



重庆银行

BANK OF CHONGQING

BANK OF CHONGQING CO., LTD.*

重慶銀行股份有限公司*

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

(Stock Code : 1963)

(Stock Code of Preference Shares : 4616)



2022 INTERIM REPORT

- * The Bank holds a financial licence number B0206H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000202869177Y. The Bank is not an authorized institution within the meaning of the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

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Important Notice

1. The Board of Directors, the Board of Supervisors and each Director, Supervisor and member of senior management of the Bank warrant that the contents in this interim report are true, accurate and complete and contain no false representations, misleading statements or material omissions, and they will take legal responsibilities for such contents on a joint and several basis.
2. The 52nd meeting of the sixth session of the Board of the Bank was held on 30 August 2022 in the form of onsite (video) conference. Lin Jun, the Chairman, presided over the meeting. 13 Directors were eligible to attend the meeting, among which 11 Directors attended the meeting in person, and Yang Yusong and Zhong Xian (both are Directors) delegated Lin Jun, the Chairman, to attend the meeting and vote on their behalf. Supervisors and members of senior management of the Bank also attended the meeting. The convening of the meeting complied with relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of Bank of Chongqing Co., Ltd.
3. The Bank will not make any profit distribution or convert any capital reserve into share capital for the interim period of 2022.
4. The Bank's 2022 interim financial report is unaudited.
5. Unless otherwise stated, all monetary sums stated in this report are expressed in RMB.
6. LIN Jun (Chairman of the Bank), RAN Hailing (President of the Bank), YANG Shiyin (Vice President in charge of Finance) and YANG Kun (Head of Finance Department) warrant that the financial report in the half-year report is true, accurate and complete.
7. No funds of the Bank were tied up by controlling shareholders and other related parties for non-operating purposes.
8. The Bank did not violate stipulated decisionmaking procedures in issuing guarantees.
9. This report may contain forward-looking statements about matters such as future plans of the Bank. These statements are made on the basis of current plans, estimates and forecasts. The Group believes that the expectations reflected in these forward-looking statements are reasonable, but the Group cannot guarantee that these expectations can be realized or will be proved to be correct, so they shall not constitute substantive commitments of the Group. Investors shall not overly rely on such statements and shall maintain sufficient risk awareness in this regard. Please be aware that these forward-looking statements are related to future events or the Group's future financial, business or other performance and are subject to numerous uncertainties that may lead to significant differences in the actual results.
10. Warning of material risks: For the material risks to which the Group are exposed and proposed measures, please see the section headed "Management Discussions and Analysis – Risk Management" in this report.

Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“A-Share Convertible Bonds” or “Convertible Bonds”	Convertible corporate bonds convertible into A shares of the Bank issued by the Bank in March 2022 and listed on the Shanghai Stock Exchange in April 2022
“Articles of Association”	the articles of association of Bank of Chongqing Co., Ltd.
“Bank” or “Bank of Chongqing”	Bank of Chongqing Co., Ltd.
“Group”	Bank of Chongqing Co., Ltd. and its controlled subsidiary
“CBRC”	former China Banking Regulatory Commission (原中國銀行業監督管理委員會)
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CBRC Chongqing Bureau”	former China Banking Regulatory Commission Chongqing Bureau (原中國銀行業監督管理委員會重慶監管局)
“Chongqing CBIRC”	China Banking and Insurance Regulatory Commission Chongqing Bureau (中國銀行保險監督管理委員會重慶監管局)
“Chongqing Yufu”	Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司)
“Dah Sing Bank”	Dah Sing Bank, Limited (大新銀行有限公司)
“Xinyu Financial Leasing”	Chongqing Xinyu Financial Leasing Co., Ltd. (重慶鈞渝金融租賃股份有限公司)
“Xingyi Wanfeng”	Xingyi Wanfeng Village Bank Co., Ltd. (興義萬豐村鎮銀行有限責任公司)
“Mashang Consumer”	Mashang Consumer Finance Co., Ltd. (馬上消費金融股份有限公司)
“Three Gorges Bank”	Chongqing Three Gorges Bank Co., Ltd. (重慶三峽銀行股份有限公司)

Definitions

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS(s)”	International Financial Reporting Standard(s)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC” or “Central Bank”	People’s Bank of China (中國人民銀行)
“Reporting Period”	the half year ended 30 June 2022
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“RMB”	Renminbi yuan

Company Profile

3.1 Business Summary

As one of the earliest local joint stock commercial banks in Western China and the upper reaches of the Yangtze River, the Bank was formerly known as Chongqing Urban Cooperative Bank, which was established by consolidating 37 urban credit cooperatives and 1 urban credit union in 1996. The Bank was renamed as Commercial Bank of Chongqing Co., Ltd. in 1998 and as Bank of Chongqing Co., Ltd. in 2007. In 2013, the Bank became the first urban commercial bank in Mainland China to be listed on the Hong Kong Stock Exchange. On 5 February 2021, the Bank was listed on the Shanghai Stock Exchange, thus becoming the third and first city commercial bank with listing of A Shares and H Shares, in China and the Yangtze River Economic Belt respectively.

With the strategic vision of building a national first-class listed commercial bank with “adherence to the origin, distinctive characteristics, robust operation, and superior value”, the Bank will implement three key tasks of “service improvement, digital transformation, and characteristic development”, establish three major systems of “technology empowerment, talent empowerment, and management empowerment”, form a new layout of “1-3-3” strategic development and thus promote the realization of high-quality development across the Bank. As at 30 June 2022, the Bank operated 157 business outlets, covering “one municipality and three provinces”, including all districts and counties in Chongqing as well as Sichuan, Guizhou and Shaanxi, and controlled its subsidiaries Chongqing Xinyu Financial Leasing Co., Ltd. and Xingyi Wanfeng Village Bank Co., Ltd. The Group recorded total assets of RMB663,635 million, total deposits of RMB376,740 million, and total loans of RMB339,492 million, with the nonperforming loan ratio of 1.29% and the allowance coverage ratio of 262.79%. Major business indicators have met regulatory requirements.

In line with the strategic positioning of “local bank, bank for small and micro enterprises, and bank for citizens”, the Bank adhered to the original intention of serving local economy, serving small and micro enterprises and serving urban and rural residents, and continued to optimize and enhance its financial service capabilities by promoting reform, restructuring, transformation and quality development. During the Reporting Period, the Bank focused on major strategies and key industries, proactively served the real economy, intensified credit support for such areas as the interconnection within the Chengdu-Chongqing Economic Circle, modern industries and ecological livability, and launched special products including “Carbon Reduction Financing” (碳减融). The balance of green financial business increased by 25% as compared with the end of the previous year. The Bank focused on inclusive finance and rural revitalization, and continued to meet the financial service needs of small and micro enterprises, private enterprises, individual businesses and new citizens. The balance of “specialized, refined, special and novel” corporate loans, technology-based corporate loans and agriculture-related loans recorded rapid growth. The Bank focused on consumption credit and service improvement, gave full play to its advantages in product systems, and took immediate action in developing self-operated online consumer products. The balance of “Jie E Dai” (捷 e 贷) increased by 119% as compared with the end of the previous year. The Bank focused on digital transformation and technology empowerment, launched a one-stop online platform for data application services, implemented the pilot marketing service platform for digitalization of industries, and completed the establishment of the retail customer relationship management system and the “retail data mart”. Moreover, the Bank focused on building brands and enhancing image. The Bank was rated by the Standard & Poor’s as international investment rating, with rating outlook as “stable” for six consecutive years, and ranked among the top 300 in the “Top 1,000 World Banks” in The Banker, a UK magazine, for seven consecutive years. The Bank has been selected for the PBOC Pilot Program of Supervision over Financial Technology Innovation for three consecutive years, became the first local corporate bank in Chongqing to participate in e-CNY business, and was selected as a benchmarking enterprise in the special benchmarking improvement program of Chongqing SASAC.

Company Profile

3.2 Corporate Information

3.2.1 Legal Name and Abbreviation in Chinese: 重慶銀行股份有限公司(Abbreviation: 重慶銀行)
Name in English: Bank of Chongqing Co., Ltd.

3.2.2 Legal Representative: LIN Jun
Authorized Representatives: LIN Jun
WONG Wah Sing
Secretary to the Board: PENG Yanxi
Company Secretary: HO Wing Tsz Wendy
Securities Affairs Representative: WANG Yu

3.2.3 Registered Address and Office Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Historical Change of Registered Address: Registered address was changed from "No. 153 Zourong Road, Yuzhong District, Chongqing" to "No. 6 Yongpingmen Street, Jiangbei District, Chongqing" in February 2020
Principal Place of Business in Hong Kong: 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
Historical Change of Principal Place of Business in Hong Kong: Principal Place of Business in Hong Kong was changed from "Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong" to "5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong" in August 2022

3.2.4 Correspondence Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Postal Code: 400024
Tel: +86(23)63367688
Fax: +86(23)63799024
E-mail: ir@cqcbank.com
Website: <http://www.cqcbank.com>
Customer Service Hotline: 956023

3.2.5 General Information on the Listing of Shares:
A Shares:
Listing Exchange: Shanghai Stock Exchange
Stock Name: BCQ
Stock Code: 601963
H Shares:
Listing Exchange: The Stock Exchange of Hong Kong Limited
Stock Name: BCQ
Stock Code: 01963
Offshore Preference Shares:
Listing Exchange: The Stock Exchange of Hong Kong Limited
Stock Name: BCQ 17USDPREF
Stock Code: 4616

- 3.2.6** Domestic Auditor: Ernst & Young Hua Ming LLP (Special General Partnership)
Office Address: Room 01-12, 17/F, EYHM Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing
International Auditor: Ernst & Young (Registered Public Interest Entity Auditor)
Office Address: 27th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
- 3.2.7** Legal Advisor as to PRC Laws: JunHe LLP
Legal Advisor as to Hong Kong Laws: DLA Piper Hong Kong
- 3.2.8** A Share Registrar: China Securities Depository and Clearing Corporation Limited Shanghai Branch
Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai
H Share Registrar: Computershare Hong Kong Investor Services Limited
Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- 3.2.9** Newspapers and Websites Designated for Information Disclosure:
Mainland China: China Securities Journal (www.cs.com.cn)
Shanghai Securities News (www.cnstock.com)
Securities Times (www.stcn.com)
Securities Daily (www.zqrb.cn)
Website of the Shanghai Stock Exchange (www.sse.com.cn)
Website of the Bank (www.cqcbank.com)
Hong Kong: Website of the Hong Kong Stock Exchange (www.hkexnews.hk)
Website of the Bank (www.cqcbank.com)
Place for Preparation of the Interim Report: Office of the Board of the Bank
- 3.2.10** Domestic Sponsor Institution for Continuous Supervision and Guidance:
China Merchants Securities Co., Ltd.
Office Address: No. 111, 1st Fuhua Road, Futian Street, Futian District, Shenzhen
Sponsor Representative: Wang Xiao (王曉), Hu Yijia (扈益嘉)
Period of Continuous Supervision and Guidance: From 5 February 2021 to 31 December 2023
- 3.2.11** Registration Information:
Date of Initial Incorporation: 2 September 1996
Registration Authority: Administration for Market Regulation of Chongqing (formerly known as Administration for Industry and Commerce of Chongqing)
Unified Social Credit Code: 91500000202869177Y
Financial License Registration Number: the Bank holds a financial licence number B0206H250000001 approved by the regulatory authority of the banking industry of the PRC

Financial Highlights

The financial information set out in this interim report has been prepared in accordance with the IFRSs on the basis of consolidation. Unless otherwise stated, such information is the data of the Group denominated in RMB.

4.1 Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change	For the six months ended 30 June 2020
OPERATING RESULTS			Change in percentage (%)	
Interest income	13,656,304	13,310,644	2.6	12,203,094
Interest expense	(8,301,765)	(7,715,029)	7.6	(6,866,929)
Net interest income	5,354,539	5,595,615	(4.3)	5,336,165
Net fee and commission income	412,466	428,526	(3.7)	522,194
Net trading gains, net gains on investment securities and other operating income	878,551	1,145,669	(23.3)	652,953
Operating income	6,645,556	7,169,810	(7.3)	6,511,312
Operating expenses	(1,650,058)	(1,531,821)	7.7	(1,242,510)
Assets impairment losses	(1,648,792)	(2,285,268)	(27.9)	(1,990,161)
Operating profit	3,346,706	3,352,721	(0.2)	3,278,641
Share of profit of associates	125,361	108,589	15.4	29,839
Profit before income tax	3,472,067	3,461,310	0.3	3,308,480
Income tax	(575,097)	(707,000)	(18.7)	(688,312)
Net profit	2,896,970	2,754,310	5.2	2,620,168
Net profit attributable to shareholders of the Bank	2,784,631	2,659,397	4.7	2,545,620
Net cash flows generated from operating activities	(4,240,012)	(21,039,632)	(79.8)	10,726,257
Calculated on a per share basis (RMB)			Change	
Basic earnings per share	0.80	0.79	0.01	0.81
Diluted earnings per share	0.71	0.79	(0.08)	0.81

