

Chongqing Rural Commercial Bank Co., Ltd.

Corporate Social Responsibility Report 2020



Declaration

◆◆ Reporting Scope

This report covers Chongqing Rural Commercial Bank Co., Ltd. and its subsidiaries. Unless otherwise specified, for the purpose of the Report, "the Bank" refers to Chongqing Rural Commercial Bank Co., Ltd., "the Group" refers to Chongqing Rural Commercial Bank Co., Ltd. and its subsidiaries.

◆◆ Reporting Period

This report is the tenth consecutive annual Corporate Social Responsibility Report of the Bank, with the reporting period from January 1st, 2020 to December 31st, 2020. Part of the contents may contain information which is beyond the aforesaid period.

◆◆ Principle of Report Preparation

This report was prepared with reference to the *Guidelines on Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange* and the *Guidelines on Preparation of Report on Company's Fulfillment of Social Responsibilities* released by the Shanghai Stock Exchange, the *Environmental, Social and Governance Reporting Guide* released by the Hong Kong Stock Exchange, *GRI standards* issued by the Global Sustainability Standards Board (GSSB) and *Financial Services Sector Supplementary Guidelines*. The report was prepared in compliance with the requirements in *Opinions on Strengthening the Social Responsibility of Banking and Financial Institutions* released by China Banking and Insurance Regulatory Commission and *Guidelines on Corporate Social Responsibility of Chinese Banking and Financial Institutions* released by China Banking Association.

◆◆ Data Presented in the Report

Parts of the financial data herein are extracted from the Group's 2020 Annual Financial Statements (H-share). The Annual Financial Statements for the year ended December 31st, 2020 of the Bank had been subject to audit by PricewaterhouseCoopers Zhong Tian LLP. In cases where there may be inconsistencies between data presented in the Corporate Social Responsibility Report and the 2020 Annual Financial Statements, the latter shall prevail. Other data, relating to 2020 is primarily presented from the statistical data generated from internal system of the Bank and its branches. The currency amount referred in this report is denominated in RMB, unless otherwise stated.

◆◆ Assurance of the Report

PricewaterhouseCoopers Zhong Tian LLP was engaged to conduct a limited assurance on selected key data of the report and issued an independent assurance report in accordance with *International Standard on Assurance Engagements 3000 (Revised Edition): Engagements Other than Audits or Reviews of Historical Financial Information*.

◆◆ Forms of Report Release

This report is released in the forms of printing (adopting environment-friendly paper) edition and electronic edition. The latter is available on the website of the Shanghai Stock Exchange (www.sse.com.cn), website of the Hong Kong Stock Exchange (www.hkexnews.hk) and website of the Bank (www.cqrcb.com).

The report is published in simplified Chinese, traditional Chinese and English. Should there be any discrepancies among these versions, the simplified Chinese version shall prevail.

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Message from the Chairman

In view of severe and complex situation tasks, unprecedented risks and challenges in the unusual year of 2020, the Bank insisted to enforce "Enhancing Management, Controlling Risks and Stabilizing Development" and practiced "Developing the Bank through Retail, technology and talent". Pursuing stable progress with determination, the Bank, as a financial State-owned Enterprise, rose to challenges, comprehensively fulfilling economic, environmental and social responsibilities by taking actual actions.

Supporting the resumption of production and guarding the "front line" of epidemic prevention and control. The Bank conscientiously implemented the requirements related to the prevention and control of the epidemic, grasped and implemented the prevention and control measures. During the epidemic, none of our employees was suspected or infected, and our branches were the first to resume operation and production. The Bank donated RMB 20 million to the Chongqing Red Cross Society for the prevention and control of the epidemic, helping to win the battle against the epidemic. We resolutely protected the credit needs of enterprises, insisted on waiving as much as possible, lending as much as possible and renewing as much as possible. Besides, we strongly supported the credit needs of designated medical institutions and key enterprises.

Connecting with major strategies actively and serving as the "main force" for local area. The Bank has actively enforced the national strategy, pushed forward the implementation of the "Belt and Road Initiative", served the development of the Yangtze River Economic Belt and the construction of the Chengdu-Chongqing economic circle. We actively researched, judged and analysed, strengthened project undertaking, and made every effort to promote high-quality local economic and social development. Focusing on regulatory and policy work requirements, in response to the "six stability aspects" and "six protective areas" work tasks, the Bank has built a multi-level small and micro enterprise ("SMEs") service network. We have kept increasing financial support, effectively alleviated the financing difficulties and expensive financing problems of private SMEs, strengthening enterprises endogenous driving force for business development.

Promoting the revitalization of rural areas and serving as a "booster" for poverty alleviation. The Bank strictly implemented various deployments for poverty alleviation and rural revitalization. Fully taking five advantages of "outlets + machinery + technology + policies + services", we innovated the five measures of "party building + credit + industry + products + bank-government

linkage" to strengthen targeted poverty alleviation quality and effectiveness. Consolidating the "Sannong" service capabilities, we optimized of the "Sannong" service mechanism, improved the level of rural financial services, highlighted the role of industry in poverty alleviation, and further promoted the development of agricultural business.

Practicing green concept deeply and being a good "first mover" in green finance. The Bank adopted the Equator Principles, becoming the fourth "Equator Bank" throughout the country and the first one in the central and western region. The Bank has established the Green Finance Committee and innovated green financial products, actively conveying the concept of energy conservation and environmental protection. We have carried out green environmental protection public welfare activities, practiced energy conservation and emission reduction measures, creating a green "paperless" office environment, and contributing to the construction of Chongqing into a "Pleasant Place with Picturesque Scenery".

Strengthening humanistic care earnestly and being a good "forest guard" in inclusive finance. The Bank has always adhered to "customer-centric", constantly digging into customer financial needs, innovating financial products, and improving inclusive financial services. We carried out consumer rights protection and promotion actions, intensified financial publicity and education, promoted the comprehensive popularization of financial knowledge and enhanced people's awareness of risk prevention. Adhering to the strategy of "Development with Talent", we guaranteed employee benefits, cared about employees' physical and mental health, and helped employees develop their careers.

The year 2021 is the opening year of the 14th Five-Year Plan of China, the year of the start of the 14th Five-Year Plan of the Bank and the key year of the "new trillion road", connecting the past and the future, while surging dreams and wisdom. The Bank will further implement the spirit of the Fifth Plenary Session of the 19th CPC Central Committee and the Central Economic Work Conference, deepen reform and innovation, promote development, and work hard with more vigor and commitment to celebrate the 100th anniversary of the founding of the Party with outstanding achievements!

Chongqing Rural Commercial Bank Co., Ltd.
Liu Jianzhong, Chairman

Message from the President

In 2020, as driven by our strategic plan of "Developing the Bank through retail, technology and talent", the Bank focused on the mission of "Serving Customers, Repaying Shareholders, Supporting Employees' Self-actualization and Contributing to the Society". In line with national macroeconomic policies and financial regulatory requirements, the Bank continuously innovated financial service measures, improved financial service quality and has accomplished various tasks. In face of COVID-19, we took our social responsibilities to fight against the epidemic, actively supporting the resumption of productions and operations of companies with practical actions.

Giving full play to the role of finance and providing full support to major strategies. In 2020, the Bank strictly implemented and fully supported the integration into major national and regional strategies, fully participated in the planning and construction of the "Belt and Road Initiative", vigorously supported the construction of the Yangtze River Economic Belt and the Inland Open Highland Construction, and digged into the strategic deployment of the construction of the Chengdu-Chongqing economic circle. Positioning trend industries with major strategies, driving industry chain companies with trend industries, and solidly promoting the recovery of the real economy, we fully supported the development of emerging industries. We innovated and launched exclusive products for "Zhanyi Loan" and "Tongzhou Loan", opened green channels to help small and micro enterprises overcome obstacles. As at the end of 2020, the Bank's balance of inclusive financial loans to small and micro enterprise amounted to RMB 78.47 billion.

Adhering to green development and promoting the green bank. In 2020, the Bank took the opportunity of adopting the Equator Principles to join the Sino-British Environmental Information Disclosure Working Group. Establishing strategic cooperation with the Green Finance Development Research Center of Tsinghua University, the Bank has enhanced green development to the Bank-wide business strategy and fully carried out the construction of a green financial system. At the same time, we have strengthened credit support for the green environmental protection industry, fully implemented energy-saving and emission-reduction measures, and improved the green renovation of office space, while carrying out green voluntary activities. We fulfilled the enhancement of employees' awareness of energy conservation and environmental protection and shaped a green development culture, building an industry-leading green bank and contributing a resource-saving society. As at the end of 2020, the Bank's green credit loans balance was RMB 24.57 billion with the increasing rate of 44.01%.

Persisting in "Sannong" and promoting rural revitalization. In 2020, the Bank vigorously focused on the allocation of resources for the "Sannong"

resources, continued to improve the construction of rural financial service channels, and further promoted the integration of the "Three Cooperatives". To meet diversified rural market demand, we dispatched the first secretary of poverty alleviation to actively support the development of the rural economy and increase the income of farmers. This move promoted the transformation and upgrading of financial services for "Sannong", comprehensively served the revitalization of rural areas. As at the end of 2020, the Bank operated 1,456 outlets in counties, 459 convenient service stations, over 100 rural revitalization agencies, 51 inclusive financial bases and had an agriculture-related loan balance of RMB 168.12 billion.

Persisting in improving service quality and deepening the use of financial technology. In 2020, the Bank actively promoted the mobile payment convenience project and launched "Bank Card Project". We continued to integrate the functions of e-channels and strengthened FinTech and digital experience to facilitate digital transformation. We also established a sound customer complaint feedback to improve the efficiency and quality of our service. In addition, we continued to improve our customer rights protection system, ensuring customer information security. Besides, to assist customers protect their personal and financial assets, we enhanced security management in our operations, shared and communicated general financial knowledge with the public. In 2020, the satisfaction of complaint handling by the Customer Service Center reached 99.88%.

Persisting in fulfilling social responsibilities and actively responding to social concerns. In 2020, the Bank continued to implement the strategy of "Developing a Quality Workforce". We protected legitimate rights and interests of employees, improved our talent system and structure, promoted talent skills and built a diversified team. Focusing on the poverty alleviation and rural revitalization, we conducted various public benefit and volunteer activities to establish our image as a responsible. To strengthen the disclosure of social responsibility information and actively respond to the concerns of stakeholders, we have regularly released social responsibility reports. In 2020, the Bank's balance of loans for targeted poverty alleviation was RMB 10.19 billion, with the increasing rate of 14.08%. In addition, around 16,000 employees actively participated in various volunteering activities.

In 2021, adhering to the concept of "Rooting in the Local Area, Serving the Public", the Bank will continue to explore and optimize its strategic development, accelerate the Bank's transformation, promote technology innovation in financial services and intensify participation in the supply-side structural reform. We support a balanced, inclusive and sustainable economic development for a harmonious society and a brighter future.

Chongqing Rural Commercial Bank Co., Ltd.
Xie Wenhui, President

COMPANY PROFILE ▶



Introduction

Chongqing Rural Commercial Bank Co., Ltd. formerly known as Chongqing Rural Credit Cooperative, was founded in 1951 with a history nearly 70 years. In 2003, Chongqing was put on the list of the first batch of pilot provinces and cities regarding China's rural credit cooperative reform. In 2008, the rural commercial bank with the unified legal person in the city was established. In 2010, the Bank successfully listed on Hong Kong's H-share main board, becoming the first listed rural commercial bank in China and the first listed bank in western China. In October 2019, the Bank was successfully listed on the main board of the Shanghai Stock Exchange, becoming the first A + H share listed agricultural commercial bank in China and the first A + H share listed bank in western China. In February 2020, the Bank formally adopted the Equator Principles, becoming the first "Equator Bank" in central and western China.

By the end of 2020, the Bank had 6 branches, 35 sub-branches, with 1,765 operating entities in total. The Bank also had established a financial leasing company and 12 village and town banks. The Bank had over 15,000 employees in total. The total assets have exceeded RMB 1,100 billion, the balance of deposits has about RMB 725 billion, and total loans has about RMB 508 billion. The Bank ranked 122nd among global banks based on the latest ranking of the top 1000 Banks of the world by the Banker UK magazine.



Development Strategy

Under the guidance of the strategic goal of “striving to become a leading regional bank in China”, the Bank adheres to the ideas of “characteristic operation, streamlining the management and fostering good corporate culture” and “strengthening management, controlling risks, and stabilizing development”, adheres to the 12-character strategic policy of “establishing banks with retail, prospering banks with technology, and strengthening banks with talents”, grasps the macro trend, conforms to the industry trend, and combines its own advantages. The Bank takes large retail business as the core competitiveness, promotes the coordination of “four objectives”, realizes the “four-wheel drive” of individual, small and micro, corporate and interbank business, and continuously promotes the high-quality and connotative development of the Bank to continuously enhance the ability of financial support for rural revitalization and provide services for the sustainable development of the real economy.

Anchoring the Bank with Retail

The Bank strives to become “a bank with best customer experience, insisting on taking customers as the center and taking retail as the foundation of development and survival. At the same time, the Bank comprehensively learned from other outstanding banks. By enhancing the “speed, precision and depth” of retail, the Bank’s service capability and contribution to wealth management, consumer finance and microfinance will be improved. Meanwhile, it will “reduce costs, control risks and increase effects” to create a “big retail” business ecology with distinctive features, outstanding advantages and market leadership and establish a solid foundation for high-quality development.

Propelling the Bank with Technology

The Bank takes building a “financial technology demonstration bank” as the goal, and adhere to taking technology as the innovation engine and growth momentum. The Bank continues to increase investment in financial technology, accelerate the application of new technologies such as big data, AI and cloud computing, enhance financial technology empowerment, smart financial service, online offline integration and data mining value, and let financial technology innovation drive the business and operations and management of the whole bank to improve simultaneously. The Bank adheres to independent research and development, and form a “patent pool” and “standard library” with the characteristics of the Bank and local features.

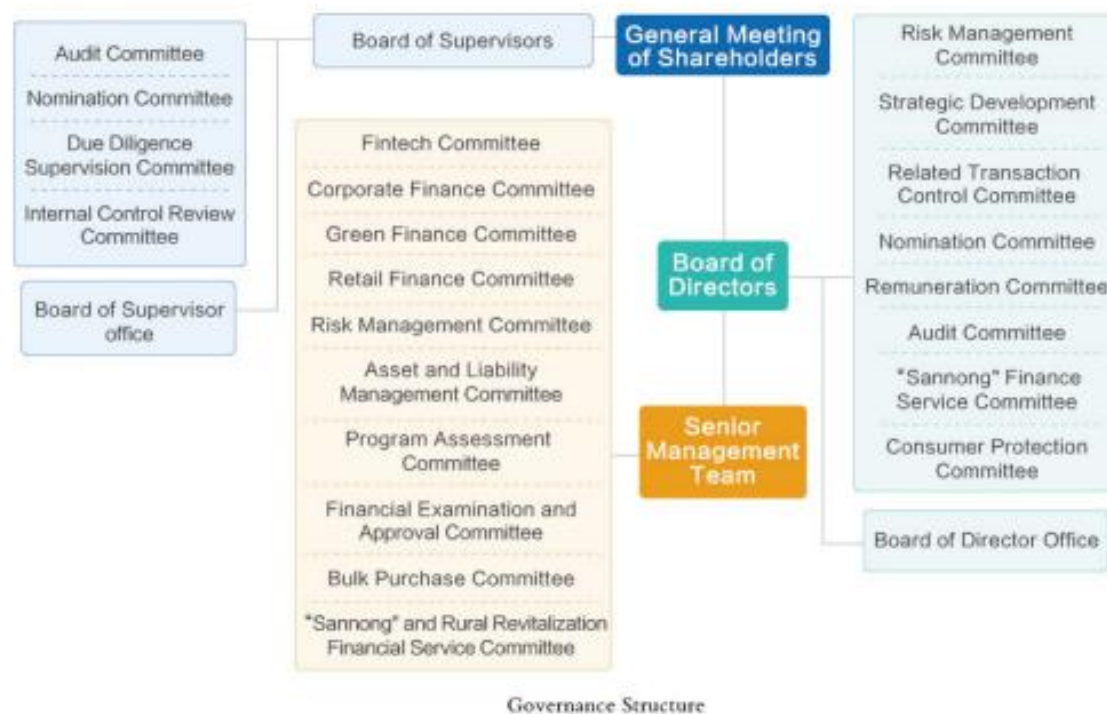
Empowering the Bank with Talents

The bank adheres to taking talents as the core resources and future hope. Based on the employment philosophy of “talent is the primary resource”, build a high-quality talent team with firm political stand, excellent specialty and reasonable structure at full stretch, accelerate the introduction and cultivation of professional and inter-disciplinary talents in new business, risk control, financial innovation and other aspects, and provide a strong talent guarantee for sustainable and high-quality development.



Corporate Governance

The Bank has implemented a sound corporate governance framework and structure based on its core *Articles of Association* and our guiding pillar rules including *Rules and Procedures of the Shareholders' Meeting*, the *Rules and Procedures of Board of Directors Meetings*, the *Rules and Procedures of Board of Supervisors Meetings* and other working rules for special committees. To achieve a mutual balance that meets the requirements of modernized commercial banks, the Bank sets up a governance structure with clarified roles of responsibilities. The structure is comprised of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and senior management, which cooperate and implement the corporate governance. Moreover, under the Board of Directors, we also set up dedicated Strategic Development Committee, "Sannong" Finance Service Committee, Consumer Protection Committee, and other five specific committees that are responsible for managing, reporting and providing recommendations for decision-making in these specific related areas.



The Main Progress of Corporate Governance

General Meeting of Shareholders

1 annual general meeting of shareholders;
3 extraordinary general meeting;
35 proposals deliberated.

Board of Directors

23 board meetings;
159 proposals deliberated.

Special Committee of the Board of Directors

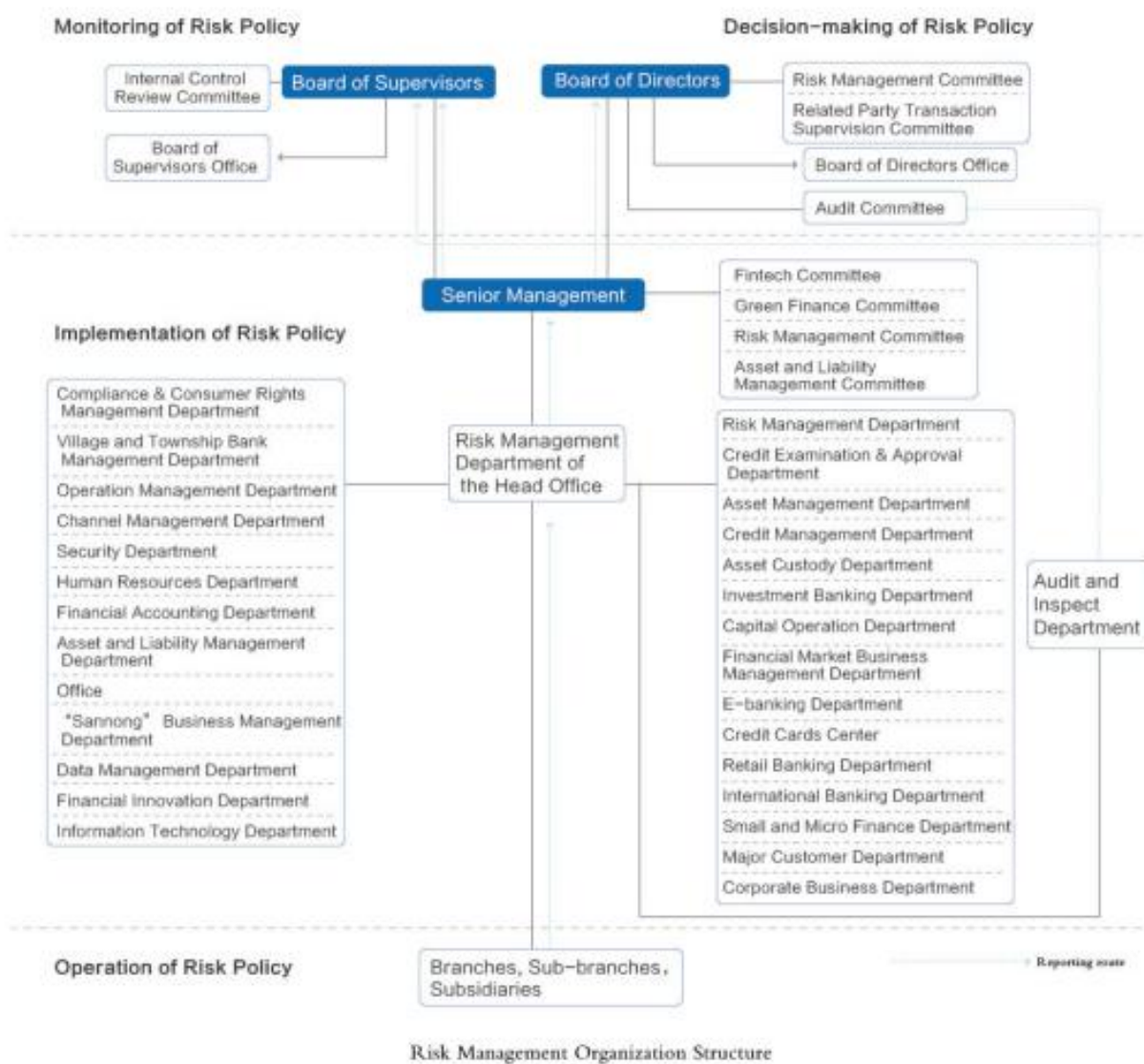
56 Specialized Committees of board meetings;
162 proposals deliberated.

Risk Prevention

◆◆ 1.Risk Management ◆◆

Total Risk Management

Under the macroeconomic and financial conditions and market environment, and in compliance with regulatory requirements, the Bank establishes a sound comprehensive risk management system and continuously improves its risk management capabilities to identify, measure, evaluate, monitor, report, control or mitigate various risks to achieve the Bank's risk management objectives. In 2020, the Bank updated its *Risk Appetite Statement* and adjusted the quantitative risk indicators appropriately to meet the epidemic situation and changes in regulatory requirements and guidance, while continuously formulating its *Implementation Rules for IT Risk Management*, *Implementation Rules for IT Outsourcing Risk Management*, *Implementation Rules for Liquidity Risk Stress Test Management*, and *Implementation Rules for Liquidity Risk Limit Management*, etc. to align with relevant regulations and enforce better risk management and process. It further improved the overall risk management system by revising several policies, such as the *Risk Classification Management Measures for Credit Assets*, *Authorization Management Measures*, and *Risk Management Committee Working Rules*. As of the end of 2020, the capital adequacy ratio of the Group was 14.28%, the provision coverage was 314.95%, the non-performing loan balance was RMB 6.645 billion, and the non-performing loan ratio stood at 1.31%.



Establishing platform

- Assess, revise and issue up-to-date *Risk Preference Statement*, adjust risk indicators appropriately, and publish annual comprehensive risk management opinions;
- Properly assign more credit approval authorities to branches and subbranches based on risk tolerance, and enhance support to the real economy in response to national epidemic prevention policies.

