

Chongqing Rural Commercial Bank Co., Ltd.

# CORPORATE SOCIAL RESPONSIBILITY REPORT 2021

**CQRCBank**  
CHONGQING RURAL COMMERCIAL BANK



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## DECLARATION

### Reporting Scope

This report covers all major operating locations of 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 eleventh consecutive annual Corporate Social Responsibility Report of the Bank, with the reporting period from January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2021. Part of the contents may contain information that is beyond the abovementioned period.

### Compilation Basis

This report was prepared with reference to the *Guidelines of Shanghai Stock Exchange of Self-Regulation for Listed Companies No. 1 - Standardized Operation - Chapter VIII: Social Responsibility* and the *Guidelines on Preparation of Report on Company's Fulfillment of Social Responsibilities* released by the Shanghai Stock Exchange ( “SSE” ), the *Environmental, Social and Governance Reporting Guide* (hereinafter referred to as “ESG Reporting Guidelines”) released by the Hong Kong Stock Exchange ( “HKSE” ), *Global Reporting Initiative* (hereinafter referred to as “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 ( “CBIRC” ) and *Guidelines on Corporate Social Responsibility of Chinese Banking and Financial Institutions* released by China Banking Association.

The Board of Directors and all directors of the Bank guarantee that the contents of this report do not contain any false records, misleading statements or major omissions, and bear the individual liability and joint liability for the truthfulness, accuracy and completeness of the contents.

### Reporting Principles

**Materiality:** The Bank has identified, evaluated and ranked material ESG matters and disclosed material ESG matters in the report based on the results. Please refer to the “Responsibility Integration” chapter of this report for the information on the Bank’s communication with stakeholders and the identification, assessment and ranking of material ESG issues.

**Quantification:** The Bank has formulated the goal of reducing the environmental impact of daily operations, made quantitative disclosure of applicable key performance indicators, and explained

the sources of statistical standards, methods, assumptions and/or calculation tools and conversion factors for relevant emissions/energy consumption. Please refer to the “Green Operations” chapter for details.

**Consistency:** The way this report is prepared has not changed from previous years, as well as the statistical methods, calculation methods, key performance indicators, etc. There are no other changes that might affect meaningful comparisons with previous reports.

### Data Explanation

Parts of the financial data herein are extracted from the Group’s 2021 Annual Financial Statements (A-share). The Annual Financial Statements for the year ended December 31<sup>st</sup>, 2021 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 2021 Annual Financial Statements, the latter shall prevail. Other data relating to 2021 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 Release

This report is released in the form of electronic edition, which is available on the website of the Shanghai Stock Exchange ( [www.sse.com.cn](http://www.sse.com.cn) ), the website of the Hong Kong Stock Exchange ( [www.hkexnews.hk](http://www.hkexnews.hk) ) and the website of the Bank ( [www.cqrcb.com](http://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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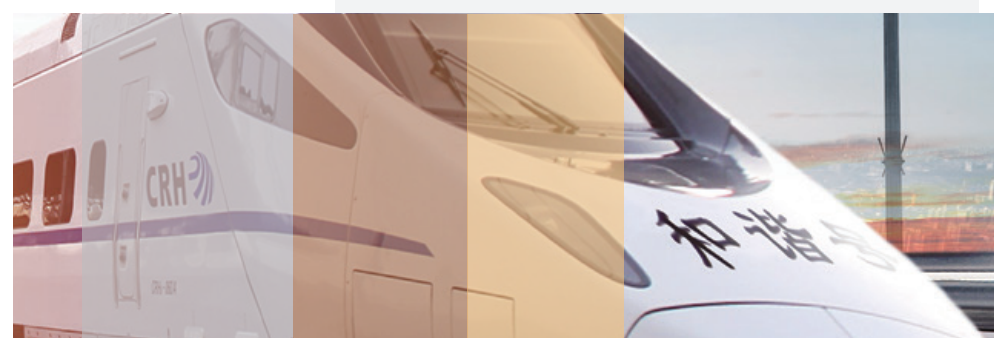
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## Message from the Chairman

2021 was the opening year of the country's "14th Five-Year" Plan and the year of the embarking journey of building a socialist modernized country in an all-around way. Standing at the historical intersection of the century, we are faced with the test and inspection of the complex internal and external situations. Adhering to the strategy of "Anchoring the Bank with Retail, Propelling the Bank with Technology, Empowering the Bank with Talents", we will interpret our responsibility with hard work, fulfill our social mission with actions, while achieving good self-development. We will keep pursuing and move continuously and steadily on the new trillion journey.

**Supporting people throughout the world to practice the way of business.** We have always been firmly committed to the purpose of "Rooting in the local area, serving the public", and are dedicated to serving the whole situation with one region, resonating with the local economic and social development, and sharing the same prosperity. We emphasize being proactive, dovetail with the national "14th Five-Year Plan", help the construction of the Chengdu-Chongqing Twin-city Economic Circle, and support the construction of the opening-up of the inland and the development of the Yangtze River Economic Belt. We have insisted on precise efforts, increased support for small and micro enterprises, helped enterprises overcome the impact of the epidemic, and achieved the regulatory goal of "two increases and two controls" while promoting the "increase in volume, expansion, quality and cost reduction" of loans to small and micro enterprises. With a loan share of 12% of the city, we issued 25% of the inclusive small and micro enterprise Loans and 23% of the manufacturing loans in Chongqing, ranking first in the city.

**Taking the responsibility of revitalization.** We always adhere to the commitment of "optimizing the system without changing the direction, updating the name without changing the surname", give full play to our own advantages, adhere to our duty to serve the "Sannong areas", and cultivate the sentiment of serving the "Sannong areas". We have implemented the requirements of supervision for rural revitalization service, set up a separate line of inclusive finance, established the Rural Revitalization Finance Department, and laid out 80% of our personnel, branches and machines in county areas, while ensuring policies of assessment and incentive and resource inclination remain unchanged in general. We continue to strengthen financial services in key support areas and counties, increase financial donations and credit support, and invest a balance of RMB168.2 billion in loans in 18 areas that have been lifted out of poverty, and continue to be the first in the city to support the "Sannong areas" and counties.

**Implementing low-carbon development and promoting green finance.** We always

adhere to the concept of "eco-priority and green development", fully play the advantages of the first "equatorial bank" in the west, keep focusing on the development of green finance, improve the construction of the equatorial principle system, and strengthen the green financial assessment and system support. For two consecutive years, the growth rate of green credit exceeded 40% with the balance doubled. We actively advocate the concept of energy saving and emission reduction culture, practice low-carbon environmental protection measures, actively promote paperless office, organize and carry out environmental protection public welfare, taking a deep and solid path of green development of the Bank, and striving to build a green financial benchmark bank.

**Seeking and advancing day by day.** We have always been resolutely practicing the concept of "customer-centric", leveraging the power of digital transformation to continuously extend the reach of our services, improve service efficiency, and effectively enhance the sense of access to financial services. We always put the protection of consumer rights and interests in an important position, and demonstrate the professionalism of a first-class financial institution in protecting the safety of consumers' personal information and privacy, and effectively enhance the sense of security of financial services. At the same time, our employees are our family members and the strong backing for our steady development. We firmly protect the legal rights and interests of our employees, pay attention to their health and safety, and build a warm and harmonious rural business home with them.

**Moving up steadily with responsibility.** 2022 is the year of the 20th Party Congress, Chongqing Agricultural Commercial Bank will always bear in mind the "The top priorities of the country", closely dovetail with the central and local major strategies, fully implement social responsibilities such as rural revitalization and green development, march into a new journey, contribute to a new era, and build a better future together with employees, shareholders, customers and the community!

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



## Message from the President

In 2021, the Bank implemented the corporate mission of "Rooting in the Local Communities and Serving the Public", deeply researching and concluding the social and economic situations. To become a leading regional bank nationwide, we pursue quality, innovations, effectiveness, and developments, strengthen internal compliance management, prevent and resolve risks properly, further enhance intelligent financial innovations, accelerate service transformation and upgrading, and promote social responsibility leadership.

**Implementing major strategic orientations to serve the function of financial promotion.** In 2021, the Bank combined our operational development direction with the major national strategic plan, fully supported the development of the Chengdu-Chongqing economic circle, and formally signed a strategic cooperation agreement with the Sichuan-Chongqing Gaozu New Area, etc. We aim to support the growth of the manufacturing industry, promote the development of emerging industries in-depth, continuously increase investment in improving people's livelihood, strengthen the financial service capacity of small and micro enterprises, and steadily implement the national strategy. As of the end of 2021, the balance of the Bank's inclusive financial loans to small and micro enterprise was RMB96.172 billion.

**Supporting the achievement of the "Double Carbon" target and fulfilling the green development concept.** In 2021, with the orientation of prioritizing ecology and green development, the Bank continued to improve the green finance policy system, clarified the implementation path of green finance, innovated green financial products, and optimized the allocation of green finance resources. To achieve the national "Carbon Peaking and Carbon Neutrality" goals and promote eco-friendly, sustainable, green, and inclusive development, we also standardized the process management of the Equator Principles, identified risks and opportunities to tackle climate change, signed a joint commitment on biodiversity conservation, build green brand and culture, implement energy conservation and emission reduction measures, advocate the idea of environmental protection, and organize volunteer activities of environmental protection. At the end of 2021, the Bank's green credit loans balance was RMB36.664 billion, with an increase of 49.25%.

**Supporting the rural revitalization as the benchmarking enterprise of agricultural business.** In 2021, building the financial service team to serve rural revitalization, the Bank continuously optimized the service mechanism, pushed forth integrated development of the community, social organizations and social workers, and expanded the rural credit evaluation system. Moreover, we persist in responsibility-taking, poli-

cy-implementing, provides assistance and insist on supervision, so as to promote rural revitalisation and lead the support to develop rural industries, illustrating examples in serving rural revitalisation, deepening reform, and innovation. By the end of 2021, the Bank has 1,454 outlets located in counties and 658 inclusive financial bases in the county, with a balance of RMB193.179 billion in agriculture-related loans.

**Promoting intelligent financial services and guaranteeing customers' legitimate rights and interests.** In 2021, to further promote the digital transformation of financial services, the Bank has built a smart financial technology platform to increase the research and innovation on products and services. We launch special functions such as "Dialect Bank" and "Air Bank" to provide "warm" financial services for rural customers and elderly customers. We also standardized responsibilities and processes of handling customer complaints to increase customer satisfaction in financial services. Furthermore, we enhanced the protection mechanism of customer rights and customer information security, built safe and comfortable business places, organised activities to popularise financial knowledge to improve customers' awareness for financial risk prevention. In 2021, the Bank had a total of 1,760 institutions, achieving a customer satisfaction rate of 99.71%.

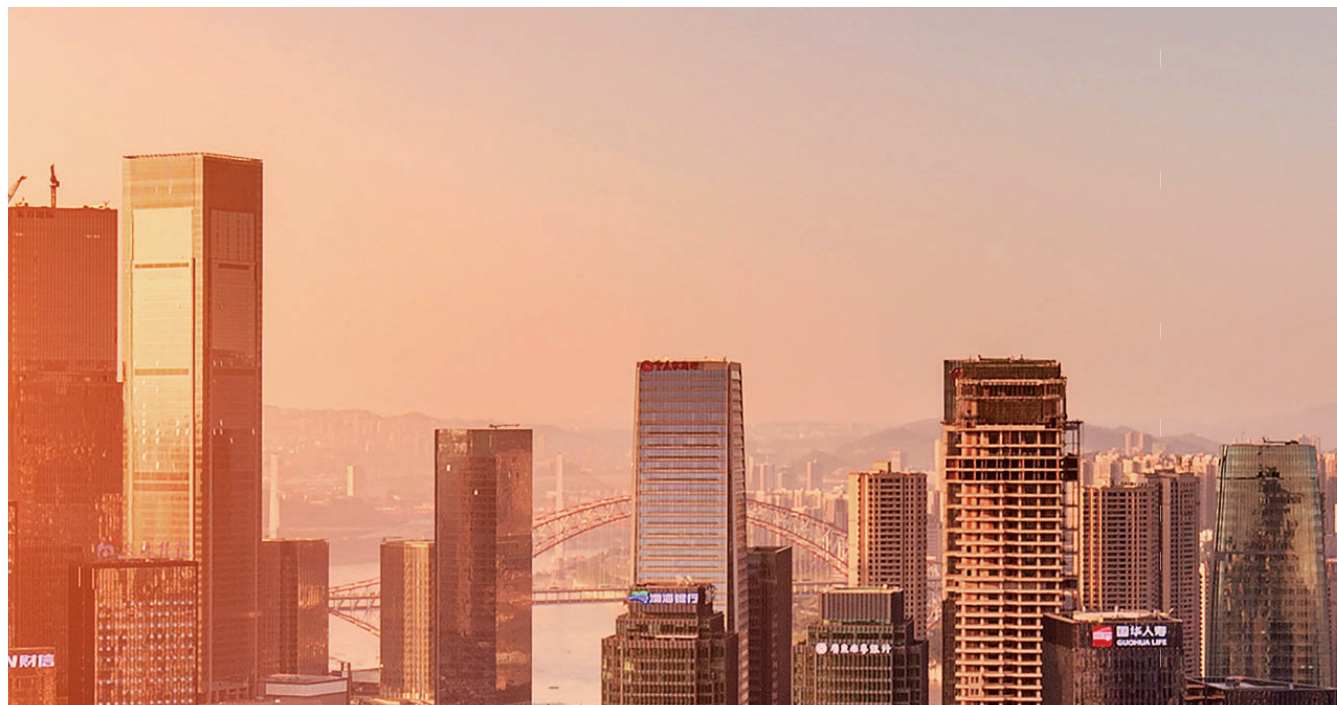
**Improving the performance of the social responsibility and actively serving the community.** In 2021, with the "Empowering the Bank with Talents" strategy, the Bank strengthened talent leadership, cultivated professional talents, promoted employee growth, and improved the quality of talents to support the strategic goals of enterprises with human resources. We appeal to take responsibility and carry out the community assistance activities, doing so, we have effectively addressed the difficulties of community members. Moreover, we actively responded to the concerns of stakeholders and enhanced the disclosure of social responsibility and environmental information. In 2021, 28,000 employees of the Bank had participated in volunteer activities.

In 2022, maintaining innovation and constant development, the Bank will implement the development strategy, promote the transformation across the Bank, and support balanced, inclusive, and sustainable economic development with the earnest spirit to achieve fruitful results.

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 of 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 Rural 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 2021, the Bank had 7 branches, 35 sub-branches, with 1,760 institutions in total. The Bank also had established a financial leasing company, a wealth management company, and 12 village and town banks. The Bank had over 15, 000 employees in total. The total assets of the Group were RMB1,265.85 billion, the balance of deposits was RMB759.36 billion, and total loans were RMB582.17 billion. The Bank ranked 119th among global banks based on the latest ranking of the top 1000 Banks of the world by the Banker UK magazine, ranked 22<sup>nd</sup> in the 2021 Top 100 Chinese Banking Industry, and was rated as investment grade "Baa2" main body rating by Moody's International Ratings.



## Development Strategy >>>

The Bank takes “striving to become a leading regional bank in the country” as its strategic goal, adheres to “characterized operation, refined management, and fostering a good corporate culture”, persists in the idea of “strengthening management, controlling risks, and stabilizing development”, and insists on the guiding of the 12-character strategic policy of “Retailing, Technology, Talent”. With the large retail business as its core competitiveness, we promote the “Four-customer Collaboration + Four-wheel Drive” in retail, small and micro, company, and inter-bank businesses, continue to promote the high-quality and connotative development, continue to improve the ability of financial supporting on rural revitalization, and continue to contribute to the 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 “digital rural commercial bank” as the goal, and adheres to taking technology as the innovation engine and growth momentum. The Bank continues to increase investment in financial technology, accelerates the application of new technologies such as big data, AI and cloud computing and lets financial technology innovation drive the business of the whole bank and operations and management to improve simultaneously. The Bank adheres to independent research and development, and forms 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”, we 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 formed a corporate governance framework system with the *Articles of Association* as its core, and the *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 of each special committees as supporting rules to guide corporate governance in an all-around way. The Bank has established an organizational structure of “three meetings and one layer” that meets the requirements of a modern commercial bank. The general meeting of shareholders, the Board of Directors, the Board of Supervisors and the senior management have clear responsibilities and mutual checks and balances. There are eight Special Committees under the Board of Directors, four Special Committees under the Board of Supervisors, and eleven Special Committees under senior management, which provide decision-making advice on matters and are responsible for the governance of the Company’s daily operations.

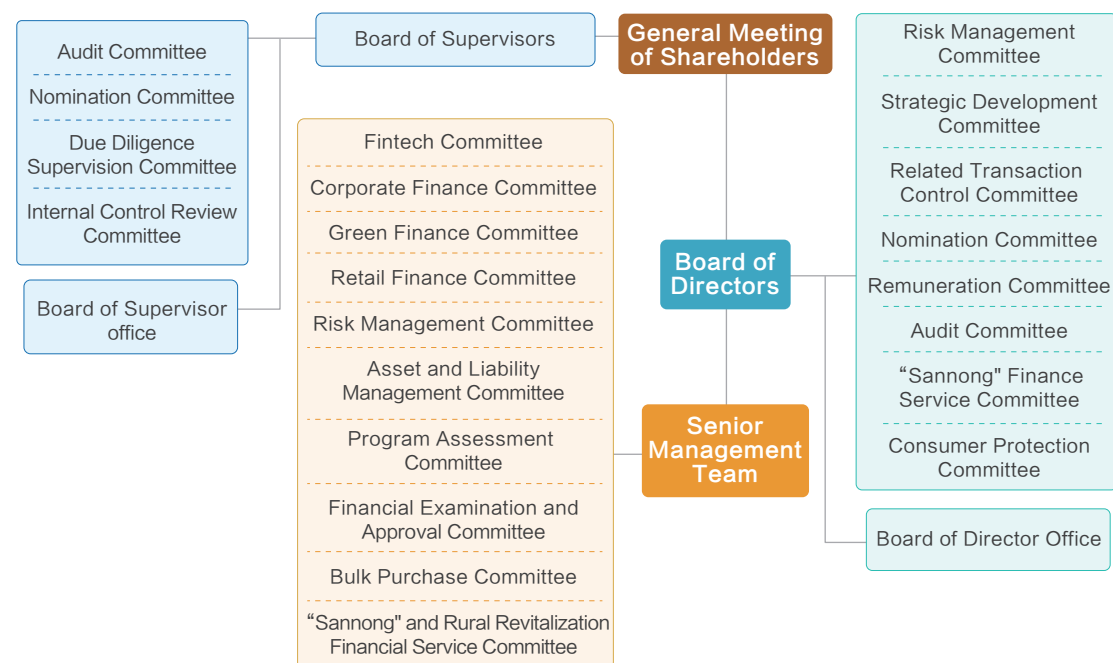


## Risk Prevention >>>

### Risk Management

#### Total Risk Management

The Bank complies with regulatory requirements based on the macroeconomic situation and market environment and combines with our development strategy and risk preference level. We continued to improve our comprehensive risk management system and enhanced our risk management capabilities. Starting from the five aspects of “establishing platforms, stepping up supervision, focusing on assessment, reinforcing measurement, and grasping implementation”, the Bank improves risk management policies and strategies, optimises risk governance processes and mechanisms, continuously expands the breadth, depth and accuracy of risk management, and consolidates effective risk management. During the reporting period, the Board of Directors deliberated and approved the 2021 *Risk Appetite Statement*, which added risk descriptions related to “Internet loan risk management” and “environmental (green finance) risk”, requiring subsidiaries to strengthen the transmission mechanism for the Group’s risk appetite. As of the end of 2021, the Group’s capital adequacy ratio is 14.77%, the provision coverage ratio is 340.25%, the non-performing loan balance is RMB7.300 billion, and the non-performing loan ratio is 1.25%. In 2021, the Bank issued the Group’s 2021 *Risk Appetite Statement*, *Market Risk Limit Management Plan* and other documents. It revised 12 risk management rules, including the *Risk Management Committee Working Rules*, *Large Risk Exposure Management Measures* and *Market Risk Stress Test Management Measures*, etc. For the first time, we independently formulated the Bank’s recovery and disposal plan, established process mechanisms and measures to deal with major risk situations, and carried out the risk-related stress test on the environmental industry. The Bank built a large risk exposure management system, further optimising features like data mart batch processing, credit system risk classification modules, etc. In 2021, the Bank released more than 60 risk monitoring analyses of various types, prompting risk points from multiple dimensions and suggesting management improvement. By means of “Templating” etc., we attached great importance to the regulation and guidance of the risk management work of branches, reduced execution errors, established an effective incentive mechanism, and at the same time strengthened training, guidance, and regular Q&A for branches to improve the energy efficiency of risk management.



Corporate Governance Structure

#### The Main Progress of Corporate Governance

General Meeting of Shareholders

2 times  
31 items

1 annual general meeting of shareholder;  
1 extraordinary general meeting;  
31 proposals deliberated.

Board of Directors

17 times  
132 items

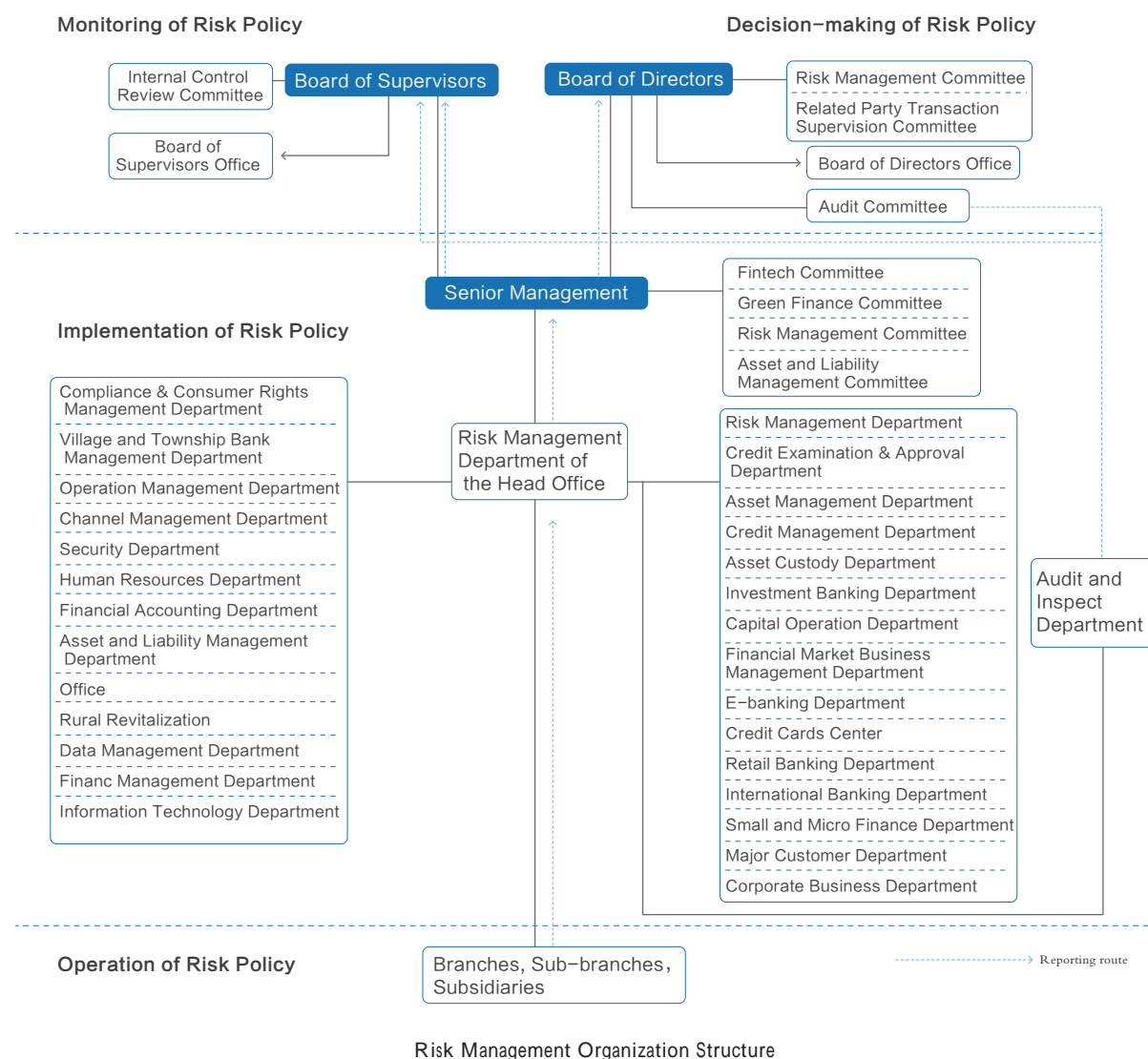
17 Board meetings;  
132 proposals deliberated.