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022	As at 31 December 2021	Change	As at 31 December 2020
			Change in percentage (%)	
Scale indicators				
Total assets	663,635,024	618,953,620	7.2	561,641,397
Total loans and advances to customers	339,492,295	318,061,937	6.7	283,226,555
– Corporate loans	203,198,171	185,958,346	9.3	164,660,672
– Retail loans	97,452,255	101,848,554	(4.3)	96,526,484
– Discounted bills	36,712,978	28,148,893	30.4	20,032,920
– Interests due from loans and advances to customers	2,128,891	2,106,144	1.1	2,006,479
Impairment allowances for loans	11,397,813	11,178,339	2.0	10,967,207
Total liabilities	612,135,475	569,706,925	7.4	519,647,183
Customer deposits	376,739,949	338,695,343	11.2	314,500,257
– Corporate demand deposits	71,272,195	71,149,941	0.2	74,291,268
– Corporate time deposits	127,787,642	108,914,851	17.3	104,368,093
– Individual demand deposit	17,698,651	17,235,404	2.7	16,011,350
– Individual time deposits	139,915,248	122,683,998	14.0	105,814,582
– Other deposits	15,458,008	15,202,061	1.7	11,077,135
– Interest payable on customer deposits	4,608,205	3,509,088	31.3	2,937,829
Share capital	3,474,505	3,474,505	–	3,127,055
Equity attributable to shareholders of the Bank	49,476,913	47,273,188	4.7	40,174,997
Total equity	51,499,549	49,246,695	4.6	41,994,214
Core Tier I Capital, net	45,595,381	43,214,481	5.5	35,902,191
Tier I Capital, net	50,683,027	48,277,879	5.0	40,934,037
Net total capital	61,646,925	59,974,137	2.8	53,672,813
Risk-weighted assets	476,481,992	461,807,558	3.2	427,946,826
Calculated on a per share basis (RMB)			Change	
Net assets per share attributable to shareholders of the Bank	12.83	12.19	0.64	11.28

Financial Highlights

4.2 Financial Indicators

(All amounts expressed in percentage unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change	For the six months ended 30 June 2020
Profitability indicators (%)				
Annualized return on average total assets ⁽¹⁾	0.91	0.95	(0.04)	1.02
Annualized weighted average return on net asset ⁽²⁾	12.57	13.69	(1.12)	15.54
Annualized weighted average return on net asset after deducting non-recurring gains and losses	12.43	13.46	(1.03)	15.57
Net interest spread ⁽³⁾	1.62	1.94	(0.32)	2.20
Net interest margin ⁽³⁾	1.78	2.06	(0.28)	2.31
Net fee and commission income to operating income	6.21	5.98	0.23	8.02
Cost-to-income ratio ⁽⁴⁾	23.61	20.17	3.44	17.93
Asset quality indicators (%)				
Indicators of capital adequacy ratio (%)				
Core tier I capital adequacy ratio ⁽⁸⁾	9.57	9.36	0.21	8.39
Tier I capital adequacy ratio ⁽⁸⁾	10.64	10.45	0.19	9.57
Capital adequacy ratio ⁽⁸⁾	12.94	12.99	(0.05)	12.54
Total equity to total assets	7.76	7.96	(0.20)	7.48
Other indicators (%)				
Liquidity ratio ⁽⁹⁾	112.12	86.36	25.76	83.52
Percentage of loans to the single largest customer ⁽¹⁰⁾	3.21	3.30	(0.09)	2.48
Percentage of loans to the top ten customers ⁽¹¹⁾	22.85	23.90	(1.05)	20.49
Loan to deposit ratio	90.11	93.91	(3.80)	90.06

Notes:

- (1) Calculated by dividing net profit by the average of total assets at the beginning and at the end of the period.
- (2) Net profit (net of dividends of preference shares distributed during the year) attributable to shareholders of the Bank as a percentage of the average balance of equity, net of preference shares, attributable to shareholders of the Bank at the beginning and at the end of the period.
- (3) Net interest spread refers to the difference between the average yield on interest-earning assets and the average cost ratio of interest-bearing liabilities; net interest margin represents the ratio of net interest income to the average balance of interest-earning assets.
- (4) Calculated by dividing operating expenses (less tax and surcharges) by operating income.
- (5) Calculated by dividing balance of non-performing loans by total loans and advances to customers.
- (6) Calculated by dividing the balance of impairment allowances on loans by the balance of non-performing loans. The balance of impairment allowances on loans is the sum of impairment allowances on loans and advances to customers measured at amortized cost and FVOCI. Pursuant to regulatory requirements, the regulatory standard of such indicator of the Bank is 150%.
- (7) Calculated by dividing balance of impairment allowances on loans by total principal of loans and advances to customers. Pursuant to regulatory requirements, the regulatory standard of such indicator of the Bank is 2.5%.
- (8) The Group's core tier I capital adequacy ratio, tier I capital adequacy ratio and capital adequacy ratio were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial) promulgated by CBIRC.
- (9) Liquidity ratio is calculated in accordance with the formula promulgated by the CBIRC.
- (10) Calculated by dividing total loans to the single largest customer by net capital.
- (11) Calculated by dividing total loans to the top ten customers by net capital.

4.3 Differences between Domestic and Foreign Accounting Standards

With respect to the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards) and those under the IFRSs, there is no difference for the net profit attributable to shareholders of the Bank for the Reporting Period ended 30 June 2022 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Management Discussions and Analysis

5.1 Overview

5.1.1 Industry Development

In the first half of 2022, China's economy faced increasing downward pressure under the combined influence of unexpected domestic and foreign factors. The Chinese government has adopted a series of policy measures to proactively stabilize the overall macro economy and made all-out efforts to stabilize economic growth, employment and expectations and secure people's livelihood, so that China showed strong resilience and great potential in the macro economy. According to the statistics of National Bureau of Statistics, in the first half of 2022, China's GDP amounted to RMB56.26 trillion, representing a year-on-year increase of 2.5%, and its national economy stabilized and rebounded. Industrial added value of above-scale throughout the country achieved an increase of 3.4% as compared to the same period in the previous year, showcasing the gradual recovery of the industrial economy. The added value of the service industry grew by 1.8% on a year-on-year basis, of which the added value of the financial industry increased by 5.5%, and the development momentum of the service industry continued to rise.

The financial institutions in the banking industry strictly implemented the requirements of stabilizing the overall economy, continuously promoted "stability on six fronts" and "security in six areas", and intensified the financial support for the real economy. The industry showed a general trend of sound development, with stable growth in scale, constant enhancement in profitability and significant improvement in asset quality. According to the statistics of the China Banking and Insurance Regulatory Commission (CBIRC), as of the end of June 2022, the total assets of China's banking financial institutions amounted to RMB360.43 trillion, representing an increase of 6.7% as compared with the end of the previous year; the total liabilities reached RMB330.24 trillion, representing an increase of 7.1% as compared with the end of the previous year. In terms of types of institutions, the proportion of total assets of large commercial banks and rural financial institutions in the industry decreased, while that of joint-stock commercial banks, city commercial banks and other financial institutions¹ increased.

5.1.2 Overall Development of the Bank

Despite complicated and evolving external conditions in the first half of 2022, the Group persisted in high-quality development with focus on promoting reform and transformation, controlling risks and enhancing management capacities. As such, the Group met expectations in terms of performance indicators, and recorded steady upgrade in the scale of operation, improvement in operating efficiency, optimization of the operating structure, enhancement of capital strength, improvement in asset quality.

Fully implementing major national and regional development strategies, proactively serving the real economy, and achieving steady upgrade in the scale of operation. As of 30 June 2022, the Group's total assets amounted to RMB663,635 million, representing an increase of 7.2% over the end of the previous year; total loans and advances to customers amounted to RMB339,492 million, representing an increase of 6.7% over the end of the previous year; total liabilities amounted to RMB612,135 million, representing an increase of 7.4% over the end of the previous year; total customer deposits amounted to RMB376,740 million, representing an increase of 11.2% over the end of the previous year.

Constantly enhancing financial service capabilities, focusing on shaping differentiated competitive advantages, and making steady improvement in operating efficiency. For the six months ended 30 June 2022, the net profit of the Group amounted to RMB2,897 million, representing an increase of 5.2% as compared to the same period in the previous year; the net profit attributable to shareholders of the Bank amounted to RMB2,785 million, representing an increase of 4.7% as compared to the same period in the previous year.

¹ According to the definition of the CBIRC, other financial institutions comprise policy banks and China Development Bank, private banks, foreign banks, non-bank financial institutions and asset management companies.

Continuously optimizing investment strategies for key areas and industries, actively expanding sources of core liabilities, and realizing stable optimization of the operating structure. As of 30 June 2022, the Group's customer deposits as a percentage of the total liabilities increased to 61.54%, representing an increase of 2.09 percentage points over the end of the previous year, while savings deposit as a percentage of the total deposits was 41.84%, representing an increase of 0.53 percentage point over the end of the previous year.

Effectively conducting capital replenishment, completing the issuance of A Share Convertible Corporate Bonds and tier II capital bonds, and steadily enhancing capital strength. As of 30 June 2022, the core tier I capital adequacy ratio and the tier I capital adequacy ratio of the Group were 9.57% and 10.64%, representing an increase of 0.21 and 0.19 percentage point respectively over the end of the previous year; the capital adequacy ratio of the Group was 12.94%, representing a decrease of 0.05 percentage point over the end of the previous year.

Firmly forestalling risks, stepping up efforts in risk investigation, early risk warning and management of non-performing loan, and maintaining stable and solid asset quality. As of 30 June 2022, the non-performing loan ratio of the Group was 1.29%, representing a decrease of 0.01 percentage point over the end of the previous year; the allowance coverage ratio was 262.79%, representing a decrease of 11.22 percentage points over the end of the previous year.

5.2 Analysis of the Financial Statements

5.2.1 Analysis of the Income Statement

In the first half of 2022, the net interest income of the Group amounted to RMB5,355 million, representing a decrease of RMB241 million or 4.3% as compared to the same period in the previous year; net fee and commission income amounted to RMB412 million, representing a decrease of RMB16 million or 3.7% as compared to the same period in the previous year; operating expenses amounted to RMB1,650 million, representing an increase of RMB118 million or 7.7% as compared to the same period in the previous year; and assets impairment losses amounted to RMB1,649 million, representing a decrease of RMB636 million or 27.9% as compared to the same period in the previous year. As a result of the foregoing factors, in the first half of 2022, the Group achieved a net profit of RMB2,897 million, representing an increase of RMB143 million or 5.2% as compared to the same period in the previous year.

Management Discussions and Analysis

The following table sets forth the major items of the Group's Income Statement during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Net interest income	5,354,539	5,595,615	(241,076)	(4.3)
Net non-interest income	1,291,017	1,574,195	(283,178)	(18.0)
Including: Net fee and commission income	412,466	428,526	(16,060)	(3.7)
Net trading gains	188,814	303,090	(114,276)	(37.7)
Net gains on investment securities	616,093	755,739	(139,646)	(18.5)
Other operating income	73,644	86,840	(13,196)	(15.2)
Operating income	6,645,556	7,169,810	(524,254)	(7.3)
Operating expenses	(1,650,058)	(1,531,821)	(118,237)	7.7
Assets impairment losses	(1,648,792)	(2,285,268)	636,476	(27.9)
Operating profit	3,346,706	3,352,721	(6,015)	(0.2)
Share of profit of associates	125,361	108,589	16,772	15.4
Profit before income tax	3,472,067	3,461,310	10,757	0.3
Less: Income tax	575,097	707,000	(131,903)	(18.7)
Net profit	2,896,970	2,754,310	142,660	5.2
Attributable to shareholders of the Bank	2,784,631	2,659,397	125,234	4.7
Attributable to non-controlling interests	112,339	94,913	17,426	18.4

5.2.1.1 Operating income

In the first half of 2022, the Group achieved the operating income of RMB6,646 million, representing a decrease of RMB524 million or 7.3% as compared to the same period in the previous year, with the net interest income accounting for 80.57% and the net non-interest income accounting for 19.43%.

The following table sets forth the composition and percentage of the Group's operating income during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022		For the six months ended 30 June 2021		Change in amount	Change in percentage (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Net interest income	5,354,539	80.57	5,595,615	78.04	(241,076)	(4.3)
Net fee and commission income	412,466	6.21	428,526	5.98	(16,060)	(3.7)
Other net non-interest income	878,551	13.22	1,145,669	15.98	(267,118)	(23.3)
Operating income	6,645,556	100.00	7,169,810	100.00	(524,254)	(7.3)

5.2.1.2 Net interest income

In the first half of 2022, the net interest income of the Group amounted to RMB5,355 million, representing a decrease of RMB241 million or 4.3% as compared to the same period in the previous year.

Interest income, interest expense and net interest income

In the first half of 2022, the interest income of the Group amounted to RMB13,656 million, representing an increase of RMB346 million or 2.6% as compared to the same period in the previous year; the interest expense amounted to RMB8,302 million, representing an increase of RMB587 million or 7.6% as compared to the same period in the previous year.

The following table sets forth the amount and changes of the interest income, interest expense and net interest income of the Group during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Interest income	13,656,304	13,310,644	345,660	2.6
Interest expense	(8,301,765)	(7,715,029)	(586,736)	7.6
Net interest income	5,354,539	5,595,615	(241,076)	(4.3)

Average yield of interest-earning assets and average interest rate of interest-bearing liabilities

In the first half of 2022, the average balance of interest-earning assets of the Group amounted to RMB605,381 million, representing an increase of RMB56,420 million or 10.3% as compared to the same period in the previous year. The average yield on interest-earning assets decreased by 34 basis points to 4.55% as compared to the same period in the previous year.

In the first half of 2022, the average balance of interest-bearing liabilities of the Group amounted to RMB570,904 million, representing an increase of RMB43,711 million or 8.3% as compared to the same period in the previous year. The average cost ratio of interest-bearing liabilities decreased by 2 basis points to 2.93% as compared to the same period in the previous year.

As a result of the combined impact of the above-mentioned factors, the net interest spread of the Group decreased by 32 basis points to 1.62% as compared to the same period in the previous year, while the net interest margin decreased by 28 basis points to 1.78% as compared to the same period in the previous year.

