branches and urban area branches for the periods indicated.

	For the period ended 30 June					
	2013			2012		
	County Area [1]	**Urban Area**	**Total**	County Area [1]	Urban Area	Total
Net interest income	**1,334.1**	**6,258.4**	**7,592.5**	927.2	5,307.2	6,234.4
Net fee and commission income	**92.1**	**210.9**	**303.0**	89.9	89.2	179.1
Net trading gain	**—**	**38.2**	**38.2**	—	83.3	83.3
Other operating income (losses), net	**18.7**	**10.9**	**29.6**	45.3	(38.9)	6.4
Total operating income	**1,444.9**	**6,518.4**	**7,963.3**	1,062.4	5,440.8	6,503.2
Internal transfer of income and expense	**2,594.6**	**(2,594.6)**	**—**	2,141.6	(2,141.6)	—
Gain after adjustment	**4,039.5**	**3,923.8**	**7,963.3**	3,204.0	3,299.2	6,503.2

(1) County Area refers to regions other than urban area of Chongqing City. The information of County Area also includes the information of nine subsidiaries, namely Jiangsu Zhangjiagang CQRC Village and Township Bank Co., Ltd. (江蘇張家港渝農商村鎮銀行股份有限公司), Sichuan Dazhu CQRC Village and Township Bank Co., Ltd. (四川大竹渝農商村鎮銀行股份有限公司), Yunnan Dali CQRC Village and Township Bank Co., Ltd. (雲南大理渝農商村鎮銀行有限責任公司), Yunnan Xiangyun CQRC Village and Township Bank Co., Ltd. (雲南祥雲渝農商村鎮銀行有限責任公司), Yunnan Heqing CQRC Village and Township Bank Co., Ltd. (雲南鶴慶渝農商村鎮銀行有限責任公司), Guangxi Luzhai CQRC Village and Township Bank Co., Ltd. (廣西鹿寨渝農商村鎮銀行有限責任公司), Fujian Shaxian CQRC Village and Township Bank Co., Ltd. (福建沙縣渝農商村鎮銀行有限責任公司), Fujian Fuan CQRC Village and Township Bank Co., Ltd. (福建福安渝農商村鎮銀行有限責任公司) and Yunnan Shangri-La CQRC Village and Township Bank Co., Ltd. (雲南香格里拉渝農商村鎮銀行有限責任公司) and the information of Qujing Branch.

Unaudited Supplementary Financial Information

For The Six Months Ended 30 June 2013

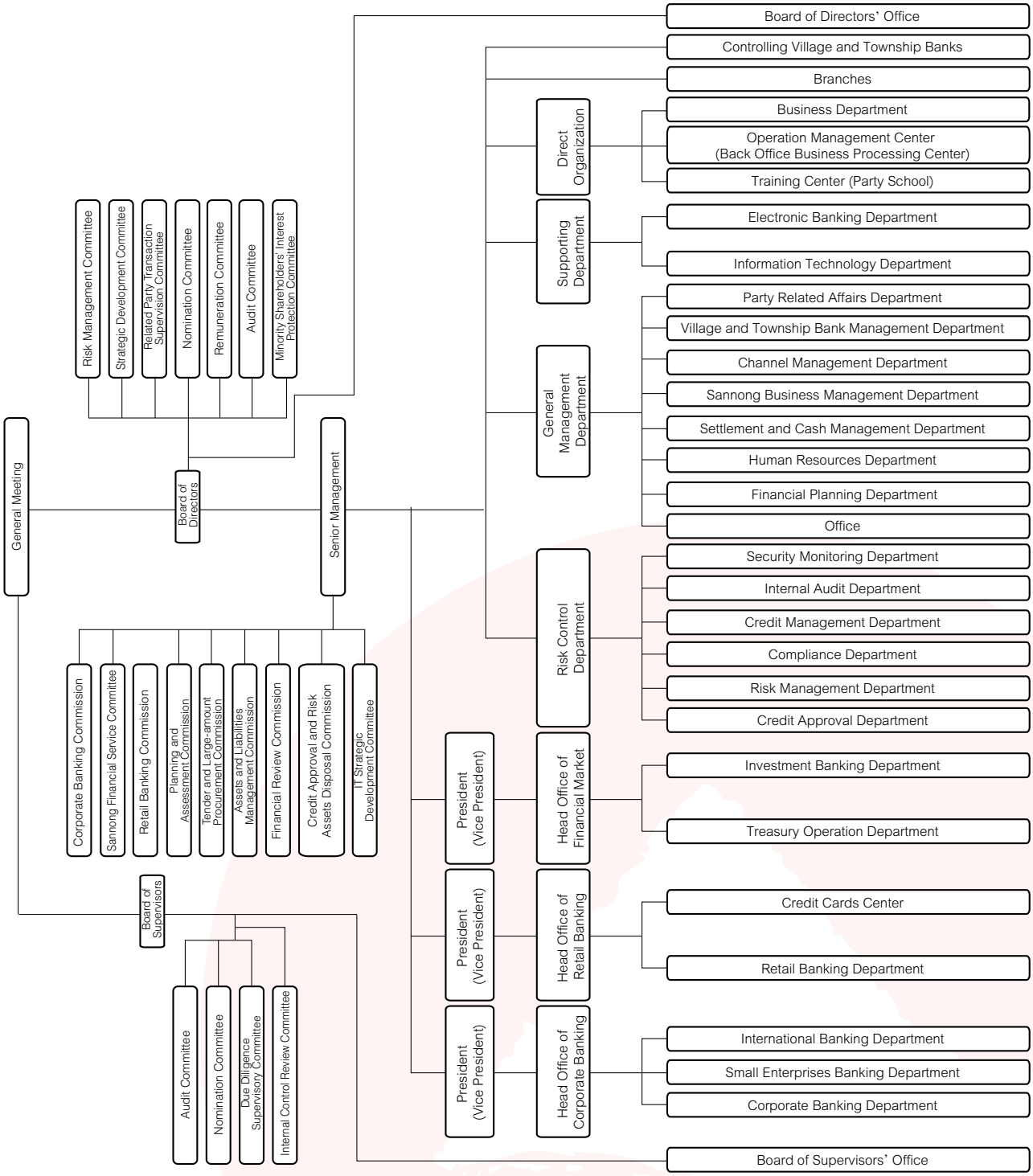
(Amounts In Millions Of Renminbi, Unless Otherwise Stated)