Special Committee of the Board of Directors

49 times  
106 items

49 Specialized Committees of Board meetings;  
106 proposals deliberated.





## Case

### Special training on risk management

On May 21, 2021, the Bank organized and carried out the "Special Training on Risk Management". There were more than 170 participants in this event, including the heads of the Risk Management Department, business elites, customer managers of 42 branches, as well as the business elites of the Head Office's Business Department, Small and Micro Finance Business Department, and Key Account Department. This training focused on five courses, including authorization management, non-retail internal rating, risk classification, risk data mart application, and customer risk information submission. It aimed to promptly communicate the regulatory requirements and line system changes, promote the application of management tools, highlight the problem orientation, and build compliance awareness. All learners took a unified final exam at the end of the course. Through this training, staff at higher risk positions have further strengthened their proficiency in learning the new regulatory requirements and the head office system; they expanded their ability to use risk management tools in depth, contributing to the continuous improvement of risk compliance awareness and prevention and control effects.



Special trainings on risk management in 2021

In 2021, both China Chengxin International Credit Rating Co., Ltd (hereinafter referred to as "CCXI") and China Lianhe Credit Rating Co. Ltd. (hereinafter referred to as "Lianhe Credit Rating") rated the Bank as AAA with a stable rating outlook. CCXI rated "20 Chongqing Rural Commercial Bank Green Bond 01" "21 Chongqing Rural Commercial Bank Green Financial Bond 01" "21 Chongqing Rural Commercial Bank Green Financial Bond 02" "21 Chongqing Rural Commercial Bank Perpetual Bond" issued by the Bank as AAA. Lianhe Credit Rating rated AAA for the "19 Chongqing Rural Commercial Bank Subordinated Bond, "20 Chongqing Rural Commercial Bank Sannong Bond" and "20 Chongqing Rural Commercial Bank Bond" issued by the Bank.



## Compliance Risk Management

The Bank carries out compliance risk management related work in-depth, continuously improves the organizational structure of compliance management, carries out strict compliance review, and formulates the *Chongqing Rural Commercial Bank Compliance Review Operational Procedures* to clarify the scope, authority, and process of compliance review, and review new products, internal rules and regulations, advertisements to consumers, financial service plans with commitment, etc. in accordance with external regulations such as laws, regulations, and regulatory requirements in order to ensure legal compliance. The Bank assigns compliance management to all levels and lines, implements the compliance reporting mechanism, and gives full play to the key role of compliance reporting in discovering and controlling compliance risks.

The Bank strengthens compliance risk monitoring and control through conducting regular compliance risk assessments, establishing a ledger of compliance risk points, implementing effective control measures, and realizing closed-loop management of compliance risk identification, assessment, and control. The Bank upgrades and improves the original internal control and compliance management system, expanded into a multi-functional system integrating compliance work platform, data platform, learning platform, and self-discipline platform to realize online management and control, improve work efficiency, and strengthen the level of compliance risk system management and control. At the same time, the Bank strives to cultivate employees' awareness of compliance, promotes and advocates the criterion of conduct of integrity, continuously conducts compliance training, and disseminates compliance concepts through various forms, such as collecting compliance to warn employees of compliance, discipline, and integrity.

## Internal Control Evaluation

In 2021, according to the *Basic Norms for Enterprise Internal Control*, *Guidelines for Enterprise Internal Control Evaluation* and other regulations, the Bank conducted internal control evaluation focusing on the five elements of internal environment, risk assessment, control activities, information and communication, internal supervision and control to objectively reflect the overall situation. The Bank also strictly followed the procedures, standards, content and methods stipulated by the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission to complete the internal control evaluation report, do a good job in information submission and disclosure, and apply the evaluation results through measures such as performance appraisal to promote the improvement of quality and efficiency of internal control throughout the bank.

## Anti-Corruption

The Bank strictly abides by the *Constitution of the Communist Party of China*, the *Regulations of the Communist Party of China on Disciplinary Action*, the *Communist Party of China Disciplinary Inspection Organs Supervision and Discipline Work Rules* and other party constitutions, party regulations and party discipline, as well as the *Administrative Punishment of Public Officials of the People's Republic of China*, *Law*, *Anti-Unfair Competition Law of the People's Republic of China*, *Interim Provisions on Prohibition of Commercial Bribery* and other laws and regulations. We earnestly implement the major decisions and arrangements of the CPC Central Committee and the requirements of the Chongqing Municipal Party Committee, continuously strengthen the construction of work style and the awareness of discipline, carry out anti-corruption education work, deepen the expansion of "our explanations based on cases" and "four corrections based on cases", and strengthen warning education, to further promote the anti-corruption work of the entire Bank, and promote the high-quality development with high-quality supervision. In addition, in 2021, the Bank further strengthened the management of employee behavior through policy-making, investigation, education, and accountability, and took the basic work of actual case prevention to prevent employees from financial crimes. In 2021, no corruption lawsuits filed against the Bank or its employees have been concluded.

The Bank is informed of or discovers relevant cases or risk clues through internal channels such as discovery and reporting in the daily operations or management supervision of employees and external channels such as external reports, external letters and visits, external audits, regulatory inspections and public opinion monitoring. The functional departments at all levels and the lead department at all levels accept the relevant events, set up investigation teams to carry out independent or joint investigation, and deal with them according to the results. In case of clues and problems that violate the special circumstances of the Party's integrity discipline, the Bank will refer them to the discipline inspection group in the Bank or the discipline inspection department at this level.

In order to smoothen the supervision work mechanism, the discipline inspection and supervision group in Chongqing Rural Commercial Bank and the Party Committee of the Bank established the work coordination mechanism, including regular consultations, important information reports, joint investigation of clues, joint supervision and discipline enforcement, coordination of party discipline and government sanctions, etc. to promote comprehensive and strict governance of the party, and exchanged opinions on work style construction, integrity risks, problem clues, etc. every quarter, and conducted consultation and research on ethical governance construction and anti-corruption work every six months. In addition, the Bank built a three-dimensional supervision network of "Unit + Family", actively carried out anti-corruption activities and focused on anti-corruption reminders during holidays to create an integrous atmosphere. In 2021, the Bank organized all directors to study the typical cases of violations of the spirit of the eight central regulations publicly exposed by the Central Commission for Discipline Inspection and State Supervision, and conducted 163 anti-corruption training for employees, and 16,128 employees participated in the anti-corruption training.



## Anti-Money Laundering

In 2021, the Bank continued to strictly abide by laws, regulations and regulatory requirements such as the *Anti-Money Laundering Law of the People's Republic of China*, the *Guidelines for Self-Assessment of Money Laundering* and the *Terrorist Financing Risks of Corporate Financial Institutions*, continued to optimize the self-assessment system of money laundering risks, revised the *Money Laundering and Terrorist Financing Risk Self-Assessment System* and the *Risk Self-Assessment Management Measures*, *Customer Identification* and *Customer Identity Data and Transaction Records Preservation Management Measures*, etc., and newly formulated the *Anti-money Laundering Information Security Protection Management Measures*. In addition, the Bank upgraded the anti-money laundering system version 6.0 to optimize the functions of data reporting, product evaluation, and reporting modules. At the same time, we further carried out institutional risk assessment, promoted the data governance of customer information with abnormal phone numbers, organized special anti-money laundering investigations and risk self-assessments at all levels, supervised institutions at all levels to speed up rectification of problems, continued to promote anti-money laundering work guidance for branches and controlled subsidiaries, and increased anti-money laundering training and publicity to effectively improve the compliance and effectiveness of anti-money laundering work.

### Improving the risk control mechanism

- Revised 5 anti-money laundering internal control institutions and formulated a new anti-money laundering internal control institution;
- Remediated over 3 million customers' information with abnormal phone numbers;
- Held 6 anti-money laundering joint meetings, issued 14 anti-money laundering work trends, and sent 29 anti-money laundering leading group emails;
- Carried out institutional risk assessment and organized special anti-money laundering investigations.

### Optimizing the risk control system

- Completed the function upgrading of products evaluation in anti-money laundering system and report modules;
- Optimized 2 monitoring models for abnormal transaction, added 2 rules, and optimized 1 rule.

### Carrying out publicity training

- Participated in the selection of anti-money laundering publicity short videos and anti-money laundering essays held by the Chongqing Operation and Management Department of the People's Bank of China, and won a total of 2 first prizes, 1 second prize, 1 third prize and 4 excellence awards;
- Distributed more than 217,000 anti-money laundering promotional leaflets;
- Conducted 1 pre-job training on anti-money laundering for new employees with 57 participants;
- Held 3 special anti-money laundering inspection training sessions with more than 900 participants;
- Participated in the on-site anti-money laundering training of the Chongqing Operation and Management Department of the People's Bank of China and participated in the anti-money laundering online course of the Zhengzhou Training Institute of the People's Bank of China.

## Anti-Counterfeit Currency

The Bank strictly abides by the *Administrative Measures of the People's Bank of China for Currency Identification and Counterfeit Currency Collection and Identification (Order No. 3 [2019] of the People's Bank of China)* and other regulatory requirements, optimizes and integrates the processes of collection and identification of counterfeit money, sorts out the operating points of cash collection and payment, and strengthens the management of cash equipment to improve the quality of cash services. In 2021, the Bank launched the crown number management system, optimized cash transactions business in the counter system, upgraded cash machines and self-service equipment such as money counters and sorting machines, and recorded and traced the whole process of the cash' s crown number in the Bank, to improve the Bank's cash management and service capabilities, and effectively deal with the Bank's cases related to counterfeit currency disputes and liability identification. In 2021, the Bank seized a total



of 18,911 pieces of counterfeit cash, effectively maintaining the financial order and protecting the rights and interests of the public.

Every year, the Bank conducts various training on anti-counterfeit currency knowledge and skills for RMB and major foreign currencies. In 2021, a total of 7,034 employees participated in the training on anti-counterfeit currency, and the job requirements of on-the-job cash practitioners holding a certificate was realized. In the random inspection test for the anti-counterfeit currency training effect of the People's Bank of China, the Bank scored an average of 95.60 points, ranking among the top financial institutions in Chongqing.

The Bank continues to organize various branches to carry out intensive publicity activities on the anti-counterfeit currency. In 2021, a total of 430,000 promotional leaflets were distributed, 18,000 posters were posted, 260,000 anti-counterfeit promotional bags were distributed, and 2,559 anti-counterfeit currency publicity activities were carried out with 450,000 audiences.

## Case

### Wanzhou Branch maintained campus financial security

From September 10th to 15th, 2021, the Wanzhou Branch of the Bank organized a publicity team to go to the Three Gorges Medical College and the Three Gorges College to carry out financial knowledge propaganda activities and organized the whole jurisdiction to serve the new semester. These activities preached anti-counterfeiting RMB knowledge to more than 7,800 freshmen, used practical actions to enhance the financial risk awareness of college students, enhance their ability to identify the risks of campus financial fraud, guide and help students establish a scientific and rational consumption attitude, and maintain campus financial security, protect the youthful dreams of students, and protect the pure land of campus finance.



Anti - counterfeit currency propaganda entered campus

## Brand Protection

The Bank strictly abides by the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and other laws and regulations. The Bank improves the system construction, strengthens the review of advertising and publicity content, standardizes the requirements for the use of trademarks and LOGOs to protect the Bank's intellectual property rights and maintain the brand image.

The Bank has formulated the *Chongqing Rural Commercial Bank Publicity Management Measures*, established a multi-faceted management system, including brand management, advertisement placement, news publicity, public opinion management, reputation risk management, etc., strengthens the review of the advertising content of products and services, and clarifies advertising requirements to ensure that advertising content is legal and compliant and does not mislead consumers. In addition, the Bank standardizes and reviews the requirements for the use of trademarks and LOGOs, strengthens the management of various channels, unifies publicity standards, promotes standardization, and unifies the publicity calibers to promote the unification of the Bank's brand image.

The Bank has formulated the *Chongqing Rural Commercial Bank Intellectual Property Management Measures*, which clarifies the responsibilities, ownership principles, application procedures, dispute handling methods, etc., of intellectual property rights, and requires employees to enhance their awareness of protection. Before creating a brand or carrying out related work, the relevant undertaking departments need to conduct relevant searches on trademarks and patents and conduct special analyses on intellectual property rights to prevent infringement of others' intellectual property rights. If any intellectual property rights such as trademarks and LOGOs of the Bank are found to be infringed, the Bank will promptly take appropriate legal measures and relevant measures to stop the infringement. At the same time, the Bank has formulated an intellectual property protection strategy, makes full use of the new internal control and compliance management system, and carries out full-life-cycle management and control of intellectual property rights from application, review, approval, declaration, renewal and file management, etc. The Bank has done an excellent job in the declaration of intellectual property rights related to its business operations and extended the applications for registered trademarks that are about to expire to prevent the risk of invalidation of registered trademarks and effectively protect the Bank's intellectual property rights.



## Supplier Management

The Bank has formulated the *Chongqing Rural Commercial Bank Procurement Management Measures*, the *Chongqing Rural Commercial Bank Bulk Items Procurement Committee Working Rules*, and the *Chongqing Rural Commercial Bank Supplier Management Measures* and other relevant policies. We actively implement the concept of responsible procurement, and constantly improve the supplier risk management system. We adhere to the principles of openness, fairness and impartiality in supplier procurement and management, and resolutely prevent suppliers from providing false materials in order to win bids, be shortlisted, or appear commercial bribery, transfer of interests, and purchasers using power for personal gain. Once verified, we will deal with the supplier seriously, and if the supplier violates the law, it will be transferred to the national judicial department for disposal.

The Bank adheres to the supplier management principles of “unified leadership, collective decision-making, strict access, dynamic management, and mutual supervision”, establishes the access, assessment and exit mechanisms for suppliers, and incorporates environmental and social risk management requirements. In the process of supplier access, the Bank conducts preliminary identification of suppliers’ environmental and social risks, and requires suppliers to meet the requirements of independent civil liability, good business reputation and sound financial accounting system, not blacklisted by the relevant competent authorities, and not belonging to the “two high and one surplus” industries, etc. In the revised version of the *Chongqing Rural Commercial Bank Supplier Management Measures*, the Bank added the clause of “principle of giving priority to suppliers with energy-saving and environment-friendly products”, made it clear that quality assurance and the use of energy-saving and environment-friendly products are the basic requirements for supplier procurement management and strove to practice the concept of green development. In the supplier assessment and evaluation process, if the Bank finds that the relevant government department has punished the supplier due to poor environmental and social risk management, it will implement the supplier exit process. By the end of 2021, the Bank has conducted access assessment and audit to 770 suppliers.

All office furniture purchased by the Bank requires that the base layer, surface layer, board and paint materials of the products provided by the suppliers must be environmentally friendly materials above E1 level of National Standard. When decorating the main business outlets, the Bank also requires suppliers to use environmentally friendly materials for decoration such as wood panels, fireproof boards and paints, and ensure that the content of formaldehyde, benzene and TVOC in all furniture meets national safety standards. In 2021, the Bank adhered to the principle of green procurement, and considered energy-saving and environmental protection enterprises and new materials with emerging environmental protection technology as the important reference conditions for suppliers.

## Number and Distribution of Suppliers

Index	As of December 31, 2021
Number of major suppliers	770
Number of suppliers in Chinese Mainland	770
Suppliers in Hong Kong, Macao and Taiwan region	0
Number of overseas suppliers	0

## Responsibility Management >>>

The Bank values corporate responsibility management and takes social responsibility actively. We support the implementation of major national and regional strategies, assist the construction of the Chengdu–Chongqing Twin-city economic circle, and efficiently serve the rural revitalization. Adhering to the concept of green environmental protection, we vigorously promote green financial services to help achieve the “dual-carbon goal”, organize and carry out environmental protection activities, and practice energy saving and emission reduction measures. We protect employees' rights and interests and promote employees' personal development. In order to provide clients with better services, we 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 popularize financial knowledge, carry out community welfare activities, and strive to achieve sustainable development.

## Strengthening Party Building

The Bank always adheres to the leadership of the Party and gives full play to the leading role of Party building. In 2021, we fully implemented the spirit of the General Secretary Xi Jinping's important instructions and the decisions and arrangements of the CPC Central Committee, took the study and education of the Party history as a major political task, earnestly assumed the main responsibility, focused on “Learning, Speaking, Seeing, and Doing”, and promoted the learning and education of the Party history to go deeper and more practical. We insisted on strengthening the leadership of the Party, writing the general requirements of the Party building work into the company's Articles of



Association, and integrating the Party's leadership into the entire reform and development process.

The Bank improved the meeting system of the Party committee and ensured that the Party committee played its role in grasping the direction, controlling the overall situation and ensuring implementation. We established and improved the comprehensive and strict assessment mechanism on the Party governance, improved the assessment by classification, guided the Bank to combine the actual operation and management, planned and carried out themed practice activities, and gave full play to the role of grass-roots Party organizations as fighting fortresses and the vanguard and exemplary role of Party members, to promote the deep integration of the Party building work and production and operation, and transform the effectiveness of the Party building work into actual results on production and operation. We carried out on-the-spot inspections on the entire coverage, increased responsibility and pressure transmission, promoted the implementation of the main responsibility of the party committee, promoted the extension and consolidation of the responsibility of governing the Party, and provided a strong political guarantee for the high-quality development across the Bank.

The Bank has strengthened the supervision and guidance of the grass-roots Party building work, strictly implemented the basic systems such as “Three Meetings and One Lesson” , themed party days, heart-to-heart conversations, organizational life meetings and democratic appraisal of the Party members, and earnestly did a good job in the development of the Party members to promote the grass-roots Party building work to be institutionalized and standardized. In addition, we continued to deepen the construction of demonstration sites for the Party building work, and carefully cultivated the brand of the Party building in light of the actual situation. We continued to do a good job in the education of the Party members throughout the Bank, carried out training for the Party staff, and regularly carried out activities within the Party to strive for excellence, so as to guide the Party members in playing a pioneering and exemplary role.

## Responsibility Culture

The Bank adheres to the working style of "Definite, Fast, Practical and Strict", with the purpose of "Rooting in the local area, serving the public", maintaining the corporate spirit of "Truth-seeking and Enterprising", and actively undertakes social responsibilities. In operation and management, the mission of "Serving customers, Repaying shareholders, Achieving employees, and Contributing to society" is the corporate mission, constantly improve the construction of corporate responsibility culture, promote sustainable development, and strive to realize the vision of "Striving to become a leading regional bank in the country".



Corporate Responsibility Culture Architecture



## Board of Directors Statement

The Board of Directors of the Bank supervises and guides the environmental, social and governance (hereinafter referred to as “ESG”) work, regularly listens to reports on ESG-related matters from the Office of the Board of Directors, relevant committees and departments, reviews the Bank’s ESG development strategy, identification and assessment of important ESG issues, ESG objectives and identification and response to ESG-related risks, and regularly review the achievement of ESG targets.

The Bank has formulated an ESG strategy, in line with the Bank’s development strategy of “Anchoring the Bank with Retail, Propelling the Bank with Technology, Empowering the Bank with Talents, which has been reviewed by the Board of Directors, to guide the implementation of the Bank’s ESG-related work. We have identified and assessed ESG materiality issues through daily communication channels with stakeholders, questionnaire surveys and other forms, and the Board of Directors has reviewed the assessment, prioritization and management of this important ESG issue. We have formulated environmental targets aimed at reducing the environmental impact of the Bank’s operations, which has been reviewed by the Board of Directors and its achievement will be regularly reviewed by the Board of Directors in the future. We integrate the risks brought by climate changes into the connotation of environmental (green finance) risks and have incorporated this risk into the comprehensive risk management system. The Board of Directors and the senior management review the environmental (green finance) risk assessment every half a year.

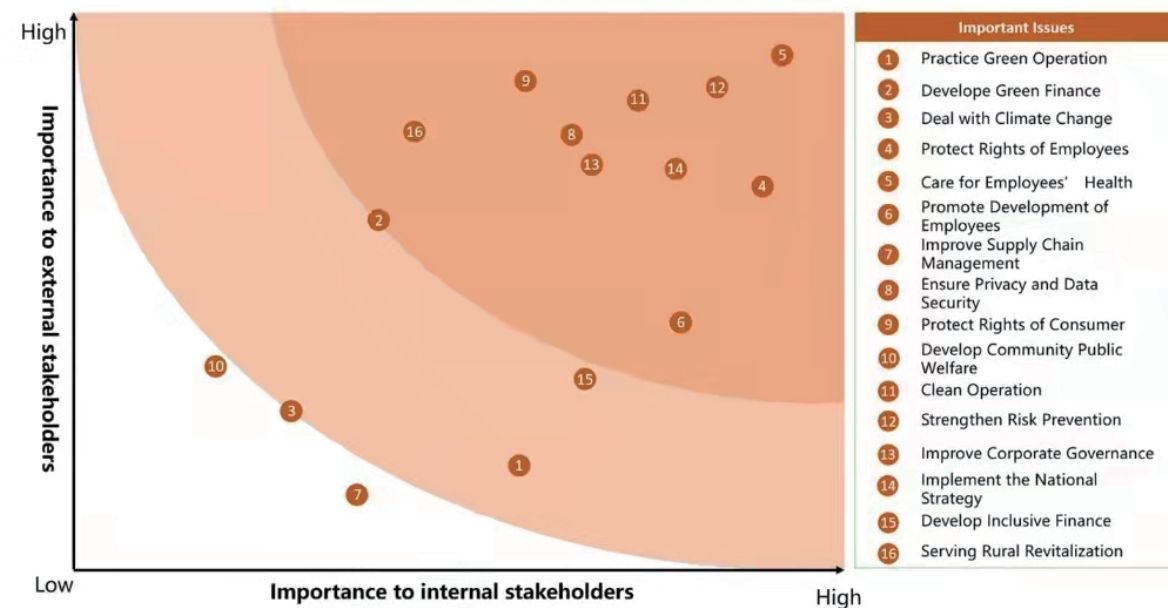
On March 30<sup>th</sup>, 2022, the Board of Directors reviewed and approved this report as a summary of the Bank’s ESG performance in 2021.