Management Discussions and Analysis

The following table sets forth the composition and interest of interest-earning assets and interest-bearing liabilities of the Group.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Average balance	Interest income/ expense	Average annualized yield/ cost ratio (%)	Average balance	Interest income/ expense	Average annualized yield/ cost ratio (%)
ASSETS						
Loans and advances to customers	325,970,743	8,423,473	5.21	296,775,530	8,222,789	5.59
Investment securities	190,530,140	4,497,742	4.76	164,247,136	4,289,370	5.27
Cash and balances with central bank	32,663,633	229,340	1.42	33,393,703	241,810	1.46
Due from and placements with banks and other financial institutions	56,216,982	505,749	1.81	54,544,703	556,675	2.06
Total interest-earning assets	605,381,498	13,656,304	4.55	548,961,072	13,310,644	4.89
LIABILITIES						
Customer deposits	348,081,939	5,088,970	2.95	323,682,966	4,608,147	2.87
Due to and placements from banks and other financial institutions and lease liabilities	102,123,111	1,432,116	2.83	95,398,282	1,409,132	2.98
Debt securities payable	120,699,078	1,780,679	2.98	108,111,459	1,697,750	3.17
Total interest-bearing liabilities	570,904,128	8,301,765	2.93	527,192,707	7,715,029	2.95
Net interest income		5,354,539			5,595,615	
Net interest spread			1.62			1.94
Net interest margin			1.78			2.06

Analysis of Changes in Interest Income and Expense

The Group's changes in interest income and expense are jointly affected by volume factor and interest rate factor. The following table sets forth the analysis of changes in interest income and expense of the Bank for the six months ended 30 June 2022.

(All amounts expressed in thousands of RMB unless otherwise stated)	Due to changes in volume	Due to changes in interest rate	Change in interest income and expense
ASSETS			
Loans and advances to customers	754,439	(553,755)	200,684
Investment securities	620,449	(412,077)	208,372
Cash and balances with central bank	(5,126)	(7,344)	(12,470)
Due from and placements with banks and other financial institutions	15,044	(65,970)	(50,926)
Change in interest income	1,384,806	(1,039,146)	345,660
LIABILITIES			
Customer deposits	356,714	124,109	480,823
Due to and placements from banks and other financial institutions and lease liabilities	94,305	(71,321)	22,984
Debt securities payable	185,706	(102,777)	82,929
Change in interest expense	636,725	(49,989)	586,736
Change in net interest income	748,081	(989,157)	(241,076)

5.2.1.3 Interest income

In the first half of 2022, the Group realised interest income of RMB13,656 million, representing an increase of RMB346 million or 2.6% as compared to the same period in the previous year.

Interest income from loans and advances to customers

In the first half of 2022, the Group's interest income from loans and advances to customers amounted to RMB8,423 million, representing an increase of RMB201 million or 2.4% as compared to the same period in the previous year, primarily due to the increase in average balance on loans and advances to customers by 9.8% as compared to the same period in the previous year.

The following table sets forth the average income of loans and advances to customers of the Group by maturity structure during the periods indicated:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Average balance	Interest income	Average annualized yield ratio (%)	Average balance	Interest income	Average annualized yield ratio (%)
Short-term loans	71,160,038	1,203,109	3.41	50,854,182	971,120	3.85
Medium – and long – term loans	254,810,705	7,220,364	5.71	245,921,348	7,251,669	5.95
Total	325,970,743	8,423,473	5.21	296,775,530	8,222,789	5.59

Management Discussions and Analysis

The following table sets forth the average yield on the Group's loans and advances to customers by business type during the periods indicated:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Average balance	Interest income	Average annualized yield ratio (%)	Average balance	Interest income	Average annualized yield ratio (%)
Corporate loans	192,780,391	5,238,287	5.48	179,347,975	4,867,782	5.47
Retail loans	98,747,014	2,855,796	5.83	103,228,034	3,194,843	6.24
Discounted bills	34,443,338	329,390	1.93	14,199,521	160,164	2.27
Total	325,970,743	8,423,473	5.21	296,775,530	8,222,789	5.59

Interest income from investment securities

In the first half of 2022, the Group's interest income from investment securities amounted to RMB4,498 million, representing an increase of RMB208 million or 4.9% as compared to the same period in the previous year, primarily due to the increase of 16.0% in average balance on investment securities as compared to the same period in the previous year.

Interest income from cash and balances with central bank

In the first half of 2022, the Group's interest income from cash and balances with central bank amounted to RMB229 million, representing a decrease of RMB12 million or 5.2% as compared to the same period in the previous year, primarily due to the decrease of 2.2% in average balance on cash and balances with central bank as compared to the same period in the previous year and the decrease of 4 basis points in average annualized yield ratio as compared to the same period in the previous year.

Interest income from amounts due from and placements with other banks and financial institutions

In the first half of 2022, the total interest income from the Group's amounts due from and placements with other banks and financial institutions amounted to RMB506 million, representing a decrease of RMB51 million or 9.1% as compared to the same period in the previous year, primarily due to the decrease in average annualized yield ratio due from and placements with other banks and financial institutions by 25 basis points to 1.81% as compared to the same period in the previous year.

5.2.1.4 Interest expense

Interest expense on customer deposits

In the first half of 2022, the Group's interest expense on customer deposits was RMB5,089 million, representing an increase of RMB481 million or 10.4% as compared to the same period in the previous year, primarily due to the increase in average balance of customer deposits by 7.5% as compared to the same period in the previous year and the increase in average interest rate by 8 basis points as compared to the same period in the previous year.

The following table sets forth the average cost of the Group's deposits by product type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Corporate deposits						
Demand	64,731,989	363,906	1.13	72,326,913	375,843	1.05
Time	117,004,329	2,022,678	3.49	107,776,551	1,889,238	3.53
Subtotal	181,736,318	2,386,584	2.65	180,103,464	2,265,081	2.54
Individual deposits						
Demand	17,651,915	30,805	0.35	16,594,160	32,161	0.39
Time	133,193,086	2,545,397	3.85	113,522,873	2,216,310	3.94
Subtotal	150,845,001	2,576,202	3.44	130,117,033	2,248,471	3.48
Other deposits	15,500,620	126,184	1.64	13,462,469	94,595	1.42
Total	348,081,939	5,088,970	2.95	323,682,966	4,608,147	2.87

Interest expense on amounts due to and placements from banks and other financial institutions and lease liabilities

In the first half of 2022, the Group's total interest expense on amounts due to and placements from banks and other financial institutions and lease liabilities was RMB1,432 million, representing an increase of RMB23 million or 1.6% as compared to the same period in the previous year, primarily due to the increase in average balance of amounts due to and placements from banks and other financial institutions and lease liabilities by 7.0% as compared to the same period in the previous year.

Management Discussions and Analysis

The following table sets forth the interest expense on the Group's amounts due to and placements from banks and other financial institutions and lease liabilities by business type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Due to and placements from other banks	41,727,625	668,056	3.23	52,906,469	893,499	3.41
Borrowings from central bank	49,985,437	664,368	2.68	29,985,077	382,691	2.57
Financial assets sold under repurchase agreements	10,276,044	97,589	1.92	12,396,972	131,157	2.13
Lease liabilities	134,005	2,103	3.16	109,764	1,785	3.28
Total	102,123,111	1,432,116	2.83	95,398,282	1,409,132	2.98

Interest expense on issuance of debt securities

In the first half of 2022, the Group's interest expense on issuance of debts securities amounted to RMB1,781 million, representing an increase of RMB83 million or 4.9% as compared to the same period in the previous year, primarily due to the increase in average balance by 11.6% as compared to that of the previous year.

The following table sets forth the interest expense on the Group's issuance of debts securities by securities type during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Subordinated debts	5,142,449	110,228	4.32	6,403,201	152,211	4.79
Financial debts for small and micro enterprises	3,999,756	71,772	3.62	3,712,387	66,969	3.64
Inter-bank certificates of deposits	101,998,036	1,405,363	2.78	88,139,638	1,281,008	2.93
Financial debts	3,404,147	63,136	3.74	9,856,233	197,562	4.04
Convertible bonds	6,154,690	130,180	4.27	-	-	-
Total	120,699,078	1,780,679	2.98	108,111,459	1,697,750	3.17

5.2.1.5 Non-interest income

Net fee and commission income

In the first half of 2022, the Group's net fee and commission income amounted to RMB412 million, representing a decrease of RMB16 million or 3.7% as compared to the same period in the previous year.

The following table sets forth the composition of the Group's net fee and commission income during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Fee and commission income	485,480	491,537	(6,057)	(1.2)
Financial advisory and consulting services	1,605	21,651	(20,046)	(92.6)
Wealth management agency services	333,117	294,300	38,817	13.2
Custodian services	23,053	40,268	(17,215)	(42.8)
Bank card services	41,878	34,018	7,860	23.1
Guarantees and credit commitments	38,336	47,839	(9,503)	(19.9)
Settlement and agency services	47,491	53,461	(5,970)	(11.2)
Fee and commission expense	(73,014)	(63,011)	(10,003)	15.9
Net fee and commission income	412,466	428,526	(16,060)	(3.7)

Other non-interest income

In the first half of 2022, the Group's other non-interest income amounted to RMB879 million, representing a decrease of RMB267 million or 23.3% as compared with the same period in the previous year, among which the Group's net trading gains amounted to RMB189 million, representing a decrease of RMB114 million or 37.7% as compared with the same period in the previous year, mainly due to the decrease in the valuation of equity investments classified as fair value through profit or loss; the net gains on investment securities amounted to RMB616 million, representing a decrease of RMB140 million or 18.5% as compared with the same period in the previous year; and other operating income amounted to RMB74 million, representing a decrease of RMB13 million or 15.2% as compared with the previous year.

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The following table sets forth the composition of the Group's other net non-interest income during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Net trading gains	188,814	303,090	(114,276)	(37.7)
Net gains on investment securities	616,093	755,739	(139,646)	(18.5)
Other operating income	73,644	86,840	(13,196)	(15.2)
Total	878,551	1,145,669	(267,118)	(23.3)

5.2.1.6 Operating expenses

In the first half of 2022, the Group's operating expenses were RMB1,650 million, representing an increase of RMB118 million or 7.7% as compared to the same period in the previous year, mainly because staff costs increased by 4.2% on a year-on-year basis; general and administrative expenses increased by 17.0% on a year-on-year basis.

The following table sets forth the composition of the Group's business and management expenses during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Staff costs	998,199	957,901	40,298	4.2
General and administrative expense	321,394	274,643	46,751	17.0
Depreciation of property, plant and equipment	109,121	101,400	7,721	7.6
Tax and surcharges	81,124	85,437	(4,313)	(5.0)
Rental expenses	973	4,100	(3,127)	(76.3)
Professional fees	41,698	37,103	4,595	12.4
Amortisation of intangible assets	52,005	40,455	11,550	28.6
Amortisation of long-term prepaid expenses	9,620	6,964	2,656	38.1
Depreciation of right-of-use assets	26,677	20,068	6,609	32.9
Donations	700	1,200	(500)	(41.7)
Depreciation of investment properties	125	108	17	15.7
Others	8,422	2,442	5,980	244.9
Operating expenses	1,650,058	1,531,821	118,237	7.7

5.2.1.7 Assets impairment losses

In the first half of 2022, the assets impairment losses of the Group were RMB1,649 million, representing a year-on-year decrease of RMB636 million or 27.9%.

The following table sets forth the composition of the Group's assets impairment losses during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Loans and advances to customers	1,635,894	2,197,233	(561,339)	(25.5)
Investment securities	(46,685)	140,503	(187,188)	N/A
Due from and placements with banks and other financial institutions	9,277	1,999	7,278	364.1
Off-balance sheet losses on expected credit impairment	51,999	(155,101)	207,100	N/A
Other assets	(1,693)	100,634	(102,327)	N/A
Assets impairment losses	1,648,792	2,285,268	(636,476)	(27.9)

5.2.1.8 Income tax

In the first half of 2022, the Group's income tax expenses amounted to RMB575 million, representing a decrease of RMB132 million or 18.7% as compared with the previous year, with the effective tax rate of 16.56%.

The following table sets forth the reconciliation details of the Group's income tax expenses calculated according to the statutory tax rate and the actual income tax expenses during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change in amount	Change in percentage (%)
Profit before income tax	3,472,067	3,461,310	10,757	0.3
Tax at the enacted tax rate of 25%	868,017	865,328	2,689	0.3
Effect of different tax rates of subsidiaries	(26,988)	(22,550)	(4,438)	19.7
Tax effect arising from non-taxable income	(318,300)	(200,245)	(118,055)	59.0
Tax effect of expenses that are not deductible for tax purposes	48,775	55,921	(7,146)	(12.8)
Effect of deductible losses	–	(1,064)	1,064	(100.0)
Income tax adjustment for prior years	3,593	9,610	(6,017)	(62.6)
Income tax	575,097	707,000	(131,903)	(18.7)

Management Discussions and Analysis

5.2.2 Balance sheet analysis

5.2.2.1 Total assets

As of 30 June 2022, the Group's total assets amounted to RMB663,635 million, representing an increase of RMB44,681 million or 7.2% over the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	339,492,295	51.16	318,061,937	51.39
Of which: Total principal of loans and advances to customers	337,363,404	50.84	315,955,793	51.05
Interests due from loans and advances to customers	2,128,891	0.32	2,106,144	0.34
Total impairment allowances for the expected credit	(11,397,813)	(1.72)	(11,178,339)	(1.81)
Net loans and advances to customers	328,094,482	49.44	306,883,598	49.58
Investment securities	209,409,692	31.55	194,551,720	31.43
Investments in associates	2,295,846	0.35	2,228,158	0.36
Cash and balances with central bank	33,238,629	5.01	37,200,469	6.01
Due from and placements with banks and other financial institutions	55,991,692	8.44	44,831,819	7.24
Financial assets at fair value through profit or loss	25,507,706	3.84	24,585,122	3.97
Fixed assets	3,127,539	0.47	3,152,421	0.51
Deferred income tax assets	4,265,541	0.64	3,846,343	0.62
Other assets	1,703,897	0.26	1,673,970	0.27
Total assets	663,635,024	100.00	618,953,620	100.00

5.2.2.2 Loans and advances to customers

As of 30 June 2022, the Group's total loans and advances to customers amounted to RMB339,492 million, representing an increase of RMB21,430 million or 6.7% as compared with the end of the previous year. This was mainly because the Group actively implemented the spirit of national central economic and financial policies, participated in the development of the Chengdu-Chongqing economic circle and continuously enhanced its ability to serve the real economy during the Reporting Period, which promoted the steady growth in its major businesses.