SUMMARY OF GEOGRAPHICAL SEGMENT

	At 30 June 2013		At 31 December 2012	
(Expressed in percentage)	**County Area**	**Urban Area**	County Area	Urban Area
Deposits	**66.72**	**33.28**	67.48	32.52
Loans	**51.15**	**48.85**	48.28	51.72
Assets	**46.49**	**53.51**	46.33	53.67
Loan-deposit ratio	**43.56**	**83.38**	42.16	93.74
Non-performing loan ratio	**1.27**	**0.17**	1.81	0.19
Allowance to non-performing loans ratio	**406.35**	**931.32**	271.78	1,035.58

	For the period ended 30 June 2013		For the period ended 30 June 2012	
(Expressed in percentage)	**County Area**	**Urban Area**	County Area	Urban Area
Return on average total assets	**1.34**	**1.46**	1.40	1.58
Net fee and commission income to operating income	**2.28**	**5.37**	2.81	2.70
Cost-to-income ratio	**40.10**	**28.97**	41.21	25.11

Organisation Chart



Definitions

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

"B2B"	Business To Business, one of the market sectors related to the Internet and a marketing relationship among enterprises
"Bank"	Chongqing Rural Commercial Bank Co., Ltd. (重慶農村商業銀行股份有限公司)
"Banking Regulatory Commission Chongqing Bureau"	China Banking Regulatory Commission Chongqing Regulatory Bureau (中國銀行業監督管理委員會重慶監管局)
"CBRC"	China Banking Regulatory Commission (中國銀行業監督管理委員會)
"County Area"	the regions other than urban area of Chongqing City, including 29 districts and counties
"Domestic Shares"	the ordinary shares issued by the Bank in the PRC, with a nominal value of RMB1.00 each
"Group"	Chongqing Rural Commercial Bank Co., Ltd. (重慶農村商業銀行股份有限公司) and its subsidiaries
"HKD" or "HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKEx"	Hong Kong Exchanges and Cleaning Limited
"Hong Kong"	Hong Kong Special Administrative Region, the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"industries with high pollution, high energy consumption and excess capacity (「兩高一剩」行業)"	industries with high pollution, high energy consumption and excess capacity
"Listing"	the listing of H shares on the Main Board of the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
""One Alliance" Preferential Merchant Scheme"	a platform of long-term, comprehensive and continual privileges for the cardholders of Jiangyu Card, including credit cards and debit cards, established by the Bank with quality merchants in different districts and industries in Chongqing
"one-coordination, three-transformation and two-transition" (一統三化兩轉變)	the strategy for future development proposed in the Fourth Congress of the Communist Party of China in Chongqing. "One-coordination" means the coordination for the harmonious development in the urban and rural areas. "three-transformation" mean the acceleration of the promotion of industrialization, urbanization and modernization of the agricultural industry. "two-transition" mean the transition in economic development and the uplift in the quality and efficiency of development as well as the changes in the functions of the government and innovation in the administration of community
"PBOC", "central bank"	the People's Bank of China
"PRC" or "China"	the People's Republic of China
"realizing common prosperity in Chongqing through scientific development (科學發展、富民興渝)"	the general principle, development strategy and goal for the development of Chongqing for now and the period going forward proposed in the Fourth Congress of the Communist Party of China in Chongqing
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

"rural commercial bank"	a short-hand reference to rural and commercial bank (農村商業銀行)
"Sannong"	a short-hand reference to the Chinese pronunciation of the phrase "agriculture, rural areas and farmers"
"spot checks"	the special inspection team of the headquarters conducted spot checks of operating risks on grass-roots business outlets
"Three-Transformation Strategy"	the strategy for future development of the Bank, that is, characteristic operation, streamlining the management and fostering good corporate culture
"village and township banks"	bank institutions that are approved by CBRC (中國銀監會) to be incorporated in rural areas to provide services to local farmers or enterprises
"Yuan"	RMB yuan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)