## Responsibility Integration

Starting from the features of self-development, the Bank centers around a "Triple Bottom Line" around the economy, environment and society, actively pays attention to the new changes in regulatory requirements, continuously optimizes and improves the social responsibility system, and practices responsibility management. We have prepared this report to demonstrate our performance on environment, economy, and society with reference to the ESG Guide released by the Hong Kong Stock Exchange, the *Self-Regulatory Supervision Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 - Standardized Operation - Chapter VIII: Social Responsibility 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 responds to stakeholders’ concerns and meets regulatory compliance requirements.

### Substantial Analysis

Based on the new requirements of the ESG reporting guidelines of the Hong Kong Stock Exchange and the understanding of the concerning issues obtained from the communication with stakeholders, the Bank considers the nature of the Bank’s business and has identified ESG-related issues that may affect the decision-making and evaluation of stakeholders. We internal and external stakeholders to participate in the questionnaire surveys. We have assessed the importance of ESG-related issues on the basis of the analysis of the results of the questionnaire survey and the feedback obtained from daily communication with stakeholders, comprehensively considered the relative importance of the topics to internal and external stakeholders and ranked the topics. The Bank will disclose and respond to these important ESG issues in this report.



Analysis chart of major stakeholders' attention to ESG related issues

## Stakeholders Communication

The Bank attaches great importance to maintaining high-frequency and multi-channel communication with stakeholders by actively seeking communication and exchanges. We continuously optimize investor relationship management, enhance mutual understanding, obtain opinions and suggestions from stakeholders, and timely give feedback and carry out improvement work to improve the evaluation of the Bank by stakeholders and enhance the Bank's good image. In 2021, we held the 2020online performance briefing and roadshow, launched online performance exchange meetings for the first quarter, mid-term and third quarter of 2021, actively participated in investment banking summits and securities brokerage strategy meetings, and received stakeholder visits and online research, communicating with them by phone, email, letter and other online channels.

Stakeholders	Communication Mechanism	Key topics of interested parties	Responses of the Bank
<b>Government and regulatory agencies</b>	<ul style="list-style-type: none"> <li>Policy guidelines</li> <li>Regulatory requirements</li> <li>Work reporting</li> <li>On-site inspection</li> <li>Off-site supervision</li> <li>Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>Implementing the national strategies</li> <li>Robust and compliant daily operations</li> <li>Continuously increasing employment opportunities</li> <li>Effective risk prevention</li> </ul>	<ul style="list-style-type: none"> <li>Fulfilling economic responsibility and helping enrich the people and make Chongqing prosper</li> <li>Compliance operation</li> <li>Timely and objective information disclosure</li> <li>Risk management</li> </ul>
<b>Interbank and industry associations</b>	<ul style="list-style-type: none"> <li>Normative document</li> <li>Special reporting</li> <li>Daily communication</li> <li>Industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>Implementing the national economic policies</li> <li>Stable and orderly financial system</li> </ul>	<ul style="list-style-type: none"> <li>Developing green finance</li> <li>Serving small and micro enterprises</li> <li>Preventing financial crimes</li> <li>Anti-money laundering</li> <li>Anti-counterfeit currency</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>General Meeting</li> <li>Roadshow</li> <li>Announcement of financial performance</li> <li>Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>Continuous and reasonable investment return</li> <li>Comprehensive, timely, and accurate information disclosure</li> <li>Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Good operation performance</li> <li>Comprehensive, timely, and accurate information disclosure</li> <li>Corporate governance</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Company website</li> <li>WeChat official account</li> <li>Official Weibo</li> <li>Mobile banking application</li> <li>95389, 966866 customer service centers</li> </ul>	<ul style="list-style-type: none"> <li>Diverse products</li> <li>Diverse service channels</li> <li>Continuously increasing service quality</li> <li>Effective protection of consumers' rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>Innovating financial products</li> <li>Improving service quality</li> <li>Promoting channel construction</li> <li>Protecting consumers' rights and interests</li> </ul>



Stakeholders	Communication Mechanism	Key topics of interested parties	Responses of the Bank
Suppliers and cooperation partners	<ul style="list-style-type: none"> <li>Bulk Purchase</li> <li>Committee</li> <li>Business exchange and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Fair cooperation opportunity</li> <li>Fulfil obligations in good faith</li> <li>Stable win-win relationship</li> </ul>	<ul style="list-style-type: none"> <li>Adhering to responsible purchasing</li> <li>Serving customers "going out"</li> </ul>
Non-profit, charitable or community organizations	<ul style="list-style-type: none"> <li>Financial community service</li> <li>Publicity of financial services knowledge</li> <li>Community welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>Common community development</li> <li>Harmonious community relationship</li> </ul>	<ul style="list-style-type: none"> <li>Helping poverty-stricken areas</li> <li>Popularizing financial knowledge</li> <li>Enthusiastic in social welfare</li> </ul>
Directors and Management	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Management meetings</li> <li>Intranet mailbox</li> <li>Company activities</li> </ul>	<ul style="list-style-type: none"> <li>Compliance development</li> <li>ESG governance</li> <li>Staff training</li> <li>Product liability</li> </ul>	<ul style="list-style-type: none"> <li>Overseeing ESG work</li> <li>Compliance operation</li> <li>Strengthening business supervision</li> <li>Strengthening the team building of staff</li> <li>Improving service quality</li> </ul>
Staff	<ul style="list-style-type: none"> <li>Employee communication</li> <li>Union</li> <li>Workers' congress</li> <li>Business disclosure</li> <li>Corporate culture activities</li> </ul>	<ul style="list-style-type: none"> <li>Reasonable treatment and benefits</li> <li>Satisfactory working environment</li> <li>Good career development</li> </ul>	<ul style="list-style-type: none"> <li>Protecting employees' rights and interests</li> <li>Improving corporate culture</li> <li>Constructing the team of staff</li> <li>Paying attention to employee health</li> </ul>

# MAJOR HONORS



## The Banker

Ranked the 119th in "Top 1000 World Banks"

## Forbes

Ranked the 761th in "Global 2000-The World's Largest Public Companies"

## China Banking Association

Ranked the 22nd in the "Top 100 Chinese banks"

## Fortune (Chinese version), CICC Wealth Management Department

Ranked the 367th in "Fortune China 500"

## China Enterprise Confederation, China Entrepreneurs Association

Ranked the 392nd in "Top 500 Enterprises in China" and the 144th in "Top 500 Enterprises in China Service Industry"

## Chongqing Enterprise Federation

Ranked 9th in "Chongqing Top 100 Enterprises of 2021" and 5th in "Chongqing Top 100 Service Enterprises of 2021"

## Ministry of Industry and Information Technology, National Development and Reform Commission, Ministry of Commerce, State Administration of Commerce, China Banking and Insurance Regulatory Commission, National Energy Administration

Selected into the "2020 National Green Data Center List"

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

The project of "Bank Digital Management for Perception and Cognitive Ability" was awarded the "Benchmarking Project for Establishing Management Benchmarks of State-owned Key Enterprises"

# TAKING ECONOMIC RESPONSIBILITY, DRIVING ECONOMIC TRANSFORMATION



In 2021, centering on the working idea of "Enhancing Management, Controlling Risks and Stabilizing Development", the Bank actively implemented the national policies and regulatory requirements and comprehensively promoted the implementation of national and local strategies, gave full play to the geographical features of Chongqing and the Bank's business advantages, and continued to promote the financial supply-side reform. In addition, we supported the transformation and upgrading of enterprises, and increased financial service efforts in strategic emerging industries, real economy, private economy and livelihood sector, continuing to play the role of the "main force" of financial support for "Sannong" and small and micro enterprises. In response to the post-pandemic economic new normal, we further enhanced the ability and level of financial services for rural revitalization, to promote sustainable economic and social development.

## ● National Enterprise Management Modernization Innovation Achievement Examination Committee

The innovation achievement of "Digital Business Innovation Management of Regional Banks Led by Middle Platform Competency" was awarded the "First-Class Achievement" of the 28th National Enterprise Management Modernization Innovation Achievement

## ● The People's Bank of China

"Banking Intelligent Digital Engine for Perception and Cognitive Ability" was awarded the 2020 Fintech Development Award

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

Brand cases won the award of "2020 100 Typical Cases of State-owned Enterprise Brand Construction and 100 Outstanding Brand Stories"

## ● International Communication and Culture Center of China International Communications Group, SASAC News Center, Cultural Communication Center of China International Communications, etc.

The case of "Going to the International Stage and Telling the Story of Rural Commercial Banks to the World" was shortlisted for the 4th China Enterprise International Image Construction Case

## ● Data Management International China Chapter

Received "China 2021 Data Governance Best Practice Award"

## ● China Electronic Banking Network

"Gold Award for Comprehensive Intelligent Platform" and "Popular Star" in 2021 China Financial Digital Technology Innovation Competition

## ● Chongqing Banking Association

"Social Responsibility Special Contribution Award", "Social Responsibility Green Finance Award" and "Social Responsibility Financial Institution Award" in Chongqing Banking Industry in 2020

## ● China Economic Prospects Forum

Cases of *Innovatively Creating a "Dialect Bank" to Improve the Access Rate of Rural Financial Services and Introducing the "Increase Credit" to Inject New Momentum of Financial Services* were rated as "Excellent Cases of Rural Finance Supporting Rural Revitalization at the New Starting Point of a Comprehensive Well-off Society"



## Supporting Implementation of Major Strategic Decisions >>>

In 2021, the Bank continuously implemented 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 strengthened financial cooperation services in the Chengdu-Chongqing area and the construction of the "Chengdu-Chongqing Twin-city Economic Circle", deepened the export-oriented economy, accelerated the construction of inland open highland, assisted the development of the Yangtze River Economic Belt, actively participated in the construction of comprehensive three-dimensional transportation corridors and logistics hubs, and served the construction of an open economy, escorting the implementation of major strategies, and promoting the high-quality development of regional economy by improving quality and efficiency.

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

Actively integrating into the construction of the "Chengdu-Chongqing Twin-city Economic Circle", and continuously strengthening the financial cooperation in the Chengdu-Chongqing area, the Bank has provided precise support for the development of important economic and innovation centers, increased investment to help scientific and technological innovation enterprises to explore new ideas for development, steadily improved the financial service system, and enhanced financial radiation capabilities. We signed a strategic cooperation agreement with Sichuan-Chongqing Gaozhu New District, and other areas formed all-round cooperation with financial institutions in Sichuan, including financing projects, supporting agriculture and small business, financial technology, resource sharing, personnel exchanges etc., and implemented various measures to jointly build a financial center in western China, providing strong financial support for the Chengdu-Chongqing Twin-city Economic Circle. By the end of 2021, the Bank granted over RMB72.9 billion of credit to important projects such as transportation interconnection, industrial synergy, technological innovation, opening-up to the outside world and people's livelihood security in Chengdu-Chongqing area and related enterprises in Sichuan.

## Case

### Assisting the construction of Sichuan-Chongqing Gaozhu New District

To collaborate Yubei District of Chongqing City and Guang'an City of Sichuan Province and to explore new paths such as moderate separation of economic zones and administrative regions, and integrated development of industry, city and landscape, Sichuan-Chongqing Gaozhu New District was established in January 2021, creating a model of regional cooperation. The Bank implemented various measures to jointly build a financial center in the west and assisted the Sichuan-Chongqing Gaozhu New District to become a high-quality model of cross-regional integration. In March 2021, the Bank formally signed a strategic cooperation agreement with Sichuan-Chongqing Gaozhu New District, providing a 30 billion intentional credit line for Gaozhu New District. Meanwhile, the Yubei Sub-branch of the Bank signed a strategic agreement with the institutions under the jurisdiction of Sichuan Nongxin Guang'an Office to grant and disburse current loans of 50 million yuan for Sichuan-Chongqing Gaozhu New Area Development and Construction Group Co., Ltd. In addition, the Rongchang Sub-branch and the Tongnan sub-branch also actively supported the construction of Sichuan-Chongqing Gaozhu New District, and signed strategic cooperation agreements with the offices of the Sichuan Rural Credit Union.



Signing ceremony of the strategic cooperation agreement

## Serving Construction of Inland Open Highland

As an important strategic fulcrum in the strategy of China Western Development, Chongqing plays a significant role in the national regional development and opening-up strategy. The Bank actively favors financial resources, strengthens financial service innovation, reduces the cost of import and export trade of enterprises, vigorously promotes the construction of inland open highland and the construction of "New Land-Sea Trade Corridor", deeply cultivates the export-oriented economy to meet the cross-border financing needs of enterprises, and helps them to achieve Cross-border financing, playing an important role of Chongqing in the national regional development and opening-up strategy. By the end of 2021, the Bank had a loan balance of RMB15.791 billion to support the construction of inland open highlands.

### Case

#### Deepening the level of financial integrated cooperation to help the construction of the "New Land-Sea Trade Corridor"

The internal system of the Bank has been directly connected with Chongqing Port and Logistics Office through a "single window". At present, enterprises conducting import and export trade through the "New Land-Sea Trade Corridor" can authorize the Bank to view cargo information, customs declaration information and related logistics information online, which greatly reduce the time cost of enterprises and accelerate the capital flow efficiency of the trade through the new land-sea trade corridor. By the end of 2021, 8 enterprises have handled this business in the Bank. In addition, in 2021, the Bank handled a total of 331 related export credit insurance financing, export invoice financing, and import financing scenarios, with a total amount of RMB1.378 billion.

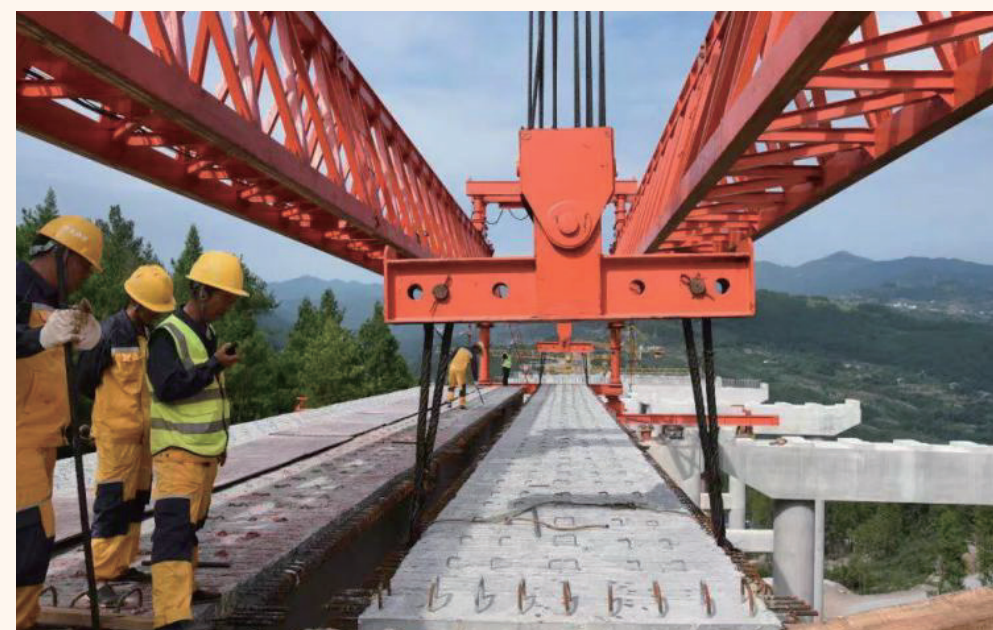
## Boosting Development of Yangtze River Economic Belt

In 2021, the Bank continued to implement the development strategy of the Yangtze River Economic Belt and further promoted the construction of Chongqing's comprehensive three-dimensional transportation corridor. Taking advantage of Chongqing's special geographical advantage at the connection point of the "Belt and Road Initiative" and the Yangtze River Economic Belt, the Bank actively participated in the construction of logistics hubs, built a cluster of advantageous industries along the river, and solidly promoted the construction of an ecological barrier in the upper reaches of the Yangtze River. As of the end of 2021, the balance of the Bank's loans to support the construction of the Yangtze River Economic Belt was RMB162.861 billion.

### Case

#### Promoting the completion of the Chongqing-Hunan Multiple-line Expressway

The Bank closely focused on the relevant development strategies of the Yangtze River Economic Belt and boost the construction of Chongqing's transportation hub with credit funds. The Chongqing-Hunan Multiple-line Expressway is the main passage from Chongqing to the southeast coast and a new passage connecting Guangdong, Hong Kong, Macao and the Haixi Economic Zone. The Bank provided credit support for the Chongqing-Hunan Multiple-line Expressway project, with a total credit of RMB2 billion, which was conducive to promoting the development of the Yangtze River region along the highway, and improving the economic driving effect of the coastal area on Chongqing.



Construction site of Chongqing-Hunan expressway

## Creating Creating distinctive international business

In 2021, the Bank continued to increase financial support for foreign trade and foreign-invested enterprises, actively connected with major national and local development projects, assisted enterprises to open up overseas financing channels, and provided import and export enterprises with low-cost cross-border financial support and safe and efficient cross-border settlement services support, supporting the steady development of the city's open economy. As of the end of 2021, the Bank handled USD 6.44 billion in international settlement business and USD2.498 billion in foreign exchange settlement and sales for import and export enterprises.



## Case

### Innovative cross-border financing of mortgaging live beef cattle

In June 2021, in accordance with the macro-prudential management policy for full-scale cross-border financing, the Bank innovated the cross-border financing model, issued a letter of guarantee for foreign exchange financing by means of live beef cattle mortgages, and provided customized financial service solutions for local agricultural industrialization national key leading enterprises in Fengdu County by issuing foreign debt loans with offshore funds through the correspondent bank, using the live beef cattle as collateral for a cross-border financing loan of USD1 million for the enterprise. The foreign debt loan interest rate was lower than the domestic loan interest rate, which not only expanded the international financing channels for living mortgages, but also effectively solved the financing problems of enterprises.



The Staff of the Bank conducted on-site investigations on beef cattle farms

## Promoting Optimization of Economic Structure >>>

In 2021, the Bank paid close attention to economic trends, seized policy opportunities, and took multiple measures to promote the optimization of economic structure. Focused on key areas such as high-end manufacturing and strategic emerging industries, we carried out the special action of "Honghu Zhizhi" to help technology-based enterprises thrive, promoted the development of information technology services, electronic information manufacturing, new energy vehicles and other industries. Besides, we enhanced the allocation of private economic resources, increased loans to private enterprises, and implemented national and regional policies to develop the real economy, promoting high-quality development of the real economy.

### Boosting Growth of Emerging Industries

In 2021, focusing on strategic emerging industries, the Bank conducted in-depth analysis of the policies and current situation of strategic emerging industries, and seized business development opportunities. We extensively obtained information on strategic emerging customers and scientific and technological innovation projects, continuously updated and expanded the whitelist, increased the construction of emerging industry clusters such as new generation information technology, new energy and intelligent connected vehicles, and focused on cultivating strategic emerging industries to become better and stronger. As of the end of 2021, the Bank had a balance of RMB37.762 billion of loans to support Chongqing's "6+1" pillar industry clusters, RMB11.532 billion of loans to support strategic emerging manufacturing industries.

## Case

### Jiulongpo Sub-branch supported the development of energy-saving materials industry

Chongqing Sibeiken Energy-saving Technology Development Co., Ltd. is a high-tech enterprise engaged in building energy-saving materials. It has successfully developed and produced more than 10 new building energy-saving products and has developed steadily on the basis that green finance has become a new trend in the market economy. Jiulongpo Sub-branch of the Bank issued a technology credit loan of RMB3 million to the enterprise with preferential interest rate, which not only quickly solved the enterprise's liquidity needs, but also effectively reduced the enterprise's financing costs.



The staff in the Jiulongpo Sub-branch went to Sibeiken Energy Saving Technology Development Co., Ltd. for research

## Case

### Jiangjin Branch supported specialized and special new enterprises

Chongqing Dongke Mould Manufacturing Co., Ltd. is a self-branded scientific research enterprise with strong industry driving force, which produced annual output of more than 4,500 tons of small and medium-sized aluminum alloy auto parts and owned 57 patents. It was awarded honors such as Chongqing's key new products and scientific and technological achievement certificates. Jiangjin Branch of the Bank successfully issued a credit loan of RMB4 million to the enterprise for the knowledge value of technology-based enterprises and applied for a preferential interest rate, injecting financial vitality for the enterprise's further development.



Chongqing Dongke Mould Manufacturing Co., Ltd.

## Supporting Development of Private Economy

According to the *Proposal to Increasing Support for Private Enterprises, the Implementation Plan for Visiting Services for Private Industrial Enterprises Above Designated Size, the Guiding Opinions on Strengthening Financial Services for Private Enterprises, the Measures for the Administration of Due Diligence and Exemption for Private Enterprise Loans etc.*, the Bank continued to increase its support for private enterprises by adopting various measures such as preferential pricing, resource preference and special incentives. As of the end of 2021, the Bank's loan balance for private enterprises was RMB 185.01 billion, ranking first in Chongqing.

## Case

### Science City Branch solved the customer's problem about project payments collection gap

Chongqing Juwan Building Decoration Engineering Co., Ltd. is a private enterprise mainly engaged in professional construction operations, with more than ten years of relevant experience. Affected by the epidemic, the company's project payments were difficult to collect, and there was a funding gap of nearly RMB5 million. After in-depth investigation and visits, the staff of Baishiyi Small and micro enterprise franchised sub-branch of the Bank's Science City Branch took full advantage to the short credit approval decision-making chain, and successfully granted RMB4.8 million in credit within one week, and gave preferential interest rates to reduce customer's financing cost.



The person in charge of Chongqing Juwan Building Decoration Engineering Co., Ltd. and the staff of Science City Branch

## Case

### Qijiang Sub-branch supplemented working capital for the customer

Chongqing Meierjia Aluminum Co., Ltd. is mainly engaged in the production, processing and sales of aluminum products. The company has more than 20 patent qualification certificates. Although the company has resumed operations after the epidemic, the profit of the aluminum industry is relatively thin, and the company is in the development stage and needs to replenish some working capital urgently. In 2021, in combination with the Bank's credit loan products, the Qijiang Sub-branch used the preferential interest rate policy to reduce the loan interest rate, and applied for a credit of RMB10 million and increased the credit by RMB5.65 million compared with the previous year, which not only met the financing needs of enterprises, but also reduced the financing costs of enterprises.



Visit to Chongqing Meierjia Aluminum Co., Ltd.



## Promoting Growth of Real Economy

In 2021, with multiple measures to boost the high-quality development of the real economy, the Bank adhered to the original intention of serving the real economy, improved the quality and efficiency of real economy services, continued to increase support for the real economy represented by the manufacturing industry, and paid close attention to the credit demand in key areas such as high-end manufacturing and strategic emerging industries. Meanwhile, we strengthened industry analysis and research, closely tracked the implementation of projects, and actively connected with branches and sub-branches. We continued to supervise and track the progress of cooperation, and increased support for the real economy by improving the pricing mechanism and adjusting the pricing level of the basic interest rate of the real economy such as the manufacturing industry.