As at 30 June 2022, the Group's total principal of corporate loans was RMB203,198 million, representing an increase of RMB17,240 million or 9.3% as compared with the end of the previous year; the total principal of retail loans was RMB97,452 million, representing a decrease of RMB4,396 million or 4.3% as compared with the end of the previous year.

The following table sets forth the Group's loan structure by business type as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate loans	203,198,171	60.23	185,958,346	58.86
Discounted bills	36,712,978	10.88	28,148,893	8.91
Retail loans	97,452,255	28.89	101,848,554	32.23
Total	337,363,404	100.00	315,955,793	100.00

The following table sets forth the structure of the Group's corporate loans by term as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Short-term corporate loans	24,472,527	12.04	21,361,179	11.49
Medium and long-term corporate loans	178,725,644	87.96	164,597,167	88.51
Total	203,198,171	100.00	185,958,346	100.00

The following table sets forth the structure of the Group's retail loans by product type as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Personal mortgage loans	42,638,565	43.75	42,843,185	42.06
Personal consumer loans	14,021,467	14.39	20,110,306	19.75
Personal business loans	21,957,468	22.53	22,524,007	22.12
Credit card advances	18,834,755	19.33	16,371,056	16.07
Total	97,452,255	100.00	101,848,554	100.00

Management Discussions and Analysis

For further analysis of the Group's loans and loan quality, please refer to Section "5.3 Loan Quality Analysis".

5.2.2.3 Financial investments

As at 30 June 2022, the Group's financial investments amounted to RMB234,917 million, representing an increase of RMB15,781 million or 7.2% as compared with the end of the previous year, among which, debt investments amounted to RMB133,549 million, representing an increase of RMB3,085 million or 2.4% as compared with the end of the previous year; other debt investments and other equity instruments totaled RMB75,860 million, representing an increase of RMB11,773 million or 18.4% as compared with the end of the previous year; and transactional financial assets was RMB25,501 million, representing an increase of RMB920 million or 3.7% as compared with the end of the previous year.

The following table sets out the composition of the Group's financial investments by nature of assets as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bond investments	158,610,909	67.52	138,249,591	63.09
Trust investments	12,512,752	5.33	14,374,223	6.56
Assets management plans	42,027,661	17.89	47,021,626	21.46
Debt financing plans	9,684,000	4.12	10,722,000	4.89
Wealth management products purchased from financial institutions	–	–	2,026,559	0.93
Fund investments	8,036,990	3.42	3,032,399	1.38
Equity investments	723,882	0.31	832,957	0.38
Derivative financial instruments	7,058	0.00	4,556	0.00
Others	14	0.00	14	0.00
Accrued interest	4,262,401	1.81	3,911,443	1.78
Provision for impairment	(948,269)	(0.40)	(1,038,526)	(0.47)
Total financial investments	234,917,398	100.00	219,136,842	100.00

As at 30 June 2022, balance of the Group's financial investments with remaining term of less than a year was RMB62,974 million, representing an increase of RMB6,904 million or 12.3% as compared with the end of the previous year; balance of the Group's financial investments with remaining term of more than a year was RMB169,769 million, representing an increase of RMB8,723 million or 5.4% as compared with the end of the previous year.

Management Discussions and Analysis

The following table sets forth the composition of the Group's financial investments by remaining term as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Up to 3 months	20,490,422	8.72	19,799,911	9.04
3 to 12 months	42,483,697	18.08	36,270,393	16.55
1 to 5 years	141,399,464	60.19	132,297,762	60.37
Over 5 years	28,369,449	12.08	28,748,446	13.12
In perpetuity	723,882	0.31	832,957	0.38
Overdue	1,450,484	0.62	1,187,373	0.54
Total financial investments	234,917,398	100.00	219,136,842	100.00

As of 30 June 2022, the Group's balance of financial investments at fair value through profit or loss amounted to RMB25,508 million, representing an increase of RMB923 million or 3.8% as compared with the end of the previous year; the balance of financial investments at fair value through other comprehensive income amounted to RMB75,860 million, representing an increase of RMB11,773 million or 18.4% as compared with the end of the previous year; the balance of financial investments measured at amortised cost amounted to RMB133,549 million, representing an increase of RMB3,085 million or 2.4% as compared with the end of the previous year.

The following table sets forth the composition of the Group's financial investments by measurement as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit or loss	25,507,706	10.86	24,585,122	11.22
Financial investments at fair value through other comprehensive income	75,860,353	32.29	64,087,193	29.24
Financial investments measured at amortised cost	133,549,339	56.85	130,464,527	59.54
Total financial investments	234,917,398	100.00	219,136,842	100.00

As at 30 June 2022, the Group's treasury bond investments amounted to RMB63,073 million, representing an increase of RMB5,026 million or 8.7% as compared with the end of the previous year, with its proportion in bond investments decreasing by 2.23 percentage points to 39.76%.

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The following table sets forth the composition of the Group's bond investments by issuers as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Treasury bonds	63,072,560	39.76	58,046,354	41.99
Local government bonds	20,487,672	12.92	14,021,496	10.14
Bonds of financial institutions	9,256,537	5.84	6,067,553	4.39
Corporate bonds	65,794,140	41.48	60,114,188	43.48
Total bond investments	158,610,909	100.00	138,249,591	100.00

The following table sets forth the top ten financial bonds in terms of face value held by the Group as at the end of the Reporting Period.

Name of bonds	Face value (thousands of RMB)	Annual interest rate (%)	Maturity date	Provision for Impairment (thousands of RMB)
2020 Policy bank bonds	1,300,000	2.2	2023/4/1	1,786
2016 Policy bank bonds	600,000	3.18	2026/4/5	1,115
2016 Policy bank bonds	500,000	3.18	2026/9/5	8,022
2013 Policy bank bonds	460,000	5.04	2023/10/24	865
2022 Tier II capital bonds of commercial banks	300,000	3.45	2032/6/21	N/A
2022 Financial bonds of commercial banks	300,000	2.75	2025/6/21	561
2022 Financial bonds of commercial banks	300,000	2.7	2025/5/30	562
2022 Financial bonds of commercial banks	300,000	2.6	2025/5/25	563
2022 Financial bonds of commercial banks	300,000	2.75	2025/6/17	561
2022 Financial bonds of commercial banks	300,000	2.95	2025/4/11	562

Note: The above provision for impairment is calculated on the basis of the expected loss model in accordance with the new financial instruments standards. To the knowledge of the Bank, there is no significant change in the financial position of the above financial bond issuers during the Reporting Period.

5.2.2.4 Investment in associates

As at 30 June 2022, the Group's long-term equity investment was RMB2,296 million, representing an increase of RMB68 million or 3.0% as compared with the end of the previous year, mainly due to the Bank's share of profit of associates.

The following table sets forth the changes in the Group's long-term equity investment for the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	2021
Balance at the beginning of the period	2,228,158	1,945,081
Share of profit of associates	125,361	295,822
Cash dividends declared	(57,673)	(12,745)
Balance at the end of the period	2,295,846	2,228,158

5.2.2.5 Total liabilities

As of 30 June 2022, the total liabilities of the Group amounted to RMB612,135 million, representing an increase of RMB42,429 million or 7.4% as compared to the end of the previous year. This was mainly due to the steady growth in customer deposits and the increase in debt securities payable during the Reporting Period.

The following table sets forth the composition of the Group's total liabilities as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022		As at 31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Customer deposits	376,739,949	61.54	338,695,343	59.45
Debt securities issued	128,844,804	21.05	118,852,070	20.86
Due to and placements from banks and other financial institutions	99,280,015	16.22	107,241,149	18.82
Financial liabilities at fair value through profit or loss	49,395	0.01	5,772	0.00
Tax payable	493,571	0.08	248,418	0.04
Other liabilities	6,727,741	1.10	4,664,173	0.83
Total liabilities	612,135,475	100.00	569,706,925	100.00

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5.2.2.6 Customer deposits

In the first half of 2022, the Group gave full play to its regional brand advantages, and accelerated innovation in its products and services, which contributed to the steady growth in customer deposits. As of 30 June 2022, the total customer deposits of the Bank amounted to RMB376,740 million, representing an increase of RMB38,045 million or 11.2% as compared to the end of the previous year.

In terms of customer structure, the Group's corporate deposits and individual deposits have grown steadily, with the proportion of individual deposits further increased. During the Reporting Period, the Group continuously improved the service level for retail customers through deeply exploring into the retail markets in the "one municipality and three provinces", leading to continual increase in the amount and proportion of individual deposits. As of 30 June 2022, balance of the Group's individual deposits was RMB157,614 million, representing an increase of RMB17,694 million or 12.6% as compared with the end of the previous year, accounting for 41.84% of the total customer deposits; balance of the Group's corporate deposits was RMB199,060 million, representing an increase of RMB18,995 million or 10.5% as compared with the end of the previous year, accounting for 52.84% of the total customer deposits.

In terms of term structure, the scale of the Group's demand deposits and time deposits has steadily expanded, among which the balance of demand deposits was RMB88,971 million, representing an increase of RMB586 million or 0.7% as compared with the end of the previous year; and balance of the Group's time deposits was RMB267,703 million, representing an increase of RMB36,104 million or 15.6% as compared with the end of the previous year.

The following table sets forth the composition of the Group's customer deposits as at the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate demand deposits	71,272,195	18.92	71,149,941	21.01
Corporate time deposits	127,787,642	33.92	108,914,851	32.16
Individual demand deposits	17,698,651	4.70	17,235,404	5.09
Individual time deposits	139,915,248	37.14	122,683,998	36.22
Other deposits	15,458,008	4.10	15,202,061	4.49
Interest payable on customer deposits	4,608,205	1.22	3,509,088	1.04
Total customer deposits	376,739,949	100.00	338,695,343	100.00

5.2.2.7 Shareholders' equity

As of 30 June 2022, the total equity of the Bank amounted to RMB51,500 million, representing an increase of RMB2,253 million or 4.6% as compared to the end of the previous year; the equity attributable to shareholders of the Bank amounted to RMB49,477 million, representing an increase of RMB2,204 million or 4.7% as compared to the end of the previous year.

The following table sets forth the composition of the Group's shareholders' equity as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	3,474,505	6.75	3,474,505	7.06
Other equity instruments	5,981,028	11.61	4,909,307	9.97
Capital surplus	8,044,708	15.62	8,044,708	16.34
Other reserves	11,914,620	23.13	11,701,636	23.76
Retained earnings	20,062,052	38.96	19,143,032	38.87
Total equity attributable to shareholders of the Bank	49,476,913	96.07	47,273,188	95.99
Non-controlling interests	2,022,636	3.93	1,973,507	4.01
Total equity	51,499,549	100.00	49,246,695	100.00

5.2.2.8 The main assets were subject to seizure, attachment, freezing, mortgage or pledge

As of the end of the Reporting Period, the main assets of the Bank were not subject to seizure, attachment, freezing, mortgage or pledge.

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5.3 Loan quality analysis

5.3.1 Distribution of loans by the five-category classification

During the period, faced with the challenges posed by macro-economic dynamics, the Group accelerated the construction of a comprehensive risk management system, continued to strengthen the prevention and control of credit risk, strengthened the risk investigation, early risk warning, tracking and post-lending monitoring management and stepped up efforts in risk management, consolidated the foundation of asset quality, and at the same time ensure that the quality of the Group's credit assets was relatively good compared to other banks. As of 30 June 2022, the balance of non-performing loans was RMB4,364 million, representing an increase of RMB258 million as compared to the end of the previous year; non-performing loan ratio was 1.29%, representing a decrease of 0.01 percentage point as compared to the end of the previous year. The amount of loans under special mention category accounted for 2.99% of total loans, representing a decrease of 0.13 percentage point as compared to that of the end of the previous year.

The following table sets forth the Group's distribution of loans by the five-category classification as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Pass	322,925,890	95.71	301,992,279	95.58
Special mention	10,073,791	2.99	9,857,696	3.12
Substandard	1,865,167	0.55	1,417,191	0.44
Doubtful	1,570,641	0.47	1,564,637	0.50
Loss	927,915	0.28	1,123,990	0.36
Total principals of loans and advances to customers	337,363,404	100.00	315,955,793	100.00
Amount of non-performing loans	4,363,723	1.29	4,105,818	1.30

Note: Under the five-category loan classification system, the Group's non-performing loans are classified into substandard, doubtful and loss categories.

5.3.2 Distribution of loans and non-performing loans by product type

During the Reporting Period, the Group adhered to its original intention and actively expanded various credit businesses. In terms of retail loans, as of 30 June 2022, the non-performing rate of the Group's retail loans was 0.98%, representing an increase of 0.08 percentage point over the end of the previous year. In terms of corporate loans, as of 30 June 2022, the non-performing ratio of the Group's corporate loans was 1.68%, representing a decrease of 0.04 percentage point over the end of the previous year.