Stepping up supervision

- Strengthen capital management to effectively adapt to the epidemic development and policy orientation, and conduct stress testing that meets regulatory requirements, based on scenarios including major changes in the macroeconomy, to quantitatively analyze the Bank's ability to respond to emergencies;
- Establish a risk supervision system covering all risks, and release periodic supervisory results and provide timely risk warnings.

Focusing on assessment

- Work under the Risk Management Committee and its Models and Rules Review Team as a platform to establish a review mechanism covering risk management policies and strategies, various risk management and authorization matrix, and innovative product risk control models, rules and strategies, facilitating decision-making and risk control by senior management;
- Formulate the Risk Management Assessment Report on a semi-annual basis to comprehensively assess risk management at the Group level during the reporting period.



Reinforcing measurement

- Achieve effective integration between risk supervision and risk measurement, and increase provision for impairment based on risk profile to maintain adequate risk taking capabilities;
- Develop and improve multiple refined rating models, to significantly improve financial customer rating and risk warning;
- Further share more open access to risk data and the IFRS 9 impairment system with departments of Head Office, branches, and subsidiaries to enhance robust risk identification;
- Promote the progressive development of large exposure management system.

Focusing on implementation

- Establish ledgers and strengthen supervision to form a closed management loop and ensure effective implementation of regulatory requirements, management measures, risk warnings, and internal and external audit opinions.

In 2020, both China Credit International Credit Rating Corporation (hereinafter referred to as "China Credit Rating") and United Credit Rating Co., Ltd. (hereinafter referred to as "United Credit Rating") rated the Bank as AAA with a stable rating outlook. China Credit Rating rated "16 Chongqing Rural Commercial Bank Subordinated Bonds" issued by the Bank as AAA+, and "18 Chongqing Rural Commercial Bank Bond 01" as AAA. Both "16 Chongqing Rural Commercial Bank Subordinated Bonds" and "18 Chongqing Rural Commercial Bank Small and Micro Bond" were rated by United Credit Rating as AAA.

Case Special training section on risk management

On June 4, 2020, the Bank organized a special training on risk management, which involved more than 500 participants, including the heads of risk management departments, account managers of 41 branches and sub-branches, business managers of 8 departments in the Head Office and small and micro business department, etc. The training focused on non-retail internal evaluation, I9 impairment system function, and authorization management, which covered the following aspects: reinterpreting the practical operation requirements, prompting the audit inspection issues, and answering the common problems in practice. The participants further familiarized with the system regulations and system operation through the training, enhanced their awareness of risk prevention and control and hence improved risk compliance and control effectiveness.



Special training section on risk management

Compliance Risk Management

The Bank constantly refines its organizational structure and its system of compliance risk management, where, we revise our *Measures for Compliance Risk Management, Operating Instructions for Compliance Check*, and formulate *Implementation Rules for Compliance Training Management*. In addition, we delegate compliance management to all levels/lines, implement the compliance reporting system, and strengthen control over compliance risk monitoring and continuous management. We also implement strict compliance review on our new products, new services, internal rules and policies, public announcement and statement of major events, advertisement and promissory financial service plans. Besides, we continuously carry out trainings on compliance to promote and enhance compliance culture development. In terms of internal controls, we push forward the application of compliance system through our various established compliance, data, learning and self-discipline monitoring platforms that, so as to increase efficiency and compliance management capability.

Debt Recovery Risk Management

We strictly perform duties of the Creditors' Committee, with delegated authorities from each member and cooperate with members to implement tailor-made solutions for each enterprise, enforce risk warning and response plans, and resolve debt recovery risks.

Providing stable credit policy support

- Actively implement the epidemic policies and measures issued by China Banking and Insurance Regulatory Commission (Chongqing Office) to support those industries that are most impacted by the epidemic, including enterprises and individual businesses.
- Support epidemic impacted enterprises by providing lower interest rate, renewing loans without repayment of principal, as appropriate based on their actual operation circumstances.

Defusing debt recovery risk orderly

- With supports from Chongqing Municipal Government and related regulators, we adhere to the market-oriented and rule-based principles, to implement necessary actions on defusing debt recovery risk adopting the principle of "preventing regional systematic financial risk" as the bottom line.

Strengthening risk monitoring

- Connect actively with enterprises and member units, implement system requirements, and further strengthen communication;
- Give full play to the functions of the Creditors' Committee in stabilizing expectations, credits and support;
- Investigate actual situations of enterprises to refine classification strategy accordingly;
- Establish a dynamic reporting system to the Committee to ensure timely reporting to the Committee on major risks affecting normal operations of enterprises or arising events that hinder risk assets disposal.

2. Internal Control Evaluation

In 2020, the Bank continued to evaluate its internal controls within the framework of the COSO five elements, including internal control environment, risk assessment, control activities, information and communication and internal supervision whilst achieving its strategic goals through the "Retailing, Technology, Talent" strategy and the implementation of national policies, regulatory requirements. It strove to improve the management capabilities and standards of internal control by undertaking various administrative measures such as performance assessment, specialized incentive, one-vote veto, and face-to-face meeting. According to A share-listing requirements on internal control, we have disclosed our first internal control evaluation report in 2020.

3. Party Conduct and Integrity

The Bank strictly follows the Party's rules and regulations, including the *Constitution of the Communist Party of China, Rules on Inner-party Supervision of the Communist Party of China, Rules on Discipline and Penalty of the Communist Party of China* and *Rules on Accountability of the Communist Party of China*, and relevant laws and regulations, such as the *Criminal Law of the People's Republic of China*, and conscientiously implements the major decisions and arrangements of the CPC Central Committee as well as the requirements of the Chongqing Municipal Party Committee to actively carry out the construction of Party conduct, integrity and anti-corruption. Our party committee has set up an anti-corruption coordination team and conducts relevant work, so as to optimize the anti-corruption leadership structure and work mechanism. The Bank conducted 593 publicity and education activities with 15,907 attendees for the party conduct and political integrity in 2020.

Establishing a long-term mechanism

- Set up a special leading group of political supervision, design specialized supervision plans, update work progress quarterly, and report regularly for strict political supervision;
- Establish a working mechanism for clarifying false reports and accusations to create a good political ecology.

Focusing on daily supervision

- Focus on supervision over work in key areas and send reminders on anti-corruption works in holidays to create positive and upright holiday atmosphere;
- Seriously carry out special governance activities relating to integrity in "Three Majors and One Large" system (decision-making on major issues, appointment and dismissal of major cadres, investment decisions on major projects, and use of large amounts of funds), engineering projects, material procurement, and loan transactions to effectively prevent integrity risks in the financial sector.

Highlighting education & training

- Actively carry out specialized training for business lines and discipline inspection leaders of the Bank to enhance business line supervision and discipline capabilities;
- Carry out education on disciplines, laws, ethics and duties with real cases to raise awareness of integrity.

◆◆◆ 4. Anti-Money Laundering ◆◆◆

In 2020, the Bank established a sound system for self-assessment of money laundering risks and revised *Administrative Measures against Money Laundering and Terrorist Financing* and *Administrative Measures for Reporting of High-value Transactions and Suspicious Transactions* as required by the *Guidelines on the Legal Person Financial Institutions' Risk Management of Money Laundering and Terrorist Financing (Trial)* issued by People's Bank of China. In addition, the following measures were taken to effectively improve the control over money laundering risks: upgrading anti-money laundering systems, entrusting a third party for risk assessment, better managing anti-money laundering specific data, speeding up the rectification of existing problems, guiding branches and subsidiaries on compliance management of anti-money laundering and carrying out trainings and promotions on anti-money laundering.

Enhancing risk control capability

- Revise 5 internal control policies of anti-money laundering;
- Complete the risk assessment of a third-party professional;
- Rectify and improve over 6.5 million customer information;
- Anti-money laundering off-site inspections covering 42 branches and sub-branches;
- Hold 3 joint conferences on anti-money laundering;
- Organize 5 seminars on rectification of anti-money laundering issues;
- Issue 6 series of anti-money laundering working updates;
- Issue 10 series of AML Risk Alerts.

Improving system development

- Upgrade the anti-money laundering system, adding new functional modules such as data exploration and visual screening analysis tools;
- Optimize 4 monitoring models and launch 2 new monitoring rules;
- Enhance the monitoring of the counter business watch list and expand the monitoring scope of anti-terrorist financing activities.

Strengthening training and publicity

- Conduct publicity of anti-money through multiple channels, distribute 165,100 copies of publicity materials, and post 1,783 posters;
- Provide orientation training on anti-money laundering for 59 new employees;
- Provide special training on anti-money laundering in 2020 for 139 employees;
- Hold online training on high risk customer management;
- Participate in the on-site anti-money laundering training held by Chongqing operation and management department of the People's Bank of China;
- Participate in the online trainings held by Zhengzhou Training Institute of the people's Bank of China, China Banking Association, Rural Credit Banks Funds Clearing Center of Interpretation and Inspection Points on Anti-money Laundering Regulatory Policies, etc.

5. Anti-Counterfeit Currency

In 2020, the Bank focused on anti-counterfeit currency notes affairs and conducted relevant work based on Guidelines on the *Anti-counterfeit Currency Work of Banking Financial Institutions* (Yinfa [2016] No.29). With detailed rules, regulations, normalized process and supportive tools and systems, the Bank continued promoting purification of RMB notes, and carried out internal training and external publicity on anti-counterfeit currency to enhance the public awareness and capability in combating anti-counterfeit currency notes. In 2020, Qijiang Sub-branch of the Bank was awarded as "Outstanding Group in Anti-Counterfeit Currency Notes in Qijiang District" by Qijiang Anti-Counterfeiting Joint Conference Office. Wansheng Sub-branch of the Bank won the third prize in the RMB Knowledge Publicity & Exhibition Activity held by Banan Central Branch of PBOC, and was awarded as "Outstanding Group in Anti-Counterfeit Currency Notes in Wansheng ETDZ" by Finance Bureau of Wansheng ETDZ and Banan Central Branch of PBOC.



Promptly circulating related documents about anti-counterfeit currency

- Promptly circulate and incorporate the Management Measures of the *People's Bank of China for the Administration of Currency Identification and Counterfeit Currency Seizure and Authentication* (Order No. 3 [2019] of the People's Bank of China), formulate and issue the *Implementing Rules of Chongqing Rural Commercial Bank for the Administration of Currency Identification and Counterfeit Currency Seizure and Authentication* (Document No. 766 [2020] of Chongqing Rural Commercial Bank), in order to standardize the collection process of counterfeit currency notes, protect the legitimate rights and interests of currency notes holders and improve the quality of cash services.



Carrying out anti-counterfeit currency knowledge trainings

- Invite professional anti-counterfeit currency training teachers to conduct anti-counterfeiting knowledge training for cash handling practitioners.
- Organize anti-counterfeit currency note knowledge and skill trainings in accordance to the *Notice of the People's Bank of China on Effectively Conducting Anti-counterfeit currency Trainings under the New Situation* (Yinfa [2019] No. 319) for 3,522 cash handling practitioners.



Organizing RMB knowledge publicity

- Carry out series anti-counterfeiting propaganda regarding to the *Notice of Chongqing Anti-counterfeiting Joint Conference Office on Launching Anti-Counterfeiting Publicity Activity in 2020* (Document No. 766 [2020] of Chongqing Anti-counterfeit Office);
- Involve 3,081 entities, hold more than 3,800 on-site promotional activities, send out about 361,500 copies of anti-counterfeiting publicity leaflets, exchange old damaged notes of RMB 4,492,400 and odd small value money of RMB 717,500 with 357,200 audience, and 40,600 persons participated in the "Anti-Counterfeiting Superman" event activity.



Actively carrying out self-examination and correction on anti-counterfeit currency

- Strengthen the management and quality of full cash count, carry out the quality inspection on the cash clearing, so as to prevent the receipt and payment of counterfeit currency.



Equipping the bank with better cash detectors

- Enhance equipment management, purchase cash detectors with qualified industry standards, including 298 sets of 2-gate sorters, 26 sets of 4-gate sorters, and 1,501 sets of A-class counting machines, further improving the ability of cash service and anti-counterfeit currency.

Case | Qijiang Sub-branch actively carried out RMB knowledge publicity

In 2020, the Qijiang Sub-branch of the Bank carried out a variety of RMB knowledge publicity activities. It set up an anti-counterfeiting currency workshop for migrant workers and promoted knowledge by visiting the gathering places of migrant workers, distributing brochures, conducting on-site education for anti-counterfeiting, and so on. Secondly, the Sub-branch actively implemented RMB knowledge into campus education. It went deeply into primary and secondary schools, while carrying out anti-counterfeiting currency knowledge publicity. Furthermore, it carried out on-site publicity activities across the outlets by setting up stages in the communities and rural areas nearby the outlets. 120 RMB knowledge publicity activities were completed throughout the year, reaching more than 8,300 audiences and distributing more than 18,400 copies of publicity materials in total.



Carrying out RMB knowledge publicity on campus

6. Brand Protection

In strict accordance with relevant laws and regulations, including the *Advertising Law of the People's Republic of China* and *Trademark Law of the People's Republic of China*, the Bank has implemented Administrative Measures for Publicity and individual management systems covering brand management, advertisement placement, press publicity, public opinion management and reputation risk, to clarify the responsibilities for advertising contents review, in an effort to standardize our publicity and raise our brand image. We strictly monitor the use of brand name, label and logo in external publicity. In order to standardize management on our brand image, we are required to use and promote our registered trademarks prudently, as well as intellectual property not owned by the Bank. If any infringement of our label or logo is identified, we will report to relevant local authorities to protect our rights and brand image.

In strict compliance with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and related laws and regulations, we have revised the *Administrative Measures for Intellectual Property* and issued *Implementation Opinions of Intellectual Property Protection* to set up a sound and long-term mechanism for cultivating and protecting intellectual property. We call on our employees to safeguard our intellectual property, clarify their duties and obligations on compliance and monitoring intellectual property protection, and make efforts to strengthen their awareness of intellectual property protection.

Prior to launch of a new trademark, patent, brand or related activities, we require originating departments to perform search and special analysis of intellectual property, to consider the need to establish our own intellectual property rights as well as to avoid infringement of others. For intellectual property with unknown sources, we are required to identify and obtain consents from relevant rights holders before use to avoid infringement. If the intellectual property management department identifies infringement behaviors or activities through monitoring, appropriate legal and relevant measures are promptly taken to stop infringement and protect the Bank's intellectual property. Meanwhile, the Bank has adopted a new internal control and compliance management system to impose strict measures on intellectual property rights ("IPR") management. It controls the whole life cycle of IPR from application, examination, approval, declaration, renewal and file management to effectively safeguard the legitimate rights and interests of the Bank.

7. Supplier Management

The Bank puts in place a series of policies and requirements, including *Measures for Procurement Management*, *Detailed Rules of Work for the Committee on Procurement of Bulk Commodities* and *Measures for Supplier Management* to manage suppliers from classification, access, evaluation and exit. The requirements and criteria for supplier selection are clearly defined, to ensure quality and performance. Priority use of energy-saving and environment-friendly products are basic requirements of supplier procurement management. At present, the Bank is accelerating establishing an e-procurement platform. Through this e-commerce platform and portals, we aim to more effectively and efficiently manage the whole procurement process, whilst enhancing informatization of the Bank's supplier management.

Adhering to the principles of "Unified Leadership, Collective Decision-making, Strict Access, Dynamic Management and Mutual Supervision", as well as internal sharing of resources with priority suppliers in our list, we clearly specify the access criteria of suppliers, which require suppliers to be capable to bear civil liabilities independently, have good business reputation and sound financial and accounting policies and be not blacklisted by the relevant authorities. The Bank carries out dynamic performing rating assessment in classifying suppliers. The performance review coverage of suppliers under our centralized procurement was 100% in 2020.

In terms of supplier access, the Bank identifies and evaluates suppliers' environment and social risks. During procurement of designated items, the Bank further checks the supplier for any incidents of administrative penalty, unusual operation, serious violation of law, breach of trust, etc., to avoid risks. If a supplier is blacklisted by related authorities or departments in the industry, or is subject to any administrative penalty from government sectors due to inappropriate management of environmental and social risks, we will cancel its qualification and remove it from our supplier list.

For decoration and office furniture procurement for our banking offices and outlets, all substrates, finishing coats, plates and painting materials used on office furniture must be eco-friendly and reach E1 grade. The content of formaldehyde, benzene and TVOC in all furniture should meet national standards and specifications, ensuring that the air quality in our offices meets national standards.

Responsibility Management

The Bank values corporate responsibility management and takes social responsibility actively. We support the implementation of major national and regional strategies, promote the development of local economy, actively involve in issues related to "Sannong" and encourage enterprises to transform and upgrade. Being committed to green and environmental protection, we promote green financial services, carry out environmental protection activities and do our best in energy conservation and emission reduction. Centering on the idea of "Rooting in the Local Area, Serving the Public", we focus on stakeholders' demands and keep close communication with them to provide clients with better services, strengthen the management of client information security, and assure the rights and interests of our employees. In addition to our clients and employees, we care about the society and the public. We implement targeted poverty alleviation policies, carry out public welfare activities and strive to achieve sustainable development.

1. Strengthening Party Building

In 2020, the Bank further led in the Party development and organized the study, publicity, and implementation of the spirit of Fifth Plenary Sessions of the 19th Central Committee of the CPC by carrying out theoretical learning center, "Three Meetings and One Lecture" (i.e. Party branch general meetings, meetings of the Party branch committee, Party group meetings, and Party lectures) and theme activities on the Party day. By carrying out theoretical education, traditional education, Party spirit education, warning education and Party discipline education, we actively clarify "the Four Areas of Consciousnesses", "the Four Types of Confidences" and "the Respect of 2 tier Level of Authorities" to all our Party members, integrating the Party Building into our corporate governance.

2. Responsibility Culture

Adhering to the entrepreneurial spirit of "Truth-seeking and Enterprising", the Bank maintains a "Clear, Fast, Real and Strict" working culture, with the purpose of "Rooting in the local area, serving the public", actively taking social responsibility. We practice the corporate mission of "Serving Customers, Ensuring Returns to Shareholders, Recognizing Achievements of Employees, and Contributing to the Society" in our operation and management, striving to realize the vision of "Striving to become a leading regional bank in China". We continuously promote the development of corporate culture and pursue value creation.



◆◆◆ 3.Responsibility System ◆◆◆

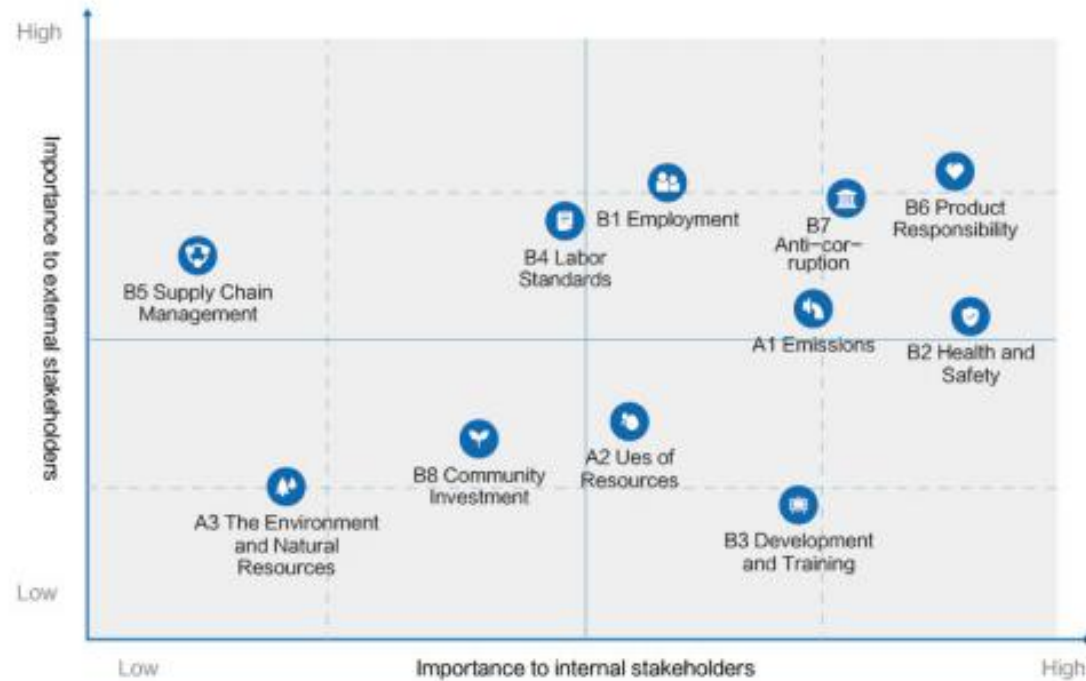
The Bank has continuously improved our social responsibility governance structure, continuously strengthened our social responsibility management, and formulated a structured approach led and governed by the Board of Directors, with assistance in coordination by the office of the Board. With participation from all relevant departments, subsidiaries, village banks, and financial leasing companies, Senior management takes responsibilities for the detailed implementation. The social responsibility governance structure system in place ensures the effective, efficient and orderly development of our social responsibilities.

◆◆◆ 4.Responsibility Integration ◆◆◆

The Bank actively focuses on the new or changes in regulatory requirements. According to the features of self-development, we perform responsibility management on "Three Bottom Lines" (Economy, Environment and Society), and constantly optimize and improve our social responsibility system. The Bank has prepared this report to summarize our key performance on environment, economy, and society with reference to *Environmental, Social and Governance Reporting Guide* (hereinafter referred to ESG Guide) released by the Hong Kong Stock Exchange, the *Guidelines on Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange* and the *Guidelines on Preparation of Report on Company's Fulfillment of Social Responsibilities* released by the Shanghai Stock Exchange, the global standards for sustainability reporting (hereinafter referred to GRI standards) released by Global Sustainability Standards Board (GSSB) and *Financial Services Sector Supplementary Guidelines*, preparation guidelines on *Opinions on Strengthening the Social Responsibility of Banking and Financial Institutions* released by China Banking and Insurance Regulatory Commission, and *Guidelines on Corporate Social Responsibility of Chinese Banking and Financial Institutions* by China Banking Association, etc. The report meets regulatory compliance requirements and responds to stakeholders' concerns.