### Case

#### Wulong Sub-branch supported the modernization of a jujube orchard

The Zaodian Fruit Planting Cooperative in Wulong District, Chongqing City (hereinafter referred to as "the Cooperative") is mainly engaged in the cultivation and sale of jujubes. It planned to build livestock ponds, buried pipelines and other facilities, and introduce advanced science and technology to carry out refined management of orchards, thereby enhancing product competitiveness. However, the Cooperative faced the problem of insufficient funds and was unable to provide effective collateral. The Wulong Sub-branch of the Bank introduced Chongqing Wulong District Xingnong Financing Guarantee Co., Ltd. to intervene after an in-depth investigation to provide credit support, which effectively solved the urgent need of the company's lack of liquidity. Through credit support, the Cooperative has increased technical input and strengthened base management, and has gradually built itself into an industrialized and modernized orchard base.



The planting base of jujubes

### Case

#### Nanchuan Sub-branch assisted the rapid development of the logistics enterprise

Chongqing Zhongpeng Tongchuang Transportation Co., Ltd. is a logistics transportation enterprise engaged in cargo transportation and car rental. It is the largest logistics transportation enterprise in Nanchuan District. The downstream enterprises of the company settled through commercial bills, but commercial bills could not be discounted, resulting in very tight liquidity of the company. Nanchuan Sub-branch of the Bank sent a special person to explain the loan policy and financing plan, actively contacted the guarantee company to provide guarantee, and helped the enterprise obtain a loan of RMB10 million in a short period of time, effectively solving the financing problem of the enterprise and helping the enterprise to achieve rapid development.



Transportation vehicle parking area in Chongqing Zhongpeng Tongchuang Transportation Co., Ltd.

## Fully Supporting the Development of Rural Revitalization >>>

With the earnestly implementation of the spirit of the *Opinions of the Central Committee of the Communist Party of China and the State Council on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization*, and the decision-making arrangements of the Chongqing Municipal Party Committee and Municipal Government's *Implementation Opinions on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization*, the Bank strictly implements the work requirements of the regulatory authorities for the banking industry to provide high-quality services to rural revitalization, and actively leverages the advantages of local corporate banks, such as flexible operation, wide outlets, and roots in grass-roots townships. Focusing on the three tasks of institutional mechanisms, industrial cultivation and service upgrading, we have made every effort to improve the ability of finance to serve rural revitalization, and continued to inject financial "new kinetic energy" into the comprehensive promotion of rural revitalization. As of the end of 2021, the balance of the Bank's agriculture-related loans was RMB193.179 billion, a year-on-year increase of RMB25.058 billion, with an increase of 14.90%. The Bank strongly supported the effective connection between the consolidation and expansion of poverty alleviation achievements and rural revitalization. The balance of various loans in 18 poverty alleviation areas in Chongqing amounted to RMB168.186 billion, a year-on-year increase of 19.35%, which was 4.62% higher than the average growth rate of various loans<sup>1</sup> of the Bank. Among which the growth rate of various loans in 4 national-level rural revitalization key counties in Chongqing was as high as 26.22%, which was 11.50% higher than the growth rate of various loans of the Bank.

### Consummating the System and Mechanism

Proactively adapting to the new situation and new requirements of rural revitalization, the Bank continuously improves the construction of the system and mechanism for serving rural revitalization, builds a top-down, sound and complete professional service mechanism for rural revitalization, in the purpose of stimulating the endogenous development momentum of serving rural revitalization, and strengthening the impetus of serving rural revitalization organizations.

<sup>1</sup>The various loans here are the Bank's data under the supervision of the China Banking and Insurance Regulatory Commission.

#### Mechanisms for organizing work

- Setting up a leading group to serve the rural revitalization strategy in the implementation of a "dual-leader" system, with the secretary of the party committee, the chairman and the deputy secretary of the party committee and the president in command, the other party committee members as the deputy team leaders, and the heads of all functional departments of the Bank as members;
- Forming the "1+1+N" rural revitalization service working pattern, where a service team is formed with a member from the Bank making fixed-point contacts, a district/county sub-branch providing fixed-point services, and N departments, aiming at the 17 key and difficult districts, counties and townships in Chongqing's rural revitalization.

#### Mechanisms for up-down linkage

- Setting up the Sannong Financial Services Commission and Sannong and Rural Revitalization Financial Services Committee under both the Board of Directors and the senior management;
- Setting up the Rural Revitalization Financial Department in the Bank, setting up the Rural Revitalization Financial Department or the Inclusive Finance Department in all sub-branches, and forming 6 special classes for rural revitalization financial services to play the role of "benchmarking" for rural commercial banks.

#### Mechanisms for policy tilt

- In terms of manpower assistance, dispatching more than 30 first secretaries and staff members stationed in the village to the front line of the village to assist the local government;
- In terms of cost allocation, matching county-level institutions with costs on specific basic operation and business development, outlet upgrades and equipment configuration costs;
- In terms of performance appraisal, setting the performance coefficient of county-level branches higher than that of general branches by a certain percentage, giving the internal transfer pricing preference to inclusive agriculture-related loans, and increasing the employee performance based on a certain percentage of interest income for agriculture-related loans;
- In terms of credit authority, establishing a three-level authorized operation system, delegating a certain amount of credit approval authority, and particularly delegating the special agricultural-related credit business;
- In terms of non-performing tolerance, giving a tolerance of 3 percentage points to the non-performing loan rate and the non-performing rate of inclusive agriculture-related loans in 4 national-level rural revitalization key counties to encourage credit to the rural revitalization field.



## Innovating Financial Service Models

Based on industrial revitalization and combined with the needs of customers and sub-branches, the Bank actively innovates financial service models and products, explores the batch marketing models for farmers' customers, and improves the coverage of loan services, in order to strengthen the "motivation of prosperity" of rural industries and create the characteristic brand of rural revitalization.



### Constructing the linkage model of "Grass-level Government + Rural Outlets"

- Issuing a credit rating notice in the 17 municipal-level rural revitalization key towns, and towns where the municipal first secretaries stationed in the village dispatched by the Bank, requiring to

strengthen the connection with the outlets and the village and sub-branch committees, and carrying out file-building and rating work for farmers, major rural professional households, rural characteristic industry operators, and rural leaders for wealth accumulation within their jurisdiction.



### Building a service model of "Industrial Chain Information + Government Credit Enhancement"

- Focusing on the development of characteristic agricultural industries and in accordance with the model of "One County, One Product", the Bank innovatively launching various exclusive products

for characteristic industries such as "Fengdu Beef Cattle Loan", "Jiangjin Sichuan Pepper Loan" and "Wushan Crispy Plum Loan".



### Promoting the integration model of "Marketing cooperatives + Farmers' Professional Cooperatives + Rural Commercial Banks"

- Promoting the "Three-in-One" comprehensive cooperation reform of production, supply and marketing, and credit, and

promoting the development of "Sannong" with the integration of the "Three Committees";

- Promoting the pilot construction of a credit evaluation system for farmers' professional cooperatives, developing the "Integrating Three Committees" platform, and realizing archiving and rating online.



### Exploring the collaborative model of "Supervision + Banking + Insurance"

- Launching the mortgage business with living-related assets, which includes live pigs, live sheep, beef cattle and other fields, extending it to 7 districts and counties in Chongqing, and relying on regulatory agencies for mortgage registration to convert movable assets into funds;
- Innovating various financing models such as "Bank + Corporate Credit + Policy-related Insurance", "Bank + Policy-related Insurance + Commercial Insurance", in view of the objective reality of difficult epidemic prevention and control and high operational risks in the breeding industry.

## Improving the Quality of Financial Services

The Bank integrates the financial experience of "Helping, Supporting and Assisting agriculture" with financial technology to improve the coverage of financial services, enhance financial service satisfaction, and promote financial services to be delivered to rural areas. We rely on outlets, village community organizations, and big data to provide financial services, promote the incremental expansion of financial support and enhance the "long-term momentum" of benefiting the people in rural areas, in all efforts to promote rural revitalization and further meet the needs of financial services in rural areas.

### Products Upgrade

- Focusing on the comprehensive promotion of rural revitalization, and building a comprehensive financial service product system covering online and offline channels;
- In 2021, the Bank innovatively launched the full-line credit loan product "Yu Quick Revitalization Loan", realizing online application, approval and payment through the integration and use of external big data, and modeled the risk control decision-making data so as to greatly shorten the loan processing time.

## Channels Upgrade

- Establishing "omni-channel" service models such as physical outlets, convenient service points, inclusive financial bases, mobile banking vehicles, self-service banking, and mobile banking;
- Building air banks, which break the thresholds of self-service operation for special groups such as rural residents and the elderly through real-time audio and video, face recognition and other technologies. The whole bank has put into operation 368 air banks, of which 283 are in the county area;
- Building a "Yu Quick Payment" payment system that integrates bill collection, cashier and marketing, and creating "Yu Quick Payment for Crispy Plums" and "Yu Quick Payment for Shatian Pomelos" and other featured QR code channel products;
- Promoting the action of "1+2+N" inclusive financial services to villages, and having established 658 inclusive financial bases.

## Services Upgrade

- Relying on the intelligent technology to build a "Dialect Bank", aiming at the characteristics of high dialect inheritance rate in Chongqing area, and by the mixed model of "the Chongqing dialect and Mandarin", the Bank's self-service machines and mobile banking can understand the Chongqing dialect and provide warm financial services, with more than 12 million effective customers for service;
- Continuing to carry out the "Five Entering" activities of "Entering the unit, Entering the community, Entering the market, Entering the village and town, Entering the construction site", and launching the one-stop service of "Traditional Chinese Medicine Consultation into the Villages" and "Health + Finance";
- Effectively carrying out consumption assistance and helping the sales of characteristic agricultural products in the key assisted areas of rural revitalization by mobilizing employees to purchase, prioritized purchases in canteens, ultimately achieving an annual amount of RMB4.3941 million in consumption assistance.

## Case

### Youyang Sub-branch supported camellia oleifera industry

Camellia oleifera is the first pillar industry of the agricultural industry in Youyang County, with a history of more than 3,000 years of cultivation in the local area. In order to accelerate the industrial development of camellia oleifera industry, Youyang County established Youyang County Youzhou Ecological Agriculture Development Co., Ltd., which was responsible for the operation of the camellia oleifera industry chain. In order to expand the planting scale of the camellia oleifera, the company planned to build a new 20,000 acres camellia oleifera planting base, but it was in the dilemma of insufficient funds. The Youyang Sub-branch of the Bank learned about this situation during the door-to-door visit, and immediately set up a special financial service class to formulate financial service plans for it, and successfully granted RMB120 million of credit to the company to support the "rural revitalization demonstration project of high-standard camellia oleifera base construction in Youyang County". After the completion of the project, the company will add 22,000 acres of high-standard camellia oleifera planting base, benefiting about 1,100 farmers in one town and three townships in Youyang County and increasing farmers' income by more than RMB30 million.



The camellia oleifera base in Youyang County

## Case

### Jiangjin Branch served characteristic agriculture and reloaned to support agriculture

Chongqing Dingcai Ecological Agriculture Development Co., Ltd. is located in Xiuzhuang Village, Xianfeng Town, Jiangjin District, Chongqing City. The company was established in 2015 and was mainly engaged in the cultivation and sales of pepper seedlings and the storage and sales of fresh peppers. The products sell well in Sichuan, Shandong, Chongqing and other provinces and cities, having achieved certain brand and social benefits. With the steady increase in the number of orders this year, the company's various costs have gradually increased, resulting in problems such as unsatisfactory operating income and profit conditions, and tight liquidity. However, the company could not provide sufficient collateral to guarantee financing. The Jiangjin Branch of the Bank set up a fast-track reloaning channel for supporting agriculture as soon as possible to solve the urgent needs of enterprises and shorten the loan processing time. It only took 3 working days to successfully issue "Reloan + primary, secondary and tertiary industry integration loan" RMB2 million, and provide them with dual policy preferential policies of low interest rates and professional guarantee company guarantees to save financing costs.



The customer manager of Jiangjin Branch visited Xiuzhuang Village, Xianfeng Town



## Case

### Rongchang Sub-branch's financial support for the development of blood orange planting industry

Chongqing Qincheng Agricultural Development Company is the largest late-ripening Tarocco blood orange base in Rongchang District. It has developed into a core demonstration area of 800 acres and a promotion area of more than 2,000 acres. In order to solve the practical difficulty of agriculture-related enterprises without sufficient collateral, Rongchang Sub-branch issued a RMB2 million agricultural loan to Chongqing Qincheng Agricultural Development Company, which injected a strong impetus to expand the scale of blood orange planting.



The Tarocco blood orange base in Qincheng Agricultural Development Company

## Case

### Chengkou Sub-branch helps local agricultural industry

Chengkou County Qihang Agricultural Development Co., Ltd. is located in Puchi Village, Gaoguan Town. It is one of the most large-scale, modern, intelligent and scientific breeding bases in Chengkou County. At the end of 2021, the company actively responded to the national rural revitalization strategy and decided to expand the scale of breeding again and build a new laying hen farm. However, due to the large investment in operations, the company's liquidity was tight, and existed a lack of collateral to obtain traditional financing products. On December 9, 2021, the Chengkou Sub-branch of the Bank issued a "Rural Revitalization Youth Loan" of RMB750,000 to the company, taking practical actions to solve a series of problems of the rural revitalization industry such as difficulty in financing, expensive financing, difficulty in guaranteeing and so on.



The account manager of Chengkou Sub-branch visited and investigated Qihang Agricultural Development Co., Ltd.

## Case

### Wushan Sub-branch Credit Supports Deeply Impoverished Townships

Wushan County Yuzhichuang Ecological Agriculture Tourism Park is located in Anping Village, Shuanglong Town, Wushan County. It is a boutique rural tourism project introduced by Wushan County as a key poverty alleviation project that integrates sightseeing tourism, leisure and vacation, parent-child education and cultural dissemination. The 300 acres steel-framed greenhouses in this project were in a predicament of tight capital due to high cost, slow return of capital, and the exhaustion of early funds. After learning about the situation, the Wushan Sub-branch of the Bank took the initiative to ask for needs and actively coordinated. In just one week, the loan funds of RMB900,000 were released, which effectively supported the development of the town's characteristic industries. At present, the grape greenhouse in the park covers an area of 500 acres, which is expected to increase the annual income of each 155 farmers by RMB20,000 to 30,000.



The mature season in Wushan County's Yuzhichuang ecological agriculture vineyard

## Case

### Pengshui Sub-branch opened up green channels for loans to support characteristic industries

Pengshui County Xiangyinong Agricultural Development Co., Ltd. is a village-level collectively-owned holding company. It mainly deals in edible fungi, Cuiguan pears and other agricultural products, as well as accommodation, tourism and other projects. It can increase the income of local villagers by RMB1,500 per month. The company spent a lot of money for the expansion of the homestay, resulting the funds for daily operating expenses became extremely tight. The company had a demand for loans but there was a lack of effective collateral. After learning about the situation, the Pengshui Sub-branch of the Bank took the initiative to contact the guarantee company to provide guarantee for and opened a green channel for loans. It only took 3 days to issue a loan of RMB500,000 to the corporate account of the village collective economic organization, effectively solving the difficulties in the development of new rural business entities and accelerating the process of rural revitalization.



The account manager of Pengshui Sub-branch investigated customer's financial service needs on-site

## Promoting Development of Small and Micro Enterprises >>>

In 2021, the Bank continued to improve the "Five Specialized Mechanisms" of building special teams, special products, special processes, special policies, and special assessments to serve small and micro enterprises, continuously consolidated the foundation for the development of small and micro business. We strengthened the top-level design of small and micro businesses, implemented the focus of service, creating a financial service harbor for small and micro enterprises and individual industrial and commercial households. We strengthened scientific and technological empowerment and further promoted the integration of online and offline services. Meanwhile, we formed a benign incubation and cultivation mechanism, providing comprehensive financial services and exclusive credit products for small and micro enterprises and individual industrial and commercial households.

As of the end of 2021, the balance of the Bank's inclusive small and micro enterprise loans<sup>2</sup> was RMB96.172 billion, an increase of RMB21.444 billion over the beginning of the year, a growth rate of 28.70%, 15.34% higher than the growth rate of the Bank's loans, reaching the goal of "two increases and two controls".

### Inclusive Small and Micro Enterprise Loans

Metric name	2019	2020	2021 <sup>2</sup>
Balance of inclusive financial loans to small and micro enterprise (RMB hundred million)	651.95	784.73	961.72
Proportion of loan balance of inclusive small and micro enterprises to total loan balance (%)	16.39	16.91	18.07
The number of inclusive small and micro enterprise loans (Number of customers)	123,656	129,230	152,380

<sup>2</sup>According to the Notice of the General Office of the China Banking and Insurance Regulatory Commission on Further Promoting the High-quality Development of Financial Services for Small and Micro Enterprises in 2021, starting from 2021, the "Two Increases" of inclusive loans to small and micro enterprises did not include the data related to the discounted bills and the transfer discount. The data is not comparable with the data disclosed previous years.

#### Building "professional teams"

- Establishing a professional inclusive finance committee for small and micro enterprises and optimizing the top-level design of small and micro financial services;
- Integrating and setting up inclusive finance lines in the Bank, setting up Inclusive Finance Departments or Rural Revitalization Finance Departments in sub-branches to develop small and micro financial services, in order to build a multi-level small and micro financial service network covering the whole city;
- Setting up 17 special sub-branches for small and micro enterprises in the areas where small and micro customers are concentrated, providing them with comprehensive financial services.

#### Innovating "exclusive products"

- Innovatively launching more than 30 exclusive credit products, which better covers the financing needs of small and micro enterprises at various stages of entrepreneurship, growth and maturity, enabling small and micro customers in different industries, types and development stages to enjoy the Bank's exclusive financing services, such as:
  - Innovative technology enterprises – "Technological Growing Loans", "Knowledgeable Value Credit Loans for Scientific and Technological Company";
  - Medical insurance designated medical institutions – "Medical Insurance Loans";
  - Individual industrial and commercial households – "Personal Business Loans", "Quick Housing Loans", "Yu Quick Revitalization Loans";
  - Rural characteristic industries – "Integrated Loans for Primary, Secondary and Tertiary Industries", launching "Integrated Loans for Three Cooperatives" for farmers' professional cooperatives.

#### Developing "specialized processes"

- Developing and launching online loan-processing functions such as "Applying Loans by Scanning QR Codes", "Cloud Signing", "Self-service Mortgage", "Self-service Payment" and "Self-service Loan Renewal" to improve the efficiency of loan processing and improve the intelligence level of small and micro businesses.



### Introducing "proprietary policies"

- Launching a proprietary interest rate pricing policy, lowering the pricing level of the base interest rates for industries where small and micro customers are concentrated, as well as scientific and technological innovation loans, green loans, and rural revitalization loans, to give preferential interest rates;
- Actively using monetary policy tools such as re-lending and re-discounting, implementing reduction and exemption policies for service charge, and strictly prohibiting arbitrary charges in the financing of small and micro enterprises;
- Formulating a policy of renewing loans without principal repayment to alleviate the problem of on-lending, taking multiple measures to reduce the financing costs of small and micro customers.

### Implementing "special examination"

- Separately listing the inclusive small and micro credit plan, improving the score weight of inclusive finance in the KPI assessment of sub-branch leaders, and introducing special incentive plans;
- Implementing internal fund transfer pricing discounts for small and micro loans, giving tolerance for non-performing loans, implementing due diligence and exemption, and continuing to consolidate the "Dare to Lend, Willing to Lend"



## Case

### Wanzhou Branch established the first financial service harbor in Wanzhou District

In order to thoroughly implement the decision and deployment of the CPC Central Committee and the State Council to support the development of the real economy and continue to optimize the business environment, the Bank's Wanzhou Branch and Gaosuntang Sub-district Office jointly built the region's first financial service harbor in December 2021 and built 9 inclusive financial service institutions, covering all townships, streets, parks and business districts, and strived to build a financing service system with "unified standards, multi-directional radiation, precise drip irrigation, efficient and convenient" as soon as possible. Financial Services Harbor can centrally accept applications for first loan and loan renewal of small and micro enterprises and individual industrial and commercial households through online and offline services, and provide enterprises with relevant policy publicity, financing advice, and training guidance, creating a financial service through train and providing enterprises with One-stop, convenient and high-quality financial services.



Signing ceremony of the agreement on "Financial Harbor for Private Small and Micro Enterprises and Individual Industrial and Commercial Households"

## Case

### Innovative "cloud signing" to solve problems for small and micro customers

Mr. Peng is a native of Ganyuan Village, Quchi Township, Wushan County. He has been engaged in the cultivation of "Newhall" navel oranges since 2017. In 2020, he established the Rural Comprehensive Service Co., Ltd. of Ganyuan Village, Quchi Township, Wushan County, Chongqing City. In order to drive more local farmers to become rich, Mr. Peng expanded his business scale and urgently needed RMB300,000 for mining wasteland, paying for land transfer and labor costs, and purchasing saplings and fertilizers. However, he studied navel orange cultivation technology in other places, and he could not return to Chongqing during the epidemic situation in time. It was difficult to solve the problem of capital turnover of RMB300,000. After learning about Mr. Peng's actual situation, the Wushan Sub-branch of the Bank immediately formulated a financing plan of "personal business credit loan + cloud signing" for him, and instructed him to sign the loan application and authorization letter online through the "cloud signing" platform on his mobile phone, and signed a loan contract, so that he can self-use the loan of RMB300,000 in his mobile banking, solving the urgent need.



"Newhall" navel orange from Orange Garden Village, Quchi Township, Wushan County

## Case

### Bishan Sub-branch helped returning migrant workers start business and get rich



Han Huiyong Chicken Farm, Bishan District, Chongqing

In 2016, Mr. Han, who had been working outside, returned to his hometown, Liangshui Village, Batang Town, Bishan District, and started his business, establishing Han Huiyong Chicken Farm in Bishan District, Chongqing. With years of careful operation, the scale of the chicken farm increased, with the expanded demand for chickens and feed, and there existed a gap in working capital. Bishan Sub-branch of the Bank learned about Mr. Han's actual situation during the process of "walking between villages and households", introduced the Bank's financial service products and business guarantee loan policy to him, and recommended him to apply for business guarantee as a returning migrant worker. Bishan sub-branch staff immediately instructed Mr. Han to submit a loan application on his mobile phone, and quickly issued a RMB200,000 entrepreneurial guarantee loan to him, making him enjoy the double preferential policy of low interest rate and interest subsidy.

## Fully Serving the People's Livelihood >>>

In 2021, the Bank provided convenient financial services for hospitals and schools through the smart financial platform. As to the daily collection of funds from customers in the livelihood sector, we provided preferential deposit interest rate policies to strengthen the function of fund use and make the daily use of funds run flexibly. Besides, we supported the development of living consumption and new consumption fields, and strengthened the cooperation with the government, providing convenient financial services for the masses. In order to guide more financial resources to incline to the people's livelihood industry, we incorporated the livelihood industry loans into the KPI assessment of sub-branches, increased assessment incentives, and formulated preferential policies. As of the end of 2021, the Bank's balance of loans to the livelihood sector reached RMB27.464 billion, a net increase of RMB3.503 billion from the beginning of the year.