The following table sets forth the Group's distribution of loans and non-performing loans by product type as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022				31 December 2021			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)
Corporate loans	203,198,171	60.23	3,405,460	1.68	185,958,346	58.86	3,194,076	1.72
Short-term loans	24,472,527	7.25	879,361	3.59	21,361,179	6.77	1,084,630	5.08
Medium-and-long-term loans	178,725,644	52.98	2,526,099	1.41	164,597,167	52.09	2,109,446	1.28
Discounted bills	36,712,978	10.88	-	-	28,148,893	8.91	-	-
Retail loans	97,452,255	28.89	958,263	0.98	101,848,554	32.23	911,742	0.90
Personal mortgage loans	42,638,565	12.64	159,275	0.37	42,843,185	13.56	116,740	0.27
Personal consumer loans	14,021,467	4.16	131,081	0.93	20,110,306	6.36	163,137	0.81
Personal business loans	21,957,468	6.51	482,468	2.20	22,524,007	7.13	502,964	2.23
Credit card advances	18,834,755	5.58	185,439	0.98	16,371,056	5.18	128,901	0.79
Total	337,363,404	100.00	4,363,723	1.29	315,955,793	100.00	4,105,818	1.30

5.3.3 Distribution of loans and non-performing loans by industry

During the Reporting Period, the Group closely responded to the national major strategic planning, actively participated in the construction of "Chengdu-Chongqing Economic Rim", continued to adjust the credit portfolio, and actively invested resources in the "new infrastructure" sector, strategic emerging industries, advanced manufacturing industry and other industries. The Group also dynamically adjusted the credit strategies for key industries such as real estate and local government financing platforms by combining national macro industrial policies. Moreover, the Group accelerated the screening of customers involved in high leverage, "zombie enterprises", overcapacity and other risks. As of the end of the Reporting Period, the Group's non-performing loan ratio was 1.29%, representing a decrease of 0.01 percentage point as compared with the end of the previous year. Among them, the non-performing loan ratios in scientific research and technology services, real estate, manufacturing and other industries increased as compared with the end of the previous year, while the non-performing loan ratios in wholesale and retail, information transmission, software and information technology services, mining and other industries decreased as compared with the end of the previous year.

The following table sets forth the Group's distribution of loans and non-performing loans by industry as of the dates indicated.

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(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022				31 December 2021			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)
Corporate loans – measured at a mortised cost								
Manufacturing	24,726,070	7.32	936,763	3.79	22,395,267	7.10	564,685	2.52
Wholesale and retail	17,352,838	5.13	762,842	4.40	14,860,177	4.70	908,939	6.12
Construction	21,647,750	6.41	243,402	1.12	19,476,734	6.16	239,386	1.23
Real estate	10,981,301	3.26	675,005	6.15	11,534,439	3.65	543,084	4.71
Leasing and commercial services	53,899,759	15.98	102,481	0.19	46,610,041	14.75	26,722	0.06
Water conservation, environment and public facility administration	51,303,870	15.21	3,900	0.01	48,240,630	15.27	–	–
Transportation, warehousing and postal service	2,968,777	0.88	25,229	0.85	2,816,982	0.89	27,363	0.97
Mining	1,167,674	0.35	289,432	24.79	1,545,653	0.49	480,459	31.08
Electricity, heat, gas and water production and supply	5,845,919	1.73	–	–	6,012,594	1.90	7,720	0.13
Agriculture, forestry, animal husbandry and fishery	3,395,679	1.01	36,738	1.08	3,043,563	0.96	41,375	1.36
Household services, maintenance and other services	388,020	0.12	6,711	1.73	337,473	0.11	7,846	2.32
Education	808,655	0.24	–	–	831,517	0.26	844	0.10
Financing	869,618	0.26	4,441	0.51	878,949	0.28	–	–
Scientific research and technology services	1,573,155	0.47	282,519	17.96	1,815,385	0.57	278,495	15.34
Information transmission, software and information technology services	1,352,061	0.40	19,870	1.47	1,218,619	0.39	49,011	4.02
Accommodation and catering	1,535,018	0.46	12,789	0.83	1,526,935	0.48	12,878	0.84
Culture, sports and entertainment	1,392,885	0.41	338	0.02	781,354	0.25	411	0.05
Health and social welfare	1,989,122	0.59	3,000	0.15	2,032,034	0.64	4,858	0.24
Loans to corporate entities – measured at fair value through other comprehensive income								
Discounted bills	36,712,978	10.88	–	–	28,148,893	8.91	–	–
Retail loans – measured at amortised cost								
Retail loans	97,452,255	28.89	958,263	0.98	101,848,554	32.24	911,742	0.90
Total	337,363,404	100.00	4,363,723	1.29	315,955,793	100.00	4,105,818	1.30

Note: Non-performing loan ratio of an industry is the ratio calculated by dividing the balance of non-performing loans of the industry by the balance of loans granted to the industry.

5.3.4 Distribution of loans and non-performing loans by type of collateral

As at 30 June 2022, balance of the Group's collateralized and pledged loans increased by RMB11,062 million or 8.4%, balance of the guaranteed loans increased by RMB1,962 million or 1.4%, and balance of the unsecured loans increased by RMB8,384 million or 17.5% as compared with the end of the previous year. The non-performing ratios of collateralized loans and unsecured loans decreased by 0.15 and 0.01 percentage point respectively, and those of pledged loans and guaranteed loans increased by 0.10 and 0.15 percentage point respectively as compared with the end of the previous year.

The following table sets forth the Group's distribution of loans and non-performing loans by type of collateral as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022				31 December 2021			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio
Collateralised loans	91,481,818	27.11	1,664,171	1.82	91,070,650	28.82	1,792,747	1.97
Pledged loans	51,309,015	15.21	252,558	0.49	40,658,574	12.87	160,241	0.39
Guaranteed loans	138,146,301	40.95	1,988,039	1.44	136,184,651	43.10	1,760,799	1.29
Unsecured loans	56,426,270	16.73	458,955	0.81	48,041,918	15.21	392,031	0.82
Total	337,363,404	100.00	4,363,723	1.29	315,955,793	100.00	4,105,818	1.30

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5.3.5 Distribution of loans and non-performing loans by region

As at 30 June 2022, the Group's non-performance loan ratio in Chongqing area and other areas' branches are 1.37% and 1.02%, respectively.

The following table sets forth the Group's distribution of loans and non-performing loans by region as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022				31 December 2021			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-performing loan ratio (%)
Chongqing	263,114,367	77.99	3,605,298	1.37	247,898,840	78.46	3,102,469	1.25
Other areas	74,249,037	22.01	758,425	1.02	68,056,953	21.54	1,003,349	1.47
Total	337,363,404	100.00	4,363,723	1.29	315,955,793	100.00	4,105,818	1.30

5.3.6 Loans to top ten single borrowers

As of 30 June 2022, the Bank's total loans to its largest single borrower amounted to RMB1,980 million and accounted for 3.21% of its net capital, while total loans to its top ten customers amounted to RMB14,086 million and accounted for 22.85% of its net capital, which were in compliance with regulatory requirements. As of 30 June 2022, all of the Bank's loans to top ten single borrowers were loans in the pass category.

The following table sets forth the Group's loans to top ten single borrowers as of the date indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	Industry	30 June 2022		
		Loan amount	Percentage of net capital (%)	Percentage of total loans (%)
Customer A	Leasing and commercial services	1,980,000	3.21	0.59
Customer B	Leasing and commercial services	1,746,000	2.83	0.52
Customer C	Leasing and commercial services	1,496,500	2.43	0.44
Customer D	Water conservation, environment and public facility administration	1,363,834	2.21	0.40
Customer E	Water conservation, environment and public facility administration	1,334,324	2.16	0.40
Customer F	Leasing and commercial services	1,325,000	2.15	0.39
Customer G	Leasing and commercial services	1,312,669	2.13	0.39
Customer H	Water conservation, environment and public facility administration	1,227,249	1.99	0.36
Customer I	Water conservation, environment and public facility administration	1,165,000	1.89	0.35
Customer J	Leasing and commercial services	1,135,000	1.84	0.34

5.3.7 Overdue loans

As of 30 June 2022, the total overdue loans of the Group amounted to RMB8,720 million, representing an increase of RMB269 million as compared with the end of the previous year. Total overdue loans accounted for 2.58% of the total principal of loans and advances to customers, representing a decrease of 0.10 percentage point as compared with the end of the previous year. The Group adopts a prudent classification standard for overdue loans. The ratio of nonperforming loans to loans overdue for more than 90 days is 1.22.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Past due within 90 days	5,139,975	1.52	4,888,186	1.55
Past due 90 days to 1 year	1,684,429	0.50	1,736,904	0.55
Past due over 1 year and within 3 years	1,483,130	0.44	1,427,494	0.45
Past due over 3 years	412,322	0.12	398,729	0.13
Total principals of overdue loans and advances to customers	8,719,856	2.58	8,451,313	2.68
Total principals of loans and advances to customers	337,363,404	100.00	315,955,793	100.00

Note: Overdue loans and advances to customers include credit card advances.

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5.3.8 Restructured loans

As of 30 June 2022, the Group's restructured loans accounted for 0.16%, down by 0.03 percentage point as compared with the end of the previous year.

The following table sets forth the Group's restructured loans as of the date indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Restructured loans	555,362	0.16	601,712	0.19
Including: Restructured loans overdue for more than 90 days	389,532	0.12	502,377	0.16
Total principals of loans and advances to customers	337,363,404	100.00	315,955,793	100.00

5.3.9 Withdrawal of debt assets and provision for impairment

As of 30 June 2022, the Group's debt assets amounted to RMB84 million and the provision for impairment of debt assets was RMB15 million.

The following table sets forth the Group's withdrawal of debt assets and provision for impairment as of the date indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	Amount	Provision for impairment	Amount	Provision for impairment
Debt assets	83,769	(15,205)	83,769	(15,205)

5.3.10 Changes in provision for loan impairment

The Group adheres to a sound and prudent provision policy, and realizes the scientific measurements of expected loss of assets by establishing the expected credit loss model. As of 30 June 2022, balance of the Group's loan impairment provision was RMB11,398 million, representing an increase of RMB219 million as compared with the end of the previous year. The provision coverage ratio of non-performing loans was 262.79%, down by 11.22 percentage points as compared with the end of the previous year. The loan provision ratio was 3.40%, down by 0.16 percentage point as compared with the end of the previous year.

The following table sets forth changes in the Group's provision for loan impairment as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	January – June 2022	2021
Balance at the beginning of the Period	11,178,339	10,967,207
New financial assets originated or purchased	944,517	1,758,514
Re-measurement	1,839,688	4,747,302
Repayment	(1,145,965)	(1,906,645)
Written-off and transferred of the year	(1,790,194)	(4,850,525)
Recoveries of loans and advances written-off in previous years	495,583	547,312
Unwinding impact of discount	(124,155)	(84,826)
Balance at the end of the Period	11,397,813	11,178,339

5.4 Operating Results by Segment

Major business segments of the Group include corporate banking business, retail banking business and treasury business.

The following table sets forth the overall operating results of each business segment of the Group during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	January – June 2022		January – June 2021	
	Operating income	Profit before income tax	Operating income	Profit before income tax
Corporate banking business	4,330,911	2,102,467	4,227,432	1,410,744
Retail banking business	1,258,187	366,104	1,523,751	759,506
Treasury business	1,004,770	970,512	1,354,307	1,240,516
Unallocated	51,688	32,984	64,320	50,544
Total	6,645,556	3,472,067	7,169,810	3,461,310

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5.5 Other Information to be Disclosed according to Regulatory Requirements

5.5.1 Key regulatory indicators

Items		30 June 2022	31 December 2021	31 December 2020
Liquidity ratio (%)	RMB	105.77	78.51	77.07
	Foreign currency	2,139.51	622.10	787.01
Loan migration ratio (%)	Pass	2.32	3.28	1.72
	Special mention	30.36	31.80	26.57
	Substandard	62.65	66.71	74.59
	Doubtful	24.22	17.21	42.06

Note:

- (1) Liquidity ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of CBIRC.
- (2) Loan migration ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of CBIRC.
- (3) The CBIRC redefined the loan migration ratio on 19 January 2022, and the loan migration ratios as of 31 December 2021 and 31 December 2020 were retrospectively adjusted according to adjusted standards.
- (4) Migration ratio of pass loans = (amount migrated to the lower grades from the pass loans at the beginning of the year + amount which were pass loans at the beginning of the year, and were converted to non-performing loans and dealt with during the Reporting Period)/balance of pass loans at the beginning of the year × 100% × annualised coefficient; Migration ratio of special mention loans = (amount migrated to the lower grades from the special mention loans at the beginning of the year + amount which were special mention loans at the beginning of the year, and were converted to non-performing loans and dealt with during the Reporting Period)/balance of special mention loans at the beginning of the year × 100% × annualised coefficient; Migration ratio of substandard loans = (amount migrated to the lower grades from the substandard loans at the beginning of the year + amount which were substandard loans at the beginning of the year, and were converted to doubtful loans and loss loans and dealt with during the Reporting Period)/balance of substandard loans at the beginning of the year × 100% × annualised coefficient; Migration ratio of doubtful loans = (amount migrated to the lower grades from the doubtful loans at the beginning of the year + amount which were doubtful loans at the beginning of the year, and were converted to loss loans and dealt with during the Reporting Period)/balance of pass loans at the beginning of the year × 100% × annualised coefficient.