Materiality Analysis

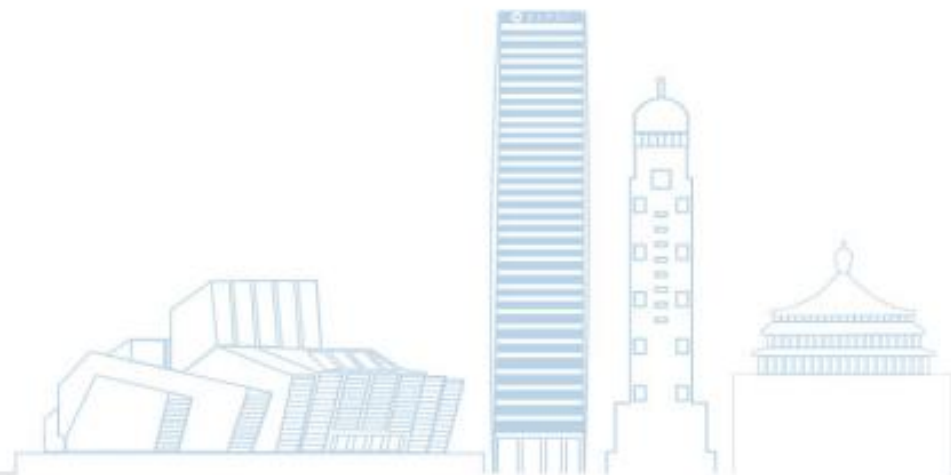
In consideration of the nature of the banking industry, the Bank has identified material corporate ESG-related issues on the basis of ESG Guide by the Hong Kong Stock and has conducted survey with its major stakeholders. Based on the responses of the survey and the daily communication with stakeholders, the Bank has conducted a comprehensive materiality assessment of the issues, and views from both the internal and external stakeholders, and has responded to these in this report.



Materiality analysis matrix of Major Stakeholders and the Bank on Environmental, Social and Governance issues.

Stakeholders Communication

The Bank highly focus on management of stakeholder's relations. Through frequent, multi-channel and proactive communication with stakeholders, the Bank has enhanced stakeholders understanding and recognition of our business, development, corporate culture and other aspects. The Bank also responsibly responds to stakeholders' opinions and recommendations whilst maintaining close communication with stakeholders.



Stakeholders	Communication Mechanism	Key topics of interested parties	Responses of the Bank
Government	<ul style="list-style-type: none"> Policy guide Special report Daily communication 	<ul style="list-style-type: none"> Implement national economic policies Serve "Sannong" Promote the overall planning for city and county Increasing job opportunities Sustained growth of tax revenue 	<ul style="list-style-type: none"> Serve emerging and characteristic industries Serve "Sannong" Support poverty alleviation Boost rural revitalization Serve livelihood Serve small and micro businesses Promote the real economy Green operation
Regulatory authorities	<ul style="list-style-type: none"> Normative document Work reporting On-site inspection Off-site supervision 	<ul style="list-style-type: none"> Stable and daily compliance operation Effective risk prevention Stable and orderly financial system 	<ul style="list-style-type: none"> Compliance operation Risk management Financial crime prevention Green finance
Shareholders	<ul style="list-style-type: none"> General Meeting Board of Directors Roadshow Announcement of financial performance Daily communication 	<ul style="list-style-type: none"> Continuous and reasonable investment return Comprehensive, timely, and accurate information disclosure Good corporate governance 	<ul style="list-style-type: none"> Good operation performance Comprehensive, timely, and accurate information disclosure Corporate governance
Customers	<ul style="list-style-type: none"> Company website WeChat official account Official Weibo Mobile banking application 95389, 966866 customer service center 	<ul style="list-style-type: none"> Diverse products Diverse service channels Increasing service quality Effective protection of consumers' interests 	<ul style="list-style-type: none"> Innovate financial products Improve service quality Promote channel construction Protect consumers' interests

Stakeholders	Communication Mechanism	Key topics of interested parties	Responses of the Bank
Employees	<ul style="list-style-type: none"> Employee communication Labor Union Congress of workers and staff Disclosure of administrative affairs Corporate Culture Activities 	<ul style="list-style-type: none"> Reasonable remuneration and welfare Satisfactory working conditions Excellent career development 	<ul style="list-style-type: none"> Protect employees' rights and interests Improve corporate culture Build up employee teamwork
Suppliers and cooperation partners	<ul style="list-style-type: none"> Bulk Purchase Committee Business exchange and cooperation 	<ul style="list-style-type: none"> Fair cooperation opportunity Fulfill obligations in good faith Stable win-win cooperation 	<ul style="list-style-type: none"> Develop a fair procurement system Insist on responsible purchasing policy Strengthen close cooperation and communication
Community	<ul style="list-style-type: none"> Financial community service Publicity of financial services knowledge Public services in community 	<ul style="list-style-type: none"> Common community development Harmonious community relationship 	<ul style="list-style-type: none"> Help poverty-stricken areas Popularize financial knowledge Enthusiastic in public welfare
Public and media	<ul style="list-style-type: none"> Disclosure of media information Public welfare activities 	<ul style="list-style-type: none"> Open, transparent information disclosure Take responsibilities comprehensively and effectively as a corporate citizen 	<ul style="list-style-type: none"> Timely and objective information disclosure Timely release news Actively take economic, environmental and social responsibilities
Environment	<ul style="list-style-type: none"> Operation activities Environmental protection activities Policy information disclosure 	<ul style="list-style-type: none"> Green financial services Continuous reduction in energy consumption and carbon emission Active protection for the environment 	<ul style="list-style-type: none"> Green credit Green services Green operation Green public welfare

Major Honors

The Banker

"Top 1000 World Banks 2020" : the 122nd among global banks and the 21st among banks in China.

Forbes

GLOBAL 2000 The World's Largest Public Companies: the 815th on the list, the 100th among listed companies in mainland China, the No. 1 among Chongqing Enterprises.

China Enterprise Confederation, China Entrepreneurs Association

The 383rd in "Top 500 Enterprises in China" in 2020 ,
The 143rd in "Top 500 Enterprises in China Service Industry" in 2020.

State-Owned Enterprise Reform Committee of the State Council of the People's Republic of China

A-level enterprise of "double top-hundred-enterprise" in the 2020 three system reform special evaluation.

State-owned Assets Supervision and Administration Commission of the State Council

The project of "Intelligent Digital Bank Platform Oriented to Perceptual and Cognitive Ability" was selected as the "Excellent Case" of Digital Transformation of State-owned Enterprises in 2020.

China Financial Certificate Authority

"The Best Digital Financial Innovation Award" of 2020 China E-bank Gold List Award

China UnionPay

2019-2020 Special Contribution Award for UnionPay Card Risk Control.

Rural Credit Bank Fund Clearing Center

The online housing mortgage loan "Jiefang Loan" won the "Excellent Cases of Service Innovation" in the 4th Rural Small and Medium-sized Financial Institutions Scientific and Technological Innovation Excellent Case Selection by the Rural Credit Bank Fund Clearing Center in 2020.

China Banking and Insurance Regulatory Commission, China Banking Association, China Insurance Industry Association

"Promoting the "Six-character Method" of Financial Services to Support Poverty Alleviation" was awarded the "Typical Case of Excellent Organizations" in the National Banking Industry to Help Poverty Alleviation.

Securities Times

The Gamma Award -Best Bank of China 2020 "The Gamma Award of Rural Commercial Bank in 2020" "The Gamma Award of Inclusive Financial Services Bank in 2020"

Yicai

China Financial Value Ranking 2020 "Rural Commercial Bank of 2020"

The Paper

2020 TOP Financial Ranking "Commercial Bank of the Year"

National Business Daily

"The most socially responsible listed company"

China Net

"2020 Targeted Poverty Alleviation Pioneer Institutions " by the 3rd China Net in Financial Poverty Alleviation Pioneer List"

Chongqing Enterprise Federation

Ranked 11th in "Chongqing Top 100 Enterprises of 2019" and 5th in "Chongqing Top 100 Service Enterprises of 2019"

Chongqing Enterprise Federation (Chongqing Entrepreneurs Association), Chongqing Municipal Enterprise Management Modernization Innovation Achievement Examination Committee Chongqing Municipal

"Regional Bank Digital Transformation Practice" won the first prize of Chongqing Enterprise Management Modernization Innovation Achievements in 2020.

Self-discipline mechanism for foreign exchange and cross-border RMB business of Chongqing Banks

"Most Popular Award for Optimizing Business Environment"

Chongqing Banking Association

Chongqing banking industry civilized and standardized service: "Advanced Organization and Promotion unit" in 2020

The Red Cross of Chongqing

"The most caring unit in the fight against Covid-19"

Taking Economic Responsibility, Driving Economic Transformation

In 2020, in active responses to the national macro policies and financial regulations, the Bank fully supported the implementation of the national strategies and integrated national policies and strategies into our regional development plans, to support supply-side structural reform and industry transformation and upgrading. In addition, we strengthened services to the real economy and private economy, established a financial service system for SMEs, and actively involved in issues related to "Sannong" to improve financial servicing environment in rural areas and facilitate innovation in financial services. During the COVID-19 epidemic, we actively support assist in resumption of work and production of the economy while strengthening sustainable economic and social development.

Supporting Implementation of Major Strategic Decisions

In 2020, the Bank continued to implement important strategic directives for Chongqing proposed by Xi Jinping, the General Secretary, including positioning of "Two Points" (identify Chongqing's role in China Western Development and connection between the "Belt and Road Initiative" and the Yangtze River Economic Belt), the objectives of the "Two Places" (build Chongqing into an inland open highland and a city of picturesque scenery) and "Two High" (promote high-quality development and make a high-quality life). We earnestly implement the national strategy of building the "Chengdu-Chongqing Twin-city Economic Circle", accelerated the construction of inland open highland, assisted the green development of Yangtze River Economic Belt, and actively explored the cooperation in construction of the Chengdu-Chongqing economic circle from aspects such as planning, policy and industry by providing strong financial supports and promoting high-quality economic development, in an effort to contribute to the regional economic development.

1. Promoting the Construction of "Chengdu-Chongqing Twin-city Economic Circle"

The Bank actively supported the construction of "Chengdu-Chongqing Twin-city Economic Circle" by enhancing financial infrastructure and focusing on key projects such as railways, highways, airports, energy, and water conservancy.



Case The Danei Expressway Construction Project

The construction of Danei Expressway (Dazu in Chongqing to Neijiang in Sichuan) is one of the representative projects of Sichuan-Chongqing cooperation. The Bank granted RMB 1.97 billion of credit to this project to support the construction of the expressway network. The total length of Danei Expressway is about 50 kilometers, of which the Chongqing section is about 31.1 kilometers. When the entire line of Danei Expressway is complete and open for use, the driving distance between the two places will be shortened from the current 90 kilometers to 50 kilometers, further improving the expressway network between Sichuan and Chongqing.



Discussing the cooperation plan with Chongqing Dane Expressway Co., Ltd.

Case The "Sichuan-Chongqing State-owned Enterprise Wanzhou Tour" promotion seminar for projects

On December 8, 2020, the "Sichuan-Chongqing State-owned Enterprise Wanzhou Tour" project promotion meeting and signing event was held in Wanzhou. During the event, the Bank's Wanzhou Sub-branch, Kaizhou Sub-branch and Dazhou Rural Commercial Bank signed the Wanda Kaichuan-Chongqing Overall Development of Demonstration Zone Strategic Cooperation Agreement to jointly explore and promote the construction of the demonstration zone. The Bank will continue to thoroughly implement major strategic deployments of the Party Central Committee, the State Council, and the Municipal Party Committee and City Government, and actively develop exchanges and cooperation with peers to provide comprehensive financial services to more companies.



"Sichuan-Chongqing State-owned Enterprise Wanzhou Tour" project promotion meeting and signing event site

2. Serving Construction of Inland Open Highland

Chongqing, as a strategic position of China Western Development, plays an important role in China's regional development and opening up strategy. The Bank actively supports the construction of new sea passage in the western region, to strengthen and drive Chongqing's core function as an inland international logistics hub, and international aviation hub. As of the end of 2020, the Bank supported the construction of the inland open highland with an outstanding loan balance of approximately RMB 12.48 billion.

Case Jiangbei International Airport T3B and the 4th runway construction project

The Bank has been actively involved in major transportation projects in the city that are related to the construction of the inland open highland. The 2020 Jiangbei International airport T3B and the fourth runway project has been officially approved by the nation. Jiangbei International Airport is an important air traffic hub in the western region as well as Chongqing. As a key infrastructure construction project at Chongqing's municipal level, the investment in this project had reached more than RMB 20 billion in total. It aims to improve and smooth the transportation network, and promote high-quality development of Chongqing's economy. Since the launch of the project, the Bank has granted a project loan facility of RMB 1 billion to the Airport Group.

3. Driving Construction of New Land-Sea Trade Corridor

To explore L/C settlement, financing and other services along with the construction of New Land-Sea Trade Corridor, we boost innovation in trade financing blockchain under the guidance of State Administration of Foreign Exchange (SAFE). The Bank joined the SAFE Cross-Border Blockchain Service Platform in 2020, accelerated direct interface of the Bank's system to the platform, and optimized international trade financing for the construction of New Land-Sea Trade Corridor.

Case Achieving the landing of international trade financing under the new "Land and Sea Passage" scenario

The U.S. is the main export market of our client Chongqing Huansong Technology Industry Co., Ltd. In 2019, the company set up a wholly-owned subsidiary Vietnam New Era Industry Co. in Haiphong city, Vietnam. The company has started exporting goods to Vietnam through the completed passage since 2020. Through the cross-border blockchain service platform of the State Administration of Foreign Exchange, the Bank verified the information of the goods export declaration forms under Huansong Technology's "Land and Sea Passage", completed the authenticity verification of trade financing background, and achieved the landing of international trade financing in the "Land and Sea Passage" scenario.



Enterprise Production Workshop

In 2020, the Bank successfully launched new characteristic services, including post financing for export under L/C D/P&D/A and export collection, raising service level and enriching service product types of the Bank. In terms of service offering innovation, we realized electronic presentation of import L/C, self-service presentation of export collection documents and other services, facilitating cross-border settlement services.

In response to the call for the policies from the People's Bank of China, SAFE, and other regulators, we strongly promote and apply advanced high-tech means to create an intelligent cloud service platform based on features and services of our foreign exchange business, so as to provide clients one-stop service in foreign exchange transaction with efficiency, security and convenience.

Case Expanding new financing channels

In April 2020, the Bank helped Chongqing Wanzhou Economic and Technological Development (Group) Co., Ltd. to obtain RMB 295 million in cross-border funds by applying the macro-prudential management model, which helped it transform into an operating enterprise government platform, obtained the foreign debt contract registration from the State Administration of Foreign Exchange directly through the "macro-prudential model of full-caliber cross-border financing", and processed the first "domestic guaranteed direct lending" business. This business was a new breakthrough in cross-border financing and a new financing channel for the transition of government platform type enterprises.



Chongqing Wanzhou Economic and Technological Development (Group) Co. Ltd

4. Boosting Development of Yangtze River Economic Belt

In 2020, we focused on the development of Yangtze River Economic Belt, took active role in supporting constructing logistics hub in the Yangtze River Economic Belt relying on the geographical advantage of Chongqing, and made solid progress in building an ecological shelter in the upstream of the Yangtze River. As of the end of 2020, the Bank supported the Yangtze River Economic Belt project with an outstanding loan balance of approximately RMB 156.38 billion.

Case Helping the construction of port hubs

The Bank closely focused on the development strategy related to the Yangtze River Economic Belt, while actively supporting the construction of national port hubs of Guoyuan Port with credit funds and unique financial service solutions. In 2020, we granted new credit facilities of RMB 130 million and RMB 420 million to Chongqing Port Logistics Group Co., Ltd. for the construction of "Phase III of the Supporting Warehouse Project under the Expansion Project Phase II of Guoyuan Operation Area in Chongqing Port Main City Port Area", and "Container Yard Expansion Project of Guoyuan Operation Area in Chongqing Port Main City Port Area" respectively.



Chongqing Port Main City Port Area Guoyuan Operation Area Phase II Expansion Project Supporting Warehouse Project Phase III

Promoting Optimization of Economic Structure

The Bank involved in "Smart China Expo", "Western China International Fair for Investment and Trade (WCIFIT)" and other important events in 2020 to seek opportunities and learn how to optimize economic structure. With increasing resource investment and high concerns of credit demands in high-end manufacturing, strategic emerging industry and major fields, we put more emphasis on the support to tech enterprises, and positively implemented related policies to support the development of IT services, electronic information manufacturing and new energy vehicle industry. In respect to real economy and private economy, we responded to the national/regional calls on the development of real economy and private economy, optimized resource allocation and increased loans to private enterprises, taking appropriate measures to drive the high-quality development of real economy.

1. Boosting Growth of Emerging Industries

In 2020, the Bank highly concerned about the development of tech enterprises, for which, we compiled a whitelist of such enterprises to better serve them. Besides, we made great efforts to accelerate the development in strategic fields, including intelligent manufacturing, high-end equipment manufacturing, new materials, and IT industries. Moreover, we took measures including industry analysis, detailed enterprise research, and comprehensive judgement to support the transformation and upgrading of traditional automobile industries to new energy vehicles. As of the end of 2020, the Bank supported the strategic emerging industry with an outstanding loan balance of approximately RMB 11.05 billion.

Case Supporting the development of new energy vehicle industry

Chongqing Changan New Energy Vehicle Technology Co., Ltd. has mastered the core technology of new energy's "Big Three Electricity". It had 384 key core technologies of new energy vehicles, such as system design, vehicle integration, and component development. The Bank granted RMB 300 million to the company with liquid loan financial support, to better supplement the company's financial demand other than project construction and supported the company's investment in research and developments.



New energy vehicle production workshop

Case Supporting the development of electronic information industry

China Electronics Technology Group Corporation Chongqing Sound and Light Co. is mainly engaged in engineering and the construction of large-scale electronic information systems for national military and civilian use, as well as the research and production of major equipment, integrated circuits, communication and electronic information, software and key components. The Bank has given strong support to the company by granting a total of RMB 2 billion in credit and offering preferential interest rates to support the development of the electronic information industry.



China Electronics Technology Group Corporation Chongqing Sound and Light Co.

2. Supporting Development of Private Economy

The Bank actively promoted the development of the private economy, formulated the *Proposal of Increasing Support for Private Enterprises*, the *Implementation Plan for Visiting Services to Private Industrial Enterprises Above Designated Scale*, the *Guiding Opinions on Strengthening Financial Services for Private Enterprises*, and the *Measures for Management of Due Diligence and Exemption of Loans for Private* to provide guidance in supporting private enterprises. By launching "Increasing loans and Expanding Lending Coverage" action and "100-day interview and investigation to ensure financial security in operations of market entities" activity in 2020, the Bank evaluated the difficulties faced by private enterprises in their production and operation, while increasing the financing support and coverage of private enterprises continuously. As of the end of 2020, the Bank had provided financial support to the private sector enterprises with an outstanding loan balance of approximately RMB 154.07 billion.

Case Jiulongpo Sub-Branch solved the funding problems of grain enterprises

Chongqing Heavy Grain Health Industry Co., Ltd. is a subordinate enterprise under Chongqing Grain Group. It is mainly engaged in production, processing, storage, and distribution of agricultural products, food and beverages, etc. It is a municipal-level leading company of agricultural industrialization and processing enterprise, as well as a key enterprise that provides emergency needs for supply of daily living materials during the COVID-19. After the outbreak of the epidemic, the company was notified that it needed to further increase food procurement within a short time in order to ensure adequate food supply in the city. It was initially estimated to have a shortfall fund of RMB 10 million. After the Bank was aware of this practical difficulty of the customer, Jiulongpo Sub-branch urgently formulated a credit plan, fully utilized the credit approval quick access channel set up by the head office, and successfully granted the company a special guaranteed liquid loan of RMB 10 million with preferential interest rates. This assured the company's timely procurement of grain while solving its funding difficulty.



Chongqing Heavy Grain Health Industry Warehouse

Case Wushan Sub-branch supported private enterprises to resume work and production

Chongqing Baide Shoes and Clothing Co., Ltd. is a private enterprise integrating production and foreign trade export. Due to the impact of COVID-19, the enterprise's foreign trade export payment collection was slow, and it urgently needed liquidity to purchase raw materials. The Bank took the initiative to ask for the enterprise's needs, set up a "one-to-one" financial service team, set up a quick access channel for credit approval, and simplified the loan process. Since the enterprise's headquarter is in Fujian, the industrial park building was leased, and the enterprise did not have other assets in Wushan for mortgage pledge. However, considering the enterprise had continuous and stable tax payments in the past two years, which met the Bank's "Shuiyi Loan" lending criteria, the preferential interest rate could be implemented. In order not to delay the resumption of work and production during the COVID-19, the Bank's Wushan Sub-branch took only one week from the application to loan drawdown of the financing plan. It issued a credit loan of RMB 2 million to the company, effectively relieving its urgent funding needs of the enterprise.



Production workshop of Chongqing Baide Shoes and Clothing Co., Ltd

◆◆ 3.Promoting Growth of Real Economy ◆◆

In 2020, the Bank continued to serve real economy and positively implemented the policy of "increasing medium- and long-term financing support to manufacturing industry" proposed by Central Committee of the Communist Party of China and the State Council, Chongqing Municipal Government and related regulators. To this end, we continued increasing support to real economy represented by the manufacturing industry, upgraded pricing mechanisms and adjusted the pricing of base interest rates for real economy. Moreover, we issued special solutions such as "Zhuzhi Loan" and "Honghuzhizhi", encouraging our branches to increase financial support to manufacturing, medium- and long-term manufacturing, small and micro manufacturing by FTP pricing and special incentives

Case Supporting the real economy

Chongqing Yubang Cable Co. is mainly engaged in wire and cable production, and its main production equipment needs to be purchased from Germany. In recent years, the company's business has been developing rapidly, resulting in a shortage of liquidity. After understanding the customer's financial needs, the Bank granted a credit line of RMB 50 million in time, to help the enterprise in solving its funding gap while supporting its business growth.



Chongqing Yubang Cable Co., Ltd

Case Nanchuan Sub-branch helped enterprises tide over difficulties

Chongqing Haisu Nanbang Aluminum Co. is a key enterprise located in Nanchuan District, mainly producing plastic steel profiles and aluminum profiles. At the beginning of 2020, enterprises producing masks in Guangdong and Fujian were looking for machinery equipment urgently due to the COVID-19 pandemic. After receiving orders from many customers in Guangdong and Fujian, Nanbang Aluminum became one of the first batch enterprises to resume work and production in the park. However, it encountered difficulty of resuming production because of working capital. Nanchuan Sub-Branch immediately assigned a special employee to connect with Nanbang Aluminum. The Sub-branch adopted the Bank's special relaxed lending policies and criteria for deferred principal and interest repayment, applied for a deferred payment of RMB 50 million for Nanbang Aluminum to effectively overcome the enterprise's financial difficulties.



Nanchuan Sub-Branch visited Nanbang Aluminum Co., Ltd

Fully Supporting "Sannong" Development

The Bank fully implemented the decisions and arrangements on issues relating to "Sannong" issued by the Central Committee of the CPC. Adhering to the underlying principle of pursuing progress while ensuring stability and the general policy of prior development of agriculture and rural areas, we focused on rural vitalization strategy, continued optimizing systems and mechanisms, and promoted the transformation and upgrading of financial services for "Sannong". It further consolidated our pioneer position in supporting "Sannong" and our leading market share. In addition, we accelerated the development of rural payment environment and connected with diversified rural market that needs to expand financing channels for agriculture-related funds, doing our utmost to promote the development of "Sannong" service. As of the end of 2020, the outstanding agricultural-related loans balance was RMB 1,681.21 hundred million.