### Supporting the Medical and Cultural Education Industry

The hospital industry and education industry are the "priority support" industries for the Bank's 2021 credit extension. In 2021, we provided "Smart Medical Services" and "Smart School Services" for 16 hospitals and 6 schools, effectively connecting with the financial systems of such customers, optimizing payment and settlement models, and meeting customers' management and monitoring needs at any time. In the medical field, we actively responded to the rural revitalization strategy, supported to improve the weak links in the rural medical field, and continued to promote the improvement of diagnosis and treatment conditions in primary medical institutions. In the field of education, we further increased support for educational institutions with high-quality brand reputation, sufficient teachers, competitive advantages in students and strong professional strength.



## Case

### Fengjie Sub-branch supported the operation and development of a Chinese medicine hospital

Fengjie County Traditional Chinese Medicine Hospital was founded in 1990. It is a public Grade II Level A Chinese medicine (comprehensive) hospital integrating medical treatment, teaching, scientific research, first aid and rehabilitation. Its medical services radiate Wushan, Wuxi, Zhenping and other surrounding districts and counties, with a population of about 3 million. The hospital's new outpatient, inpatient complex building, and medical technology security building are expected to be put into use in 2022, which can effectively change the limitations of insufficient medical resources. However, with the expansion of the business scale, the hospital urgently needed to increase its inventory and faced the short-term requirements for drug payment and the long settlement cycle of social security funds, which leads to the short-term capital turnover pressure of the hospital. In order to ease the pressure on its business turnover, Fengjie Sub-branch issued a working capital loan of RMB100 million to the hospital to provide financial service guarantee.

## Case

### Yubei Sub-branch supported digital medical equipment R&D and production enterprises



A corner of the production workshop of Chongqing Jinshan Science and Technology (Group) Co., Ltd.

Chongqing Jinshan Science and Technology (Group) Co., Ltd. (hereinafter referred to as "Jinshan Group") was established in 1998. It is a national high-tech enterprise integrating R&D, production, sales and service of digital medical equipment. As the first capsule endoscope production enterprise in China, the enterprise takes micro-system MEMS technology as the core, has undertaken dozens of national scientific research programs. In March 2021, the customer manager of the Bank's Yubei Sub-branch learned that Jinshan Group's stocking volume has increased com-

pared with the same period in the last year in order to expand production. However, its downstream enterprises were mainly large and medium-sized hospitals, whose collection cycles were relatively long, resulting in Jinshan Group's nervous liquidity. In order to support the sustainable and steady development of the enterprise, Yubei Sub-branch immediately adjusted its credit granting ideas, and chose the newly launched "listed loan" to issue a loan of RMB10 million to Jinshan Group with a preferential interest rate.

## Promoting the Development of Consumer Finance

In line with the national policy call of "Expanding Domestic Demand and Stimulating Consumption", the Bank established and improved the consumer financial service mechanisms, expanded consumer financial service channels, increased financial support for people's daily consumption and new consumption areas, and complied with the trend of processing personal consumption loans online for customers of the bank, promoting the upgrading of urban and rural residents' consumption.

### Implementing the development orientation from the reduction of profits

On the premise of controllable risks and compliance with regulatory requirements, the Bank accelerated the realization of the online model of traditional consumer credit business, reduced the management and operating costs of traditional credit business, and effectively implemented the financial concession policy.

### Stimulating from policies

The Bank actively promoted the personalized strategy of "Thousands of People, Thousands of Faces" for online loans, effectively implemented the standardized policy of offline loans, shortened the time limit for processing loans, improved user experience, and actively played the guiding role of financial policies to increase residents' willingness to consume and enhance their confidence in consumption.

### Optimizing the credit model for consumption

The Bank continued to promote independent innovation of "Yu Quick Loans" across the board to meet the high-frequency, small-sum and convenient financial needs of high-quality customers, and accelerated the process of online and offline businesses of consumer loans to improved customer experience and expanded customer acquisition channels.

## Cooperating with Government to Benefit People

The Bank has established cooperative relations with Chongqing relevant government to ensure optimal customer experience by using monetary policies and advantageous products, and the "dual combination" working model of online products and offline services. Through the establishment of inclusive financial bases, we support private small and micro enterprises and individual industrial and commercial households, strengthen the connection between the Bank and the government, and strengthen convenient services. As one of the entrusted banks for the deposit and use of provident fund for flexible employees in Chongqing, we have established a special service mechanism to help flexible employees deposit, withdraw and loan provident fund.

### Case

#### Liangjiang Branch Successfully handled the city's first "Liangjiang New Area Technology Cross-border Loan"

Chongqing Yuanda Print Co., Ltd. (hereinafter referred to as "Yuanda Print") is a comprehensive printing enterprise integrating bills and tickets, IT printing products, packaging color boxes, anti-counterfeiting labels and publications. In the fourth quarter of each year, the enterprise entered the peak business period. In order to reserve production funds for the peak season, the enterprise urgently needed financing with the dilemma of insufficient mortgage. Learning about the situation, Liangjiang Branch communicated with the head office in a timely manner, and actively communicated and discussed with the Liangjiang New Area Management Committee and the Chongqing Foreign Exchange Management Department. They formed a technology cross-border loan plan for Liangjiang New Area, and successfully introduced RMB5 million of foreign debt from the offshore bank of the Bank of Communications, a cooperative bank, providing enterprises with more convenient and low-cost cross-border loans. This breakthrough in cross-border financing under bank-government risk sharing was a positive attempt to win-win cooperation between banks, government and enterprises, a successful pilot of the foreign exchange administration's "foreign debt facilitation" policy, and an innovative-featured support for technology-based enterprises with government funds.

### Case

#### Flexible Employment Persons Contributing to Provident Fund

As one of the entrusted banks for the deposit and use of provident fund for flexible employees in Chongqing, the Bank actively responds to the requirements for flexible employees to participate in the pilot work of the housing provident fund system, and has established a special service mechanism to specifically match the provident fund deposit Products for flexible employees in design and development, product iterative optimization, full coverage research, deposit system construction and publicity, etc. At the same time, it has made use of its financial technology to actively connect with the construction of provident fund deposit, withdrawal and loan management systems, becoming the city's first online cooperative bank. Based on the concept of flexible deposit and withdrawal, long-term deposit with multiple payments, and combination of deposit and loan, the business helps depositors obtain the expected loan amount in an optimal way, and effectively solves the basic living problem of depositors' families. As of the end of 2021, the Bank had opened 11,280 accounts for the business, and actually paid 7,961 accounts, with an actual deposit amount of RMB58.134 million.



Promotional activities for flexible employed people to contribute provident funds



# PROMOTING GREEN DEVELOPMENT AND FULFILLING ENVIRONMENTAL RESPONSIBILITY



## Green Finance >>>

The Bank has long adhered to the concept of eco-priority and green development, carried out green financial business under the framework of the *Green Credit Guidelines* of the China Banking and Insurance Regulatory Commission, and promoted the deep integration of developing Green Finance and serving local economic construction and social livelihood. We strengthened our efforts to cooperate with frontier institutions in the field of green development, made great efforts to improve the professional level of Green Finance, continued to optimize the green financial service models while establishing a sound organizational action system. In brand building, we participated in the establishment of green financial evaluation standards, increased the publicity of green culture, created a green culture brand, striving to become a benchmark bank of Green Finance. The Bank has formulated the "14th Five-Year Plan" for Green Finance from the top-level design and has strategically planned a "blueprint" for its medium-and long-term development of Green Finance. By the end of 2021, the Bank's green credit loans balance was RMB36.664 billion, an increase of RMB12.098 billion or 49.24% from the beginning of the year, accounting for 6.89% of credit assets, an increase of 1.6 percentage points from the beginning of the year; and the Bank has issued three green bonds with a total amount of RMB5 billion.

Indicator	Emission reduction converted from green credit in 2021
Standard coal for emission reduction converted from green credit (tons)	427,213.13
Carbon dioxide for emission reduction converted from green credit (tons)	801,552.34
COD for emission reduction converted from green credit (tons)	4,122.92
Ammonia nitrogen for emission reduction converted from green credit (tons)	334.46
Sulfur dioxide for emission reduction converted from green credit (tons)	25,274.09
Nitrogen oxides for emission reduction converted from green credit (tons)	1,429.29
Water saving converted from green credit (tons)	16,176.47
Total nitrogen for emission reduction converted from green credit (tons)	351.69
Total phosphorus for emission reduction converted from green credit (tons)	48.53

## Constructing Green Finance System

The Bank has built a “1+3+22+N” Green Finance organization system, with a Green Finance Committee established under the senior management and three working groups of green finance, green culture and green operation set up. We formulated the *Working Rules of the Green Finance Committee of Chongqing Rural Commercial Bank* to clarify the work responsibilities and operating mechanisms of each department, ensuring the effective operation of the Green Finance Committee. The Green Finance Department is responsible for the overall planning of green development and coordinates the 22 departments of the Bank and all institutions of the Group to promote the green development of the Bank. In addition, we have defined the establishment and evaluation criteria of green banks based on the principle of “Pilot First, Promoting Comprehensively”. At present, three green branches have been established in Jiangbei, Yuzhong and Wanzhou, and the goal of establishing 10 green banks will be completed within three years.

The Bank continued to improve the Green Finance policy system to provide institutional guarantees for green development. We revised the *Working Rules of the Strategic Development Committee of the Board of Directors*, added functions related to Green Finance development, requiring the submission of major issues and strategic plans related to Green Finance to the Board of Commissioners and the Board of Directors for consideration, so as to promote the development of Green Finance from the top down at the corporate governance level. The Bank has introduced green development provisions in the *Basic System of Credit Business* and other related credit systems and added content about environmental risk management to the loan contract. In the *Basic System of Risk Management*, it is proposed that the comprehensive risk management system should be consistent with the Equator Principles, Green Finance, and sustainable development requirements. In the *2021 Green Credit Investment Guidelines*, the scope of the green credit industry, the overall credit policy, and the “three-category” criteria for customers are defined. The “blacklist” of customers and projects with environmental risks that are not eligible for credit support is also defined to strengthen the control of environmental risks in the access process.

The Bank has formulated the *Implementation Rules for Green Financial Bonds of Chongqing Rural Commercial Bank*, which clarifies the division of responsibilities of Green Financial Bond Management Departments, project evaluation and screening, management of raised funds, third-party certification and information disclosure, and other management regulations to standardize the issuance process of green financial bonds. According to the *Green Bond Endorsed Projects Catalogue*, we established a list of qualified projects for the issued Green Financial bonds according to the *Green Bond Endorsed Projects Catalogue*, and the funds raised would be used to support green projects such as clean transportation and clean energy with significant environmental and social benefits in accordance with applicable laws and regulatory approvals. We have been tracking and managing the use of raised funds and regularly disclosing reports on the use of raised funds to ensure that the raised funds were used to promote the achievement of real and effective energy-saving and emission reduction benefits.

## Building Green Finance Capacity

To improve the professional level of Green Finance, the Bank has conducted 5 Green Finance-related training for employees in 2021, including training on Green Finance, training on Green Finance and green loan recognition, training on green credit business management system and on-site trainings on Equator Principles by experts from the Beijing Institute of Green Finance and Sustainable Development. In addition, we have formulated performance evaluation plans such as the *Notice on Issuing 2021 Sub-branches Performance Evaluation Plan*, the *Notice on Issuing 2021 Head Office Performance Evaluation Plan*, etc. Green credit will be included in the annual evaluation of employees in relevant departments, mainly consisting of indicators such as the net increase in green credit, increase in proportion and application of new products. At the same time, we will increase the performance of employees according to the performance of the green credit business, and consider the results of green credit assessment when they are promoted.

## Technology Empowering Green Development

At present, the Bank has completed the launch of the green credit business system, which enables fast and accurate identification of green credit through the use of intelligent technology, and improves the efficiency of Green Finance recognition. The system has a professional model to calculate environmental benefits, which can automatically measure environmental benefits and improve the data quality of environmental information disclosure.

With this system, which has the functions of risk monitoring on environmental information, carbon emission accounting, statement statistics, information management, etc., our green credit projects and Equator Principles applicable projects can be managed professionally through real-time interaction with business system data, further enhancing the efficiency of the Bank’s green development.

## Practicing the Equator Principle

In 2020, the Bank officially announced the adoption of the Equator Principles, becoming the fourth “Equator Bank” throughout the country and the first one in the central and western region. In December 2021, in order to further promote the green and sustainable development of our business and fulfill financial social responsibilities, in accordance with the *Law of the People's Republic of China on Commercial Banks*, the *Green Credit Guidelines*, the *Project Financing Business Guidelines*, the Equator Principles and other laws, regulatory requirements, international standards and relevant regulations of the Bank, we have formulated the *Equator Principles Projects Management Measures* of



Chongqing Rural Commercial Bank, which stipulates the Bank's adoption of the Equator Principles in terms of the application of the Equator Principles, the assessment of environmental benefits, division of internal responsibilities and information disclosure. For projects that belong to A and B categories and apply to the Equator Principles, it is required to engage third-party institutions to assess the environmental and social benefits and climate risks of the projects. The formulation of the Measures further improved the Bank's green financial system, strengthened the review of social and environmental benefits, and put forward higher requirements for the development of the Bank's green financial business.

## Biodiversity Conservation

In November 2021, the Bank signed the *Joint Declaration on Supporting Biodiversity Conservation by Banking Financial Institutions*, making declarations on strengthening biodiversity risk control, establishing biodiversity preferences, and increasing biodiversity investment and innovation. We are committed to fully exploring and developing the potential of banking financial institutions to invest in biodiversity, play a financial support role to achieve eco-friendly, sustainable, green, and inclusive development, and build a global home where humans and nature live in harmony.

### Case

#### Issuing green financial bonds to support the dual carbon goal

In June 2021, the Bank successfully issued the first phase of 2021 Green Financial Bonds of Chongqing Rural Commercial Bank Co., Ltd. in the national inter-bank bond market. It was the first green financial bond in the western region dedicated to helping achieve the strategic goal of "Carbon Peaking and Carbon Neutrality", and the funds raised are dedicated to granting loans for green projects with benefits on carbon emission reduction. This was another innovative practice of the Bank to actively promote the development of green economy after joining the "Equator Bank".

### Case

#### Liangjiang Branch assisted the successful implementation of the Railway Line 18 Project

Chongqing Rail Line 18 is an important part of the *Third Round of Chongqing Urban Rapid Rail Transit Construction Plan (2017-2022)*. It starts from Fuhua Road and ends at the south of Tiaodeng, with a total length of 28.96km. After completion, it can realize rapid connection between Yuzhong District, Jiulongpo District, Banan District and Dadukou District, and relieve the pressure of ground traffic. The Liangjiang Branch of the Bank has granted a comprehensive credit of RMB3 billion for the project, providing high-quality financial services to help build a green and low-carbon transportation system in Chongqing.

### Case

#### Siyanping Wind Farm Reconstruction Project

The Siyanping Wind Farm invested and constructed by Chongqing Datang International Wulong Xingshun Wind Power Co., Ltd. (hereinafter referred to as "Xingshun Wind Power Company") is the first wind power project in Chongqing. Since the project came into operation in 2010, it has provided Chongqing with approximately 89.38 million kWh of electricity every year, which can meet the electricity demand of 100,000 households. To accelerate the development of new energy business and help the national energy structure adjustment, Xingshun Wind Power Company carried out a comprehensive reconstruction of the Siyanping Wind Farm in accordance with the requirements of wind power quality and efficiency improvement. The Bank issued a loan of RMB161 million to Xingshun Wind Power Company in the form of credits to solve the problem of insufficient collateral and gave preferential interest rates, which effectively eased the repayment pressure of customers, timely solved the capital needs of customers in the construction of projects and supported the development of the wind power industry.



Xingshun Wind Power Company's Siyanping Wind Farm

### Case

#### Wanzhou Branch issued the first "carbon sink +" green credit loan in the region

The Chongqing Wanzhou District Zonghua Liangshan Ecological Agriculture Development Cooperative (hereinafter referred to as "the Cooperative") mainly plants vetivers, which have the dual functions of economic benefits and ecological environment management. It is one of the first green industry demonstration enterprises of Chongqing Ecological Environment Bureau and has obtained carbon sink trading indicators from the Chongqing Carbon Exchange in 2021.

With the gradual development and growth of the Industrial Park, the Cooperative wanted to expand the planting area of products and increase product promotion, but faced the difficulty of lacking liquidity.

After learning about the situation, Wanzhou Branch of the Bank quickly helped the Cooperative complete the entry and rating of knowledge value credit for science and technology-based enterprises, and opened a green channel for loan processing to handle a knowledge value credit loan of RMB800,000, becoming the first "Carbon Sink +" green credit loan in Wanzhou District. In 2021, the Cooperative achieved an annual income of RMB4.5 million, carbon sink transactions of more than RMB200,000, and solved more than 50 local farmers' local laborers, realizing green development to drive villagers to increase their income and wealth.



Employees of Wanzhou Branch and villagers of Zonghua Village

## Green Public Welfare >>>

Fully aware of the importance of ecological civilization construction, the Bank practices the development concept of "Clean Waters and Clear Mountains are Invaluable Assets", encourages employees to actively participate in environmental protection voluntary activities. We firmly establish the awareness of protecting the ecological environment and building a green society, shoulder the sense of responsibility and mission to build a beautiful home collectively, and work together to create an environment-friendly society.

### Case

#### Xishan CQRC County Bank carried out river cleaning volunteer activities



Han Huiyong Chicken Farm, Bishan District, Chongqing

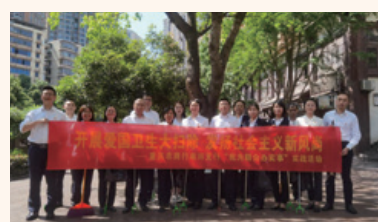
Xishan CQRC County Bank carried out the volunteer activity of "protecting the river and caring for Dianchi Lake" to enhance employees' sense of responsibility and mission in protecting Dianchi Lake and beautifying their homes. In this activity, volunteers picked up cleaning tools and garbage bags to clean up garbage along the Cailian River. At the same time, they promoted the knowledge of Dianchi Lake protection and management to the resi-

dents along the river, so that the concept of green environmental protection could be rooted in more people's hearts.

### Case

#### Nanchuan Sub-branch launched the theme activity of "Patriotic Cleanup"

In the afternoon of April 30, 2021, the Bank's Nanchuan Sub-branch organized 16 employees to go deep into the Zhuyantang community of Dongcheng Street to carry out a patriotic cleaning campaign, including cleaning dead corners of sanitation, removing garbage in green belts, improving the urban environment to build sanitation defense lines, solidly promote "I do practical things for the masses" practice activities, and actively carry forward the new socialist style.



Nanchuan Sub-branch Launched Volunteer Service Activity of "Patriotic Cleanup"

### Case

#### Qijiang Sub-branch carried out environmental sanitation improvement activities in Baibuti community

The garbage piled up in the ditches on both sides of the streets of Baibuti Community in Qijiang District has polluted the surrounding environment and seriously affected the beauty of the city and the comfort of the living environment. To help solve the problems of garbage accumulation and environmental sanitation, the Qijiang Sub-branch of the Bank organized employees to carry out environmental sanitation remediation activities, cleaned ditches and garbage along the street and took practical actions to arouse community residents' attention to environmental protection. While strengthening communication with local communities, Qijiang Sub-branch effectively fulfills social responsibilities to jointly carry out the construction of civilized urban areas and environmental sanitation improvement and contribute to the civilization creation of Qijiang urban areas.



Environmental sanitation activities in Baibuti Community

## Green Operation >>>

The Bank complies with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and other laws and regulations and has formulated the green operation plans such as the *Air-conditioning Operation Scheme for Office Buildings*, the *Measures for the Administration of Official Vehicles of Chongqing Rural Commercial Banks*, the *Implementation Plan for Garbage Sorting in Office Buildings of the Head Office* and other green operation systems and programs. In 2021, we revised the *Administrative Measures for Office Buildings of the Head Office of Chongqing Rural*



*Commercial Bank and the Administrative Measures for the Staff Canteen of Chongqing Rural Commercial Bank*, combined with the national low-carbon development policy, actively explored green and low-carbon initiatives and continuously strengthened the concept of green environmental protection. At the same time, we created a good atmosphere for energy conservation and consumption reduction, created a sustainable office environment, and helped promote the development of low-carbon economic transformation. The Bank further built a green office area in 2021 by placing low-carbon and environmental protection posters on LED screens in office premises, promoting video conferencing and intelligent office, and actively creating a green working environment. We adopted efficient and energy-saving design solutions to help the Bank's Yuzui Data Center successfully be rated as a national green data center. In 2021, there was no issue arising from the Bank's operations that had caused significant environmental pollution and impacts.

Energy conservation and emission reduction

- Promoting the use of new energy vehicles, with a total of 9 new energy business vehicles purchased in 2021;
- Encouraging employees to use natural light illumination when the light is sufficient, and to use energy-saving lamps and functional motors with variable frequency control to save power consumption;
- Shortening the switching time of the floodlights in the head office building from 18:00–23:00 to 20:00–21:30;
- Requiring employees to turn off electronic devices that are not in use promptly, and not to install or use high-power electrical appliances without authorization;
- Adjusting the water output of the sensor faucet in the restroom, strengthening the daily maintenance and management of water equipment, and eliminating the phenomenon of "running, emitting, dripping and leaking" to reduce the waste of water resources.

Green office

- Actively promoting video conferencing and the intelligent office, with a total of 12 intelligent conference screens purchased by the head office building in 2021;
- Encouraging paperless office and double-sided printing to reduce paper waste.

Green reconstruction

- In the decoration of outlets, using dry-hanging aluminum-plastic panels, steel-frame dry-hanging aluminum panels, imitation carpet tiles and other crafts, using energy-saving LED lamps, and reducing the use of wooden materials;
- Selecting the pilot sub-branches to be built in accordance with LEED Green Building Gold standards, and carrying out green management throughout the entire process, from site selection to design to construction and operation;
- Selecting data center equipment with low energy consumption, small size, high level of automation, and reliable operation, installing data center cabinets and rack equipment in an efficient and energy-saving way, and applying advanced cold and hot aisle technology to improve energy utilization efficiency and effectively save energy;
- Completing the renovation of green plants in the office building of the head office, replacing 100% of the coverings in the plant pots with environmentally friendly materials, and hanging QR codes of large plants for employees to understand their varieties, habits, functions, meanings, etc. to increase the green atmosphere of the office building.

Waste management

- Regulating canteen procurement and food management, and reducing the consumption and food processing cycle to avoid food waste;
- Advocating "Plates Clearing Action" to reduce the generation of food waste;
- Encouraging online office, using refillable ink and toner cartridges for printers, copiers and other equipment to reduce the use of printing equipment consumables;
- Fully implementing garbage classification in the office building of the head office, with special trash cans placed on each floor according to unified standards, and requiring employees to categorize garbage and place it in designated areas as required;
- Arranging for dedicated personnel to manage hazardous and non-hazardous waste, and hiring a qualified third party to recycle hazardous waste;
- Strengthening the management of idle assets, and making full use of existing office furniture, to effectively reduce waste generation and improve asset utilization.