5.5.2 Off-balance sheet items that have a significant impact on financial condition and operating results

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022	31 December 2021	31 December 2020
Credit related commitments	70,477,601	60,814,987	45,108,117
Of which:			
Irrevocable loan commitments	7,643	8,331	8,311
Bank acceptance bill	50,431,088	40,136,679	28,354,591
Issuance of letters of guarantee	4,024,819	4,075,148	4,342,096
Issuance of letters of credit	8,908,772	10,407,922	7,482,028
Unused credit card limits	6,994,779	6,186,907	4,921,091
Trade finance confirmation	110,500	–	–
Capital expenditure commitments	118,055	206,655	346,518
Total	70,595,656	61,021,642	45,454,635

5.5.3 Statement of non-recurring profit or loss

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Proceeds from disposal of non-current assets	5,522	560	3,759
Government grants and incentives through profit or loss	42,362	59,750	784
Other non-operating income and expenses, net	(4,977)	650	(11,360)
Subtotal	42,907	60,960	(6,817)
Income tax effect	(10,709)	(15,120)	1,704
Non-recurring profit or loss attributable to minority shareholders	(68)	(515)	(4)
Non-recurring profit or loss attributable to shareholders of the Bank	32,130	45,325	(5,117)

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5.6 Business Overview

5.6.1 Corporate Banking Business

During the Reporting Period, the Bank adhered to the strategy of “prospering the Bank through deposits” and the philosophy of high-quality development, deeply engaged in national key strategies and fully participated in the construction of the Chengdu-Chongqing Economic Circle. Meantime, the Bank deepened a series of strategic cooperation, fully promoted the adjustment and optimization of business structure and innovative enhancement of service capabilities.

Seizing the strategic opportunities of the Chengdu-Chongqing Economic Circle to improve the business quality.

Based on the four major industries, namely manufacturing, technology enterprises, modern service and modern agriculture, the Bank supported the industrial development of the Chengdu-Chongqing economic circle and provided a loan of nearly RMB15 billion to six industries, including equipment manufacturing. Leveraging the construction of major projects, the Bank supported the construction of nearly 80 major projects in the three major fields (namely connectivity, energy infrastructure and water conservancy facilities), including the Chongqing-Qianjiang High-speed Railway, Wanzhou Airport, the Cruise Home Port Project and the Western Chongqing Water Conservancy Project.

Focusing on industrial park customer clusters to serve the real economy. The Bank thoroughly studied the 14th Five-Year Plan and Long-Range Objectives through the Year 2035 and laid out important industries in the region; actively obtained the customer lists in key industries, sorted out the target enterprise lists and strive for accurate marketing; took the initiative to go to the market, established strategic cooperative relations with key industrial parks, provided a package of financial services and focus on serving the entities in the industrial parks.

Creating smart customer management model to improve the quality and efficiency of management. By optimizing the customer relationship management system, the Bank realized hierarchical automation of customers, visualization of customer information and smart marketing management. With differentiated hierarchical marketing strategy, the customer contribution to improvement in the quality and efficiency of management were highlighted. In the first half of the year, the deposits and the loans of key and potential customers increased by RMB13 billion and RMB3.6 billion, respectively, as compared with the beginning of the year.

Expanding channels for deposit business cooperation and diversifying the funding sources. Firstly, the Bank continued to consolidate bank-government cooperation and seize policy opportunities to establish a cooperative channel for supervision of wage deposit for migrant workers; Secondly, the Bank extended the service chain and strengthened the local government special debt fund marketing based on its investment and loan synergy and financial services; Thirdly, the Bank strengthened cooperation with policy banks, securities companies and diversified its funding sources by carrying out syndicated loans, fund management, fund supervision and other businesses.

Establishing financial service business scenarios to deposit settlement funds. Relying on product tools, the Bank strengthened external cooperation and established six application scenarios, including digital government affairs, smart education, smart medical care, transportation, livelihood services and trading platforms, to empower financial ecological marketing, settle the receipt and payment in closed loop and deposit demand deposits. With its cash management capabilities, the Bank deeply engaged in the fields of wholesale and retail, government services and project management, strengthen customer maintenance, to strengthen fund management and drive the growth of settlement funds.

As of 30 June 2022, balance of the Group's loans and advances to corporate entities (including discount of bills) amounted to RMB239,911 million, representing an increase of RMB25,804 million or 12.1% as compared with the end of the previous year. The balance of corporate deposits amounted to RMB199,060 million, representing an increase of RMB18,995 million or 10.5% as compared with the end of the previous year, and accounting for 52.84% of the balance of all deposits.

5.6.2 Inclusive Finance Business

In order to continuously expand the supply of high-quality financial resources and further promote the high-quality development of inclusive financial services, the Bank has taken a series of measures during the Reporting Period, including strengthening the construction of its internal mechanisms, optimizing the innovation of financial products, and deepening the models of financial services. As of the end of June 2022, according to the national statistic standards, the balance of small and micro enterprise loans of the Bank amounted to RMB92,325 million, representing an increase of RMB4,423 million as compared with the end of the previous year. The small and micro enterprise loans with an individual lending amount of below RMB10 million (excluding discounts and rediscounts of bills) recorded a balance of RMB42,221 million for 50,810 customers, representing an increase of RMB2,438 million as compared with the end of the previous year. The weighted average interest rate of loans issued in the current year was 4.81%, down by 0.68 percentage point as compared with the interest rate of 5.49% in 2021. The non-performing loan rate was 2.88%. During the Reporting Period, the Bank was awarded the "2021 Model Entity in Financial Services for Small and Micro Enterprises" (小微企業金融服務先進單位) and the "2021 Grade I Bank in the Regulatory Assessment of Financial Services for Small and Micro Enterprises" (2021 年度小微企業金融服務監管評價一級行) by the Chongqing CBIRC, and the "2021 Excellent Grade in the Evaluation of Financial Institutions for Rural Revitalization" (2021 年度金融機構服務鄉村振興考評優秀) by the Chongqing business management department of the PBOC and the Chongqing CBIRC. In addition to the establishment of a small business credit center for small and micro enterprises, the Bank has set up inclusive business departments in the subordinate institutions of 4 branch institutions and in 43 independent accounting sub-branches and the business department of its Head Office in Chongqing to vigorously promote the development of inclusive business.

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Seeking progress while maintaining stability and strengthening the financial supply for small and micro enterprises. The Bank continued to consolidate the achievements in fee cuts and interest concessions, improved the cost and profit sharing mechanism for small and micro enterprise loans and provided interest rate discounts for “Hao Qi Dai” (好企貸) online loans, thus promoting the stable decline in the interest rates of small and micro enterprise loans. In order to enhance the risk identification, early warning and treatment of small and micro enterprise loans, the Bank strengthened the customer access and credit assessment before lending, the credit rating and disbursement and usage of loans during lending, and the on-site inspection and off-site random inspection after lending. The Bank strengthened management to ensure the authenticity of lenders’ identities, purposes and whereabouts of loans and prevent the illegal misappropriation of loans. Meantime, the Bank improved the intelligent post-loan management system, which can effectively identify and control business risks through the big data analysis and multi-dimensional monitoring.

Deepening the levels of supply and enhancing the efficiency of credit resources allocation. In order to strengthen the construction of systems and mechanisms for inclusive finance, such as the organizational structure, resources allocation and product development, the Bank set up the Inclusive Finance Department to focus on inclusive financial services for small and micro enterprises. A scenario-based agile team was also established for the batch business of inclusive finance, covering such scenarios as market segments, customer acquisition channels, operation models, and operating data. The team adopted a batch model based on common features to provide customized financial services in batches for customer bases of inclusive finance. In order to enhance the availability of financing for small and micro enterprises, the Bank expanded the application of credit loan products such as “Specialized, Refined, Special and Novel Credit Loan” (專精特新信用貸), “Knowledge Value Credit Loan” (知識價值信用貸) and “Haoqi Tax-based Credit Loan” (好企稅信貸). In terms of renewal financing services for enterprises temporarily in distress due to COVID-19, the Bank adopted various methods to “renew loans, delay repayment and provide assistance as much as possible”, including extension, repayment of existing loans with new loans, adjustment of repayment methods, special loan renewal, and renewal without repayment of the principal.

Intensifying the support for key areas and contributing to the economic development of key industries. In order to strengthen financial services for strategic emerging industries, advanced manufacturing and other areas, the Bank carried out special actions to provide financial support for specialized, refined, special and novel enterprises, promoted products such as “Specialized, Refined, Special and Novel Credit Loan” (專精特新信用貸), and adopted various measures to support the development of specialized, refined, special and novel enterprises, including regional access, separate authorization, special incentives, and bank-guarantor cooperation. The Bank focused on the development of key and core technologies, transformation of scientific and technological achievements and high-tech enterprises, and promoted “Knowledge Value Credit Loan” (知識價值信用貸), “Haoqi IP Loan” (好企知產貸) and other products to support the financing needs of small and micro enterprises for technological innovation, including technology research and development, transformation of achievements, purchase of equipment and capacity expansion. In order to revive the recovery and development of cultural tourism enterprises, the Bank promoted “Cultural Tourism Loan” (文旅貸) and other products with focus on the construction of cultural tourism projects, consumption upgrades, service extension, integrated development, cultural and creative parks, cultural tourism towns, health preservation and leisure, film and animation, digital cultural and creative products, agritainment, rural tourism, and elderly care and health. The Bank continued to deepen the focus of and facilitate its financial services and provided “Hao Qi Dai” (好企貸) series to support entrepreneurship and relief of individual businesses, including “Relief and Assistance Loan” (紓困扶持貸), “Start-up Loan” (啓動力如意貸), “Haoqi Supermarket Loan” (好企商超貸) and “Haoqi Individual Loan” (好企個體貸).

Performing professional mechanisms and enhancing comprehensive financial service capabilities. The Bank held various special work meetings on inclusive loans for small and micro enterprises, rural revitalization, cultural and tourism finance as well as the “Inclusive Finance Training Month” empowerment trainings for customer managers, and penetrated into local branches to promote connection and assistance. The big data, cloud computing, artificial intelligence and other financial technologies were used to promote the business and process innovation and speed up the digital development of inclusive finance. The Bank started the construction of “Huiyu Cloud Manager” (鑣渝雲管家) that integrates customer, product, marketing and other system management functions with a view to developing a digital batch business model for the inclusive finance. A series of special marketing activities were carried out, including the “rewarding recommendation” activity based on social ecology and the “seeking for potential customers” activity based on precise profiles. The Bank continued to strengthen the construction of “Huiyu Financial Service” (鑣渝金服), a characteristic brand of Bank of Chongqing, and promoted the brand and product publicity through online and offline channels, with views of over 2.47 million. Meantime, the Bank also launched the “SME Monthly” (小微入月刊) activity to display the Bank’s image and the “Harmony Bringing Wealth • Anniversary of Huiyu Financial Service” (盒氣生財•鑣渝金服周年慶) online rewards activity, with views of over 80,000.

5.6.3 Retail Banking Business

During the Reporting Period, the Bank firmly adhered to the business philosophy of “prospering the Bank through deposits”, actively practiced the “customer-focused” development philosophy and was deeply engaged in the retail markets in “one city and three provinces”. The Bank insisted on empowering the business development with technologies, carried out the hierarchical management of customers and targeted marketing, promoted the iterative upgrade of risk control, maintained the continuous growth of deposit balance and further optimized the structure of loans.

In terms of personal deposits, firstly, the Bank further consolidated its customer base. The Bank focused on targeted marketing for customers of payment services, vigorously expanded payment merchants, and continuously retained key customer bases including the elderly and adolescents. Secondly, the Bank further intensified the publicity and marketing efforts. The Bank continuously promoted and marketed special time deposit products including Xing Fu Cun (幸福存) and Meng Xiang Cun (夢想存), launched more online marketing channels, successively carried out various themed marketing activities, and constantly leveraged on the online “life circle” on the “Yulehui (渝樂惠)” e-mail to acquire customers, improve customer activity and enhance customer stickiness.

In terms of personal loans, firstly, the Bank focused on promoting the development of digital consumer loans. The big data and new intelligent technologies were used to continuously iterate self-operated online loan products. The Bank actively expanded the customer base including new citizens, constantly enlarged the scope of loan whitelist, and broadened online mortgage loans. Secondly, the Bank steadily carried out the housing loan business to meet the financing needs of buyers for the first house and the improved house. Thirdly, the Bank empowered all employees with powerful tools for marketing relying on the “Star Chain Smart Marketing Platform” (星鏈智慧營銷平台). Meantime, the Bank continued to improve the big data-based smart risk control system, promoted the transformation of risk control from “product level” to “customer level”, and enhanced the efficiency of risk control through multiple measures.

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In terms of wealth management, the Bank focused on building its wealth management system covering products and services, continuously optimized its capabilities in comprehensive asset allocation for wealth management, and was committed to building a brand image of “a wealth management expert for citizens”. Firstly, the Bank continued to optimize its wealth management product system and intensify product innovation. The Bank has formed five closed wealth management products series, namely “Juhui, Jinhui, Caihui, Linghui, and Xianghui” (聚惠、金惠、財惠、靈惠、享惠), and a wealth management product system of “cash management + regular opening”, so as to meet the diversified wealth management needs of customers. With the continuous optimization of “Xing Fu Investment Advisory” (幸福投顧) fund investment advisory service, the Bank provided customers with professional and personalized fund portfolios as well as customized financial services. Secondly, the Bank continued to develop a high-quality wealth management service system. In order to deepen the hierarchical management of retail customers, the Bank deepened the construction of a wealth management center at the head office to provide dedicated, professional, personal and exclusive financial services for its high-net-worth customers. Moreover, the Bank optimized the value-added service system for VIP customers, which is based on VIP travel, medical and health care, and gasoline discount.