1.Improving the "Sannong" Service Assurance System

The Bank actively implemented the spirit of "Sannong" policy documents issued by the State and local governments, formulated and issued the *Guiding Opinions on Improving Financial Services for "Sannong"* in 2020, which clearly defines the financial service objectives and the tasks of "Sannong". It strives to optimize service mechanisms for "Sannong", put emphasis in effective poverty alleviation by industry and enhance basic financial services to further promote the development of agriculture-related business.

Optimizing service mechanisms

- Regularly report the financial service work for "Sannong" to the Board of Directors, the Board of Supervisors and the General Meeting of Shareholders and revise the *Work Instructions for Financial Service Committee of "Sannong" and Poverty Alleviation*.
- Regularly convene special committees to study policy documents related to "Sannong" and poverty alleviation and work out feasible measures; implement the work plan of serving rural vitalization and helping poverty alleviation, and ensure the implementation of key financial services for "Sannong".

Strengthening assessment on financial support to "Sannong"

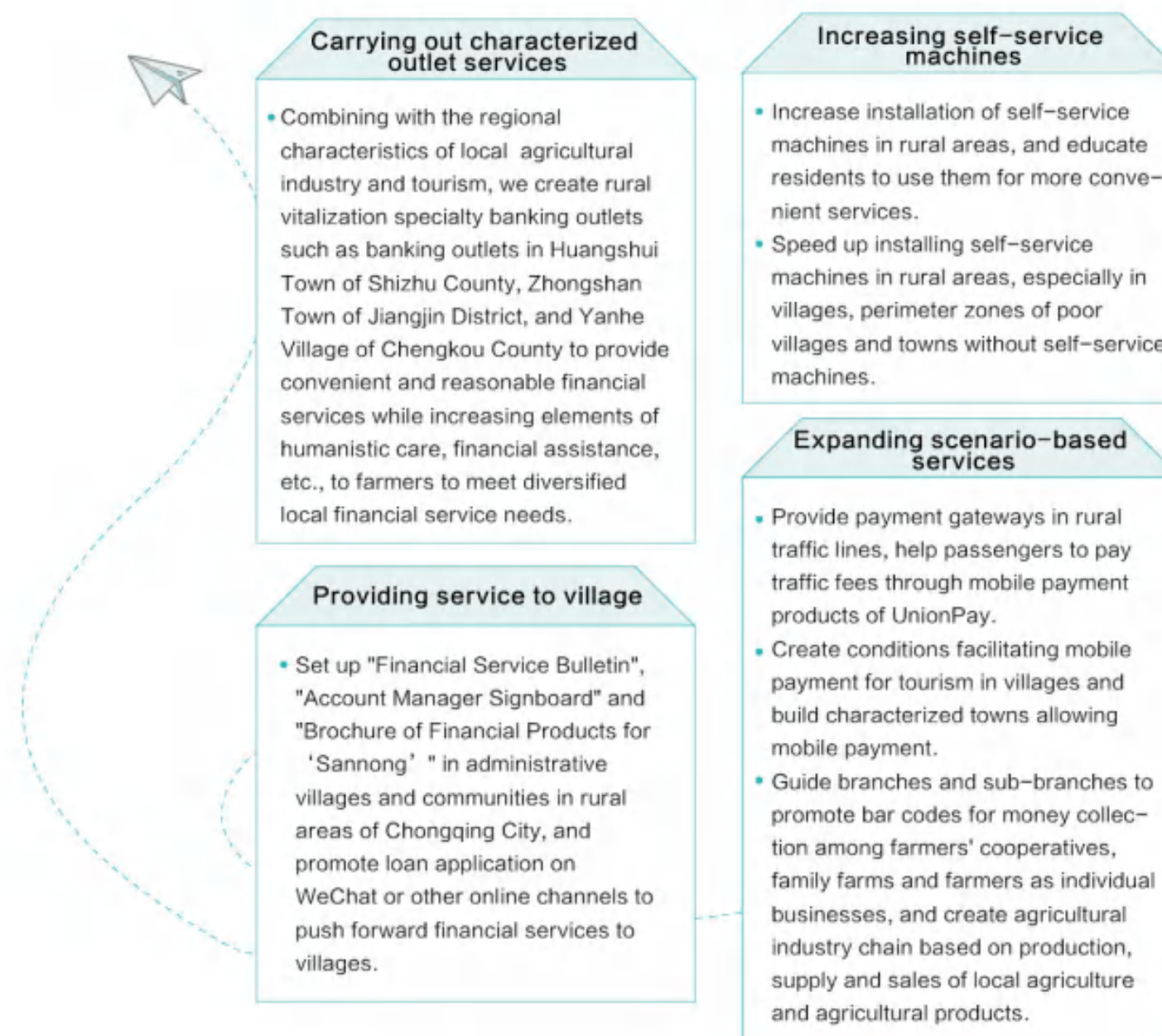
- Set KPI targets on agriculture-related loans for branches and sub-branches, performance evaluation mechanism to practically push forward the financial services for "Sannong".
- Design a special assessment plan for rural vitalization and increase incentives for opening accounts and credit issuance to new agricultural business entities and credit issuance to support the development of specific rural areas, so as to mobilize service efforts.

Delegating more power

- Delegate approval authorities for characteristic agriculture-related loans based on regional economic conditions.
- Open easy access service channels and approval authority of credits targeted for existing customers within certain risk attributes, and increase cost expenditure of branches for rural customer business.

2.Enriching Service Channels for "Sannong"

In 2020, the Bank continued building financial service channels for rural areas, refined the "Sannong" service channels combining banking outlets, e-channels, convenient service stations, mobile service and internet platform. We have effectively built a multi-level and multi-channel financial service system with "banking outlets for town services, self-service machines for village services and mobile banking for personal services". As of the end of 2020, the Bank operated 1,456 outlets, 4,880 self-service machines, 459 convenient service stations, 5 mobile service vehicles, with 8,931,500 mobile banking users across counties of Chongqing.



3. Increasing Innovations in "Sannong" Service Modes

The Bank increases innovations and upgrades in service offerings and products for "Sannong", to highlight key fields and address weaknesses in "Sannong" development. Following the policy arrangement of Municipal Party Committee and Municipal Government that unites "Supply and Marketing Cooperative, Farmers' Cooperatives and Rural Credit Cooperatives" to develop "Sannong", we carry out targeted financial services to drive supply-side structural reform in the agricultural sector and encourage small farmers to connect with modern agriculture. Besides, we actively solve financing problems in agricultural development, in a bid to support the rural economic development, increase income level of rural households and contribute to build rural areas with strong agriculture, a beautiful countryside and well-off farmers.

Innovating service modes

- Encourage local branches to cooperate with local supply and marketing cooperatives and realize 100% connection from three aspects: employees, organizations and services.
- Provide free mobile financial service and inter-bank collection/transfer service to farmers' cooperatives and family farms; launch online application channel of farmer loans, to contribute benefits to and assist the farmers.

Innovating credit products

- Continuously innovate credit products online and offline.
- Set up "He-series" credit products, including special farmers' cooperative credit, credit for large and specialized agricultural family and other general products applicable to the whole bank, and launch customized products together with local governments, supply and marketing cooperatives in districts/counties.
- Introduce online business credit loan with small amounts—"Wangnong Loan · Yunong Loan" to further provide convenient financial services for operators and members of farmers' cooperatives.

Innovating settlement products

- Issue "Rural Vitalization Card" to agriculture-related businesses, such as rural users, agricultural products agent and farmers' cooperatives, and provide "Five Frees" (free from annual fees, free card opening, free 3 ATM inter-bank withdrawal per month, free ATM cross-regional withdrawal, and free first-year personal SMS service).
- Provide special services related to rural production and living, such as free consulting in agricultural technology and medical care.
- Promote the function of "one card, two accounts (debit and credit)" and help farmers to solve funding needs of "short loan time, small amount, high frequency and urgent need".

Innovating wealth management and deposit products

- Launch wealth management products themed "rural vitalization" and provide intimate services to help farmers manage their money in slack season and maximise earnings in busy season.
- In Yubei District, a rural vitalization demonstration plot in Chongqing, launches "Zhenxingcun" – a customized and characterized deposit product that integrates Supply and Marketing Cooperative, Farmers' Cooperatives and Rural Credit Cooperatives, to promote value-added services for property of rural households.



Case

Rongchang Sub-branch launched live pig mortgage loan service model

As a municipal key enterprise during COVID-19, Chongqing Riquan Agriculture and Animal Husbandry Co., Ltd fully guaranteed pork supply to the market during the epidemic prevention and control period. However, the company's pig feed purchase price, transportation costs and labor costs increased significantly. Tight working capital and lack of mortgage increased the company's difficulty in expanding markets. On April 30, 2020, the Bank's Rongchang Sub-branch provided Chongqing Riquan Agriculture and Animal Husbandry Co., Ltd with a new credit facility of RMB 30 million and a first-time working capital loan of RMB 10 million by using live pigs as collateral. This was the first live pig mortgage loan issued in Chongqing, which effectively solved the financing problems of the live pig industry caused by inadequate collateral.



Signing ceremony of the first live pig mortgage loan

Case

Nanchuan Sub-branch supports the transformation and upgrading of "three cooperatives" integration

Chongqing Hongman Agricultural Development Co., Ltd. is a leading agricultural industry enterprise in Nanchuan District, which sells its products, other agricultural and sideline products through offline and e-commerce platforms. The enterprise took advantage of its location and created a five-star slow-life agro-tourism project called "Wandering Garden". However, it faced liquidity problem in the project. Nanchuan Branch successfully worked with the District's Supply and Marketing cooperative, launched an exclusive product called "Huinong Loan" and issued an RMB 1.2 million loan to support the project. So far, the garden has more than 10 employees (including 2 disabled employees and 3 employees from low-income family households). It also facilitated business opening an agricultural street market to promote consumption and assist poverty relief, while helping local economy development.



The whole picture of "Wandering Garden"

Case

Chengkou Sub-branch supported edible mushroom cultivation enterprises

Rongbin Agricultural Development Co., Ltd. in Chengkou County is an enterprise specializing in edible mushroom cultivation, processing and sales. During the COVID-19, the Bank's Chengkou Sub-branch learned that the company was short of funds. It promptly approached the company to help support the resumption of production during such a difficult period. Considering the fact that Chengkou County's Rongbin Agricultural Development Co., Ltd. had no collateral, however, it is qualified as a technology-based enterprise. The Bank granted easy access channel with simplified credit approval process, and successfully issued a loan of RMB 800,000 within a week, which effectively solved the enterprise's capital needs and assisted its resumption of operation and production.



Edible mushroom cultivation

Case

Banan Sub-branch issued "loans for rural primary, secondary and tertiary" industries

Chongqing Netlink Freshwater Fish Farm is mainly engaged in breeding and selling freshwater fish. The company has a license to operate aquatic seeds and has become an aquatic health demonstration farm issued by the State Ministry of Agriculture. Due to the increase in demand from its retailers, the company intended to expand its farming scale but lacked liquidity to purchase raw materials. In 2020, Banan Sub-branch learned about this opportunity at the promotion meeting of loans for rural "primary, secondary and tertiary" industries held in Ersheng Town, and immediately contacted the company, started an inquiry, and actively formulated a loan plan. As a result, the Bank successfully issued a "primary, secondary and tertiary" industries loan of RMB 700,000 to help solve its financial problems.



Freshwater fish farm

Case

Wushan Sub-branch supported plum planting

Bin Peng, a post-90s "plum grower", applied the systematic fruit growing techniques he learned at Southwest University in his plum orchard, hoping to improve the quality and yield of plums through science and technology. However, he lacked start-up capital. The Bank took the initiative to conduct a door-to-door investigation. The Bank's Wushan Sub-branch granted him an unsecured business loan of RMB 100,000. At present, Bin Peng has grown 20 acres of plums, with an annual production of 20,000 pounds.



Bin Peng planted plums in his orchard

Case

Yongchuan Sub-branch supported agricultural and sideline products trading logistics

An international farmers' market logistics park, with a planning site of 400 acre, a construction area of 120,000 square meters, and more than 1,000 stores, is a large modern agricultural and sideline products trading logistics business park that focuses on the construction of agricultural and sideline products trading park, storage and logistics park, and comprehensive service park. The main business entity is an agricultural products company. During the COVID-19, it mainly helped fruit farmers selling unsold fruits through the Internet. As the company needed to pay the farmers for the fruits and vegetables it purchased, it was estimated that there would be a shortfall of about RMB 10 million. With the cooperation of many departments in the head office, the Bank's Yongchuan Sub-branch successfully granted a loan of RMB 9.5 million to solve the company's urgent financing needs through special fast track approval policies and lending criteria.



Yongchuan Sub-branch's team on-site investigation at the park

Promoting Development of Small and Micro Enterprises

In 2020, the Bank implemented the decision of the central government to support financial stability on the “six stability aspects” (i.e. employment, finance, foreign trade, foreign capital, investment, and expectations) and the “six protective areas” (i.e. employment of residents, basic people's livelihood, market entity, food and energy, supply and industrial chain, and grassroots operation). Committed to “serving SMEs, real economy and rural vitalization strategy”, the Bank enhanced services to SMEs by investing more credits, lowering financing cost, improving service quality and enhancing internal momentum, so as to provide characteristic SME loans with “Increased loans and Expanded Lending Coverage, Higher Quality and Lower Cost, Feature Enhancement”, aiming at fulfilling our responsibilities as a state-owned financial enterprise.

As of the end of 2020, the number of inclusive small and micro enterprise loans was 129.20 thousand, with an increase of 5,574 compared to the beginning of 2020. The corresponding outstanding loan balance was RMB 78.47 billion, with an increase of RMB 13.28 billion (20.37%) compared to the beginning of the year, which was higher than the growth rate at 3.76% of the overall loan portfolio. The asset quality of the inclusive small and micro loans were well controlled and its overall comprehensive financing cost was well maintained at a reasonable level, achieving the Bank's goal of “Two Increase Two Control” in inclusive small and micro loans business.

Indicators	2018	2019	2020
Balance of inclusive financial loans to small and micro enterprise (RMB hundred million)	563.80	651.95	784.73
The proportion of inclusive small and micro enterprise loan balance to total loan balance (%)	16.19	16.39	16.91
The number of inclusive small and micro enterprise loans (Number of customers)	122,956	123,656	129,230

1. Building Service Network and Expanding Service Coverage

The Bank steadily improves the construction of SME financial service network and gradually forms a multi-level network that covers the whole city. In addition, we issue the *Administrative Measures for Franchised Sub-branches Targeted at Small and Micro Enterprises* to carry out standardized management on those franchised sub-branches.

The Head Office of the Bank has set up a designated line for SME financial services to take charge of the overall management of SME loan services. Under this specific line, a SME department is set up to develop systems with specialized lines, exclusive products, proprietary procedures, full-time dedicated team, and special assessment.

We continue to stabilize the scale of credit agents and account managers in branches and sub-branches to ensure the coverage of the SME financial service network and sufficient resources for SME financial services. By the end of 2020, we set up 17 franchised sub-branches for SMEs in SME centralized areas, including industrial parks, specialized markets and core business cycles.

The Bank issued the *Administrative Measures for Small and Micro Account Manager* to guarantee the quality of SME financial services. In order to further improve business skills and service levels of grass-roots employees, we built a sound system covering access, training, KPI check and exit of SME account managers to help create a professional account manager team who is skilled in business and technology.

2. Promoting Product System and Building Cooperation Platform

The Bank innovated "Shangyi Loan", an exclusive financing brand to meet the financing demands in foundation, growing and various life cycles in business developments of SMEs. The Bank enhanced its cooperation with governments and guarantee institutions to build marketing platform for and improve the capability of SMEs financial services.

Making great efforts to advance business innovation

- Conduct post-evaluation of measures and operating procedures in 42 product types, and make adaptive modification to administrative measures of small and micro credit-granting business and certain credit products, so as to meet the dynamic market and customer demands.
- Develop online services such as "self-service drawdown and loan renewals for small and micro enterprises" and "self-service contract signing and mortgage for personal business loans", thereby becoming the first bank in Chongqing to realize self-service mortgage electronic registration.
- Increase the target of self-service drawdown and loan renewals for personal business loans.
- Launch online product of "Bank-Tax-Interaction" (BTI) - "Shuikuai Loan", thus making up the shortcoming of generic online credit products.
- Optimize the "Fangkuai Loan", and launch "Erya Loan", so as to activate marketable collateral value of existing loans for small and micro businesses.

Encouraging entrepreneurship and employment

- In cooperating with small and micro guarantee companies in Chongqing, the Bank takes a lead in establishing online channels for entrepreneurial guarantee loans, expanding loans coverage, and supporting self-employed and unemployed persons to start their own businesses or find jobs.

Supporting innovation and development of enterprises

- Promote "Knowledgeable Value Credit Loans for Scientific and Technological Company" cooperating with Chongqing Science and Technology Bureau among 35 counties and districts including Chongqing High-Tech Zone, Wansheng Economic and Technological Development Zone, and originate business in 36 sub-branches.
- Strengthen cooperation with Liangjiang New Area Management Committee to reduce financing costs of technological companies. Introduce the "Technological Growing Loans in Liangjiang New Area" with relaxed collateral policies to innovate the Fintech financing system.

Supporting the resumption of work and production of enterprises

- For customers with outstanding existing loans, we assess those enterprises affected by COVID-19 and their financing demands in advance, and relieve their repayment pressure and refinancing cost by extending, renewing loans and adjusting repayment terms.
- Standardize credit financing charges, reduce additional financing costs for customers, and alleviate difficulties faced by small and micro enterprises in accessing affordable financing.

Case Supporting the development of high-tech small enterprises

Chongqing Yulong Photoelectric Technology Co. was established in 2014. It is a high-technology small enterprise, mainly focuses on research and development, production, and sales of various control boards for LCD products, power supply boards, backlight LED strips, and flexible circuit control boards. The company is in a leading position in the industry. It is the core supplier of a BOE large group. In recent years, the company has strategically positioned itself as the number one supplier of traditional LCD control boards and related products in China, and become the largest and the most technologically advanced domestic supplier of control boards and related products, with influence in its industry category. In order to achieve this goal, the company invested in R&D funds to expand its production scale. However, it encountered a liquidity gap. After evaluating the company's financing needs, the Bank's Liangjiang Sub-branch issued a credit loan of RMB 9.7 million for Yulong Optoelectronics. With the support of credit funds, Yulong Photoelectric has actively progressed well in its operation with better organized production and increased sales activities.



Production workshop of Chongqing Yulong Photoelectric Technology Co., Ltd

Case Supporting the development of new air system enterprises

Blue Horizon Co. is a company that develops, produces, and sells ventilation and cooling equipment and new air systems. During the COVID-19 prevention and control period, it mainly focused on the producing new low pressure air system for hospital wards. It was one of key enterprises in the Chongqing COVID-19 prevention and control enterprises name list. As one of the main service providers for the constructions of Wuhan Fire God Mountain Hospital and Thunder God Mountain Hospital, Blue Horizon Co. provided wall-mounted fresh air purifiers, constant air volume balancing components and other equipment for two hospitals. However, the supply did not meet the high demand needs and hence a shortage of funds occurred when the company accelerated the resumption of work.

The Bank's Yubei Sub-branch learned about Blue Horizon's financial difficulties and provided door-to-door service immediately and completed a credit investigation and data collection. Yubei Sub-branch worked overnight to write investigation reports and prepared reporting materials for credit loan application. Meanwhile, it contacted the head office to establish a special access channel for loan review and used special refinancing funds to quickly issue a credit loan of RMB 5 million, successfully helped Blue Horizon Co. to achieve production and capacity expansion.



The special vehicle Blue Horizon Co. used for transporting supplies to Wuhan Fire God Mountain Hospital

Fully Serving the People's Livelihood

In 2020, the Bank assisted branches and sub-branches in developing high-quality customers in the livelihood sector by conducting research, with loan targets in this sector as part of the annual KPI loan assessment of branches and sub-branches, and issued *2020 Marketing Plan of Key Credit Business*. Besides, we issued marketing reports every month, conducted regular supervision, and encouraged branches and sub-branches to promote the business of "Benefiting People's Livelihood" with assessment-oriented measures. As of the end of 2020, the outstanding loan balance relating to people's livelihood was RMB 23.96 billion, with an increase of RMB 2.54 billion compared to the beginning of the year.

1. Supporting Medical Care and Protecting Health

In 2020, the Bank identified the medical industry as the "priority sector" for credit granting, focusing on supporting public and private hospitals with strong professional competence. In order to support the prevention and control of the pandemic, the Bank further strengthened the connection with Chongqing's hospitals, medical research institutes, enterprises, and pharmaceutical companies that produce and sell protective equipment such as masks, disinfectants and goggles, so as to better understand their financial demands when fighting against the pandemic. We set up a special access channel to grant emergency credit support, and provide door-to-door financial services to medical institutions based on their needs to ensure the effective prevention and control of the pandemic. As of the end of 2020, the outstanding loan balance related to the medical industry was RMB 6.28 billion, with an increase of RMB 1.10 billion and a growth of 21.21% compared to the previous year.

Case Wanzhou Sub-branch supported COVID-19 assigned hospitals

The Affiliated Hospital of Chongqing Three Gorges Medical College (Chongqing Wanzhou District Renmin Hospital) was built in 1977. It is a Grade II Level A hospital integrating medical treatment, education, scientific research, preventive health care and rehabilitation. On February 12, 2020, Wanzhou District Renmin Hospital was set up as an COVID-19 assigned hospital and all asymptomatic infected patients as well as febrile patients were transferred to the hospital for concentrated medical observation. Because the outpatient clinic of the hospital stopped treating other patients, the liquidity of the hospital's funds was relatively tight. The Bank's Wanzhou Sub-branch actively visited the hospital after learning the news, and provided a working capital loan of RMB 50 million to help solve its temporary financial difficulties.



The building of the Affiliated Hospital of Chongqing Three Gorges Medical College (Chongqing Wanzhou District Renmin Hospital)

Case Jiulongpo Sub-branch supported Internet medical treatment service providers

Chongqing Adtech Co. is located in Jiulongpo High-Tech Park in Chongqing. It is a national high-tech enterprise mainly operating in the fields of Internet smart medical care, smart education, big data, and information services. It is also a key municipal-level guaranteed enterprise during the COVID-19. During the critical stage of epidemic prevention and control period, the demand for medical institutions to build the platform and the volume of online consultations by patients had increased rapidly because the Internet medical platform was convenient, efficient, more targeted and personalized. The company needed to optimize and upgrade its public emergency system and Internet medical platform system for better prevention and control of the epidemic. However, there was a shortage of liquidity of about RMB 20 million for the upgrade. As a technology-based enterprise, the company has few fixed assets that could be used as loan collateral. It was very difficult for the company to raise large amounts of funds within a short period.

The Bank's Jiulongpo Sub-branch, in accordance with the principle of "special treatment and urgent treatment", actively connected with relevant departments of the head office and set up a special access channel for credit approval, and completed the whole credit granting process within three business days. The sub-branch provided a new working capital loan line of RMB 20 million for Chongqing Adtech Co., Ltd.