# 2021 Environmental Indicators

The Bank adheres to green office, energy conservation and emission reduction, saving water, electricity, and paper, and establishes a corresponding management mechanism for environmental footprint. Based on actual operations, we have set targets at the head office level in terms of carbon emissions reduction, energy consumption reduction, water conservation and waste generation reduction. The environmental targets are as follows:

Target type	Target description
Target on carbon reduction	<ul style="list-style-type: none"><li>From 2022, the annual per capita carbon emissions of the whole bank (Scope 1 and 2) will be controlled within 5 tons.</li></ul>
Targets on waste management	<ul style="list-style-type: none"><li>100% of hazardous waste generated by the head office of the Bank is handled by a third-party organization with professional qualifications;</li><li>By the end of 2023, 100% of the office space of the head office will achieve garbage classification.</li></ul>
Targets on energy saving	<ul style="list-style-type: none"><li>Starting from 2022, the annual per capita electricity consumption of the head office shall not exceed 6,000 kWh;</li><li>By the end of 2023, 100% LED energy-saving lamps will be covered in the office premises of the head office.</li></ul>
Target on water saving	<ul style="list-style-type: none"><li>From 2022, the annual per capita water consumption of the head office will not exceed 36 tons.</li></ul>

## Environmental Performance

Unless otherwise stated, the statistical scope of environmental performance herein solely covers the head office and sub-branches<sup>1</sup> 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 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2021.

### 1.Emission Data<sup>2</sup>

Indicator	Performance
Total SO <sub>2</sub> emissions (tons) <sup>3</sup>	0.002
Total NO <sub>x</sub> emissions (tons) <sup>4</sup>	0.05
Total Greenhouse gas (GHG) emissions (Category 1 and Category 2) (tons) <sup>5</sup>	21,749.81
Per capita GHG emissions (Category 1 and Category 2) (in tons/person)	4.31
GHG emissions per square meter of floor area (Category 1 and Category 2) (tons/m <sup>2</sup> )	0.06
Direct GHG emissions (Category 1) (tons)	732.74
Vehicle fuel consumption <sup>6</sup>	251.62
Facility diesel <sup>7</sup>	38.10
Natural gas	443.02
Indirect GHG emissions (Category 2) (tons)	21,017.07
Purchased electricity	21,017.07
Total hazardous wastes (tons) <sup>8</sup>	41.78
Total hazardous wastes per capita (tons/person)	0.008
Total hazardous wastes per square meter of floor area (tons/m <sup>2</sup> )	0.0001
Total non-hazardous wastes (tons) <sup>9</sup>	461.31
Non-hazardous wastes per capita (tons/person)	0.09
Non-hazardous wastes per square meter of floor area (tons/m <sup>2</sup> )	0.001



Notes:

1. The sub-branches in the main urban area of Chongqing include Yuzhong Sub-branch, Dadukou Sub-branch, Jiangbei Sub-branch, Shapingba Sub-branch, Jiulongpo Sub-branch, Nan’ an Sub-branch, Beibei Sub-branch, Yubei Sub-bfranch, Liangjiang Branch, Banan Sub-branch, Science City Branch and the Head Office Business Department, in which the Science City Sub-branch was newly established in 2021.
2. 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.
3. 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.
4. 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.
5. 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 CO<sub>2</sub> 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)*.
6. Vehicle fuel consumption includes consumption of gasoline and diesel.
7. Facility diesel refers to diesel used by backup generators.
8. 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.
9. 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, Liangjiang Branch and Science City 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) <sup>10</sup>	40,178.35
Total per capita energy consumption (MWh/person)	7.97
Energy consumption per square meter of floor area (MWh/m²)	0.12
Direct energy consumption (MWh)	3,438.44
Vehicle fuel consumption	1,027.86
Facility diesel	144.90
Natural gas	2,265.67
Indirect energy consumption (MWh)	36,739.91
Purchased electricity	36,739.91
Purchased electricity power consumption of the Head Office (MWh) <sup>11</sup>	17,190.99
Daily water consumption (tons) <sup>12</sup>	179,050.03
Daily water consumption of the Head Office (tons) <sup>13</sup>	62,456.00
Daily water consumption per capita (tons/person)	35.51
Daily water consumption per square meter of floor area (tons/m²)	0.52
Total paper consumption (tons) <sup>14</sup>	324.61

Notes:

10. 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 2589-2020)*, a National Standard of the People's Republic of China, and this mainly includes electricity, natural gas, vehicle fuel consumption and facility diesel.
11. 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, Shuix-ing office area, and Yuzui data center. The Shuixing Office in the original statistical scope was discontinued in October 2020, so it is no longer included in this statistical scope.
12. Daily water consumption includes tap water and reclaimed water. The Bank's water is mainly from municipal water supply, and there is no problem in sourcing water.
13. Daily water consumption of the Head Office includes the daily water consumption of Chongqing Rural Com-

mercial Bank Tower, Tongchuang office area, Erlang office area, Shuixing office area, and Yuzui data center. The Shuixing Office in the original statistical scope was discontinued in October 2020, so it is no longer included in this statistical scope.

14. Paper includes A4 copy paper, A3 copy paper and ATM voucher paper.

15. The data of packing materials is not applicable to the Bank.

## Climate Changes >>>

As China clearly proposed the "3060" goal of carbon peaking and carbon neutrality, the climate risks faced by financial institutions, especially the banking industry, have been significantly increased, and new development opportunities have also been ushered in. The Bank pays close attention to the issue of climate change, actively carries out the identification and response of climate change risks and opportunities, and conducts special stress tests to fully quantify the impact of climate change on the Bank.

In December 2020, upon deliberation and approval by the Board of Directors, the Bank issued the revised *Basic Policy of Risk Management*, one of the basic principles which for the first time included the Equator Principles, Green Finance, and sustainable development requirements to be followed in risk management. The "Compatibility Principle" stipulates that "the Bank's comprehensive risk management system should be adapted to the risk status and system importance, match the Equator Principles, Green Finance, and sustainable development requirements, and be adjusted according to environmental changes". In April 2021, upon deliberation and approval by the Board of Directors, the Bank issued its annual risk appetite statement, which includes environmental (Green Finance) risks in the annual risk appetite statement for the first time, stipulating that "Environmental risk refers to risks caused by climate change and risks in non-climate fields caused by environmental factors (such as air pollution, water pollution, soil pollution, etc.)". We are working on strategic planning, internal control, risk management, and business development to enhance the construction and implementation of environmental-related systems, and actively face the risks and challenges brought by climate change.

### Identification of climate change risks and opportunities

The Bank has identified the possible and existing impacts of climate change on the Bank.

**Physical risks:** Extreme weather may result in damage to the Bank's assets and threaten the health and safety of employees. If extreme weather damages the Bank's data center or network to a large extent, the continuity and stability of some of the Bank's businesses may be affected. In addition, extreme weather may cause significant economic losses to customers, resulting in a sudden increase in business operating costs or a decline in personal economic level, or even

exposing them to bankruptcy pressure, while collateral in the affected areas may be damaged or depreciated, all of which may lead to a reduction in the quality of the Bank's loans.

**Transformation risks:** The introduction of corresponding policies for low-carbon transformation will inevitably affect the operation and development of relevant industries, and the subsequent drastic market fluctuations may have an impact on the Bank's loan structure.

**Opportunities:** Coping with climate change risks requires continuous and substantial capital investment by companies, and the ability and level of capital supply will directly affect the achievement of carbon emission reduction goals and the achievement of climate governance effects, bringing corresponding development opportunities on financial business to the banking industry.

### Addressing Risks and Opportunities on the Climate Change

To deal with the adverse impact of natural disasters caused by extreme weather on the Bank, effectively protect the personal safety of employees and company property, and maintain normal business order, the Bank has formulated the *Chongqing Rural Commercial Bank Emergency Plan for Natural Disaster*, clearly stipulating the procedures of reporting and disposal in the event of natural disasters and guiding agencies and personnel at all levels to control losses in a timely manner. In the face of common flood conditions and rainstorms in Chongqing, the Bank makes every effort to deal with emergencies such as flood control and drainage, organizes several emergency drills such as flood control and drainage, and riot control, inspects facilities and equipment, and unclogs wells and pipelines to ensure the normal operation of the order. In addition, to avoid the adverse impact of climate risks on the Bank's data centers and ensure the stable operation of important businesses, we have built a disaster recovery system of "Three Centers in Two Places" with the industry's advanced level. 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.

The Bank strengthens the whole-process management of environmental (Green Finance) risks and enhances credit orientation guidelines and risk alerts for climate-sensitive industries. In the post-loan and post-investment management, we include the credit risk of customers due to climate reasons into the monitoring scope, and timely warn and dispose of it. At the same time, we strengthen the management and revaluation of collaterals to prevent climate reasons from affecting the guarantee of the second repayment source.

Towards the goals of carbon peaking and carbon neutrality, the Bank focuses on supporting the credit business related to energy conservation and environmental protection industries, clean production industries, clean energy industries, ecological environment industries, infrastructure green upgrades and green services, and formulates green credit products such as "Clearing Loans" and "Green Loans on Electricity". We focus on supporting green projects with obvious environmental benefits, open green approval channels, implement preferential interest rate poli-



cies for green projects, and give priority to green enterprises and green projects to guarantee the credit scale.

For industries related to overcapacity, high pollution, and high energy consumption, such as coal, steel, cement, electrolytic aluminum, flat glass, and coking, the Bank strictly controls the total amount of credit, effectively resolves credit risk and ensures the safety of credit assets. In addition, we strictly control the financing projects of "Two High" and continue to implement the "One-vote Veto" for financing projects that do not meet the national industrial policies, energy consumption and emission standards to ensure the safety of credit assets.

### Risk Stress Tests on Climate Change

To fully evaluate and strengthen the foresight of environmental risk management and guide the green adjustment of the credit structure, the Bank conducted a special stress test for environmental (climate change) risks in December 2021. This environmental (climate change) risk stress test selected the thermal power and chemical industries, and set up mild, moderate and severe stress scenarios with the increasing comprehensive carbon price, the increase in the proportion of paid allowances and the increase in technology costs as the main influencing factors, and opened up the transmission path and calculation method on the Bank's credit risks effected by the environment and climate change, and proved the correlation and degree of correlation between the two. The test results show that the Bank's capital adequacy ratio and non-performing loan ratio can still meet the regulatory requirements under the severe stress scenario, and the risks are generally controllable.

# PRACTICING SOCIAL RESPONSIBILITY AND BUILDING A BETTER SOCIETY TOGETHER



## Implementing Responsibilities >>> of Customer Services

In 2021, the Bank continued to adhere to the "customer-centered" service philosophy, promoted the optimization and integration of offline channels and online channels, and accumulated convenient financial services in rural areas to meet the needs of customers at different levels. We strengthened technological advantages and technological innovation capabilities, optimized business processes, improved customer experience, and provided customers with professional, high-quality, and humanized financial services. At the same time, we practiced the responsibility of protecting consumers' legitimate rights and interests, listened to consumers' opinions, created a safe, comfortable, and convenient financial service environment to build a security barrier for the safety of customers' living, information, and funds.

### Optimizing the Construction of Service Channels

In 2021, the Bank continued to optimize and expand service channels, improved service methods, strengthened equipment construction, and focused on rural convenience services and mobile banking services. Meanwhile, we effectively extended the radius of financial services, actively leveraged the unique advantages of rural commercial banks in rural branches, and strived to satisfy customers at all levels to meet the needs of financial services and create a green, convenient and comfortable financial service environment for customers.

#### Comprehensive coverage of physical outlets

- Achieving full coverage of physical outlets in 38 districts and counties in Chongqing, with a total of 1,760 institutions of which 1,454 were outlets located in counties, accounting for 82.61% of the total as the end of 2021;
- By deploying machinery and equipment, mobile service vehicles, etc., we broaden our services to cover 6,198 administrative villages, realizing an increase of 103 compared to the beginning of the year.

#### Optimizing the network layout structure

- Based on the Bank's network properties, urban and rural economic development and financial needs, market competition, and business development, optimizing the network layout through relocation, integrating and deploying 6 duplicate branches, relocating 15 branches with declining resources, and settling in the blank area of financial services in districts and counties to support local economic development.

#### Improving the construction of self-service equipment

- As of the end of 2021, having launched a total of 4,349<sup>3</sup> self-service machines, including 3,312 all-in-one deposit and withdrawal machines, 727 self-service teller machines, and 310 self-service inquiry machines, and 2,270 smart counters, with a ratio of machines and sub-branches of 3.76:1;
- Assessing and adjusting the relevant expenses and costs of equipment in key rural areas such as rural revitalization key assistance townships, key tourism towns, "1+2+N" inclusive finance to villages and the integration of Three Cooperatives to guide resources towards rural areas.

#### Developing mobile financial services

- Purchasing 5 mobile banking service vehicles and launching mobile financial services in Youyang, Pengshui, Chengkou, Wuxi, Shizhu and other counties, to effectively extend the service radius of business outlets, and improve financial services for people in remote areas and those lacking financial services;
- Taking the LED multimedia equipment of the service car as the carrier, playing the publicity film about financial knowledge, epidemic prevention and control and flood season safety, and promoting basic financial knowledge such as preventing telecommunication fraud and anti-counterfeiting.

#### Promoting rural convenient services

- Continuing to expand the coverage of rural financial services, setting up 479 rural convenient service points in remote towns and villages, and providing basic financial services to rural customers through convenient service terminals, convenient self-service terminals and other convenient equipment;
- Piloting the intelligent voice (dialect) navigation function of convenient self-service terminals, promoting face recognition technology to withdraw cash without cards, and solving the difficulties of rural elderly customers in using intelligent technology;
- Accelerating the launch and replacement of new convenient equipment in rural areas, with the proportion of new convenient equipment increasing by 81 compared with the beginning of the year, and the proportion increasing by 16%.

<sup>3</sup>It includes all-in-one deposit and withdrawal machines, self-service teller machines, and self-service inquiry machines.



### Creating differentiated sub-branches

- According to the network's own resource advantages, regional characteristics, customer needs and other factors, highlighting the characteristics of rural commercial banks and building rural revitalization featured sub-branches such as Fairy Mountain and Changshou Lake, with 12 outlets featuring rural revitalization at present, to effectively promote the implementation of the rural revitalization strategy;
- Promoting the construction of flagship sub-branches, integrating sub-branches decoration image, financial products and services, and combining "Happy Homes" and "Inclusive Financial Services Harbor" to meet customers' diversified service needs and improve customer experience.

### Deepening scientific and technological innovation capabilities

- Cooperating with the development of the intelligent service platform of the sub-branches, comprehensively using financial technology, and launching the pilot online reservation, intelligent queuing, precision marketing and other functions to promote the digital and intelligent transformation and upgrading of the outlets.

In 2021, the Bank made important breakthroughs in the digital transformation of online channels, and launched version 4.0 of corporate online banking to comprehensively improve customer experience and corporate financial service capabilities, and build a complete online smart financial technology platform system, providing important support for building a digital bank. We intensified research and innovation on products and services, carried out aging- and agricultural-friendly transformation of the application software for mobile financial client, and completed the upgrade and optimization of the simplified version of the mobile banking app. At the same time, we continued to strengthen risk prevention and control measures to protect the legitimate rights and interests of consumers in all aspects and at all stages, and further enhanced customer experience. In 2021, the Bank's E-channel transaction ratio was 97.03%, an increase of 0.74 percentage points from the beginning of the year.

### Building Jinke platform

- Building a complete online smart financial technology platform system, building a middle platform for dual-core businesses of retail and corporate based on the smart banking platform, and creating the financial technology capabilities of unified channel access, unified customer management, unified product service, unified transaction process, unified risk control, unified marketing management, and unified payment processing to provide important support for the comprehensive transformation and upgrading of retail and corporate businesses, the establishment of a digital bank, and the implementation of the "Propelling the Bank with Technology" strategy.

### Putting key projects into production

- Launching the corporate online banking version 4.0, realizing the deep integration of corporate financial services and corporate operations, and comprehensively improving corporate financial service capabilities;
- Launching the loan steward project, establishing accurate identification and active recommendation capabilities by using big data, biometrics, intelligent models, and other financial technology, and creating an intelligent operation model of loan products to improve customer experience.

### Optimizing online business

- Completing the upgrade and optimization of the simplified version of the mobile banking app through the transformation of the mobile financial client application software to adapt to the aging and agriculture, and effectively solving the difficulties of the old customers and other special groups in using intelligent technology;
- Further expanding the business scenarios of intelligent customer service and reducing the manual workload of the customer service center by improving the construction of language models, customizing model training intent recognition and other means.

### Promoting smart operations

- Taking the continuous operation of the customer's entire life cycle as the core, establishing a marketing customer group, matching different marketing strategies at different touch points of the customer journey to realize the intelligent marketing management of all channels, all touch points and all cycles;
- Carrying out customized personalized publicity, accurately placing advertisements in terms of publicity and functional categories according to different customer groups and different products and recommending suitable products for customers.

### Strengthening intelligent risk control

- Upgrading the cloud digital credential platform and device fingerprint SDK<sup>4</sup> to strengthen risk prevention and control measures, through the introduction of the security tool of "Local Authentication of Mobile Phone Number" and the detection function on the operating environment of mobile banking;
- Continuing to emphasize comprehensive risk management, actively carrying out system construction and follow-up evaluation, and striving to improve the quality of the system and the effectiveness of its implementation.

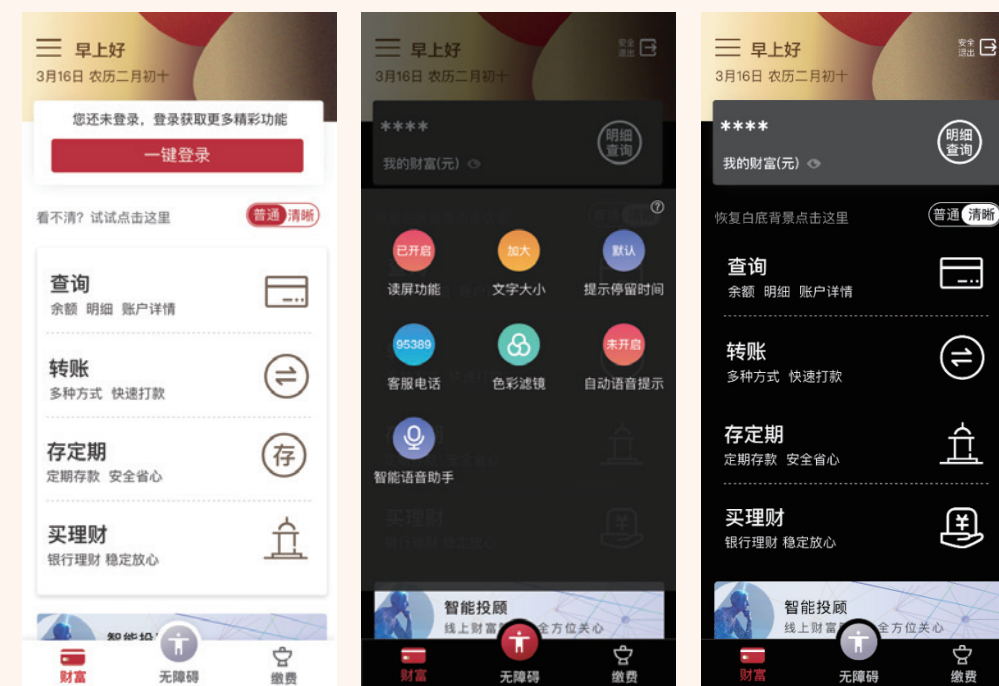
	Online banking		Mobile banking	
	By the end of 2021	By the end of 2020	By the end of 2021	By the end of 2020
Number of online banking customers (10,000)	327.75	327.10	1,249.79	1,123.34
Number of online banking transactions (10,000)	67,897.05	52,225.38	7,715.77	6,354.67
Online banking transaction amount (RMB10,000)	174,603,691.00	124,216,619.00	161,598,085.00	145,520,688.00

<sup>4</sup>SDK: Software Development Kit, a collection of development tools used to create application software for a specific software package, software framework, hardware platform, operating system, etc.

## Case

### In-depth application of financial technology capabilities to create accessible mobile financial services

In 2021, the Bank thoroughly implemented the *Notice on Issuing the Construction Plan for Accessibility Services for Mobile Financial Client Application Software (Yin Fa [2021] No. 69)* of the People's Bank of China, upgrading and optimizing the 6.0 "Simple Version" of the Mobile Banking App to effectively improve the convenience of the elderly and visually impaired customers when using mobile financial client software. For the "Simple Version" Mobile Banking App 6.0, we optimized the visual design of mobile banking, and added text size adjustment functions, dwell time adjustment functions, automatic voice prompt functions and color filter functions to meet the needs of users with low vision and color blindness. Besides, we added voice guidance to meet the needs of the highly visually impaired and blind users and launched intelligent functions such as intelligent voice assistants and one-click customer service calls to facilitate the operation of elderly customers, improve the availability, ease of use and safety of the Bank's financial services, and create a more caring and warmer brand image. In 2021, the Bank's mobile banking was awarded the Outstanding Contribution Award for Mobile Payment Convenient Project issued by the Chongqing Operation Management Department of the People's Bank of China.



The "Simple Version" Interface of CQRC's Mobile Banking App 6.0



## Case

### Youyang Sub-branch inclusive financial services into the village

Hejiayan Shangzhai, Huatian Township, Youyang County is a must-see place for tourists to visit Huatian. The rich tourism resources have increased the income source of the residents in the village. However, due to its remote location and relatively backward financial service infrastructure, residents cannot enjoy convenient basic financial services and need to travel to the distant Huatian market town every time they deposit or withdraw money. In April 2021, after visiting Hejiayan Village, Huatian Township, the relevant person in charge of the Bank's Youyang Sub-branch quickly installed and debugged financial service equipment in Shangzhai, successfully built an inclusive financial service point, and reduced residents' travel and time costs, enhancing their sense of well-being.



Inclusive financial service point in Shangzhai, Hejiayan

## Standardizing Process to Deal with Customer Complaints

The Bank strictly abides by the *Measures for the Administration of Handling of Banking and Insurance Consumer Complaints*, *Implementation Measures of the People's Bank of China for Protecting of Financial Consumer's Rights and Interests* and other regulatory requirements, formulated policies such as the *Administrative Measures for Handling of Consumer Complaints of Chongqing Rural Commercial Bank*, the *Operational Instruction for Complaints Handling by Telephone Banking*, the *Implementation Procedure for Handling of Consumer Complaints of Chongqing Rural Commercial Bank Business Outlets*, the *Management Measure of Remote Customers of Chongqing Rural Commercial Bank*, the *Implementation Procedure for Handling of Consumer Complaints by Telephone Banking of Chongqing Rural Commercial Bank*, and the *Work Order Handling Specification of Customer Service Center*, which specify the responsibilities of departments, sub-branches and positions involved in handling customer complaints, standardize the complaint procedure and management requirements. We announce channels for complaints acceptance in business outlets, official websites, mobile Apps and other channels, and provide complaint channel information in product or service contracts to ensure the accessibility of the channel and the effectiveness of handling customer complaints.

The Bank strictly regulates the time limit for the reply to complaints. For complaints that are accepted by the customer service center and transferred to the responsible agency for handling, the process time limit shall not exceed 7 days from the date of acceptance in principle. For com-

plaints 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.