In terms of bank cards, the Bank was committed to diversifying consumption, settlement and other application functions, improving channels and enhancing security performance, and continued to expand basic customer base and promote the healthy development of its bank card business. In terms of debit cards, the Bank’s debit cards integrated the access to characteristic services of mobile phone Quick Pass and Cloud Quick Pass APP, collection and payment agency service, quick payment, account verification and other payment functions, thus effectively improving the customer’s mobile payment experience and boosting the volume of mobile payment transactions. In terms of credit cards, the Bank established an agile innovation mechanism for credit cards, improved third-party payment functions, diversified the environment for use of cards, and strengthened publicity channels, thus effectively promoting the increase in the number of cards issued and the transaction volume.

As of 30 June 2022, the balance of personal deposits of the Group was RMB157,614 million, representing an increase of RMB17,694 million or 12.6% as compared with the end of previous year, maintaining a rapid growth, and the local market share continued to increase. The total number of issued debit cards increased by 175,700 to 4,840,800 as compared with the end of the previous year, and the transaction volume during the Reporting Period amounted to RMB7,015 million. The total number of credit cards issued increased by 58,900 to 399,900 as compared with the end of the previous year, and the balance of credit card advances amounted to RMB18,835 million.

5.6.4 Financial Market Business

During the Reporting Period, the Bank thoroughly implemented the strategic arrangement that finance serves the economic and social development and helps stabilize the overall economy, closely tracked the developments of financial market, strengthened market research, adjusted investment strategies and business structure in a timely manner, accurately set the pace of transactions and allocations, and expanded the space, channels and counterparties for inter-bank cooperation. As a result, the Bank maintained a steady growth in the business volume in the financial market, continuously enhanced its trading capacity, constantly optimized the structure of investment securities products, and steadfastly improved the efficiency of capital utilization under controllable risks.

In terms of money market trading, the Bank further expanded the capital trading volume, improved the trading capacity and enhanced the market image and influence. During the Reporting Period, the Bank optimized and upgraded the capital management system, significantly enhancing the intelligence level of money market trading; kept up with the pace of innovation in the inter-bank market, and explored new trading models; and strengthened the analysis and control of market trends, promoted the transaction of various bonds, thus continuously improve its trading capabilities.

In terms of securities investment products, firstly, the Bank prioritized the allocation of high-quality assets with high liquidity including treasury bonds, local government bonds and high-rated credit bonds, and adjusted the investment structure of bonds, so as to enhance our capacity to withstand risks. Secondly, the Bank was deeply engaged in the markets where its operating branches are located, promoted the construction of the Chengdu-Chongqing Economic Circle, and supported the development of major infrastructure projects, new urbanization projects and other projects in “one city and three provinces”, thus helping stabilize the market and secure employment. Thirdly, the Bank implemented the new national development concept, and intensified the financial support for rural revitalization and green finance.

In terms of the management of inter-bank liabilities, firstly, the Bank strengthened the market analysis, adjusted the allocation of inter-bank liabilities in a flexible manner, and effectively controlled the cost of liabilities. Secondly, the Bank strengthened inter-bank exchanges and cooperation, expanded cooperation channels and diversified counterparties.

5.6.5 Asset Management Business

During the Reporting Period, the Bank fully completed the rectification of businesses, and entered a new stage of net value-based management.

Compliant and stable product management. During the Reporting Period, the Bank conducted classified measurement of financial assets according to new accounting standards to ensure fair valuation of financial assets, and made provision for impairment of underlying assets based on expected credit losses. In line with the management requirement of “separate management, bookkeeping and accounting”, the Bank made earnest efforts in the management of investment portfolios and net value of products, and regulated the disclosure of product information, thus effectively protecting the legitimate rights and interests of investors. Moreover, the Bank continued to optimize the product layout and structural adjustment, and developed a product system catering to the market demand.

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Diversified assets investment. During the Reporting Period, the Bank attached great importance to the research and analysis of investments to enhance the forward-looking analysis of investments, proactively adjusted the structure of investments, managed the concentration of investments, promoted the transformation of cash management products, and increased the investment of high-liquidity assets. The Bank continued to promote the transformation of asset management trading, and actively participate in the secondary market to expand trading channels. Meantime, the Bank strengthened the inter-bank investment cooperation, gradually diversified investment varieties, and promoted the diversified allocation of products.

Prudent and effective risk control. During the Reporting Period, the Bank fully consolidated the risk management system for the wealth management business, and maintained real-time monitoring of credit, concentration, interest rate, liquidity and operational risks. Meanwhile, the Bank further improved the systems and mechanisms for valuation management and investment decision-making, strengthened the management of product liquidity risk, and promoted the rectification of cash management products in a stable and orderly manner according to regulatory requirements.

5.6.6 Investment Banking Business

During the Reporting Period, the Bank gave full play to the linkage advantage of “commercial bank + investment bank”, to accelerate the contracting, undertaking and underwriting of local government bonds, debt financing instruments of non-financial enterprises and financial bonds, so as to provide customers with comprehensive financial service solutions.

Actively developing bond underwriting business. In 2022, the Bank obtained the general underwriter qualification for local bonds of Guizhou Province. During the Reporting Period, the Bank underwrote and issued 40 government bonds of Chongqing Municipality and Guizhou Province with a total underwriting amount of RMB7,011 million, and underwrote 10 debt financing instruments of non-financial companies with a total underwriting amount of RMB2,069 million. The Bank has made new breakthroughs in bond underwriting business, and ranked among the top 50 bank underwriters issued by Wind.

Supporting national strategies and serving the regional economy. The Bank proactively participated in the underwriting and issuance of bonds in relation to rural revitalization, Technology Innovation Instrument and other national strategic projects, with a view to consolidating the achievements of poverty alleviation with financial means, serving the high-quality development of the real economy and empowering major national strategic projects. In order to promote the development of the Chengdu-Chongqing Economic Circle, the Bank actively enhanced its cooperation with banking institutions and non-banking institutions in Sichuan Province, and provided direct financing services for enterprises in the Chengdu-Chongqing Economic Circle.

5.6.7 Trade Finance Business

During the Reporting Period, in line with the basic tone of seeking progress while maintaining stability, the Bank diversified the category and application of products, enhanced the refined management, and continuously stepped up the high-quality transformation of trade and finance businesses.

Effectively launching digital innovative products. Firstly, the Bank successfully launched the C-chain cloud platform, and completed the first debt bills business. During the Reporting Period, the C-chain cloud platform recorded 43 registered users and 6 chain groups, with a total financing amount of approximately RMB110 million. Secondly, the Bank continued to promote the “Export e-finance” (出口e融). The Bank strengthened the publicity of the “Export e-finance” via Wechat official account and outdoor large screens, and enhanced the conversion rate through exchanges with enterprises including “Bank, Government and Enterprise” (銀政企) symposiums and “Face-to-face Trade and Finance” (貿金面對面) that consists of visits to entities and businesses. During the Reporting Period, the number of small, medium and micro enterprise users increased by 78% as compared with the beginning of the year.

Enhancing investment in assets denominated in foreign currencies. During the Reporting Period, the Bank invested in foreign currency bonds of US\$428 million in total, and the scale of foreign currency bonds amounted to US\$1,396.2 million. Among the issuers for new investments, 33.33% were rated AAA, and 88.89% were rated AA+ and above, showcasing a high-level and high-rated trend of asset allocation. The investment in projects in Chengdu-Chongqing Economic Circle amounted to US\$238 million, accounting for 55.61%. The investment in projects under the China-Singapore Connectivity amounted to US\$158 million, accounting for 36.92%. The investment in projects in the Yangtze River Economic Belt amounted to US\$378 million, accounting for 88.32%. The investment in projects under the western New Land-Sea Corridor amounted to US\$328 million, accounting for 76.64%. The investment in foreign currency bonds effectively served the implementation of national major strategies.

Promoting the development of enterprises through preferential and relief services. Firstly, the Bank conducted targeted connection with key customer bases. The Bank carried out the linked marketing to key customer bases to promote key products such as debt bills and the Export e-finance. Relying on the market research in the comprehensive bonded zone, the Bank held special marketing activities to promote the foreign exchange business among existing customers, and intensified the financial support for foreign-funded and foreign trade enterprises. Secondly, the Bank accelerated the implementation of facilitation policies. The Bank carried out extensive publicity on foreign exchange facilitation policies including the cross-border financing facilitation for high-tech and “specialized, refined, special and novel” enterprises, and accelerated the completion of the first cross-border financing facilitation business. Thirdly, the Bank made all-out efforts in promoting featured products. In cooperation with Changshou and Guang’an central sub-branches of the Foreign Exchange Administration, the Bank carried out trainings on policies and products such as exchange rate hedging and cross-border financing in the Chengdu-Chongqing Economic Circle. Relying on the “Bank, Government and Enterprise” exchange mechanism, the Bank conducted the publicity on the risk compensation mechanism for export products and credit insurance pool. During the Reporting Period, the Bank provided a total financing amount of approximately RMB35 million, ranking first among the banks in Chongqing for “credit insurance pool” cooperation.

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Further deepening the application of foreign exchange license. Firstly, the Bank deepened the use of its foreign exchange license. The Bank continued to expand the coverage of foreign exchange business. As of the end of the Reporting Period, the number of branches offering foreign exchange business increased by 11% as compared with the previous year, and the number of basic customers of foreign exchange business increased by 23%. Secondly, the Bank expanded its qualification of derivatives business. The Bank supported branch-level institutions to apply for derivatives business qualification, and provided guidance on system building, personnel training, system configuration, regulatory filing and other work, thus laying a foundation for expanding the coverage of exchange rate hedging services and providing efficient services for enterprises in the Chengdu-Chongqing Economic Circle.

Steadfastly promoting the development of derivatives business. In terms of agency services, the Bank improved the product system. The Bank launched innovative products including optional forward foreign exchange settlement and sales to further meet the needs of enterprises for exchange rate hedging, and expanded the coverage of currencies and provided forward foreign exchange settlement and sales services in USD, EUR, JPY and other currencies. As of the end of the Reporting Period, the scale of agency services for derivatives reached US\$40.93 million, and the number of “first time users” ranked among the top banks in Chongqing. In terms of self-operated derivatives business, the Bank captured the market opportunity. The Bank carried out in-depth market research, followed up market trends in a timely manner, and captured the window period of the difference in USD interbank rates among domestic and overseas markets. Meantime, the Bank optimized trading strategies and profit models to increase the income of trade and finance business.

5.6.8 Financial Technology

The Bank attached great importance to the development strategy of financial technology, and continuously implemented the strategic tasks of “technological empowerment” and “digital transformation”. Based on the strategic plan for information technology during the 14th Five-Year Plan period and the data strategy plan, the Bank further defined the “1+3+10” financial technology development strategy and the “4+6” data strategy, which provides guidance for the development of financial technology from key breakthroughs to comprehensive transformation.

Strengthening the construction of the technology team and creating a culture of digital innovation. The Bank continued to recruit talents in the financial technology, focused on introducing professionals in architecture planning, technology research and development, data analysis and modeling and information security, and continuously optimized the structure of professional capacities of the financial technology team. Meantime, the Bank strengthened the integrated capacities in financial technology and digital innovation capabilities across the Bank, carried out special activities such as the Financial Technology Training Month, so as to promote the construction of digital innovation culture in all business lines of the Bank.

Continuously consolidating the foundation of financial technology and enhancing business assurance. The Bank fully started the expansion and construction projects of intra-city disaster recovery center and remote disaster recovery center, and made efforts to enhance the application-level intra-city two-center disaster recovery and the data-level remote disaster recovery capabilities. The Bank actively responded to the low-carbon policy and studied and reserved the construction and operation technology of green intelligent data center.

Constantly carrying out the research on cutting-edge technologies and stepping up the financial technology innovation. In response to the national strategy of independent and controllable capabilities, the Bank promoted the application innovation of information technology in an orderly manner, and continuously enhanced independent and controllable capabilities in key areas. The Bank actively carried out the research on new technologies, new concepts and new models, promoted the pre-research on cloud computing and distributed database technologies, and explored new technologies such as storage privacy computing, quantum security and stream-batch integration.

Actively applying financial technology and expanding the application of digital innovation. The Bank continued to improve the 6+X basic capability platform for financial technology, expanded the integration and innovation of financial technology and business scenarios, and completed the transformation of a batch of achievements: reinforcing the anti-hacking function of face recognition and enhancing security; launching the intelligent customer service robot “Chong Xiaohui” (重小慧); and put into production 13 customized models for OCR intelligent identification, which fully support intelligent authorization, automatic supervision, and intelligent fill-in for credit business. The Bank expanded the application scenarios of RPA intelligent robots, put into production 19 new applications, and planned to develop nearly 40 new applications. The Bank carried out the digital upgrade of the operation and internal control platform, and conducted the research and deployment of 50 early warning models for operational risks. The construction of retail CRM and retail data mart projects were successfully completed. The Bank successfully launched the “intelligent financial identification” (財務慧識) function of the Wind Chime Intelligent Review, and completed the construction of “one map and three pillars” (一圖三支柱) system, thus further improving the intelligent risk control capability.

Continuously deepening the integration of technology and business, and promoting the reform of agile innovation. The Bank actively carried out the organizational reform and management innovation for digital transformation. Relying on the stable and agile dual-model innovation mechanism, the Bank further promoted the close collaboration between business and technology, gave play to the agile team in retail, inclusive finance and credit cards, and continuously iterated products and services in a timely manner, and continuously created a variety of new products to support the real economy, help bail out and alleviate poverty.