2. Supporting the Development of Culture, Education and Science

In 2020, the Bank identified the education industry as the "priority sector" for credit granting in accordance with the national policies and industry characteristics. We noted the national "Double First-class Engineering" colleges, universities affiliated with the state ministries (commissions), and the municipal key undergraduate universities as the main focus to strengthen the construction of application-oriented undergraduate universities while deepening the integration of education and industry, college-enterprise cooperation and engineering combination. In addition, the Bank also supported the municipal full-time general undergraduate universities, municipal public higher vocational schools and specialized higher education schools in line with the direction of the regional industrial development. As of the end of 2020, the outstanding loan balance related to education was RMB 2.59 billion.

Case Supporting the upgrading of Chongqing Liangping District No. 1 Middle School

Chongqing Liangping District No. 1 Middle School was established in 2003 as a complete secondary school with independent legal personality, jointly organized by Chongqing Liangping County People's Government and Chongqing Tengda Education Development Co. With the development of regional economy and strong competition, the school decided to upgrade its campus in order to further meet its expanding educational needs. Following understanding the customer's needs, the Bank's Liangping Sub-branch took the initiative to visit the school and developed a customized financial service plan. In September 2020, the Sub-bank granted a credit facility of RMB 31 million to support the campus upgrading and renovation construction project of Liangping No. 1 Middle School.



The entrance of Liangping No.1 Middle School

3. Cooperating with Government to Benefit People

The Bank has cooperated with the Chongqing Finance Bureau, Human Resources and Social Security Bureau, Municipal Commission of Housing and Urban-rural Development and other institutions, to launch various forms of services including convenience services and living expenditure payment through offline channels such as physical outlets and smart teller machines (STM). We have also provided aforementioned institutions with financial services to improve the public's experience and satisfaction across the region, and actively create a bridge that connects the government and the public.

Case Promoting the mechanism of provident fund deposit and use

On November 26, 2020, the Bank and Chongqing Municipal Housing Provident Fund Administration Center signed a strategic cooperation agreement, in which both parties will make full use of their respective advantages in resources, technology, network, business, channels and information sharing to build an open platform, jointly creating a new financial ecology that gathers various elements such as data and information, financial resources, service channels and social groups to help the city's high-quality economic and social development. According to the agreement, both parties will carry out strategic cooperation around jointly promoting the establishment of a mechanism for Chongqing flexible employment personnel's provident fund deposit and use, serving regional economic and social development, and promoting data sharing and complementary advantages between the two parties.



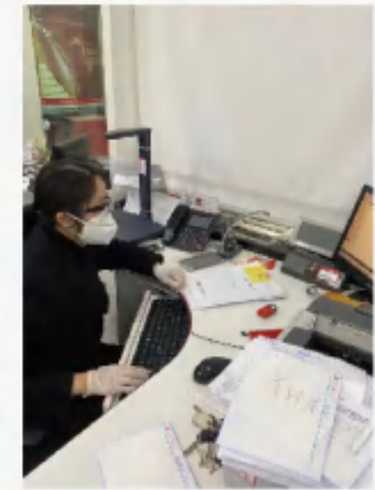
Signing a strategic agreement with Chongqing Municipal Housing Provident Fund Administration Center

4. Standing Together in Face of Difficulties and Reaching out to Each Other

During the pandemic, the Bank resolutely implemented the requirements of the state, Chongqing municipal committee, Chongqing municipal government and superior regulatory authorities, established a dedicated access channel for financial services to prevent and control the pandemic, formulated an emergency financing mechanism, simplified the business processes, and actively provided credit support for key enterprises that produced, transported and sold emergency supplies to reach an "acceleration" of financial services in fighting against COVID-19.

Case Liangjiang Sub-branch helped protect people's livelihood

After the outbreak of COVID-19, Huaxia Airlines Co., Ltd made full use of its regional airline network advantages, of to set up green channel for COVID-19 relief supplies. Huaxia Airlines responded to the Civil Aviation Administration's call and launched a free cancellation and ticket reissue service for passengers to reduce the risk of COVID-19 spreading and daily passenger flow. However, these measures caused a tight liquidity of daily operating fund to the airline. The Bank's Liangjiang Sub-branch responded quickly and took the initiative to connect with the airline. On February 12, with the strong support from the head office, the Bank completed the approval and lending process and successfully issued a working capital loan of RMB 200 million for the customer's daily operation, supporting the shortage of aviation fuel and airport management service costs. It resolved the urgent needs of the airline and helped protect people's livelihood during the COVID-19 prevention and control period.



Counter employees of the Business Department at Liangjiang Sub-branch processed the loan release

Case

Nanchuan Sub-branch supported Nanchuan District's living supply

Chongqing Nanchuan District Fengzhicai Trading Co. is the largest retail enterprise in Nanchuan District, with two large shopping centers, more than 20 directly managed supermarkets, and one Dicos restaurant. It provides delivery service for more than 600 rural stores. During the COVID-19, the enterprise was in urgent need of liquidity to continue the supply of a large amount of rice, flour, oil and vegetables, etc. The Bank's Nanchuan Sub-branch actively took the initiative to approach the company and discuss the financing issue. The Sub-branch followed the requirement of the "fast investigation, fast account opening, green approval and fast lending" policy for the company. Within three days, the Sub-branch issued a new credit loan of RMB 5 million, effectively helping the company to resolve its liquidity gap problem and greatly contribute in supporting Nanchuan District's living supply.



A corner of supermarket's fresh food area

Promoting Green Development and Fulfilling Environmental Responsibility

Green development is critical to the national development and national future. In an important speech delivered at the General Debate of the Seventy-fifth Session of the General Assembly in 2020, General Secretary Xi Jinping pointed out that China's carbon dioxide emission is expected to peak by 2030 and go carbon neutral by 2060, and also at the Central Economic Work Conference, a key priority for 2021 on "Do a Good Job in Carbon Emission Peaking and Carbon Neutrality" was set. In this context, strongly advocating energy conservation and emission reduction through green finance are therefore as important as those strategic contributions to the supply-side structural reform.

In 2020, the Bank revised the Basic Policy of Risk Management to incorporate the equator principles, green finance and sustainable development requirements into the basic principles of risk management. The Bank's comprehensive risk management system should be adapted to the risk status and system importance, be consistent with the equator principles, green finance and sustainable development requirements, and be adjusted according to environmental changes.

Climate Risk Management

In Chongqing, where the Bank is located, the climate is relatively stable overall, but the occurrence of drought, flood and other disasters may lead to customer credit risks arising from climate change. The Bank monitors the evolution of such risks, strengthens credit-oriented guidelines, and provides risk warnings for climate-sensitive industries, such as water and electricity. In the post-loan and post-investment management, customers' credit risks potentially caused by climate change will be monitored, so that these risks are identified and mitigated in a timely manner. At the same time, we also strengthen collateral management and revaluation to prevent the impact of climate change on repayment sources.

To practically respond to and cope with the adverse impact of natural disasters caused by extreme climate on the Bank, effectively protect employees' personal safety and the Company's property, as well as maintain the normal business continuity, the Bank has formulated the Emergency Plan for Natural Disasters, specifying the procedures for reporting and dealing with natural disasters, providing guidance to institutions and personnel at all levels to effectively control losses. To avoid adverse impact of climate risks on the Bank's data center and ensure the stable business operations, the Bank has established a disaster recovery system called "Three Centers in Two Places". The main data center, urban disaster recovery center and remote disaster recovery center are set up in the main urban area of Chongqing and Wanzhou, respectively. The important information system is configured and backed up in these centers to effectively manage business impact arising from climate risks.

1.Green Finance

The Bank always adheres to the concept of green finance and the overall promotion of preferential policy on Green Finance in resource allocation, and strives to play a demonstrative role in promoting the green development of the Yangtze River Economic Belt. Since 2016, the Bank has started from the top-level design, formulating "building a green benchmark bank" as a strategic goal, and setting "implementing an action plan for establishing a sound green bank organization system, shaping green culture, supporting green industries, building green branches, and developing green talents." as strategic development initiatives, and outlining the green strategy roadmap to continuously deepen the development of Green Finance.

In 2020, the Bank announced the adoption of the Equator Principles, becoming the first equatorial bank in the central and western region and the second company in Chongqing to join the National Green Finance Committee. We entered into a strategic cooperation agreement with the Green Finance Development Research Center of Tsinghua University to guide our eco-friendly development work plan. In 2020, the Bank joined the Environmental Information Disclosure Working Group of Sino-British Financial Institutions to further develop the concept of green development and fulfill social responsibility.

The Bank has established a Green Finance Committee under the senior management to coordinate and promote green finance development, and a Green Finance Department to be responsible for policy research, business management and advancement of green finance. Meanwhile, all departments of the Bank and all institutions of the Group, are coordinated to jointly promote the development of green finance and disclosure reporting of environmental information.

The Bank has made significant efforts to strengthen the development of the green finance policies and system, including incorporating green finance lending criteria and processes, implementing green finance KPI assessment system of branches and sub-branches, and more refined guidance on assessment and incentive. In addition, we have incorporated elements on environmental and social risk management within our loan contracts to provide support for the development of green finance.

In 2020, the Bank will continue to focus on the development of green economy as a key priority in the Bank's credit business, strictly implementing the "One-vote veto" of environmental protection standards. We regard corporations' compliance with environmental protection laws as a key prerequisite for credit approval. For projects that meet the green finance standards, we will provide preferential

credit policies and resources, offer rapid access channel for acceptance and approval, and prioritize matching of credit resources. For projects that do not meet environmental protection requirements, we will no longer provide new credits. The loans to industries with “high pollution, high pollution, and overcapacity” will be strictly restricted. As of the end of 2020, the Bank’s green finance loan balance was RMB 24.57 billion, with a net increase of RMB 7.51 billion (44.01%) from the beginning of the year. The green finance business focuses on industries such as clean energy, energy-saving, and environmental protection industries.

Case | Chongqing Huantou Huize Water Pollution Treatment Co.

Chongqing Huantou Huize Water Pollution Treatment Co., Ltd. is jointly funded by Chongqing Environmental Protection Investment Group Co., Ltd. and other four enterprises. It is mainly responsible for the construction and operation of the Lotus sewage treatment plant and pollution source remediation PPP project in Yongchuan District. The project is aimed to remediate pollution sources in the old and new urban areas, help the construction of Lotus sewage treatment plant, as well as supporting the construction of Linjiang River basin data monitoring system. It helps to eliminate the pollution caused by sewage discharge into the Linjiang River basin and infiltration into the groundwater. Hence the project plays a positive role in protecting the ecological environment quality of the important tributaries of Three Gorges reservoir and the water-fluctuation zone, while improving the local environment. The total investment of the project is RMB 640 million. The Bank has granted a credit facility of RMB 515 million, with RMB 143 million has been already invested so far. It helped solve the project’s funding gap, while boosting the project construction.



Pollution Source Remediation PPP Project

Case | Huaneng Chongqing Fengjie Wind Power Co., Ltd.

Founded on March 8, 2016, Huaneng Chongqing Fengjie Wind Power Co., Ltd. is a wholly-owned subsidiary of Huaneng International Power Co., Ltd. It is mainly responsible for the project development, construction and operation management of the Jinfeng Mountain Wind Farm project in Fengjie, Chongqing. The energy saving, environmental and social benefits of such a wind power project as a renewable and clean energy generating source, were remarkable. The 55 wind turbines of this project were arranged along the mountain ridge, built a very unique human landscape that people could enjoy the beautiful scenery of the mountain while watching the spectacular cluster of wind turbines, promoting the development of local tourism. The total investment of the project is RMB 980 million. The Bank has granted a credit facility of RMB 750 million to meet the demand of the enterprise while addressing its capital needs.



A Cluster of Wind Turbines

Case | Chongqing Qijiang District Sanfeng Environmental Protection Power Generation Co., Ltd.

Chongqing Qijiang District Sanfeng Environmental Protection Power Generation Co., Ltd. was founded on March 3, 2016 with a registered capital of RMB 180 million. It is a wholly-owned subsidiary of Chongqing Sanfeng Environmental Industry Group Co. and is mainly responsible for the construction and operation of waste incineration power generation project in Qijiang District, Chongqing. The project has an investment of RMB 599 million, with a construction scale of 1,000 tons of waste per day. Currently, it is in the preliminary construction process, and will become a benchmark project for environmental protection in Qijiang, Wansheng and Nanchuan, as well as contributing to build a green Chongqing. In order to meet the capital needs of the enterprise, the Bank has provided a new pre-project loan of RMB 179 million for it, with RMB 108 million has been invested already.



The construction site of waste incineration power generation project

2.Green Public Welfare

The Bank upholds the concept of green environmental protection in operation and development, cultivates employees' awareness of environmental protection, encourages employees to participate in voluntary environmental protection activities. We adhere to deliver the sense of responsibility and mission of maintaining ecological balance and building green homes to more people, making a positive contribution to regional green development.

Case

Yunyang Sub-branch launched the activity of "I plant 10 trees for my motherland"

On March 12, 2020, the Bank's Yunyang Sub-branch launched a tree-planting activity, organizing all Party members and cadres to participate. Everyone responded positively and practiced the development concept of "clean waters and clear mountains are golden and silver mountains". A total of more than 1,000 saplings were planted, covering the whole area of 69 towns and villages.



Employees actively participated in the planting activities

Case

Chengkou Sub-branch participated in "Saturday civilization persuades me to join" volunteer service activity

The Bank's Chengkou Sub-branch periodically arranged organized "Saturday civilization persuades me to join" volunteer service activities for young Party members to participate in, while carrying out the "Yield to Zebra Crossing" civilization persuasion volunteer service activities at traffic light intersections and crowded places in the city. It promoted the knowledge of hygiene, COVID-19 prevention, garbage classification, environmental protection etc. to encourage the public to practice civilized norms and stopped uncivilized behavior in traffic civilization, hygiene habits and environmental protection area.



The Bank's employees participated in the "Saturday civilization persuades me to join" volunteer service activity

Case

Xiushan Sub-branch helped build a green village and town

Shikan Village in Meijiang Town, Xiushan County, was seriously polluted by the river and the environment in the village due to villagers randomly dumped garbage. The Bank's Xiushan Branch specifically organized environmental cleanup volunteer services to sort and clean up the garbage around the river and highway in Shikan Village, raising the villagers' awareness of environmental protection with practical actions. It periodically carried out environmental protection knowledge promotion activities to advocate the concept of environmental protection, instructed the villagers how to protect the environment, sort garbage and turn waste into treasure, reduce littering behavior, and fundamentally solved the problem of garbage accumulation and environmental health challenges.



The Bank's employees participated in environmental cleanup volunteer activities

◆◆ 3.Green Operation ◆◆

The Bank strictly abides by the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China* and other laws and regulations. Integrating the national low-carbon development policy, we practice green office and low-carbon operation measures and create a green office environment. The Bank has formulated several measures for energy and water conservation, low carbon and emission reduction, such as the *Air-conditioning Operation Scheme for Office Buildings* and *Measures for the Administration of Official Vehicles of Chongqing Rural Commercial Bank*. According to the relevant policies and system, we select energy-saving and consumption reduction equipment to carry out the green transformation of the office area. The Bank promotes green environmental protection to employees. We post energy-saving and emission-reduction slogans in the office, promote paperless offices, cultivate employees' environmental protection concepts, create a green working environment, and fulfill environmental responsibilities. In 2020, there was no issue arising from the Bank's operations that had caused significant environmental pollution and impacts.

Energy conservation and emission reduction

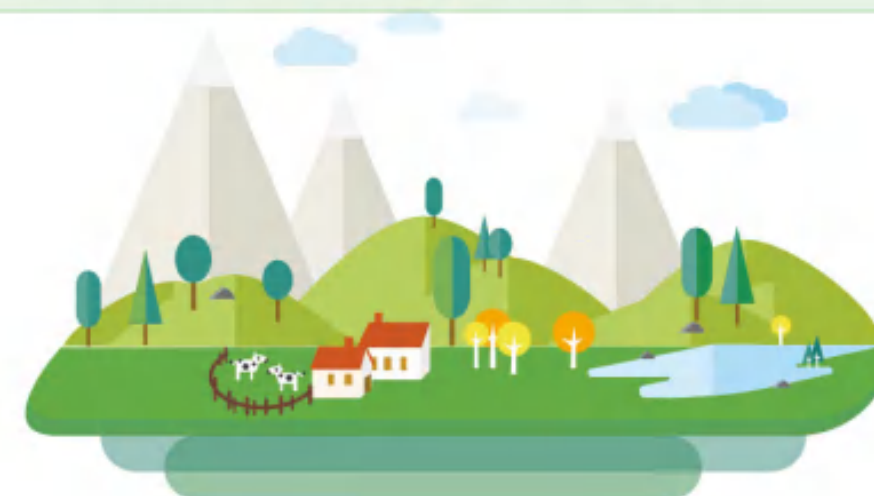
- Comply with the oil fume emission standards of the catering industry, install oil fume purifiers and other equipment in the canteen, and discharge the oil fume outdoors after electrostatic purification.
- Use sensor faucet and sensor flush valve in the restroom to reduce water waste.
- Use energy-saving lamps and functional motors controlled by frequency conversion to save power consumption.
- Adopt sensor control, time control, and other lighting control measures in public corridors, with infrared induction at night.
- The purchase of official vehicles must follow the principles of energy conservation and environmental protection.
- Regulate temperature of air conditioner in the office building to reduce the power consumption.
- Install remote video conference system to encourage online meetings.
- Encourage online office and double-sided printing to reduce use or waste of paper.
- Promote the paperless operations at counters, use electronic vouchers instead of paper vouchers, to save paper.

Green reconstruction

- Install 22 new energy vehicle charging piles in 2020, encouraging employees to use new energy vehicles.
- Arrange data center cabinets and rack equipment appropriately, to allow better cooling air flow to reduce energy
- Data center uses power equipment with low energy consumption, small size, high level of automation and reliable operation to meet energy-saving design standards and effectively reduce energy.

Waste management

- Regulate canteen procurement and food management, reduce food consumption and food processing cycle to reduce avoid food waste.
- Advocate "Plates clearing Action" to reduce generation of food waste through forms of posters, promotional videos and LED visual propaganda.
- Categorize and recycle kitchen waste in the food cafeteria.
- Classify the waste generated by the office operation of the data center, centralized waste recycling department or a qualified third party is engaged to manage disposal such as construction soils or slag yard.
- Encourage online working and recycling of printing devices to reduce the use of printing device consumables.
- Implement a registration system for office supplies to reduce the unreasonable consumption of disposable office supplies.
- Arrange special personnel to manage hazardous and non-hazardous waste.
- Hire qualified third parties to recycle and treat hazardous waste.



2020 Environmental Indicators

Environmental Performance

Unless otherwise stated, the statistical scope of environmental performance herein solely covers the head office and branches and sub-branches located in central districts of Chongqing of Chongqing Rural Commercial Bank Co., Ltd. Certain institutions of the Bank that are not included in this compilation will be considered in future. The statistical performance data presented below covers the period from January 1st, 2020 to December 31st, 2020.

1. Emission Data¹

Indicator	Performance
Total SO ₂ emissions (tons) ²	0.002
Total NO _x emissions (tons) ³	0.04
Total Greenhouse gas (GHG) emissions (Category 1 and Category 2) (tons) ⁴	19,727.86
Per capita GHG emissions (Category 1 and Category 2) (in tons/person)	4.20
GHG emissions per square meter of floor area (Category 1 and Category 2) (tons/m ²)	0.06
Direct GHG emissions (Category 1) (tons)	585.59
Vehicle fuel consumption ⁵	251.61
Facility diesel ⁶	35.49
Natural gas	298.49
Indirect GHG emissions (Category 2) (tons)	19,142.27
Purchased electricity	19,142.27
Total hazardous wastes (tons) ⁷	55.52
Total hazardous wastes per capita (tons/person)	0.012
Total hazardous wastes per square meter of floor area (tons/m ²)	0.0002
Total non-hazardous wastes (tons) ⁸	455.24
Non-hazardous wastes per capita (tons/person)	0.10
Non-hazardous wastes per square meter of floor area (tons/m ²)	0.001

Notes

1. As the emission and consumption data of energy and resources in the data center cannot be measured separately, the Bank's data in respect of greenhouse gas emission intensity, intensity of hazardous waste emissions, intensity of non-hazardous waste emissions, energy consumption intensity and daily water consumption intensity calculated per capita and per square meter of floor area have included both office areas and data center.
2. The sulfur dioxide emissions mainly come from vehicles' fuel consumption, and the data of sulfur dioxide emissions is calculated according to the *Technical Guidelines for the Preparation of Air Pollutant Emission Inventory for On-Road Motor Vehicles (Trial)* issued by the Ministry of Environmental Protection of P.R.C.
3. The nitrogen oxide emissions mainly come from vehicles' fuel consumption, and the data of nitrogen oxide emissions is calculated according to the *Technical Guidelines for the Preparation of Air Pollutant Emission Inventory for On-Road Motor Vehicles (Trial)* issued by the Ministry of Environmental Protection of P.R.C.
4. The GHG inventory includes carbon dioxide, methane and nitrous oxide, which mainly come from purchased electricity and fuel. The calculation of GHG is presented in terms of CO₂ equivalent and is based on the *2019 Emission Reduction Project of China Regional Power Grid Baseline Emission Factors* published by the Ministry of Ecology and Environment of PRC and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories 2019 revision* issued by the Intergovernmental Panel on Climate Change (IPCC).
5. Vehicle fuel consumption includes consumption of gasoline and diesel.
6. Facility diesel refers to diesel used by backup generators.
7. The hazardous wastes involved in the operation of the Bank are handled and disposed of by qualified professional companies, which mainly include waste lead-acid batteries, waste fluorescent tubes, waste ink cartridges, waste toner cartridges, waste toner, and waste ribbon cartridges of printing equipment.
8. The non-hazardous wastes of the Bank are delivered to recyclers for disposal, which mainly include discarded office waste and discarded hard disks. Among others, the office wastes of Yuzhong Sub-branch, Shapingba Sub-branch, Jiulongpo Sub-branch, Yubei Sub-branch and Liangjiang Branch are centrally handled by property management companies, and cannot be measured separately. This is estimated based on the *First National Survey of Pollution Sources Handbook of Urban Living Source Sewage Coefficients* issued by the State Council.