The Bank announces the complaint handling channels through various channels, such as customer service hotline, business outlets and official website, and adds a special complaint line and the reminder for complaint channels in the hotline. Customers can choose the special line for complaints to quickly access the service for complaint acceptance, and we also broadcast to customers about other consumer complaint channels, including the Bank's business outlets and sub-branches, and the People's Bank of China's financial consultation on consumer rights protection agency, Bancassurance Consumer Complaint and Rights Protection Hotline, Chongqing Banking Consumer Complaint Mediation Center, etc. In addition, we regularly organize the "Listening Program", to receive customer complaints regularly on the Open Day of the bank leader, and randomly check the customer satisfaction, covering no less than 50% of the complaint handling to guarantee the first-inquiring responsibility system. The bank continues to improve the complaint tracking system and customer complaint case database, strengthen the construction of "Complaint Reception Area", record and videotape the complaint process. We realize the "System + Telephone" dual line through the rapid handling mechanism of complaint consultation to help customers to effectively convey their opinions and protect their legitimate rights and interests.

In order to improve the quality of complaint handling, the Bank implements an internal inspection mechanism, in which the quality inspection team follows up the progress of complaint handling throughout the entire process, and incorporates untimely and non-compliant behaviors into performance assessment to ensure an orderly and efficient handling of complaints. For complaints that are not handled in time or incompletely, the complaint handler will contact the responsible officer to chase progress and know the reason, and proactively contact the customer to inform the progress to prevent the escalation of complaints.

In 2021, the Bank handled a total of 2,379 consumer complaints, with a customer satisfaction rate of 99.71%, involving 16 business categories including RMB savings, loans, bank cards, self-settlement wealth management, payment and settlement, RMB management, and personal financial information; the complaints involves 43 branches (Including the sales department of the head office), including 42 branches in Chongqing and 1 branch in Yunnan.

## Guaranteeing Security Requirements for Bank Commercial Premises

The Bank strictly abides by the laws, regulations and industry standards on the working environment safety and the security of branches, such as the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and implements the relevant revisions of the *Requirements for Bank Safety Precautions (GA38-2021)*. In 2021, the Bank

further improved its security system, formulated the *Basic Rules for Security and Safety*, the *Measures for the Administration of Security of Business and Office Space*, and other security policies and regulations, and strictly regulated the security organization system, fire safety management, vault protection management, security inspection management, etc., to fully protect customers and employees' personal and property safety.

In order to better respond to emergencies, the Bank has established an emergency management mechanism, formulated the Overall Emergency Response Plans and the Contingency Plans for Accidents, requiring each business institution to refine emergency response plans according to its operating characteristics to avoid, eliminate or reduce losses caused by violence, natural disasters, mass events, etc. In addition, to enhance employees' emergency handling capabilities and awareness of fire safety, and to strengthen the fire safety capabilities of all departments, the Bank organized fire trainings and emergency drills for safety personnel of all departments, new hires, and employees from the property management department at the headquarter in April, June and October 2021.

The Bank actively implements production safety special actions, promptly checks and rectified hidden dangers in each branch, formulates the Measures for the Administration of Security Inspection, and stipulates the hierarchical responsibility system for safety and security inspections, requiring business outlets to conduct daily safety inspections, which are regularly supervised and inspected by the superior security department. In 2021, the Bank organized activities such as professional tests for security guards, special campaigns for flood prevention and drought relief, and safety cross inspections.

To tackle the COVID-19, the Bank improves the normalized epidemic prevention and control mechanism, implements the responsibilities of the personnel in charge in each institution, completes the health monitoring of business offices and employees. Meanwhile, we strengthen the management of personnel from medium and high-risk districts and outside the city, organize epidemic prevention, control, supervision and inspection, and effectively guarantee the materials, funds, and human resources for epidemic prevention and control.

## Case

### Fire Safety On-site Training

On June 4, 2021, the Bank organized fire safety training for safety personnel from all departments of the headquarter. All participants went to the Jiangbei Fire Rescue Station in Jiangbei District for professional fire safety training. The training covered the basic knowledge of daily fire protection, basic knowledge of evacuation and escape, fire emergency response and prevention, and the correct way using the equipment, which improve employees' knowledge of common fire hazards and their prevention. The participants also visited the various fire prevention and rescue facilities and equipment in the rescue station, with the detailed explanation by instructors. The employees interacted with the instructor concerning the hidden dangers of fire safety met in the daily life. This training has improved employees' awareness of fire safety and prevention, established the concept of "Fire prevention by all, Life first", and improved employees' evacuation and self-rescue capabilities.



Staff of the Bank visited various fire prevention and rescue facilities and equipment at the rescue station

## Safeguarding the Legitimate Rights and Interests of Customers

The Bank strictly complies with the *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, the *Guiding Opinions on Banking and Insurance Institutions Strengthening Building Working Systems and Mechanisms for Protection of Consumer Rights and Interests* (Yinbaojianfa [2019] No. 38), the *Implementation Measures of the People's Bank of China for Protecting Financial Consumers' Rights and Interests* (Order of the People's Bank of China [2020] No. 5) and other laws, regulations and regulatory requirements, formulates and issues the *Administrative Measures of Chongqing Rural Commercial Banks on Protection of Consumer Rights and Interests*, the *Opinions on Protection of Consumer Rights and Interests*, and the *Notice on Strengthening the Protection of Consumer Rights and Interests, clarifying the assignment of responsibilities in consumer rights and interests protection, consolidating the management of units at all levels*, refining the handling process of rights and interests disputes, and implementing all tasks. In the Bank's "14th Five-Year" strategic plan, we further clarify the strategies, policies and objectives of consumer rights and interests protection, to strengthen the top-level design of the Bank's consumer rights and interests protection.

The Bank is committed to building a full-process consumer rights and interests protection system



covering prior prevention, in-process control, and post-event resolution. The Board of Directors and the Consumer Rights Protection Committee regularly review the work of consumer rights protection, and the Board of Supervisors promptly supervises the Board of Directors and senior management's work. The senior management regularly instructs the Bank to implement consumer rights protection measures, and the consumer rights protection functional department play an active role in system construction, consumer protection inspection, publicity and education, supervision and inspection, and internal assessment. In 2021, the Bank completed the 790 consumer protection inspections, including product launch, marketing materials and internal control systems.

In 2021, the Bank strengthens the quality and capacity building of employees related to consumer rights and interests protection, enhances employees' awareness of consumer rights and interests protection, compiled the *Work Manual on Consumer Rights and Interests Protection*, and established an evaluation mechanism for the consumer protection training, to continue to improve the employees' professional quality and awareness of consumer protection. Two sessions of consumer rights and interests protection training were instructed with 4,931 participants including middle and senior manager, relevant employees of consumer rights and interests protection, and manager of the department of retail finance. Based on the *Work Exchange on Compliance and Consumer Rights and Interests Protection* and *Consumer Protection Work Reminders*, the Bank regularly collects, compiled and distributed cases of finance, consumer protection, compliance and other aspects, conveys regulatory policies, informs problems found in internal and external inspections, and strengthened information exchange and communication across the business line, to build a strong barrier for the protection of consumer rights and interests.

## Protecting Customer Information Security

The Bank abides by relevant laws and regulations such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other laws and regulations, as well as the Personal Information Security Specification for Information Security Technology (GB/T 35273- 2017), the Personal Financial Information Protection Technical Specification (JR/T 0171-2020), the Security Management Standards for Mobile Finance Client-side Apps (JR/T 0092-2019), the General Standards on Information Security of Online Banking System ( JR/T 0068) and other relevant national and industry standards, issued the Measures of Chongqing Rural Commercial Bank for the Administration of Data Security, the Operational Procedures on Production Data Extraction of Chongqing Rural Commercial Bank and other policies. We adopted a strict data extraction approval process and built a digitalized data circulation system to protect the security of customer information.

The Bank has established a unified cyber security protection guideline for the entire bank, timely convey the document requirements of the regulatory body and the information of the meeting, to consolidate the responsibility of the main body of cyber security. Adhering to the minimum authorization principle, the Bank divides the entire bank's information network into a five-layer network

structure, supplemented by bastion hosts, sandboxes, honeypots and other isolation technologies to build network protection. By equipping security assistants, anti-virus software, and hardware binding measures, we install terminal monitoring and response equipment, capture terminal operation information, identify terminal threats, prevent attack behaviors, and strengthen terminal management and control. In 2021, the Bank implements self-inspection and special tests on cyber security. For the business systems that store important data and customers' personal sensitive information, it is required to take security reinforcement measures, close unnecessary services and ports, strengthen cyber attack monitoring, and improve early warning level to ensure the effectiveness of the data leakage prevention measures. We also value the information security training. In 2021, we organized special training on security development and the awareness of information security, covering more than 10,000 person-times across the Bank, and achieved good training results.

The Bank follows the principle of minimum collection of the customer information, and only collects information closely related to business and risk control. Based on the development and business characteristics of the mobile banking Apps, we have newly formulated the *Privacy Policy for Juvenile of Chongqing Rural Commercial Bank Co., Ltd.* to protect the personal information rights and physical and mental health of juvenile. In 2021, we revised the *Privacy Policy* of the mobile banking Apps twice, further refined the description of the SDK and other contents, earnestly fulfill the obligation of notification, highlight the sensitive information, remind customers to read the privacy policy, and collected the information after the customer consent. The Bank's mobile banking App has newly enabled customer to view the historical version of the *Privacy Policy*, so that they can inquire about the update. In addition, customers can check the authorization status of their device permissions and the purpose of the App obtaining device permissions, and withdraw the authorization at any time through the "Authority Management" function on the mobile banking App.



## Motivating Development with Talent >>>

In 2021, adhering to the strategy of "Retailing, Technology, Talent", the Bank 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 and the quality of talents, continuously optimized the talent structure, and enhanced the efficacy of talents.

As of the end of 2021, the Bank had a total of 14,905 employees, including 7,040 female employees and 7,865 male employees.

## Protecting Rights and Interests of Employees in Accordance with Laws

The Bank adheres to the people-centered development philosophy, formulates management measures for labor contracts, employee leave, salary, benefits and others, improves the social security system, and strives to ensure employees' legitimate rights and interests.

### Maintaining harmonious labor relationship

- Strictly implementing the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, formulating the Labor Contract Management Measures, signing legal labor contracts with employees, implementing a full-employee contract management, and prohibiting any illegal and non-compliant employment or dismissal;
- Abiding by the open, fair and impartial recruitment principles, treating all employees equally, and providing employees with equal job opportunities;
- Deepening the reform of employee groups and ranks, and broadening the career promotion channels;
- Strictly prohibiting gender discrimination, ethnic discrimination, religious discrimination, and any other types of inequality, aiming at building a diversified talent team;
- Complying with the *Prohibition on the Use of Child Labor*, implementing the Bank's *Employee Leave Management Measures*, *Employee Recruitment Operational Procedures*, *Professional Talent Introduction Measures* and other policies and requirements, prohibiting the recruitment of child labor and forced labor by checking the age information of candidates when recruiting, and fully considering the willingness of employees in their work. If any violation is found, the employee's work will be suspended immediately and relevant investigations will commence to eliminate the violation as soon as possible and ensure legal employment.

### Ensuring the legitimate rights and interests of employees

- Implementing the national regulations on employee working hours, official holidays, anniversary holidays, paid annual leave, etc., formulating the *Employee Leave Management Measures* and *Employee Work Attendance Measures*, and effectively protecting employees' right to rest and leave;
- In accordance with the relevant regulations of the *Social Insurance Law of the People's Republic of China* and other relevant laws and regulations, timely covering employees under the insurance system and paying various social insurance premiums for employees, and effectively assuring the right of employees to enjoy social insurance.

### Improving the compensation and welfare system

- Providing employees with labor remuneration, social insurance, rest and vacation, labor protection and other treatment and welfare policies;
- Constructing a unified salary system, determining the wage standards for differentiated positions, and promoting the matching between employees and positions, payment and positions, and responsibilities and positions;
- Improving the welfare system, improving the enterprise annuity and supplementary medical insurance system to continuously enhance employees' sense of security, fulfillment and happiness.

## Number of Workers

Indicator		As of December 31, 2021
Total number of employees		14,905
By gender	Number of male employees	7,865
	Number of female employees	7,040
By employee category	Number of full-time employees	14,905
	Number of part-time employees	0
By age	Number of employees under the age of 30	1,857
	Number of employees aged 31 to 50	10,624
	Number of employees over the age of 50	2,424
By region	Number of employees in Chongqing municipal area	14,820
	Number of employees outside Chongqing municipality	85



## Employee Turnover Rate

Indicator		As of December 31,2021
Employee turnover rate(%)		1.91%
By gender	Turnover rate of male employees(%)	1.69%
	Turnover rate of female employees(%)	2.15%
By age	Turnover rate of employees under the age of 30(%)	5.24%
	Turnover rate of employees aged 31 to 50(%)	1.26%
	Turnover rate of employees over the age of 50(%)	0.35%
By region	Turnover rate of employees in Chongqing municipal area(%)	1.91%
	Turnover rate of employees outside Chongqing municipal area(%)	2.29%

## Comprehensively supporting for Talent Development

The Bank conscientiously implements the meeting content of the Central Committee and the Chongqing Municipal Committee on Talent, and establishes human resources management systems with scientific position setting, smooth promotion channels and comprehensive training mechanism. We promote the style of knowing, loving, respecting and using talents, and strive to create an ecology for the development of talents that is "pleasing to the near and far".

### Management Talent Leading Plan

- Conscientiously implementing the standards of outstanding managers in the new era, strictly controlling the standards and procedures, and selecting excellent managers who are loyal, disinterested and responsible;
- Adjusting and optimizing the structure of the manager team;
- Comprehensively promoting the position onboard system and contractual reform of the leaders of holding subsidiaries, to "Able to work both at the top and bottom, inside and outside, high and low".

### Professional Talent Development Plan

- Playing a decisive role in the allocation of talent resources, insist on "school recruitment + social recruitment", "open recruitment + headhunting search", and introducing professional talents in financial technology, green finance and other fields in a market-oriented manner. The proportion of financial technology talents reaches 3% ;
- Establishing a professional talent training mechanism, with 30 people selected in the "Jiangbei Talent Program" .

### Practical Talent Growth Plan

- Establishing and improving the employing system with the contract management as the core, the position management as the foundation, and the marketization as the orientation;
- Formulating the *Management Method for Professional Technical Position*, the *Employee Career Development Management Measures*, the *Management Method for Employee Position*, the *Management Method for Employee Qualification for Positions* and other policies to promote the diversified development of employees; Optimizing the allocation of human resources, actively guiding the reasonable transference of employees, and improving the efficiency of the human resources.

### Talent Quality Improvement Plan

- Continuing to promote the tracking training mechanism of "Management trainee";
- Formulating the *Administrative Measures for Education and Training* and the *Administrative Measures for Employee Education and Training Credits* to promote the standardization and institutionalization of education and training;
- Focusing on the learning and education of the Party history, building a three-dimensional training system of "Inviting in + Going out" , "Online + Offline" , "On-site + Video" , "Head Office + Lines + Branches", and carried out a total of 2,019 training sessions with 360,000 person-time throughout the year;
- Continuously optimizing M-learning (mobile learning) to create "Handheld Training Schools" and "Mobile Training Schools".

### Talent Development Service Plan

- Establishing and improving streamlined and efficient organizational structure system with clear goals and boundaries, and equal rights and responsibilities, to gather and develop talents;
- Improving the salary and welfare system to protect the legitimate rights and interests of employees;
- Promoting HR construction and improving the digitalized management of human resources.

## Employee Training in 2021

Indicator		Training ratio ( % )	Average hours of training(hours/person)
By gender	Male employees	100%	59.11
	Female employees	100%	58.92
By employee category	Management employees	100%	70.34
	Non-management employees	100%	56.17

## Providing Comprehensive Care to Employees

The Bank values the health and safety of employees, and strictly abides by laws and regulations such as the *Fire Control Law Of the People's Republic of China*, the *Law of the People's Republic of China On the Prevention and Control of Occupational Diseases*. The Bank formulated policies such as the *Emergence Plan of Chongqing Rural Commercial Bank for Public Safety Incidents*, the *Measures of Chongqing Rural Commercial Bank for the Administration of Fire Safety*, the *Management Measures for Staff Canteen of Chongqing Rural Commercial Bank* and the *Contingency Plans for Fire, etc.*, to provide employees with safe working environment and health protection.

The Bank is equipped with emergency medical equipment in the staff activity center and emergency medical kits on each floor of the headquarter building to improve the emergency medical treatment of the headquarter. We provide employees with physical examinations annually, with additional times of centralized physical examinations to better collect employee health data and promote employee health management. Moreover, we specially invited nutritionists to give lectures on health and wellness, enabling employees to understand healthy eating habits.

The Bank has formulated the Contingency Plans for Epidemic Prevention and Control of Chongqing Rural Commercial Bank, the Epidemic Prevention and Control Plan of The Head Office Building during the Spring Festival in 2021 and other policies for the effective normalizing epidemic prevention and control. We actively implement the investigation of potential epidemic dangers in the bank headquarters, strengthen the popularization of the prevention guidance, accurately map out personnel health information, and strengthen supervisions on environmental sanitation, cleanliness and food hygiene. At the same time, we continue to carry out the disinfection and epidemic prevention work, arrange vaccination for employees, supply Chinese medicine soup for the prevention against COVID-19, set up temporary nucleic acid test sites, and distribute epidemic prevention materials to employees monthly, in order to be fully prepared for the material storage and support.

The Bank regards the improvement of employees' sense of happiness and gain as the goal. We provide more care and comforts, strengthen labor protection, and enrich team activities, to solve problems for employees, and create a warm and harmonious "Agricultural Business Home". We actively carry out "Four Must-visit" for employees who are in hospital, hold the wedding, give birth, and have relatives passed away. On important festivals such as New Year's Day and the Spring Festival, and important dates such as the Centenary of the Communist Party of China, we carry out "Sending Warmth" activities, with a total of 749 employees being visited, including the Party members and employees with difficulties and the Party members who received various forms of honor and commendation.

The Bank ensures the conduction of the labor protection for employees in extreme weather such as high temperature and severe cold, providing employees with necessary cooling and heating equipment, and necessary medicines. We build a "Charity Mommy Cabin", and carry out activities for Women's Day to take care for female employees; We also carry out Youth Day series activities, "Youth Road, Integrity", the action to advocate integrity for young employees and guide their growth. We also organized diverse team activities, such as employee chorus, dance group, clubs of fitness, yoga, badminton, and basketball to enrich employees' lives.

## Case

### "Fitness for all staff and embracing green life" green special event

In 2021, the Bank launched a one-month green special activity of "Fitness for all staff and embracing green life". During the event, the Bank advocated healthy eating for employees, and provided employees with healthy meals in the cafeteria to help employees have a balanced diet. In the employee activity center, the Bank also arranged coaches to guide the daily fitness plan and establish the habit of fitness. More than 800 employees participated in this event, and more than 17,000 healthy meals were provided.



Healthy meals

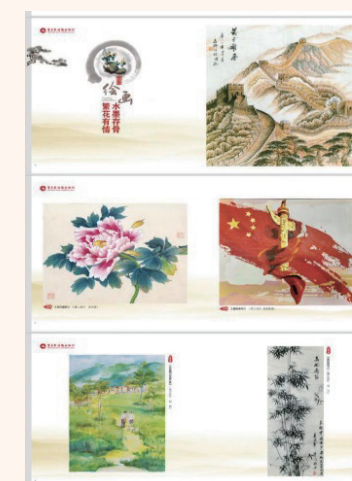


The Yoga class in Staff Activity Center

## Case

### Art works collection activity — "Remember the party's kindness, write a new chapter"

In order to celebrate the Centenary of the Communist Party of China and review the glorious history of the party, the Bank launched the collection and selection of art works as well as the 5th corporate culture and art festival. All employees of the bank actively participated and submitted the art works. Most participants focused on the glorious era, depicted life with drawings, and expressed their feelings with essays. Pieces of drawings are full of talent, and each piece of masterpieces is full of a great depth of emotions, fully expressing their blessings to the party, the infinite love for life, and the unremitting pursuit of career. A total of 541 pieces of calligraphy, painting, photography and other works were collected in this activity, and 120 outstanding works were selected. The selected works were made into books and distributed to all branches, and exhibited online for all employees to observe and learn.



Some outstanding paintings of the 5th Corporate Culture and Art Festival



## Case

### Caring for female employees

In order to enrich the life of female employees, the Bank carried out a variety of activities for female employees on the 111th International Women's Day. For example, the labor union of the headquarter organized a special lecture on health knowledge, explaining how to take care of women's health during the epidemic, the impact of emotions on health, and common health problems of women, etc. We also sent health gifts and greeting cards to female employees. Liangjiang Branch and Shizhu Sub-branches held flower arrangement activities to cultivate female employees' aesthetic thinking. Fengdu, Zhongxian and other Sub-branches carried out interesting sports activities to release work pressure. Tongliang, Jiulongpo, Rongchang and other Sub-branches carried out hiking to enhance team spirit. Wanzhou Branch launched the "Most Beautiful Female Employee" activity to empower role models. Nanchuan and other Sub-branch organized the online talent show of female employees to display their cooking skills.



Tongliang Sub - branch Launched Women's Day Theme Activities

## Case

### Nanchuan Sub-branch visited employees in difficulties



The chairman of the labor union of Nanchuan Sub - branch visited the employees with family difficulties

The wife and child of an employee in the Nanchuan Sub-branch of the Bank are unfortunately seriously ill, and the cost of medical treatment for the family brought him a heavy living burden. The party committee and labor union of the Nanchuan Sub-branch of the Bank learned about his actual difficulties and issued a donation proposal, actively organized all employees to make donations, and raised a total of RMB67,600. The wishes of colleagues and the sincere assistance from the labor union of the sub-branch were undoubtedly a great relief for him.

## Case

### Wansheng Sub-branch launched the "Summer Cooling" activity

In order to minimize the adverse effects on the health and life safety of employees caused by the epidemic and high-temperature weather, Wansheng Sub-branch of the Bank actively carried out the "Summer Cooling" activity in summer, organized air-conditioning cleaning and maintenance work for a refreshing, comfortable and clean working environment. At the same time, Wansheng Sub-branch sent heatstroke prevention and cooling supplies and medicines to frontline employees.



Wansheng Sub - branch provides heatstroke prevention and cooling supplies and medicines to frontline employees

## Occupational Health and Safety

Indicators		Number
Number of fatalities due to work	Number of fatalities due to work in 2019	0
	Number of fatalities due to work in 2020	0
	Number of fatalities due to work in 2021	0
Proportion of fatalities due to work	Proportion of fatalities due to work in 2019	0
	Proportion of fatalities due to work in 2020	0
	Proportion of fatalities due to work in 2021	0
Hours of work lost due to occupational injury (hours)		9,224

## Delivering Warmth in Community Communication >>>

The Bank continues to strengthen community communication to deeply understand the needs of the community members, increases financial knowledge education to improve the public's awareness of financial risk prevention and response capabilities, and ensures the safety of people's own property. We actively carry out public-service activities, encourage employees to participate in voluntary services, and help people in need for a harmonious and beautiful community.