2. Energy Consumption Data

Indicator	Performance
Total energy consumption (MWh) ¹	36,151.91
Total per capita energy consumption (MWh/person)	7.70
Energy consumption per square meter of floor area (MWh/m ²)	0.10
Direct energy consumption (MWh)	2,689.33
Vehicle fuel consumption	1,027.83
Facility diesel	134.97
Natural gas	1,526.53
Indirect energy consumption (MWh)	33,462.58
Purchased electricity	33,462.58
Purchased electricity power consumption of the Head Office (MWh) ²	14,640.63
Daily water consumption (tons) ³	179,121.03
Daily water consumption of the Head Office (tons) ⁴	59,527.46
Daily water consumption per capita (tons/person)	38.16
Daily water consumption per square meter of floor area (tons/m ²)	0.50
Total paper consumption (tons) ⁵	153.47

Notes

1. The energy consumption data is calculated based on the electricity and fuel consumption using relevant conversion factors provided in the *General Principles for Integrated Energy Consumption Calculation (GB/T 2589-2008)*, a National Standard of the People's Republic of China, and this mainly includes electricity, natural gas, vehicle fuel consumption and facility diesel.
2. Purchased electricity power consumption of the Head Office includes the purchased electricity power consumption of Chongqing Rural Commercial Bank Tower, Tongchuang office area, Erlang office area, Shuixing office area, and Yuzui data center.
3. Daily water consumption includes tap water and reclaimed water.
4. Daily water consumption of the Head Office includes the daily water consumption of Chongqing Rural Commercial Bank Tower, Tongchuang office area, Erlang office area, Shuixing office area, and Yuzui data center.
5. Paper includes A4 copy paper, A3 copy paper and ATM voucher paper.
6. The data of packing materials is not applicable to the Bank.



Practicing Social Responsibility and Building a Better Society Together

Implementing Responsibilities of Customer Services

In 2020, with the technological advantages and innovation ability, as well as the capability to identify different customer needs, the Bank continued to adhere to the "customer-centered" service philosophy, improve the network construction of O2O channels, and meet the demands of customers at different levels. We optimized business processes, improved customer experience using big data, and provided customers with innovative, characteristic financial services that were professional, high-quality and user-friendly. We were committed to protecting the legitimate rights and interests of consumers, improving customer service, creating a safe financial service environment, and safeguarding customers' personal information and property.

1. Optimizing the Construction of Service Channels

In 2020, to better serve customers, the Bank expanded physical service channels in a full scope, optimized service procedures, renewed service philosophy, innovated service methods, set up convenient service stations and launched mobile banking services in remote townships, so as to ensure our financial service resources in rural areas, are structured to better meet the financial demands of customers at all levels, and create a more caring financial service environment.

Maintaining full coverage of outlets

- We are committed to broadening basic financial services available to counties. As of the end of 2020, the Bank has established 1,765 outlets of which 1,456 were counties (82.5%), achieving full coverage of physical outlets in 38 districts and counties in Chongqing.
- By deploying machinery and equipment, mobile service vehicles, etc., we broaden our services to cover 6,095 administrative villages and the coverage rate increased by 1.17 percentage from the beginning of the year.

Improving the development of self-service machines

- As of the end of 2020, the Bank had 4,482 self-service machines (872 ATMs, 3,187 CRSs, and 423 inquiry machines), and the ratio of the number of machines and outlets reached 2.54:1.

Promoting convenience services in rural areas

- Continue to deepen basic financial services in rural areas, set up rural convenient service stations in remote townships, and provide basic financial services for rural customers through convenient service terminals, self-service terminals and other convenient equipment.
- Speed up the introduction of new convenient machines and tools in rural areas, and focus on rural outlets without self-service equipment, poverty-stricken towns and other surrounding areas, so as to gradually replace the traditional convenient service terminals with new self-service terminals, and effectively help people from rural areas to gain more access to financial services.

Launching mobile financial services

- Purchase five mobile banking service vehicles, launch mobile financial services in counties such as Youyang, Wulong, Pengshui, Chengkou, Wuxi, etc., solve the problem of insufficient basic financial services in remote rural areas, and strengthen inclusive financial services in poor areas.
- Formulate the *Operation Scheme of Mobile Banking Vehicles*, distribute in areas with mobile banking vehicles based on the specific conditions of deeply poverty-stricken counties and the geographical locations of each branch and sub-branch. Clarify the management responsibilities and operating procedures at each level to further standardize the operation of mobile banking vehicles.

Creating differentiated characteristic outlets

- According to the resource advantages, regional characteristics, customer demands and other factors, nine characteristic outlets, including Huangshui of Shizhu, Zhongshan of Jiangjin, Yanhe of Chengkou, have been built, four of which are located in the extremely poverty-stricken towns of the city.
- Use the existing IP image to create a special module - "Dudu Market", integrate the decoration image of outlets, financial products and financial services to effectively promote the implementation of the rural revitalization strategy and achieve financial poverty alleviation.

In 2020, the Bank continued to accelerate the integration of electronic channels, release a new generation of personal e-banking and WeChat banking platform, and cooperate with personal mobile banking APP to achieve a unified business processing mechanism for electronic channels. We upgraded the function of intelligent voice assistant, connected all transactions from mobile banking, personal e-banking and WeChat banking to the risk control platform, so as to comprehensively expand the risk prevention scope of electronic channels. In December 2020, the Bank released personal mobile banking App 6.0, which built family circle through "growth" mobile banking and further improved the customer experience. Through cloud computing, big data, artificial intelligence, biometrics and other financial technology innovations, the Bank continued to empower mobile banking to improve the contactless experience. As of the end of 2020, the E-channel transaction ratio was 96.29%, which was 1.70% higher than the figure for the beginning of the year.

Achieving channel collaboration

- Customers can access to services through different terminals such as mobile phones, WeChat and computers. The adoption of unified channel access, unified customer management, unified product service, unified transaction process, unified risk control, and unified payment processing, etc., can help improve customer experience in using online channels as well as operational efficiency.

Strengthening the support of middle office

- Introduce special functions including personalized home page, menu, product recommendations to customers in different life cycles, fully integrate user and product center and strengthen the channel support.
- Introduce new marketing tools such as raffle, cash back and virtual merchandise coupon, with well-developed business scenarios to enable more flexibility in personalized and target marketing activities.

Optimizing intelligent customer service

- Improve the interactive and visual experience of intelligent voice assistant, continuously enrich the "Intelligent knowledge base", optimize the algorithm engine, enhance the accuracy of intelligent voice assistant in recognizing Chongqing dialect, upgrade the intelligent response capability, and reduce the latency time for users.
- Extend the service of intelligent voice assistant to personal e-banking and WeChat banking to further enhance the customer experience.

Empowerment through intelligent risk control

- Through big data analysis, machine learning and other technologies, release more than 300 risk control strategies after summarizing the common features of numerous telecom fraud cases.
- Monitor transaction events throughout the entire process with the help of the intelligent risk control system, which enables accurate identification in advance, flexible control during the process, and efficient management after the transaction, so as to address business risks of all types both online and offline, and ensure the safety of customers' funds.
- In 2020, the system monitored various risk events for more than 400 million times, automatically rejected high-risk events for more than 120,000 times, effectively blocked high-risk transactions, promptly detected suspected risks such as fraud, click farming and online gambling, and continuously strengthened the risk prevention and control capability of electronic channels.

Enhance contactless services

- Release functions such as "Scan QR Code" for mobile banking. Enable customers to access to card-free deposit and withdrawal services by applying the payment tokenization financial application standard.
- Allow a variety of login methods such as password, Face ID/fingerprint, gesture, facial recognition, etc., to ensure safe authentication and provide customer login convenience.
- Optimize the customer service process, deeply integrate channels with customer products, expand the scenario service scope, and provide one-to-one customer manager instant service to high net worth customers.

	Online Banking	Mobile banking
 Customers (ten thousand)	327.10	1,123.34
 Number of transactions (million)	522.25	63.55
 Amount of transactions (billion)	1,242.17	1,455.21

Case Creating a "Happy Home"

In 2020, the Bank further optimized the function and positioning of VIP rooms in some branches based on its current business operating situation, provided tea, candies and other snacks to customers with an aim of creating a "Happy Home" atmosphere. Additional recreational equipment such as electronic height and weight meters, blood pressure meters and first aid kits were placed to provide health and safety protection for elderly customers. In addition, the outlets that met the conditions will set up book bars and tea rooms to provide customers with a comfortable environment as well as a full range of service experiences.



Beibei Jingguan Outlet's "Happy Home"

Case Launching a new version of Mobile Banking App 6.0

The Bank carries out product innovation, process innovation, business innovation and service innovation with a focus on customers. It has enhanced four major aspects in upgrading its Mobile Banking App 6.0: digitalization, customization, cloud-based and scenario-based, bringing customers a new feeling of self-service, intelligence and wisdom, while promoting a wide coverage of intelligent livelihood services. Through use of big data, the Bank further enriches business scenarios such as "Guess what you want" and "Guess what you want to ask" to enhance personalized experience and obtain smart anthropomorphic services that can "listen and speak". In addition, the Bank has built a cloud-based platform to provide innovative "non-contact services". Customers can access their money without their bank cards through the mobile banking "Scan Code" function. The Bank has also created a youth version mobile banking to enhance the awareness of financial security, self-discipline and financial management of teenagers under 18 years old. Through the interconnection of Mobile Banking youth version, premium version and simple version, it has reached a centralized management of family wealth and strengthened the awareness to account security of youths and the elderly.



Chongqing Rural Commercial Bank Mobile Banking App 6.0

Case | Jiangbei Sub-branch built "BBC financial ecosystem"

The Bank's "BBC" financial ecosystem is an important initiative for retail business transformation based on the concept of "customer-centered" service development. The core of the system takes "payment as the entrance", builds "payment + cashier", "payment + scene", "payment + financial service" and other comprehensive ecological service systems, proactively promotes the development of scenario-based finance, and establishes a wide range of marketing services at three levels: "bank, merchant and customer". The Bank's Jiangbei Sub-branch has launched a series of special merchant service scenarios by combining with its own characteristics and creating "a store, a street and a circle" scenario around the outlet. In the early stage of the scenario, the employees at Wanfeng sub-office visited merchants to promote the Bank's "Yukuai Pay" product and "One Yuan for Groceries" activity, and finally reached cooperation with more than 40 merchants. The construction of "BBC" financial ecosystem has increased the usage rate of "Yukuai Pay" product and formed a good brand publicity effect on the surrounding residential areas.



"One Yuan for Groceries"

Case | Public Sign Project

In 2020, the Bank launched a "Financial Service Navigation Map" and displayed the signs of "Village Convenience Service Center" and "Inclusive Financial Base" in selected outlets to provide customers with services in the fields of off-site remittance, financial poverty alleviation, inclusive deposit and loan, etc.



Financial service navigation map

The "Financial Services Handbook" is also provided for detailed introduction to enhance the penetration and coverage of rural financial services.

In addition, the Bank has displayed an "Account Manager Public Sign", which has information of the account manager with picture, name, work unit, contact number, service commitment, and service hours. It created more convenience for customers to consult and conduct business, while building a closer linkage supervision system for inclusive finance.

2. Standardizing Process to Deal with Customer Complaints

The Bank formulated the *Administrative Measures on Remote Customer Service* and *Operating Instruction for Complaints Handling by Telephone Banking*, which specified the duties and power of employees at different levels, the specific operating procedures for complaints handling, as well as the time limit for the customer service center to follow up complaints, so as to ensure that the complaints are promptly resolved within the set time limits, and in an orderly and efficient manner. The Bank's complaints handling procedure includes five stages, i.e., complaint acceptance, review and approval, complaint handling, opinions review and customer follow-up. It is required that the processing time shall not exceed 7 days from the date of acceptance in principle by the customer service center for normal complaints. For complaints that are reported to regulatory authorities, exposed by media, or in legal proceedings and other escalated forms, as well as the complaints that should be co-processed with other departments, it is required that the processing time shall not exceed 15 days from the date of acceptance in principle.

In order to better cope with customer complaints, the Bank set up a quality inspection system to monitor the efficiency and compliance of processing the work orders, and supervise the whole process of the complaints from receiving to handling. For incomplete complaints, the handlers are required to follow up on a daily basis, contact the responsible officer to chase progress and outcome. The complaints that are not handled in time, incomplete or not compliant with policy requirements would be considered in performance appraisal. In 2020, our customer service center received and handled 3,256 complaints in total, and our customer satisfaction reached 99.88%.

In 2020, the Bank established a "Joint Complaint Handling Mechanism", regularly organized the "Listening Program", upgraded the complaint tracking system to enable online collection of customer complaint cases, early warning of common and difficult complaints, as well as the management of "Grey List". We also set up a "Complaints Reception Area" to record the complaint process, and took multiple measures to perform detailed analysis of complaint information data collected based on its nature, timing and extent, thereby improving the complaint response capability.

3. Guaranteeing Security Requirements for Bank Commercial Premises

The Bank strictly complies with the requirements of the *Security Requirements for Bank Commercial Premises (GA38-2015)*, the *Requirements for Security of Self-service Bank Devices and Self-service Banks (GA745-2017)* and other standards. In 2020, we modified the *Basic Rules for Security and Safety*, the *Administrative Measures on Facilities and Equipment*, the *Measures for the Administration of Fire Safety*, the *Administrative Measures for Security Facilities*, the *Measures for the Administration of Security of Business and Office Space*, the *Measures for the Administration of Security Guards*, the *Measures for the Administration of Security Inspection*, and the *Administrative Measures on Networked Monitoring System*, formulated the *Administrative Measures of Security Outsourcing*, and abolished the *Administrative Measures for Outsourcing of Security Guards*. The Bank upgraded the security system, strengthened the construction of emergency management system, and comprehensively protected the property and personal safety of employees and customers in bank commercial premises.

In order to respond to emergencies, the Bank has established an emergency response plan system, including the *Overall Emergency Response Plans*, the *Emergency Response Plan for Natural Disasters*, the *Emergency Response Plan for Accidents*, the *Emergency Plan for Public Safety Incidents*, and the *Public Health Emergency Plan*. In 2020, the Bank conducted two employee safety trainings on security basic knowledge and the pandemic prevention and control, which helped enhance employees' awareness on security protection and develop their self-prevention skills. In addition, in order to enhance employees' awareness of fire safety, help employees familiarize themselves with the routes and facilities of office buildings, and improve their emergency response capability and evacuation and self-rescue capability, in June and November 2020, the Bank organized safety personnel of various departments, new hires and employees from the property management department at the headquarter to participate in fire trainings and emergency drills.

In the process of branch decoration, the Bank strictly abides by the *Security Requirements for Bank Commercial Premises* and other standards and relevant requirements of local public security and fire-fighting agencies. During the construction process, the construction quality is strictly controlled to prevent safety accidents. The buildings can be put into use only after meeting the inspection and acceptance of public security and fire protection inspection and acceptance. We

will continue to promote "audio and video recording in sales sections" of business outlets, to standardize and unify the functional layout and image standards of outlets.

In February 2020, in response to the outbreak of the pandemic, the Bank issued the *Notice on Printing and Distributing the Emergency Response Plan for Pandemic Prevention and Control and Production and Operation*, and activated Level 1 *Public Health Emergency Response Plan*. We also managed the business hours of the outlets during the pandemic as a whole, strengthened sanitation and pandemic prevention in the outlets, closed the cash circulation function of ATM, and disinfected machines and equipment in areas with high customer flow. To ensure the safe operation of the outlets in the pandemic period, we also adopted various measures to prevent the spread of the virus, such as posted up pandemic prevention tips – "Wear Face Masks, Prevent the Spread of Infections" and disseminated pandemic prevention knowledge through various channels. The Bank has formulated a reasonable plan for work resumption, carried out identification and disinfection in the office and of equipment and facilities prior to work resumption and promoted the resumption of work and production in outlets in an orderly manner, so as to ensure an orderly financial service during the pandemic.

Facing the severe flood that occurred in the summer of 2020, the Bank made every effort to prevent and fight floods, took countermeasures in advance, and strengthened construction management for those outlets along the river during the flood season. We assisted 15 outlets and 1 ATM in flood hazards to resume normal operations.



4. Safeguarding the Legitimate Rights and Interests of Customers

The Bank strictly abides by relevant laws and regulations such as the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, prints and distributes the *Suggestions on Protection of Consumer Rights and Interests*, and releases the *Construction of Consumer Protection Mechanism*, the *Objectives and Measures of Consumer Protection* and other regulations. We have clarified the objectives of consumer protection, allocated work plan, provided guidelines, and coordinated the implementation of various work tasks. Based on the current "framework document + basic work system + product service management system", the Bank has strengthened the system in protecting consumers' rights and interests including formulating policy standards, monitoring and evaluation procedures for the end to end process. We also improved regulations, such as the *Administrative Measures on Protection of Consumer Rights and Interests*, the *Administrative Measures on Consumer Complaints*, the *Implementation Rules for the Review of Consumers Protection*, the *Administrative Measures of Audio and Video Recordings*, the *Administrative Measures on Agency Sales of Asset Management Products of Third-party Financial Institutions*, etc., to ensure that regulatory requirements are applied throughout the Bank's strategies and business operations, all operating procedures are traceable, and risks are controllable.

The Bank's consumer rights protection work is regularly planned and guided by the Board of Directors and the consumer rights protection committee. The senior management and the consumer rights protection work leading group regularly supervise and implement consumer rights protection measures. Consumer rights protection functional departments play an active role in designing business product and service, formulating agreement, product review and approval, marketing promotion, after-sales evaluation, etc., ensuring the protection of consumer rights is in place and effective.

For each stage of financial products and services, the Bank has set up "Five Must" to focus on ensuring an end to end process management and control of consumer rights protection. Firstly, during the new product design and development phases, all measures for consumers' rights and interest protection must be explained as a priority. Secondly, a review of consumers' rights and interest protection must be conducted during the approval process for launching a new product. Thirdly, the authenticity and accuracy of information disclosure must be strictly controlled during the promotion and marketing of products or services, ensuring proper risk disclosures. Fourthly, the details of service charges must be strictly and publicly

disclosed. Fifthly, special reviews and independent opinions must be conducted for matters involving consumers' rights and interest protection during the review of regulations and promotional materials. In 2020, the Bank completed 33 consumer rights protection reviews for new product launch, and 279 consumer rights protection reviews such as marketing materials, internal control systems, and service agreements.

The Bank has actively carried out the construction and evaluation of the "audio and video recording in sales sections" project, conducted self-evaluation from aspects of area construction, personnel management, information disclosure, product publicity, quality control and information preservation, ensured the installation of electronic monitoring system in the sales area, the voice and video recording of the sales process of financial products and consignment products, as well as the full coverage of all business outlets throughout the year. Besides, by introducing AI, intelligent speech recognition and other technologies, the "double recording" intelligent quality inspection project has been launched to improve the efficiency of quality inspection and standardization of the process.



◆◆ 5.Protecting Customer Information Security ◆◆

The Bank strictly abides by relevant laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights*, the *Cyber Security Law of the People's Republic of China* (GB/T 35273-2017), and relevant national standards and industry standards such as the *Personal Financial information protection technical specification* (JR/T 0171-2020), *Security Management Standards for Mobile Finance Client-side APPs* (JR/T 0092-2019), the *General Standards on Information Security of Online Banking System* (JR/T0068). We continuously improve our regulations such as the *Administrative Measures of Chongqing Rural Commercial Bank for Protection of Consumers' Rights and Interests*, the *Measures of Chongqing Rural Commercial Bank for the Administration of Data Security*, the *Measures of Chongqing Rural Commercial Bank for the Administration of Information System Security*, the *Measures for the Administration of Computer Networks of Chongqing Rural Commercial Bank* and the *Measures for the Administration of Computer Room of Chongqing Rural Commercial Bank*. We clarify information collection, storage, usage, and transfer requirements, providing comprehensive customer information security protection.

In accordance with regulatory policies, the Bank actively cooperates with relevant departments in optimizing the information system, improves the authorization mechanism and efficiency in customer information collection, and updates the privacy policy. The Bank strengthens electronic banking business risk transaction monitoring through the intelligent risk control system, on a real time, and full life cycle basis with enhanced risk attributes. We adopt dynamic limit adjustments, enhance security authentication, and block transactions to control electronic banking transaction risks, striking a right balance between risk control and customer experience. From a technical perspective, the Bank adopts technologies such as virtual desktops and network isolation to build data transmission boundaries, strictly controls the scope of data circulation containing sensitive customer information, and enriches data security protection measures. We also adopt a series of data security systems to achieve a completely digital and multi-level online approval for data extraction, enhancing management capabilities in controlling full life cycle of production data and preventing risk of information from leakage. For mobile phone models with no fingerprint recognition functionality, the Bank has restricted the fingerprint recognition function of mobile banking and added a password input anti-recording screen capture function to protect user privacy and security.

In terms of information collection, according to the relevant national and banking regulations, the Bank's mobile banking app has to clearly inform the app customer user on the specific scope of the collected information, purpose of use, etc. in the *Privacy Policy* when collecting sensitive customer information. The App focuses on sensitive information with bold highlighted text to ensure customers read and understand the privacy policy. We will only collect information with the customers' consent. At the same time, the Bank follows the principle of minimizing the collection of customer information. We only collect information that is necessary and closely related to business and risk control.

The Bank has established a clear hierarchical authorization management mechanism, setting the minimum necessary authorization for access and operation of customer information according to the duties required, authorizing only personnel with specific access customer personal information, and adopting a sanitized approach in handling sensitive customer information.



Motivating Development with Talent

In 2020, the Bank adhered to the strategy of "Retailing, Technology, Talent", focused on the "four structural adjustments" of assets, liabilities, income, and management personnel. We actively explored new mechanisms and initiatives for recruiting, training, deploying, motivating, and disciplining human resources of the Bank. The new mechanism and initiatives have gradually improved the talent mechanism, continuously optimized the talent structure and significantly improved the quality of talent. As of the end of 2020, the Bank had 15,088 employees, including 7,832 male employees and 7,256 female employees.

1. Protecting Rights in Accordance with Laws

Protecting the legitimate rights and interests of employees is the foundation for the stable development of an enterprise. The Bank adheres to the people-centered development philosophy, provides reasonable remuneration and benefits, improves the social security system, and strives to protect the legitimate rights and interests of employees such as working hours and leave.

Maintain harmonious labor relations. The Bank strictly abides by the *Labor Contract Law of the People's Republic of China* and other laws and regulations, has improved the *Labor Contract Management Measures* and *Employee Career Development Management Measures*. The Bank establishes legal, compliant, and harmonious labor relations with employees. We fulfill legal obligations, sign legal labor contracts with employees, and implement full-employee contract management. Also, we treat all employees equally, providing employees with equal job opportunities and promotion channels. We strictly prohibit gender discrimination, ethnic discrimination, religious discrimination, and any other types of inequality, aiming at building a diversified talent team. The Bank also prohibits the recruitment of child labor and forced labor, and strengthens inspection and supervision to ensure standardized employment.

Perfect compensation and benefit system. The Bank provides employees with labor remuneration, social insurance, rest and leave, labor protection, and other benefits and welfare policies. We construct a unified salary system and keep improving the salary and welfare system. We improve the enterprise annuity and supplementary medical insurance system, continuously enhancing employees' sense of access, happiness and security.

Protecting the legal rights and interests of employees. The Bank conscientiously implements national regulations on employee working hours, national holiday and anniversary holidays, paid annual leave, etc., and effectively protects employees' rights to rest and leave. We implement the obligations and responsibilities granted by the Social Insurance Law, implementing insurance reduction and exemption policies during the epidemic. To effectively protect the rights of talents, we insured employees and paying various social insurance premiums timely, assuring the rights of enjoying social insurance. Through the establishment of trade union organizations, the Bank promotes democratic management of enterprises, and effectively implements the systems of workers' congress, employee supervisors, and disclosure of business affairs, so as to ensure that employees exercise their rights to know, participate, express, and supervise in accordance with the law.

Strengthening democratic management

The Bank continues to collect, review and implement the proposals of the Workers' Congress. In 2020, three employee representative meetings were organized to deliberate and vote on a series of major issues involving employees' vital interests, such as the *Measures for Punishment for Employee Violation of Rules and Regulations*, and *Measures for the Management of Employee Career Development*.

Broadening democratic participation

The Bank implements the employee supervisory system. In 2020, employee supervisors participated in 9 meetings of the Board of Supervisors, deliberating and hearing 38 proposals. The employee supervisors were organized to attend the shareholders' meeting 4 times and attended the on-site meeting of the Board of Directors 8 times to supervise the meeting process and express supervisory opinions on relevant topics.

Improving democratic supervision

The Bank continues to carry out the assessment of the Bank's public work. In the democratic assessment of the Bank's public work for 2020, the final scores of all departments and offices were above 98 points, and the comprehensive assessment results were all satisfactory.

2. Talent Development

The Bank conscientiously implements the action plan for the strategy of developing the city through science and education and strengthening the city with talents. We promote the style of knowing, loving, respecting and using talents, strive to create an ecology for the development of talents that is "pleasing to the near and far", and strive to improve the role of talent resources in supporting the strategic goals of the Bank.

Management Talent Leading Plan

- Revise the management methods of middle-level leaders and grass-roots managers, formulate the management methods of the leaders of holding subsidiaries, and promote the position onboard system and contractual reform of the leaders of holding subsidiaries on a pilot basis, with an increasingly optimization of the structure of the management team.

Practical Talent Growth Plan

- Explore the establishment of an internship program.
- Carry out the second unified review of employee ranks across the Bank, and continuously optimize talent career development channels.
- Adjust and optimize department responsibilities and improve professional talent development platform.
- Carry out the work requirements of "stabilizing employment" and "guaranteeing employment", providing 30 additional jobs for college students who have not been employed for two years.

Professional Talent Development Plan

- Play a decisive role in the allocation of talent resources, insist on "school recruitment + social recruitment", "open recruitment + headhunting search", and multiple measures such as agreement salary, annual contract, individual assessment, housing subsidy, etc., and exploit the effect of "introducing a talent, driving a team" through those measures.

Talent Quality Improvement Plan

- Coordinate and promote epidemic prevention and control, education and training, and implement training projects focusing on online live broadcast platforms
- Continuously improve the three-dimensional training system of "invite in + go out", "online + offline", "site + video", "head office + line + branch", carry out 2,624 various employee training sessions and 512,825 training sessions throughout the year.
- Continue to optimize M-learning, creating "handheld training schools" and "mobile training schools".

Case Employee Business Skills Competition

The Bank organized an annual employee business skills competition from August to October 2020. Through the selection and preliminary rounds of competition, 68 players from 10 Sub-branches in Yongchuan, Nan'an, Rongchang, and other sub-branches successfully entered the final round. The final competition was divided into three parts: character entry, citation entry, and knowledge competition. During the competition, the candidates showed excellent skills and answered various business processing questions with their rich knowledge. They also presented the counter operation process and customer service concept of the Bank's account business, deposit and loan business, treasury and anti-money laundering business through various forms such as sitcom, three-sentence half and allegro. The business skills and service levels of employees were further improved through participating in the competition.



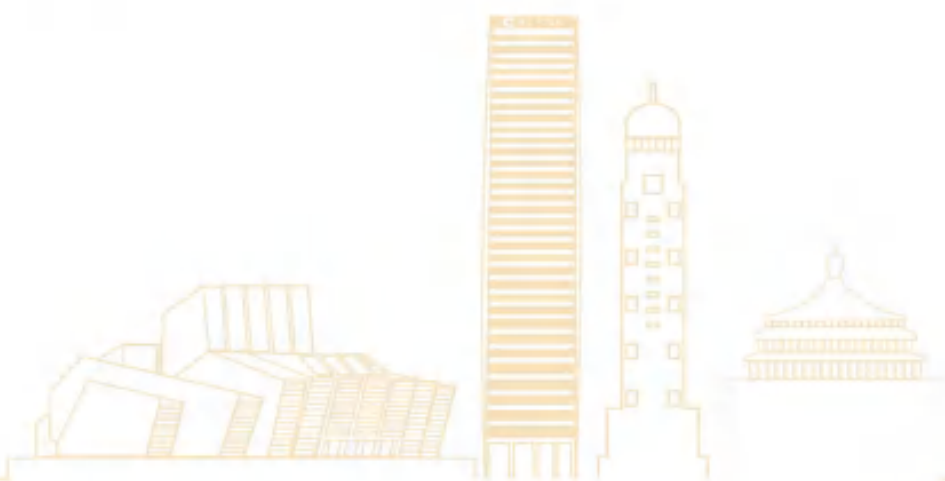
Employee Business Skills Competition

3. Providing Comprehensive Care

The Bank cares for employees and strives to build harmonious labor relations. We strengthen employee care by visiting and condoling, holding various skill competitions, and carrying out various cultural activities. By building a platform for employee growth and enriching employees' spare time and cultural life, we continuously enhance employees' sense of belonging, acquisition and happiness, striving to build a harmonious family. The Bank cares for the physical health of employees, organizes annual physical examinations for employees, conducts health knowledge lectures, and helps employees maintain a healthy body by collecting big data on health examinations and improving canteen dietary pattern.

Since the outbreak of the Covid-19, the Bank urgently formulated the *Head Office Building Epidemic Prevention and Control Plan*, *Head Office Vehicle Management Plan during the Epidemic Period*, and *Head Office Canteen Implementation Plan during the Epidemic* and other institutional measures to effectively prevent and control the epidemic. We guided epidemic prevention and control work in accordance with the measures, implemented the principle of minimizing on-the-job personnel, and implemented mobile office to reduce direct contact with employees and reduce the infection risk. For on-duty employees, the Bank requires them to wear masks, wash hands and disinfect regularly to protect themselves.

In order to protect the frontline employees' needs for prevention and control, the Bank coordinated with many parties to purchase and stock disposable medical masks, KN95 masks, protective glasses, alcohol, disinfectant, hand sanitizer, thermometers, infrared thermometers, emergency drugs and other materials. We succeeded in stocking and supplying emergency prevention and control materials for the whole bank.



Case Employee Spring Festival Gala in 2020

In order to fully demonstrate the corporate culture and create a cultural atmosphere of forge ahead in unity, the labor union organization of head office carried out the 2020 Employee Spring Festival Gala. It also further showed the continuous enterprising spirit of all employees and promote the reform, development, transformation and upgrading of the whole bank. The gala activities were all self-written and performed by the employees, such as singing and dancing, melodramas, sketches and other cultural activities, which presented the impressive achievements, heart-warming and touching things occurred in work and life in the past year. It also demonstrated the corporate spirit and the work style of employees and expressed the sincere prospects and blessings for 2020.



Employee Spring Festival Gala

Case Organizing barbers to visit employees for haircuts

During the critical period of COVID-19 prevention and control, the barber shop was temporarily closed, so haircutting became a major problem for employees. In order to ensure the livelihood of employees, some sub-branches of the Bank organized professional barbers to provide free haircuts for employees. In order to ensure the safety during haircuts, the Bank had done a good job of disinfection of the hairdressing venues and tools in advance and controlled the flow of personnel through measures such as early registration and scheduling. It always followed the principle of one-to-one, wearing masks, no gathering, less talking, more ventilation and frequent disinfection to ensure protection in place. More than 300 employees participated in free haircuts. After the haircuts, all of them had become energized and devoted themselves to their jobs with a new spirit.



Providing home barber service for employees

Delivering Warmth in Community Communication

The Bank actively implements corporate social responsibility, fully implements targeted poverty alleviation policies, and helps poverty-stricken areas to alleviate poverty. We vigorously promote financial knowledge, raising the public's awareness of financial security. Actively maintaining communication with the community, we understand the needs of the community and actively develop community public welfare to the best of our ability. We will continue to devote ourselves to serve the community.

1. Implementing Targeted Poverty Alleviation Policy and Fighting Against Poverty

In 2020, the Bank implemented poverty alleviation policies and systems based on the overall deployment of the central government, the Chongqing Municipal Party Committee and Municipal Government, and the work requirements of higher-level authorities, effectively helping the city to win the poverty alleviation battle. As of the end of 2020, the Bank's loan balances in 18 poverty-stricken districts and counties were RMB 140.92 billion, an increase of RMB 28.48 billion (25.32%) over the beginning of the year. According to the People's Bank of China's poverty alleviation statistics system, the Bank's targeted poverty alleviation loan balance was RMB 10.19 billion, an increase of RMB 1.26 billion (14.08%) over the beginning of the year.

Improving policies and measures

Formulate and release financial poverty alleviation policies such as the *Guidelines on Poverty Alleviation in 2020* and the *Notice on Further Fulfilling the Responsibility of Poverty Relief and Shaking off Poverty by Implementing "Eight-Point Decision"*, and improve the poverty alleviation mechanism.

Strengthening assessment inclination

Draw up a special assessment plan. Grant micro-financial support and industrial poverty-alleviation loans to poor areas, provide medical and educational loans to poverty-stricken counties as well as the areas with the task of poverty alleviation and development, and offer special rewards to each household to support the development of poverty alleviation industries.

Innovating poverty alleviation model

Give greater priority to financial resources. Taking Xinhong Village under pairing support as an example to win the battle against poverty, the Bank has adopted targeted measures and encouraged the characteristic industrial chain to practically promote financial poverty alleviation.

Boosting consumption to relieve poverty

With the help of new business sales models, such as live online commerce, 10 live streaming about "relieving poverty and marketing farm products" were carried out, with a total of 1.552 million viewers and more than 10,000 sales.

Case

Wulong Sub-branch helped impoverished villages with spring plowing and planting

During the critical period of COVID-19 prevention, control, and resumption of work and production, the Wulong Sub-branch took practical actions to support and help poor villages of "Xintian Village, Huolu Town" in spring plowing and planting. On March 25, the Sub-branch delivered 128 bags of compound fertilizer door to door to help poor families in pairs and fully supported farmers to vigorously develop high-mountain industries such as vegetables and fruits in the spring plowing season, increase family income, and alleviate poverty as soon as possible. At the same time, the furnace division of the Sub-branch took the opportunity of sending spring plowing chemical fertilizers, organized 12 village cadres and agricultural cooperative presidents to hold a forum called "heart to heart and get rich hand in hand" on financial support for resumption of work in the activity room of Xintian Village.



Sending spring farming fertilizers to poor households

Case

Pengshui Sub-branch supported the development of tourism in Pengshui County

As a national poverty-stricken ethnic minority county, Pengshui County is relatively backward in economic development. In 2020, the Pengshui Sub-branch of the Bank had learned that Pengshui Jiuli Cultural Tourism Investment Co., Ltd. would build the Chiyou Jiuli City Scenic Area Reconstruction Project to solve problems of lack of basic service facilities, unrefined features of scenic spots, and uncompleted tourism service functions in Chiyou Jiuli City. The Sub-branch issued a fixed asset loan of RMB 200 million for the company to effectively meet the company's financing needs, which boosted the upgrade of Chiyou Jiuli City Scenic Area. After the implementation of the upgrading project of Chiyou Jiuli City Scenic Area, it could promote the development of commerce, transportation, accommodation and other industries in the poverty-stricken county, bring a relatively stable source of income to the surrounding poor households, and become an important support for the development of poverty-stricken households around the scenic spot. It can also further improve the quality and effectiveness of tourism poverty alleviation, effectively drive the poor people out of poverty and increase income, and comprehensively promote the development of the tourism industry in poor areas.



The night view of the Chi You Jiuli City

Case

Youyang Sub-branch tried to mediate disputes and working together to build the "broken road"

In Zhangjiacheng Village, Lixi Town, there was a nearly 80-meter "broken road". Due to family conflicts and historical relics, the problem had not been solved for 5 years, resulting in more than 2,000 people in the village having to detour. Cui Daogui, the first village secretary appointed by the Youyang Sub-branch of the Bank, led the village working team and the two committees of the village branch to visit the masses, and their home many times to explain policies. They held a mass meeting and took the on-site mediation method of "one matter one discussion" to solve problems such as land occupation, house demolition and construction routes. Through their efforts, contradictions and disputes were finally resolved. With the organizational planning of the town Party committee and the town government and the coordination and cooperation of the village work team and the two committees of the village, the "broken road" was finally opened in early 2020, making it more convenient for villagers to travel and closing the distance between cadres and masses. It also won a good public reputation.



Villagers of Zhangjiacheng Village built Tianba "broken road"

Case | Xiushan Sub-branch supported infrastructure construction

Shikan Village, Meijiang Town, Xiushan County, is 28 kilometers away from Xiushan County. There are 32 poor households with 159 people. The infrastructure was weak, without streetlights on the village roads. There were many inconveniences and hidden safety hazards for villagers to go out at night. As the counterpart assistance unit for financial poverty alleviation in Shikan Village, the Xiushan Sub-branch of the Bank had visited the village many times and discussed with the village work team and the two committees of the village. They raised RMB 100,000 for the road lighting project in Shikan Village through various methods such as mobilizing Party members and employees to donate. There were 30 solar streetlights installed within 10 days, which became a new highlight in improving the appearance of the village. The Sub-branch also actively organized all employees to donate money and materials totaling RMB 317,300 for building roads in the village, purchasing TV speakers, and improving infrastructure.



The Xiushan Sub-branch Donation Campaign

Case | Fuan CQRC County Bank helped farmers get out of trouble

In 2020, based on the rich agricultural resources within its jurisdiction, Fuan CQRC County Bank implemented the working mechanism of "leaders divided into groups, teams responsible for area, account managers responsible for village" and carried out the "deep cultivation action" focusing on Fu-an's peaches, grapes, navel oranges and other special high-quality agricultural products. The rural financial service coverage reached 49%. The leaders of the bank personally led the cadres responsible for helping to visit farmers and carry out inclusive finance work. The client, Liu Zonghua, is a local fruit grower in Yuexiu Village. Affected by COVID-19, the fruit was unsalable, and the company had an urgent need for funds. After a thorough investigation, Fuan CQRC County Bank immediately opened a green channel, shortened the approval process, and issued a personal loan of RMB 700,000 in a timely manner. At the same time, the employees of the bank took the initiative to sign up for purchases, helped farmers in the village sell more than 100 boxes of navel oranges, actively used WeChat groups and WeChat moments to help farmers find sales outlets for agricultural products and overcame difficulties with the farmers.



Farmers' navel orange orchards

2. Popularizing Financial Knowledge and Strengthening Awareness of Risk Prevention

In 2020, the Bank expanded the depth of financial publicity and education. Based on regular publicity such as "World Consumer Rights Day" "Guardian Money Bag" "Financial Knowledge Travel" and "Financial Knowledge in Ten Thousand Homes", we launched the special publicity of "Mine Action", delivering financial knowledge to campuses, villages, and labor gathering places, etc. At the same time, relying on the brand promotion of "Jiangyu Consumer Protection Micro-Classroom", we actively promoted financial knowledge and finance to customers business risks through WeChat public account, hall information release system, official website, SMS and other channels. We launched more than 30 WeChat graphics and short videos of various financial propaganda knowledge, sent out more than 500 thousand short messages, and reached an audience of more than 700 thousand people. As of the end of 2020, the Bank carried out more than 4,900 financial literacy publicity activities, reaching 930 thousand target audiences, and distributing more than 710 thousand publicity materials.

Case

Chengkou Sub-branch carried out the "Little Banker" parent-child theme activity

In order to enrich the summer life of teenagers and raise the awareness of the new generation of children about the country's financial economy and monetary policy, the Chengkou Sub-branch and Chengkou County Experimental Primary School launched the "Little Banker" parent-child theme activity, inviting students and parents to participate together to teach children basic financial knowledge and wealth management concepts.



Children watched a demonstration of counting money

The employees of the Sub-branch accompanied students to conduct a "seven-step service method" exercise, guided to visit the hall's function area, self-service area, VIP area, lobby guide area, financial service area, tea area, etc., and taught students the knowledge of RMB and bank cards. Under the guidance of the Sub-branch employees, the students watched the banknote counting demonstration and carried out the "I am a little money counting expert" experience activity, which was praised by onlookers. Through the explanation of financial knowledge and entertaining and colorful activities, it could help children master financial management tips and cultivate their financial awareness and good habits.

Case

Changshou Sub-branch carried out a concentrated publicity campaign on financial knowledge in the farmers' market

On November 26, 2020, the Changshou Sub-branch of the Bank entered the Agricultural Trade Market in Economic Development Zone. Together with the Financial Society of Chongqing Changshou Area, they undertook a centralized financial knowledge publicity campaign with the theme of "Implementing Six Stability and Six Guarantees to Help Inclusive Finance". This campaign carried out prize-winning question-and-answers on deposit insurance system, mobile payment, anti-money laundering, identification of true



Explaining financial knowledge to the elderly

and false renminbi, prevention of illegal fund-raising. It also frequently interacted with the attending people, popularized financial knowledge in easy-to-understand language, distributed brochures, and answered questions for financial consumers on the spot. During the campaign, the preachers performed a skit called "Reject the temptation of high interest and stay away from illegal fund-raising", which was adapted by performing real cases. It vividly described the diversity and concealment of illegal fundraising, reminded everyone to keep on guard at all times against being deceived and enhance risk prevention awareness. This financial literacy promotion activity allowed the public to have a more comprehensive understanding of financial literacy.

3. Concerning Public Welfare and Return to Society

The Bank maintains close communication with the surrounding communities, taking the initiative to understand the needs of the public. We vigorously promote the concept of public welfare, actively carry out public welfare activities, enthusiastically help the needy, actively assume social responsibility and enhance corporate social value. In the face of the Covid-19 epidemic, the Bank donated RMB 20 million to Chongqing Red Cross Society for epidemic prevention and control, effectively fulfilling our social responsibility. As of the end of 2020, the Bank's employees participated in volunteering activities for a total of about 16 thousand times and 18 thousand hours.

Case

Employees made donations to support COVID-19 prevention and control

The Party committee of the Bank organized all Party members to make voluntary donations to support COVID-19 prevention and control work. The activities received positive responses from Party organizations and members across the Bank. The 6,582 Party members of the Bank donated a total of RMB 929,670.46 to gather the warmth with sincere love, interpret the original intention and responsibility of the Party members with practical actions, and contribute to the fight against the epidemic.

Case

Donating blood to support COVID-19 prevention

During COVID-19, the citizens were restricted from traveling and unable to donate blood, and rescuing patients caused the great increase in the consumption of blood. Therefore, the inventory of the Chongqing blood bank center dropped sharply, especially some rare blood types. Ms. Li, an employee of the Jiulongpo Sub-branch of the Bank, has a rare blood type. She had insisted on voluntary blood donation every year for the past 4 years. On February 26, Ms. Li received a call from the Chongqing Blood Bank Center and was told that the urgent need of the rare type blood. In order to save patients with severe coronavirus pneumonia who urgently need "panda blood", the Chongqing Blood Center could only call the archived "Panda Blood" volunteers one by one to ask if they could donate blood urgently. After understanding the situation, Ms. Li immediately agreed and donated 200cc of "panda blood" the next day.



Donating blood to support COVID-19 prevention

Case

Nanchuan Sub-branch carried out the "Inclusive Finance Helping the Disabled" campaign

In order to give full play to the role of financial institutions in protecting the legal rights and interests of the disabled in financial consumption, realizing the protection of financial consumption rights and inclusive finance to benefit the disabled, the Nanchuan Sub-branch and the Nanchuan District Federation of Disabled signed the "Inclusive Finance Helping the Disabled" agreement. It would establish a mechanism for sharing information on the financial needs of persons with disabilities, make overall arrangements for green service channels and recommend special loan products to persons with disabilities. They also organized Party members and cadres to donate RMB 20,720 to help the disabled solve practical difficulties in life, which created a good social atmosphere of helping the disabled.



Signing and fundraising ceremony site

Case

Hechuan Sub-branch organized the "May 4th" campaign to assist students

On April 29, 2020, the Youth League Committee of the Hechuan Sub-branch and the Party Committee of Longxing Town, Hechuan District, Chongqing City held a "May 4th" campaign to assist students with the theme of "Blooming Battle Youth, Firming System Confidence" at Longjing Primary School and Longxing Primary School. In this campaign, the Youth League Committee of the Sub-branch donated a series of school supplies such as school bags and stationery to 60 needy students in Longjing Primary School and Longxing Primary School, and donated basketball, football and other sports supplies to these schools.



Donating footballs to students

Case

Dazu Sub-branch cared for poor teenagers

On January 3, 2020, the Dazu Sub-branch joined together with the Chongqing Dazu District Medical Security Bureau to carry out the "Winter Sunshine Youth Walk" campaign to care for poor teenagers in Dazu District Zhong'ao Middle School. They distributed books, stationery and other compassionate gifts to poor teenagers. The campaign also inspired teenagers to become self-reliant and give back to the society with practical actions, demonstrating the Bank's purpose of rooting in the locality, serving the public and the corporate mission of being enthusiastic about public welfare and contributing to society.



Dazu Sub-branch carried out the "Winter Sunshine Youth Walk" campaign to care for poor teenagers

Case

Kaizhou Sub-branch cared for left-behind children

On June 5, 2020, the Kaizhou Sub-branch of the Bank and the People's Bank of China went to the Ping An Primary School in Xuebaoshan Town, the northern mountainous area to care for left-behind children. They distributed stationery, basketball, badminton, skipping rope and other gifts to more than 40 left-behind children, interacted and communicated with them to learn more about their family and education situation, and encouraged them to overcome difficulties and study hard. The Sub-branch also specially invited professional chefs to prepare a sumptuous lunch for children, including fried chicken legs, cola chicken wings, and french fries. The campaign brought joy to left-behind children through close communication and care, and helped children grow up healthier and happier.



The group photo of the campaign to care for left-behind children

Case Tongnan Sub-branch carried out the cleaning volunteering activity

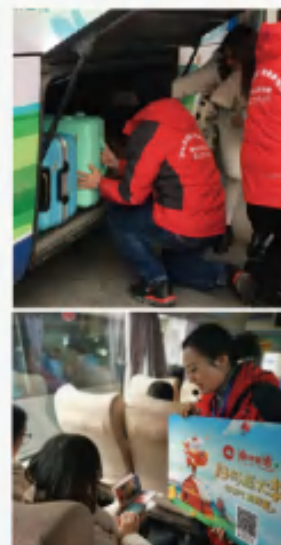
In August 2020, the flood peak occurred in Tongnan District, flooding some outlets of Tongnan Sub-Branch. After the flood, in order to actively respond to Premier Li Keqiang's call to "rebuild beautiful homes" during his visit to Tongnan, and fulfill the social responsibilities of local financial institutions, the Bank actively restored its outlets and organized 5 Party members to participate in the voluntary activity for cleaning, who helped clear the silt, sweep garbage, and flush roads in flood-transit areas. While carrying out the "self-rescue" work in an orderly manner, the Sub-branch had always been concerned about ordinary people and sent food, water, mosquito repellent drugs and other materials to the local residents.