## Popularizing Financial Knowledge and Strengthening Awareness of Risk Prevention

In 2021, the Bank closely focused on the hotspots and difficulties of financial knowledge that the society concern about, and formulated popularity plans for financial knowledge at different levels. We especially care about the aged and the young people, launched the special publicity to prevent fraud, and provided education materials such as the *Strategy for Fraud Prevention for the Elderly* and the *Risk Warning of Illegal Fund Raising in the Field of Elderly Care* with images and texts. To avoid excessive consumption, overborrowing and fraud in schools for college students, we provided materials to advocate rational consumption, such as *the Rational Consumption and Living within Your Income*, *the Beware of Bad Campus Loans*, *the Consumption Tips for Rational Use of Credit Cards*.

The Bank sets up non-profit financial knowledge education areas on the official website and business outlets, displays financial knowledge education materials, posters, and videos. In combination with the Bank's "3.15" education week and other regular themed activities, we provide financial consumers with online resources and services such as risk reminders, quizzes, interactive games, etc. by using the official website, mobile Apps, WeChat, and outlet ATM. In 2021, we posted a total of more than 60 pictures, texts and short videos of financial education knowledge on WeChat, carried out 615 education activities to avoid fraud, and more than 4,000 popularity activities on various special topics, awarded the "Advanced Group of Financial Joint Education and Promotion Activities in 2021" by the Chongqing Banking and Insurance Regulatory Commission.

### Case

#### Yubei Sub-branch gave presentations on financial knowledge to children with innovative forms

On May 13, 2021, Yuhang Branch of Yubei Sub-branch of the Bank and Yubei Kindergarten jointly organized an experiential financial knowledge education activity for children. During the activity, the staff first led the children to visit different areas of the outlet, introduced the positions and work responsibilities of the staff in each area in detail, and also demonstrated how to deposit and withdrawal money on the ATM. After the visit, the children sat in



Conduct financial knowledge presentations for kindergarten children

the customer waiting area. The staff of the Bank comprehensively introduced different face value of RMB, simple method to identify counterfeit currency and some common financial fraud to increase their awareness of fraud prevention while improving their financial IQ. The innovative education method of Yuhang Branch has transformed the traditional "going out" education into a "welcome in" experience, enabling children to learn by their practices and the financial knowledge easier to understand.

### Case

#### Qijiang Sub-branch organized activities to prevent telecommunication and network fraud

In order to fully promote the national anti-fraud special campaign, effectively improve the public awareness of prevention, and create a safe and stable social environment, Qijiang Sub-branch of the Bank participated in the "Month of Prevention of Illegal Fund-raising, Prevention and Combating of Telecom and Network Fraud Activities" organized by the Government of Qijiang District. Consumers were introduced about the prevention of online fraud, knowledge of the Civil Code and other contents. More than 1,000 people participated, and more than 1,000 brochures were distributed on the day of the event.



Explaining financial knowledge to the public

### Case

#### Kaizhou Sub-branch launched the activity of "Inclusive Finance, Helping the People with Disabilities with Five Ways"

In order to help the people with disabilities in financial activities, the Kaizhou Sub-branch of the Bank, the District Organization of Disability and the District People's Bank jointly carried out the activity of "Inclusive finance, Helping the People with Disabilities with Five Ways" on August 3, 2021. We have made every effort to improve the level of services to people with disabilities through hotlines, lecture, consider-



the activity of "Inclusive Finance, Helping The People With Disabilities with Five Ways"

ate services, loan assistance and other assistances. Kaizhou Sub-branch and the District Organization of Disability signed a letter of intent for cooperation, commitment by the "five ways" measures, strengthen the financial risk identification ability and self-protect awareness for people with disabilities. At the same time, Kaizhou Sub-branch's organized lectures about financial knowledge to prevent counterfeit currency and fraud for participants.



## Concerning Public Welfare and Return to Society

In order to benefit the society, the Bank promoted the "Aid for the People" action, called on employees to participate in public-service activities, with the cooperation between the Party branch and the village (community) branch. As of the end of 2021, the Bank had established 155 party branches in pairs, and jointly held 272 "Aid for the People" activities with the paired party branches. On May 19, 2021, we signed a strategic cooperation agreement with the Chongqing Red Cross, opened a donation account for the Chongqing Red Cross Foundation, and would collaborate and communicate in diverse aspects such as project cooperation, fund and material raising. We will actively organize public-service projects, collectively built public-service platforms, better serve the needy people, and jointly promoted the in-depth integration of finance and charity. The Bank has a total of about 28,000 employees participating in volunteer activities throughout the year, with the total hour of about 21,000 hours annually.

### Case

#### Vaccination and promotion volunteering activities

The Bank's Nan'an Sub-branch actively organized volunteer service activities to against the epidemic. Collaborating with the Fifth People's Hospital of Chongqing, we organized a volunteer service team consisting of more than 20 Party and League members, carried out COVID-19 vaccination information lectures and mobile vaccination service in the Xiexin Starshine Community of Nanping Street, publicize the knowledge of epidemic prevention and control, count nucleic acid testing and vaccination data, and help win the battle of epidemic prevention and control.

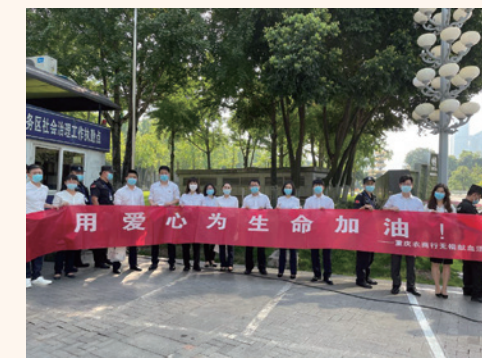


Nan'an Sub-branch carried out vaccination and promotion volunteering activities

### Case

#### "Cheering up life with love" group voluntary blood donation activity

As a noble social public welfare, voluntary blood donation can deliver positive energy to society. On July 29, 2021, the Bank and Jiangbeicheng Street Organization organized the 2021 summer group blood donation activity. On the day of the event, the applicants came to the blood donation site early. After preparations, colleagues who passed the physical examination donated blood. Many of these colleagues have participated in unpaid blood donation activities for many times, and colleagues who have never participated were touched and joined the blood donation. The hot weather did not affect the enthusiasm for donating blood. A total of 40 employees participated in this blood donation activity, and the blood donation amounted to 7,200 ml.



"Cheering up life with love" group blood donation activity

### Case

#### Yunyang Sub-branch participated in the book donation activity



The book donation activity

donated 500 copies of Integrity Education Handbook for Elementary School Students to Qinglong Primary School in Yunyang County, hoping that the school can cultivate students' character of honesty and integrity.

In order to popularize the knowledge of credit reporting, jointly build an honest society, enhance the public's credit awareness, and encourage the "learning the knowledge of honesty and building a culture of honesty", the Yunyang Sub-branch of the Bank was invited by the Yunyang County Sub-branch of the People's Bank of China to actively participate in the book donation activity. On May 26, 2021, Yunyang Sub-branch



## Case

### Wanzhou Branch caring for the elderly



Caring for the elderly activities in the Chongyang Festival

In order to further implement the "Aid for the People" activity, Wanzhou Branch of the Bank visited the Wangzhu Nursing Home on the Chongyang Festival to actively practicing corporate social responsibility. The employees communicated with the elderly about physical and mental health, explained common financial knowledge to them and reminded how to prevent typical frauds by performances, game interactions, and case demonstration.

## Case

### Shizhu Sub-branch brought financial knowledge into the school on the Mid-Autumn Festival

On September 17, 2021, Shizhu Sub-branch of the Bank visited Zhongyi Primary School in Shizhu County to organize the activity of "Financial Knowledge in Campus, Care for Children on the Mid-Autumn Festival". During the activity, employees of Shizhu Sub-branch delivered financial knowledge publicity lectures to teachers and students, explaining knowledge of personal credit information, national bonds, telecommunication and network fraud prevention, bank card security, anti-counterfeit currency skills, use of payment tools, deposit insurance, investment and other financial knowledge. The employees also introduced the *Law of the People's Republic of China on the Promotion of Revitalization of Rural Areas*, providing financial knowledge consultation, and answering the questions of teachers and students. After the financial knowledge lecture, Shizhu Sub-branch also presented school bags, stationery and other school supplies to more than 30 left-behind children.



Shizhu Sub-branch distributed stationery for left-behind children

## Case

### Organizing TCM appointment activities

In 2021, the Bank actively organized the activity of "Traditional Chinese medicine appointment in country to benefit villagers". A total of 464 TCM appointment activities was organized throughout the year by a service model of "health + finance" to the villages, and effectively delivered high-quality health care services and inclusive financial services to villagers. At the event, the well-known local Chinese medicine practitioners were invited to explain the health care knowledge of common diseases to the villagers, and provided medical services such as pulse diagnosis, blood pressure measurement, acupuncture and moxibustion. At the same time, the Bank issued coupons to villagers to benefit villagers when purchasing medicines at local pharmacies.



Chinese medicine appointment activities

## Case

### Nanchuan Sub-branch launched the fundraising activity for people with disabilities

In order to consolidate the achievements of poverty alleviation, prevent people with disabilities from poverty, and improve their life quality, the Bank's Nanchuan Sub-branch actively responded to the call of the Chongqing Disabled Persons Welfare Foundation, and organized all employees to participate in the public welfare fund-raising activity. This activity aimed at caring about the lives of people with disabilities with kind donations of a total of RMB10,023, to help them solve their life difficulties.

## Case

### Changshou Sub-branch launched pairing assistance activities

In December, 2021, more than 20 party members from the first party branch of the Bank's Changshou Sub-branch and the party branch of Taihe Village in Longhe Town launched the "Aid for the People" pair-building activity in Taihe Village. Focusing on improving the living conditions of the assisted recipients. The Changshou Sub-branch made overall arrangements for the pairing assistance work to provide personalized solutions. Relevant personnel visited the homes of the assisted recipients who had difficulties, provided them with daily necessities such as rice, cooking oil, masks, and epidemic prevention materials, and helped the elderly to clean up their backyards.



Sending rice, cooking oil and other living materials to the assisted recipients



# OUTLOOK



2022 will be an important year for the Bank to implement the strategy of "14th Five-Year Plan" and move towards the road to a new trillion yuan. We will continue to promote the implementation of the strategy of "Anchoring the Bank with Retail, Propelling the Bank with Technology, Empowering the Bank with Talents", take into account benefits and scale, quality and speed, improve political position while developing, improve political position, adhere to service orientation, meet diverse needs, and expand service channels to create a comprehensive, integrated, coordinated and efficient financial service system.



## Responsibility Management

Actively implement the responsibilities of corporate financial institutions, strengthen the construction of compliance culture, improve the level of internal control and compliance management, prevent and resolve major financial risks, and consolidate the responsibility for preventing financial crimes; strengthen social responsibility governance, practice the concept of social responsibility, and deepen the understanding of social responsibility, consolidate the image of responsible banking.



## Economy

The Bank actively implements the national macro policies and financial regulatory requirements, optimizes the credit structure, and anchors on the financial services for the rural revitalization strategy. We increase the research on the three rural policies, focus on the real economy, serve small and micro enterprises, strengthen inclusive finance, strengthen technology empowerment, and promote stable economic development.



## Environment

The Bank adheres to the green finance concept of ecological priority and green development, improves the Green Finance policy system, enhances the professional level of Green Finance, and explores the establishment of a management path based on the Equator Principles. We assist the country to implement the dual-carbon goal, build a green bank, build a green office space, and take measures on energy conservation and reduction. Meanwhile, we cultivate employees' environmental protection concepts, build a green cultural brand, and strive to become a benchmark bank on Green Financial.



## Society

The Bank provides customers with a package of comprehensive financial service solutions, protects the legitimate rights and interests of consumers, protects the security of customer information and privacy, and strengthens product and service innovation. We also effectively strengthen humanistic care, stimulate employee vitality, strengthen team building, and continuously enhance the cohesion and sense of belonging of the workforce. At the same time, we actively carry out public welfare donations and volunteer activities to build a harmonious society.

# Key Performance Data<sup>5</sup>

KPIs	2019	2020	2021
Total assets (RMB hundred million) ※	10,297.90	11,359.27	12,658.51
Net profit (RMB hundred million) ※	99.88	85.65	97.18
Total Equity ( RMB hundred million ) ※	893.62	946.32	1,060.44
Average return on assets (%)※	1.01	0.79	0.81
Book balance of customer loans and advances (RMB hundred million)※	4,370.85	5,078.86	5,821.66
Non-performing loan ratio (%) ※	1.25	1.31	1.25
Provision coverage (%) ※	380.31	314.95	340.25
Capital adequacy ratio (%) ※	14.88	14.28	14.77
Green credit loans balance (RMB hundred million) <sup>6</sup>	170.59	245.67	366.64
Agriculture-related loans balance (RMB hundred million)	1,588.06	1,681.21	1,931.79
Balance of inclusive financial loans to small and micro enterprise <sup>7</sup> (RMB hundred million)	651.95	784.73	961.72
Total number of employees (persons)	15,371	15,088	14,905
Proportion of female employees (%)	48.73	48.09	47.23
Number of training sessions	1,979	2,624	2,019
Customer Satisfaction of Consumer Complaint Handling ( % )	99.87	99.69	99.71
Number of handled customer complaints	4,588	3,334	2,379
Number of institutions	1,774	1,765	1,760
Number of outlets located in counties	1,463 <sup>8</sup>	1,456	1,454
Number of self-service machines	4,911	4,482	4,349
E-channel transaction ratio ※	94.59	96.29	97.03
Number of online banking customers (ten thousand) ※	327.66	327.10	327.75

<sup>5</sup>Except for those ended with “※”, all the figures in this table are under the scope of the Bank.

<sup>6</sup>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).

<sup>7</sup>According to the Notice of the General Office of the China Banking and Insurance Regulatory Commission on Further Promoting the High-quality Development of Financial Services for Small and Micro Enterprises 2021, since 2021, the regulatory assessment criteria of "two increases" of inclusive small and micro enterprise loans do not include data related to bill discount and transfer discount, and the data in 2021 is not comparable with the data in previous years.

<sup>8</sup>The original data disclosed in 2019 did not include Qujing area. In order to be consistent with the caliber of subsequent years, it has been adjusted.

# Independent Practitioner's Assurance Report

2022/SH-0133  
(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 2021 key data as defined below in the 2021 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 2021 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
- Consumer complaints handling satisfaction rate
- Number of handled consumer 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 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2021 CSR report.

## Criteria

The criteria used by the Bank to prepare the selected key data in the 2021 CSR report is set out in the basis of reporting of the key data (the “basis of reporting”) after this assurance report.



**The Board of Directors’ Responsibilities**

The Board of Directors of the Bank is responsible for the preparation of the selected key data in the 2021 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 2021 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 2021 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 obtained 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 2021 selected key data in the 2021 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 2021 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

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 2021 selected key data in the 2021 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, 2022

## 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 fields 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 (exclude balance of bill discount and transfer discount), 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 Medium-size 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.

**Consumer complaints handling satisfaction rate (%):** Refer to the proportion of the

number of consumer complaints evaluated as “satisfaction” to the total number of evaluated consumer complaints handled by Chongqing Rural Commercial Bank Co., Ltd.

**Number of handled consumer complaints:** Refer to the number of customer complaints received and handled by Chongqing Rural Commercial Bank Co., Ltd. through the regulatory transfer, customer service centre, the Head Office departments and branches .

**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 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 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

Aspects	Contents	Disclosure Location
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board of Directors Statement
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: <b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. <b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. <b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Declaration
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Declaration
“Comply or explain” Provisions		
A. Environment		

Aspect 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
	A1.1The types of emissions and respective emissions data	2021 Environmental Indicators
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2021 Environmental Indicators
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2021 Environmental Indicators
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2021 Environmental Indicators
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	Green Operation
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operation
Aspect 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).	2021 Environmental Indicators
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2021 Environmental Indicators
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Operation
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable

Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Finance; Green Public Welfare
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Finance; Green Public Welfare
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Changes
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Changes
<b>B. Society</b>		
Employment and Labour Practices		
Aspect 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.	Protecting Rights and Interests of Employees in Accordance with Laws
	B1.1 Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	
	B1.2 Employee turnover rate by gender, age group and geographical region.	
Aspect 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 to Employees
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
	B2.2 Lost days due to work injury.	
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
Aspect 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>	Comprehensively supporting for Talent Development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
	B3.2 The average training hours completed per employee by gender and employee category.	

Aspect 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 and Interests of Employees in Accordance with Laws
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	
	B4.2 Description of steps taken to eliminate such practices when discovered.	
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supplier Management
	B5.1 Number of suppliers by geographical region.	
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect 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
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
	B6.2 Number of products and service related complaints received and how they are dealt with.	Standardizing Process to Deal with Customer Complaints
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Brand Protection
	B6.4 Description of quality assurance process and recall procedures.	Not Applicable
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Customer Information Security
Aspect 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.	Anti-Corruption; Anti-Money Laundering
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	
	B7.3 Description of anti-corruption training provided to directors and staff.	



Community		
Aspect 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
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
	B8.2 Resources contributed (e.g. money or time) to the focus area.	



## GRI Index

Disclosure Contents		Disclosure Location
1. Organiza- tional 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;Supplier Management
	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;Board of Directors Statement
	102-15 Key impacts, risks, and opportunities	Risk Management;Climate Changes;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 Communi- cation
4. Governance	102-18 Governance structure	Corporate Governance
	102-19 Delegating authority	Corporate Governance
	102-21 Consulting stakeholders on economic, environmental, and social topics	Substantial Analysis; Stakeholders Communication
	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	Responsibility Integration; Climate Changes
	102-30 Effectiveness of risk management processes	Risk Prevention
	102-31 Review of economic, environmental, and social topics	Board of Directors Statement
	102-32 Highest governance body's role in sustainability reporting	Board of Directors Statement
	102-33 Communicating critical concerns	Responsibility Integration
	102-34 Nature and total number of critical concerns	Responsibility Integration
	102-35 Remuneration policies	Protecting Rights and Interests of Employees in Accordance with Laws
5. Stakeholder engagement	102-40 List of stakeholder groups	Stakeholders Communication
	102-41 Collective bargaining agreements	Protecting Rights and Interests of Employees in Accordance with Laws
	102-42 Identifying and selecting stakeholders	Substantial Analysis
	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
	102-47 List of material topics	Stakeholders Communication
	102-48 Restatements of information	Not Applicable
	102-49 Changes in reporting	Declaration; Responsibility Integration
	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	Responsibility Integration; Board of Directors Statement; 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	Responsibility Integration; Board of Directors Statement; 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	Responsibility Integration; Board of Directors Statement; 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 Changes
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	Promoting Optimization of Economic Structure
		203-2 Significant indirect economic impacts	Taking Economic Responsibility, Driving Economic Transformation



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	Compliance Risk Management; Internal Control Evaluation; Anti-Corruption; Anti-Money Laundering
	Topic-specific disclosures	205-2 Communication and training about anti-corruption policies and procedures	Compliance Risk Management; Internal Control Evaluation; Anti-Corruption; Anti-Money Laundering
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	2021 Environmental Indicators
		302-3 Energy intensity	2021 Environmental Indicators
		302-4 Reduction of energy consumption	2021 Environmental Indicators
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	2021 Environmental Indicators
GRI 304: Biodiversity	Management approach disclosures	Management approach for biodiversity	Green Finance
GRI 305: Emissions	Management approach disclosures	Management approach for emissions	Green Operation
	Topic-specific disclosures	305-1 Direct (Scope 1) GHG emissions	2021 Environmental Indicators
		305-2 Energy indirect (Scope 2) GHG emissions	2021 Environmental Indicators
		305-4 GHG emissions intensity	2021 Environmental Indicators
		305-5 Reduction of GHG emissions	2021 Environmental Indicators
		305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	2021 Environmental Indicators

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	Protecting Rights and Interests of Employees in Accordance with Laws
	Topic-specific disclosures	401-1 New employee hires and employee turnover	Protecting Rights and Interests of Employees in Accordance with Laws
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Rights and Interests of Employees in Accordance with Laws; Providing Comprehensive Care to Employees
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	403-1 Occupational health and safety management system	Providing Comprehensive Care to Employees
		403-5 Worker training on occupational health and safety	Providing Comprehensive Care to Employees
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Providing Comprehensive Care to Employees
	Topic-specific disclosures	403-9 Work-related injuries	Providing Comprehensive Care to Employees

Disclosure Contents			Disclosure Location
GRI 404: Training and Education	Management approach disclosures	Management approach for training and education	Comprehensively supporting for Talent Development
		404-1 Average hours of training per year per employee	Comprehensively supporting for Talent Development
	Topic-specific disclosures	404-2 Programs for upgrading employee skills and transition assistance programs	Comprehensively supporting for Talent Development
GRI 405: Diversity and Equal Opportunity	Management approach disclosures	Management approach for diversity and equal opportunity	Protecting Rights and Interests of Employees in Accordance with Laws
	Topic-specific disclosures	405-1 Diversity of governance bodies and employees	Protecting Rights and Interests of Employees in Accordance with Laws
GRI 406: Non-discrimination	Management approach disclosures	Management approach for non-discrimination	Protecting Rights and Interests of Employees in Accordance with Laws
	Topic-specific disclosures	406-1 Incidents of discrimination and corrective actions taken	Protecting Rights and Interests of Employees 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 and Interests of Employees 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 and Interests of Employees in Accordance with Laws
GRI 408: Child Labor	Management approach disclosures	Management approach for child labor	Protecting Rights and Interests of Employees in Accordance with Laws
	Topic-specific disclosures	408-1 Operations and suppliers at significant risk for incidents of child labor	Protecting Rights and Interests of Employees in Accordance with Laws
GRI 409: Forced or Compulsory Labor	Management approach disclosures	Management approach for forced or compulsory labor	Protecting Rights and Interests of Employees in Accordance with Laws
	Topic-specific disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Rights and Interests of Employees in Accordance with Laws; Supplier Management
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
	Management approach disclosures	Management approach for local communities	Delivering Warmth in Community Communication

Disclosure Contents			Disclosure Location
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
		414-1 New suppliers that were screened using social criteria	Supplier Management
	Topic-specific disclosures	414-2 Negative social impacts in the supply chain and actions taken	Supplier Management
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	Guaranteeing Security Requirements for Bank Commercial Premises; Safe-guarding the Legitimate Rights and Interests of Customers
GRI 417: Marketing and Labeling	Management approach disclosures	Management approach for marketing and labeling	Brand Protection
		417-1 Requirements for product and service information and labeling	Brand Protection
	Topic-specific disclosures	417-2 Incidents of non-compliance concerning product and service information and labeling	Brand Protection
GRI 418: Customer Privacy	Management approach disclosures	Management approach for customer privacy	Protecting Customer Information Security
	Topic-specific disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protecting Customer Information Security
GRI 419: Socio-economic Compliance	Management approach disclosures	Management approach for socioeconomic compliance	Risk Management



## Feedback from Readers

Thank you for reading the 2021 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: 023-61111271

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 and Regulatory Bodies

B. Peers and Industry Associations

C. Shareholders and Investors

D. Customer

E. Suppliers and Partners

F. Non-profit Organizations and Charitable or Community Organizations

G. Directors and the Managements

H. Employees

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. Very Convenient

B. Convenient

C. Average

D. Inconvenient

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

Thank you again for your participation!