Our employees worked together in cleaning

Case The charitable campaign in Spring Festival travel season

Since the Spring Festival Transport in 2014, the Bank has cooperated with Chongqing Jiaoyun Group, Chongqing Value Media Group and many other units to carry out the charitable campaign in Spring Festival travel, called "Warm Home Road · Rural Commercial Bank accompany you on your journey", which was launched at airports, railway stations and major long-distance bus stations for 7 consecutive years. During the campaign, volunteers of the Bank provided on-site guidance, car consultation, luggage handling, assistance to the elderly and other public services for returning passengers at major transportation stations in the city. They also distributed emergency supplies free of charge and popularized financial knowledge. The volunteers stationed at the "Hometown Post" warmly welcomed returning tourists, distributed a pocketbook of convenience services, and explained the inclusive reimbursement policy of the "Jiangyu Township Funong Card" handling fee. In 2020, the Bank had more than 300 volunteers participating in the Spring Festival Transport public welfare campaign, boarding more than 13,000 trains, serving more than 460,000 people, and distributing more than 410,000 publicity materials.



Volunteers provided consulting services for passengers

「Outlook」



2021 sets the opening year of the 14th Five-Year Plan of China, the Bank will continue to implement the strategy of "Developing the Bank through Retail Banking, Technologies and Talents", strictly implement regulatory requirements, constantly consolidate business base, seize market opportunities, strengthen risk prevention and control, focus on scientific and technological innovation, formulate and implement the strategic plan for the next five years, and strive to become a leading regional bank in China.

Responsibility Management

We will continue to strengthen internal control and management, develop a standardized, procedural and scientific internal control management system, implement the responsibilities of corporate financial institutions, strengthen financial risk prevention and control, and combat financial crimes; we will integrate corporate social responsibility into our daily operation and management, enhance our employees' awareness of social responsibility and sustain a responsible bank image.

Economy

We will actively implement the national and regional strategies, improve the credit structure, take firm steps to support the development of emerging industries and private economy. We will continue to promote the recovery of the real economy, strengthen the construction of "Sannong" service system, support the accelerated development of small and micro enterprises, boost the steady growth of the economy, and facilitate support to the supply side structural reform.

Environment

We will develop a green finance system in an all-round way, improve the green governance structure, open the credit access green channel for the energy-saving and environmental protection industries, increase investment in green finance, and promote the development of green finance business; we will positively respond to the national energy conservation and emission reduction policy, accelerate the construction of channels for green operations, promote energy-saving and environmentally-friendly initiatives within offices, cultivate employees' awareness of energy conservation and emission reduction, organize environmental protection activities, and constantly lead the way to sustainable development.

Society

We will make every effort to protect the legitimate rights and interests of consumers, understand their demands, provide them with professional and diversified financial services, and protect consumer privacy and security. We will improve the human resources capacity building, effectively optimize the talent structure, care for employees' health and safety, and focus on talent development by introducing talents and providing them with efficient training and scientific promotion opportunities. Additionally, we will take the initiative to engage with communities, be enthusiastic in public welfare, serve the public and contribute to the society.

Key Performance Data¹

KPIs	2018	2019	2020
Total assets (RMB hundred million) ※	9,501.78	10,297.90	11,359.27
Net profit (RMB hundred million) ※	91.64	99.88	85.65
Total Equity (RMB hundred million) ※	717.09	893.62	946.32
Average return on assets (%) ※	0.99	1.01	0.79
Total amount of loans and advances (RMB hundred million) ※	3,811.36	4,370.85	5,078.86
Non-performing loan ratio (%) ※	1.29	1.25	1.31
Provision coverage (%) ※	347.79	380.31	314.95
Capital adequacy ratio (%) ※	13.52	14.88	14.28
Green credit loans balance (RMB hundred million) ²	—	170.59	245.67
Agriculture-related loans balance (RMB hundred million)	1,534.23	1,588.06	1,681.21
Balance of inclusive financial loans to small and micro enterprise (RMB hundred million)	563.80	651.95	784.73
Total number of employees (persons)	15,688	15,371	15,088
Proportion of female employees (%)	49.39	48.73	48.09
Number of training sessions	2,116	1,979	2,624
Complaints handling satisfaction rate (%)	100.00	99.87	99.88
Number of handled customer complaints	4,865	4,462	3,256
Number of institutions	1,775	1,774	1,765
Number of outlets located in counties	1,461	1,461	1,456
Number of self-service machines	4,854	4,911	4,482
E-channel transaction ratio (%) ※	92.89	94.59	96.29
Number of online banking customers (ten thousand) ※	309.25	327.66	327.10

1.Except for those ended with "※", all the figures in this table are under the scope of the Bank.

2.The statistics of green credit loans are based on the revised statistical system of the Notice of the People's Bank of China on the Revision of the Special Statistical System for Green Loans (Yinfa [2019] No. 326).

Independent Practitioner's Assurance Report

2021/SH-0198
(Page1/3)

English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of Chongqing Rural Commercial Bank Co., Ltd.

We have been engaged to perform a limited assurance engagement on the selected 2020 key data as defined below in the 2020 Corporate Social Responsibility Report ("CSR report") of Chongqing Rural Commercial Bank Co., Ltd. (the "Bank").

Selected Key Data

The selected key data in the Bank's 2020 CSR report that is covered by this report is as follows:

- Green credit loans balance
- Agriculture-related loans balance
- Balance of inclusive financial loans to small and micro enterprise
- Total number of employees
- Proportion of female employees
- Number of training sessions
- Complaints handling satisfaction rate
- Number of handled customer complaints
- Number of institutions
- Number of outlets located in counties
- Number of self-service machines
- Purchased electricity power consumption of the Head Office
- Daily water consumption of the Head Office
- E-channel transaction ratio
- Number of online banking customers

Our assurance was with respect to the year ended 31 December 2020 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2020 CSR report.

Criteria

The criteria used by the Bank to prepare the selected key data in the 2020 CSR report is set out in the basis of reporting of the key data (the "basis of reporting") after this assurance report.

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The Board of Directors' Responsibilities

The Board of Directors of the Bank is responsible for the preparation of the selected key data in the 2020 CSR report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2020 CSR report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2020 CSR report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Bank's 2020 selected key data in the 2020 CSR report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2020 CSR report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope

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of our work, we have performed the following procedures in the Head Office and Liangjiang Branch of the Bank. We have not conducted work in other branches.

- 1) Interviews with relevant departments of the Bank involved in providing information for the selected key data within the CSR report; and
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculations; and
- 5) Other procedures deemed necessary.

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2020 selected key data in the 2020 CSR report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

March 30, 2021

Appendix: Basis of Reporting of the Key Data

Green credit loans balance (RMB hundred million) : Refer to the loan balances of total investment on energy-saving and environmental protection, cleaner production, clean energy, ecosystem, green upgrade of infrastructure and green service field of Chongqing Rural Commercial Bank Co., Ltd. (including all branches, sub-branches, excluding village banks).

Agriculture-related loans balance (RMB hundred million) : Refer to the balances of various agriculture-related loans calculated based on regulatory criteria and denominated in RMB & foreign currencies of Chongqing Rural Commercial Bank Co., Ltd. (including all branches, sub-branches, excluding village banks), including the balances of farmer's loans, balances of rural business & various organization loans, balances of urban business & various organization agriculture-related loans and balances of non-farming personal loans of agriculture, forestry, animal husbandry & fishery.

Balance of inclusive financial loans to small and micro enterprise (RMB hundred million) : Refers to small & micro enterprise loan balances of Chongqing Rural Commercial Bank Co., Ltd. (including all branches, sub-branches, excluding village banks) calculated based on the criteria determined by China Banking Regulatory Commission, namely the balance of small and micro businesses loans with an individual credit value totalling RMB 10 million or less, including the inclusive financial loan balances of small & micro enterprise legal person, inclusive financial operating loan balances of individual businesses and small & micro business owners. The enterprises are categorized according to the Standard for the Classification of Small and Mediumsize Enterprises (Ministry of Industry and Information Technology).

Total number of employees (persons) : Refer to the total number of employees signing full-time labor contracts with Chongqing Rural Commercial Bank Co., Ltd., including on-the-job employees, probationary employees, long-term sick leave and industrial injury employees, excluding dispatched employees.

Proportion of female employees (%) : Refer to the proportion of female employees signing a full-time labor contract with Chongqing Rural Commercial Bank Co., Ltd. to the total number of employees.

Number of training sessions : Refer to the total number of various training sessions organized by Chongqing Rural Commercial Bank Co., Ltd.

Complaints handling satisfaction rate (%) : Refer to the proportion of the customer's satisfaction with the complaint call handling to the total number of complaints handled by Chongqing Rural Commercial Bank Co., Ltd.

Number of handled customer complaints: Refer to the number of customer complaints received and handled by Chongqing Rural Commercial Bank Co., Ltd. through the service hotline.

Number of institutions: Refer to the number of institutions (with their financial licenses in favor of Chongqing Rural Commercial Bank Co., Ltd.) which have been in official operation, including Qijing Branch and its sub-branches, excluding the business outlets of all village banks held by the Group.

Number of outlets located in counties: Refer to the total number of outlets of Chongqing Rural Commercial Bank Co., Ltd., which have obtained financial licenses and located outside central districts of the Chongqing municipality.

Number of self-service machines: Refer to the total number of operating ATMs, self-service cash recycling systems (CRSs) and self-inquiry terminals in all branch offices (excluding village banks) of Chongqing Rural Commercial Bank Co., Ltd.

Purchased electricity power consumption of the Head Office (MWh): Refer to total electricity power consumption of the Head Office of Chongqing Rural Commercial Bank Co., Ltd., including the purchased electricity power consumption of Chongqing Rural Commercial Bank Tower, Tongchuang office area, Erlang office area, Shuixing office area and Yuzui data center.

Daily water consumption of the Head Office (tons): Refer to total water consumption of the Head Office of Chongqing Rural Commercial Bank Co., Ltd., including the daily water consumption of Chongqing Rural Commercial Bank Tower, Tongchuang office area, Erlang office area, Shuixing office area and Yuzui data center.

E-channel transaction ratio (%): Refer to the ratio of the number of electronic channel accounting transactions to the total number of transactions of Chongqing Rural Commercial Bank Co., Ltd.

Number of online banking customers (ten thousand): Refer to the number of customers accessing the function of online banking, including both corporate and individual users of Chongqing Rural Commercial Bank Co., Ltd.

ESG Index

Areas	Contents	Disclosure Location
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i>	Green Operation
	A1.1 The types of emissions and respective emissions data.	2020 Environmental Indicators
	A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2020 Environmental Indicators
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2020 Environmental Indicators
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2020 Environmental Indicators
	A1.5 Description of measures to mitigate emissions and results achieved.	Green Operation
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Green Operation
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Green Operation
	A2.1 Direct and /or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	2020 Environmental Indicators
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2020 Environmental Indicators
	A2.3 Description of energy use efficiency initiatives and results achieved.	Green Operation
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Operation
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable

Areas	Contents	Disclosure Location
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Public Welfare, Green Finance
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Public Welfare, Green Finance
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Motivating Development with Talent
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Providing Comprehensive Care
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Talent Development
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Protecting Rights In Accordance With Laws
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supplier Management

Areas	Contents	Disclosure Location
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Brand Protection, Implementing Responsibilities of Customer Services
B7 Anticorruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Party Conduct and Integrity, Anti-Money Laundering
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Delivering Warmth in Community Communication

GRI Index

Disclosure Contents		Disclosure Location
1. Organizational profile	102-1 Name of the organization	Company Profile
	102-2 Activities, brands, products, and services	Company Profile
	102-3 Location of headquarters	Declaration
	102-4 Location of operations	Company Profile
	102-5 Ownership and legal form	Company Profile
	102-6 Markets served	Company Profile
	102-7 Scale of the organization	Company Profile
	102-8 Information on employees and other workers	Motivating Development with Talent
	102-9 Supply chain	Supplier Management
	102-10 Significant changes to the organization and its supply chain	Company Profile
	102-11 Precautionary Principle or approach	Risk Prevention
	102-12 External initiatives	Responsibility Integration
	102-13 Membership of associations	Responsibility Integration
2. Strategy	102-14 Statement from senior decision-maker	Message from the Chairman, Message from the President
	102-15 Key impacts, risks, and opportunities	Responsibility Integration
3. Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	Responsibility Culture
	102-17 Mechanisms for advice and concerns about ethics	Stakeholders Communication
4. Governance	102-18 Governance structure	Corporate Governance
	102-19 Delegating authority	Corporate Governance
	102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate Governance
	102-21 Consulting stakeholders on economic, environmental, and social topics	Materiality Analysis
	102-22 Composition of the highest governance body and its committees	Corporate Governance
	102-25 Conflicts of interest	Stakeholders Communication
	102-26 Role of highest governance body in setting purpose, values, and strategy	Responsibility Management
	102-27 Collective knowledge of highest governance body	Responsibility Management

Disclosure Contents		Disclosure Location
	102-29 Identifying and managing economic, environmental, and social impacts	Materiality Analysis
	102-30 Effectiveness of risk management processes	Risk Prevention
	102-31 Review of economic, environmental, and social topics	Corporate Governance
	102-32 Highest governance body's role in sustainability reporting	Corporate Governance
	102-33 Communicating critical concerns	Responsibility Integration
	102-34 Nature and total number of critical concerns	Responsibility Integration
	102-35 Remuneration policies	Protecting Rights in Accordance with Laws
5. Stakeholder engagement	102-40 List of stakeholder groups	Stakeholders Communication
	102-41 Collective bargaining agreements	Protecting Rights in Accordance with Laws
	102-42 Identifying and selecting stakeholders	Stakeholders Communication
	102-43 Approach to stakeholder engagement	Responsibility Integration
	102-44 Key topics and concerns raised	Responsibility Integration
6. Reporting practice	102-45 Entities included in the consolidated financial statements	Declaration
	102-46 Defining report content and topic Boundaries	Declaration, Materiality Analysis
	102-47 List of material topics	Materiality Analysis
	102-48 Restatements of information	Not Applicable
	102-49 Changes in reporting	Materiality Analysis
	102-50 Reporting period	Declaration
	102-51 Date of most recent report	Declaration
	102-52 Reporting cycle	Declaration
	102-53 Contact point for questions regarding the report	Declaration
	102-54 Claims of reporting in accordance with the GRI Standards	Declaration
	102-55 GRI content index	GRI Index
	102-56 External assurance	Independent Practitioner's Assurance Report

Disclosure Contents			Disclosure Location
GRI 103: Management Approach		103-1 Explanation of the material topic and its Boundary	Company Profile; Taking Economic Responsibility, Driving Economic Transformation; Promoting Green Development and Fulfilling Environmental Responsibility; Practicing Social Responsibility and Building a Better Society Together
		103-2 The management approach and its components	Company Profile; Taking Economic Responsibility, Driving Economic Transformation; Promoting Green Development and Fulfilling Environmental Responsibility; Practicing Social Responsibility and Building a Better Society Together
		103-3 Evaluation of the management approach	Company Profile; Taking Economic Responsibility, Driving Economic Transformation; Promoting Green Development and Fulfilling Environmental Responsibility; Practicing Social Responsibility and Building a Better Society Together
GRI 201: Economic Performance	Management approach disclosures	Management approach for economic performance	Taking Economic Responsibility, Driving Economic Transformation
	Topic-specific disclosures	201-1 Direct economic value generated and distributed	Company Profile
		201-2 Financial implications and other risks and opportunities due to climate change	Climate Risk Management
GRI 202: Market Presence	Management approach disclosures	Management approach for market presence	Protecting Rights in Accordance with Laws
GRI 203: Indirect Economic Impacts	Management approach disclosures	Management approach for indirect economic impacts	Taking Economic Responsibility, Driving Economic Transformation
	Topic-specific disclosures	203-1 Infrastructure investments and services supported	Taking Economic Responsibility, Driving Economic Transformation
		203-2 Significant indirect economic impacts	Implementing Targeted Poverty Alleviation Policy and Fighting Against Poverty

Disclosure Contents			Disclosure Location
GRI 204: Procurement Practices	Management approach disclosures	Management approach for procurement practices	Supplier Management
GRI 205: Anti-corruption	Management approach disclosures	Management approach for anti-corruption	Party Conduct and Integrity
	Topic-specific disclosures	205-2 Communication and training about anti-corruption policies and procedures	Party Conduct and Integrity
GRI 301: Materials	Management approach disclosures	Management approach for materials	Not Applicable
GRI 302: Energy	Management approach disclosures	Management approach for energy	Green Operation
	Topic-specific disclosures	302-1 Energy consumption within the organization	Green Operation
		302-3 Energy intensity	Green Operation
		302-4 Reduction of energy consumption	Green Operation
GRI 303: Water and Effluents	Management approach disclosures	Management approach for water and effluents	Green Operation
	Topic-specific disclosures	303-3 Water withdrawal	Green Operation
		303-5 Water consumption	Green Operation
GRI 304: Biodiversity	Management approach disclosures	Management approach for biodiversity	Not Applicable
GRI 305: Emissions	Management approach disclosures	Management approach for emissions	Green Operation
	Topic-specific disclosures	305-1 Direct (Scope 1) GHG emissions	Green Operation
		305-2 Energy indirect (Scope 2) GHG emissions	Green Operation
		305-4 GHG emissions intensity	Green Operation
		305-5 Reduction of GHG emissions	Green Operation
		305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Green Operation

Disclosure Contents			Disclosure Location
GRI 306: Waste	Management approach disclosures	Management approach for waste	Green Operation
	Topic-specific disclosures	306-3 The generation of waste	Green Operation
GRI 307: Environmental Compliance	Management approach disclosures	Management approach for environmental compliance	Green Operation
	Topic-specific disclosures	307-1 Non-compliance with environmental laws and regulations	Green Operation
GRI 308: Supplier Environmental Assessment	Management approach disclosures	Management approach for supplier environmental assessment	Supplier Management
	Topic-specific disclosures	308-1 New suppliers that were screened using environmental criteria	Supplier Management
		308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Management
GRI 401: Employment	Management approach disclosures	Management approach for employment	Motivating Development with Talent
	Topic-specific disclosures	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Rights in Accordance with Laws
GRI 402: Labor/Management Relations	Management approach disclosures	Management approach for labor/management relations	Protecting Rights in Accordance with Laws
GRI 403: Occupational Health and Safety	Management approach disclosures	Management approach for occupational health and safety	Providing Comprehensive Care
GRI 404: Training and Education	Management approach disclosures	Management approach for training and education	Talent Development
	Topic-specific disclosures	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development
GRI 405: Diversity and Equal Opportunity	Management approach disclosures	Management approach for diversity and equal opportunity	Protecting Rights in Accordance with Laws
	Topic-specific disclosures	405-1 Diversity of governance bodies and employees	Protecting Rights in Accordance with Laws

Disclosure Contents			Disclosure Location
GRI 406: Non-discrimination	Management approach disclosures	Management approach for non-discrimination	Protecting Rights in Accordance with Laws
	Topic-specific disclosures	406-1 Incidents of discrimination and corrective actions taken	Protecting Rights in Accordance with Laws
GRI 407: Freedom of Association and Collective Bargaining	Management approach disclosures	Management approach for freedom of association and collective bargaining	Protecting Rights in Accordance with Laws
	Topic-specific disclosures	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protecting Rights in Accordance with Laws
GRI 408: Child Labor	Management approach disclosures	Management approach for child labor	Supplier Management, Protecting Rights in Accordance with Laws
	Topic-specific disclosures	408-1 Operations and suppliers at significant risk for incidents of child labor	Supplier Management, Protecting Rights in Accordance with Laws
GRI 409: Forced or Compulsory Labor	Management approach disclosures	Management approach for forced or compulsory labor	Supplier Management, Protecting Rights in Accordance with Laws
	Topic-specific disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier Management, Protecting Rights in Accordance with Laws
GRI 410: Security Practices	Management approach disclosures	Management approach for security practices	Guaranteeing Security Requirements for Bank Commercial Premises
GRI 411: Rights of Indigenous Peoples	Management approach disclosures	Management approach for the rights of indigenous peoples	Not Applicable
GRI 413: Local Communities	Management approach disclosures	Management approach for local communities	Delivering Warmth in Community Communication
	Topic-specific disclosures	413-1 Operations with local community engagement, impact assessments, and development programs	Delivering Warmth in Community Communication
GRI 414: Supplier Social Assessment	Management approach disclosures	Management approach for supplier social assessment	Supplier Management
	Topic-specific disclosures	414-1 New suppliers that were screened using social criteria	Supplier Management
		414-2 Negative social impacts in the supply chain and actions taken	Supplier Management

Disclosure Contents			Disclosure Location
GRI 415: Public Policy	Management approach disclosures	Management approach for public policy	Not Applicable
GRI 416: Customer Health and Safety	Management approach disclosures	Management approach for customer health and safety	Implementing Responsibilities of Customer Services
GRI 417: Marketing and Labeling	Management approach disclosures	Management approach for marketing and labeling	Brand Protection, Safeguarding the Legitimate Rights and Interests of Customers
	Topic-specific disclosures	417-1 Requirements for product and service information and labeling	Brand Protection, Safeguarding the Legitimate Rights and Interests of Customers
		417-2 Incidents of non-compliance concerning product and service information and labeling	Brand Protection, Safeguarding the Legitimate Rights and Interests of Customers
GRI 418: Customer Privacy	Management approach disclosures	Management approach for customer privacy	Safeguarding the Legitimate Rights and Interests of Customers, Protecting Customer Information Security
	Topic-specific disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Safeguarding the Legitimate Rights and Interests of Customers, Protecting Customer Information Security
GRI 419: Socioeconomic Compliance	Management approach disclosures	Management approach for socioeconomic compliance	Risk Management



Feedback from Readers

Thank you for reading the 2020 Corporate Social Responsibility Report of the Bank. To provide more valuable information for you and other stakeholders and improve the capability and level of the Bank's corporate social responsibilities in next year, your feedback to the report are always welcomed and you can contact us via the following:

Tel: 023-61110853

E-mail: cqrcb@cqrcb.com

Add: No. 36, Jinshamen Road, Jiangbei District, Chongqing, 400023, China

Contact: Office of the Board of Directors of Chongqing Rural Commercial Bank Co., Ltd.

1. Which type of interested party do you belong to?

A. Government B. Regulatory body C. Shareholder D. Customer
E. Employee F. Supplier and partner G. Community H. The public and media

2. Do you think the report fully satisfies with your expectations of the Bank?

A. Yes B. No, which expectations are not satisfied in the report in your opinion?

3. Do you think the Bank responds well to your expectations?

A. Yes B. No, which of your expectations do you think are not well responded to?

4. Do you think the contents and format design of the report make it easy to read?

A. Excellent B. Good C. Average D. Poor

5. What are your views and suggestions for the Bank's social responsibility and the report itself?

Thank you again for your participation!