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5.6.9 Digital Banking Business

In the first half of 2022, in terms of the digital transformation, the Bank carried out digital innovation in line with national strategic arrangements such as stabilizing the overall economy, relief measures against COVID-19, “dual carbon” and Chengdu-Chongqing Economic Circle, which empowered the reform of business models and the development of business lines.

The scale of digital credits continued to grow steadily. In active response to national policies, the Bank solidified the supply of inclusive digital credit products, promoted inclusive financial services to reduce costs and enhance efficiency, and made earnest efforts to stabilize the overall economy and provide reliefs to enterprises. The Bank improved the quantity and quality of digital credit products. As of 30 June 2022, “Hao Qi Dai” (好企貸), a flagship online product for small and micro enterprises, recorded the total lending of approximately RMB29.3 billion and the new lending of RMB5.64 billion during the Reporting Period. The balance of loans increased by RMB1.79 billion or 18.9% as compared with the end of the previous year, and the non-performing loan rate was significantly lower than similar inclusive products.

Data vigorously supported the development of business. The Board of Directors approved the new data strategy, which focuses on reinforcing infrastructure, valuing governance, breaking separation and creating benefits, with the aim to consolidate the foundation of data management and create sustainable value from data. The Bank continued to carry out the construction and operation of thematic data marts, which empowered the retail, inclusive finance and regulatory reporting and effectively supported business activities such as marketing for new retail shops, torch program, marketing to small, micro and potential customers and analysis of credit card customers. The Bank promoted the development and iteration of data products, which empowered the decision-making of operation and management. The “Kanyun” (瞰雲) data portal was launched to provide one-stop hierarchical and authorized data inquiry. The “Cube Smart Mapping” (魔方智繪), a label platform, deeply facilitated the digital transformation of retail. The external data management platforms supported the interconnection, sharing and application of data across the Bank. The “Leader” (領行者) was used to upgrade the management data to provide multi-dimensional dynamic visual display.

Digital risk control assisted decision-making and targeted marketing to corporate customers. The Bank optimized the “Wind Chime Intelligent Review (風鈴智評)”, a digital risk control platform assisting decision-making, focused on promoting the construction of “Industrial Huilian” (產業慧鏈), and piloted the “Rewarding Visitors” (惠訪客), an industrial digital marketing service platform, in branches located in different places. With focus on key strategic layouts such as Chengdu-Chongqing Economic Circle, “dual carbon” and high-end manufacturing and based on research and analysis of industrial segments, the Bank provided branches with profiling support for digital risk control and assisted targeted marketing to corporate customers. The Bank accelerated to empower internal management such as human resources, anti-money laundering, anti-fraud and finance with the digital risk control, and launched such functions as employee behavior management, high-risk gang and customer identification/early warning and intelligent financial review.

Optimizing the digital operation system based on in-depth insight and analysis of customers. Based on the digital service capabilities of “Yunfan” (雲帆) (an operation platform) and “Cube Smart Mapping” (魔方智繪) (a label platform), the mobile business platforms, mainly “Bashi Digital & Smart Banking” (巴獅數智銀行) and “Yuying Link” (渝鷹 link) APP, integrated 93% of counter businesses. Bridging the digital gaps among regions, groups and institutions from point to area, the Bank can promote the effective linkage between the head office and branches, quickly responded to customer needs featured by “different pages for different customers”, and assisting the front-line employees in carrying out multiple targeted marketing. In June 2022, Bashi, as the only project in Chongqing, was selected for the “2021 Top 100 Brand Stories of State-owned Enterprises” held by the State-owned Assets Supervision and Administration Commission of the State Council.

Continuously improving the management mechanism for digital innovation. Under the guidance of the leading group of digital innovation of the Bank, the Bank collected and selected 33 digital innovation projects to include in the 2022 project library. The Bank strengthened the agility mechanism across business lines, and promoted the coordination of resources and the achievement of results. The Bank continued to carry out standards-related work, and its specification of online banking services was included in the list of “Forerunner” in the financial standardization sector, and the Bank became the only city commercial bank in Western China on the list of “Forerunner” for two consecutive years. Meantime, the “Mobile Inclusive Credit Services Based on Quantum Security Technology” was selected into the supervision sandboxes of the PBOC, and the Bank became the only bank in China whose project was selected in every round.

5.6.10 Digital operation

The Bank has always adhered to the principle of “customer -orientation”, committed itself to providing convenient, inclusive and intelligent financial services for customers, and continuously deepened the online and offline digital integrated operations.

Physical Outlets

As of 30 June 2022, the Bank operated its business and marketed its banking products and services through 157 sub-units (including the business department of its Head Office, its small enterprise loan center, four primary branches), 170 self-service banking centers, 308 intelligent teller machines, and through its extensive distribution channels, such as telephone banking, mobile banking, online banking and WeChat banking, which cover all 38 districts and counties of Chongqing as well as three provinces in western China namely Sichuan Province, Shaanxi Province and Guizhou Province.

Mobile Banking

As of 30 June 2022, the Bank had 1,641.6 thousand mobile banking personal customers; the total number of transactions by mobile banking personal customers was 3,791.6 thousand and the total transaction amount was RMB125,674 million. During the Reporting Period, the replacement rate for online businesses mainly comprising transfer, payment, wealth management sales and other high-frequency transactions was more than 97%. In the first half of 2022, the Mobile Banking launched new services such as e-CNY, loans for new citizens and “Relief and Assistance Loan”(紓困扶持貸), and 12,800 inclusive financial loans were applied for via the Mobile Banking.

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Online banking

As of 30 June 2022, the Bank had 34.9 thousand online banking corporate customers; the total number of transactions was 1,677.0 thousand and the total transaction amount was RMB236,998 million. The Bank had 1,623.4 thousand personal online banking customers; the total number of transactions was 179.9 thousand and the total transaction amount was RMB10,444 million. In the first half of 2022, the Bank vigorously expanded the service model of “one-stop online banking service platform” + “open API”, and were deeply engaged in scenario-based finance for corporate customers with focus on segmented areas such as education, health care, tendering and public transportation.

Mobile Business

As of 30 June 2022, the two major business platforms, namely “Bashi Digital & Smart Banking” (巴獅數智銀行) and “Yuying Link” (渝鷹 link), recorded a total of 214.6 thousand and 146.8 thousand transactions respectively, representing an increase of 132.3% and 476.9% respectively as compared with the same period of the previous year. The number of bank cards issued via “Bashi Digital & Smart Banking” is 3.8 times that of cards issued at the counter. “Yuying Link” has reached 230,000 customers covering all branches, which effectively expanded and deepened the coverage of services and helped front-line employees to transform into “wholesalers”.

5.6.11 Service Improvement

The Bank attached importance to empowerment by technological innovation, and made efforts to improve business processing efficiency, so as to improve customer experience. The Bank provided e-CNY “wallet” products and services for individuals and corporate accounts through the mobile banking and online banking, and relied on the comprehensive advantages of “indirect + direct connection” to create characteristic, intelligent and convenient payment scenarios. The Bank established a long-term mechanism for account services, and set up green channels for small and micro enterprises, which provided simplified account services and prioritized account opening and approval, so as to solve the difficulties of small and micro enterprises in opening accounts and transferring funds. Meantime, the Bank implemented a series of measures to reduce and waive fees for small and micro enterprises, and carried out the pilot of simplified account opening for individuals to solve the difficulty of migrant workers. Moreover, the Bank promoted the standardized services of outlets, regulate the indoor and outdoor service environment, counter and lobby services, and signs and labels, with a view to transforming high-quality services into the productivity and competitiveness of the Bank.

5.6.12 Majority-owned Subsidiaries and Major Investee Companies

5.6.12.1 Majority-owned Subsidiaries

Chongqing Xinyu Financial Leasing Co., Ltd.

Xinyu Financial Leasing was established in March 2017, with the registered capital of RMB3 billion and the Bank as the main promoter holding 51.00% of its shares. Xinyu Financial Leasing is mainly engaged in finance lease, transfer and acceptance of finance lease assets, fixed-income securities investment, acceptance of the lessee's lease deposit, taking of fixed-term deposits of non-bank shareholders with a term of more than 3 months (inclusive), interbank borrowing, borrowing from financial institutions, overseas borrowing, sales and disposal of leased properties, economic consulting and other businesses.

Xinyu Financial Leasing has the corporate vision of "gaining a toehold in Chongqing, covering western China, serving the whole country, and achieving sustainable development through the balance of 'scale, benefit, quality and structure'", and the corporate mission of "focusing on financing and property lending, and serving the real economy."

As at the end of the Reporting Period, Xinyu Financial Leasing recorded the total assets of RMB34,810 million, the total liabilities of RMB30,739 million, and the total owner's equity of RMB4,072 million. Its net profit was RMB230 million for the Reporting Period.

Xingyi Wanfeng Village Bank Co., Ltd.

Xingyi Wanfeng was established in May 2011, with the registered capital of RMB324.5 million, and 66.72% of its shares held by the Bank. The scope of business of Xingyi Wanfeng includes taking public deposits; issuing short-term, medium-term and long-term loans; domestic settlement; acceptance and discounting of notes; interbank lending; bank card business; agency service for redeeming and underwriting government bonds; agency service for collection and payment, and for insurance businesses.

With the market positioning of "based on the county, serving the society and supporting agriculture and supporting small businesses", Xingyi Wanfeng continues to develop well in "serving real economies, serving villages, and serving agriculture, rural areas, and farmers".

As at the end of the Reporting Period, Xingyi Wanfeng recorded the total assets of RMB748 million, the total liabilities of RMB613 million, and the total owner's equity of RMB135 million. Its net profit was RMB-1.338 million for the Reporting Period.

Management Discussions and Analysis

5.6.12.2 Major Investee Companies

Mashang Consumer Finance Co., Ltd.

Mashang Consumer was established in June 2015, with the registered capital of RMB4 billion, and 15.53% of its shares held by the Bank. The main businesses of Mashang Consumer include issuing personal consumer loans; taking deposits from domestic subsidiaries of shareholders and domestic shareholders; borrowing from domestic financial institutions; issuing financial bonds upon approval; domestic interbank lending; consulting and agency business in relation to consumer finance; insurance products in relation to sales agency services and consumption loans; fixed income securities investment business.

Mashang Consumer adheres to its mission of “making life easier”, and focuses on inclusive finance, and carries out innovation by technology. It is committed to developing itself into a most trustworthy financial service provider.

Chongqing Three Gorges Bank Co., Ltd.

Three Gorges Bank was established in 1998, with the registered capital of RMB5.574 billion, and 4.97% of its shares held by the Bank. The main businesses of Three Gorges Bank include taking public deposits; issuing short-term, medium-term and long-term loans; domestic settlement; note discounting; issuing financial bonds; agency service for issuing, redeeming and underwriting government bonds; interbank lending; foreign exchange deposits, foreign exchange loans, international settlement, interbank foreign exchange lending, acceptance and discounting of foreign exchange instruments, foreign exchange borrowing, foreign exchange guarantee, proprietary foreign exchange trading (limited to spot foreign exchange trading) or agency services for foreign exchange trading, credit investigation, consultation and witness service; providing guarantees; agency service for collection and payment, and for insurance businesses; providing safe deposit box services.

Under the service philosophy of “all for you” and the four strategies of “reservoir bank, retail bank and digital bank, small and medium-sized enterprise bank”, Three Gorges Bank makes efforts to serve the local economy, micro, small and medium-sized enterprises, urban and rural residents, and promote high-quality development, with continuous improvement in operating efficiency and comprehensive strength.

5.6.13 Structured Entity Controlled

5.6.13.1 Equity in the unconsolidated structure entities

The unconsolidated structure entities managed by the Group were mainly non-capital guaranteed wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential target clients, the Group designed and sold capital investment and management plans to specific target clients, and the raised funds were then invested in relevant financial markets or financial products according to the product contracts. Gains from the investment would be allocated to investors. The Group received corresponding wealth management commission fee income as the asset manager.

5.6.13.2 Consolidated Structured Entities

As of 30 June 2022, the Group had no consolidated structured entities.

For more details, see the “Notes to the Unaudited Interim Condensed Consolidated Financial Information – Structured Entities”.

5.7 Risk Management

Based on the “coordinated, comprehensive, independent and effective” risk management principle, the Group is committed to establishing and improving a comprehensive risk management system covering all kinds of risks by adhering to the Group’s development strategy and risk appetite. The Group comprehensively and effectively implemented risk management to ensure the consistence of the income and the risks undertaken, and maximize the shareholder value. During the Reporting Period, the Group continued to improve the risk management system, so as to actively respond to and prevent all kinds of risks.

5.7.1 Credit risk management

Credit risk refers to the risk of losses resulting from the defaults, rating downgrade, or decline in repayment ability of a borrower or counterparty. By improving the organization and management system, determining the credit risk appetite, optimizing the risk management process and cultivating the risk management culture, the Bank has continuously improved its core competence of credit risk management. While optimizing the asset soundness and future profitability, the Bank has controlled credit risk within an acceptable range, maintained appropriate capital size and maximized its income after risk adjustment.

Highlighting the guidance of credit policies. The Bank focused on the supply-side structural reform, and concentrated on supporting real enterprises, strategic emerging industry clusters, inclusive finance, personal consumer finance, technological innovation, and green development. The Bank established a dynamic list of prioritized target customer bases, and strengthened the financial support for “specialized, refined, special and novel” customers, enterprise customers in the key industry chain, and key customers in the industry. The Bank implemented a dynamic adjustment of credit policies, strengthened the industry research, adhered to early warning, and quickly responded to changes in market policies.

Forming a risk cap management system. The Bank established an integrated cap system for different regions, industries, products and customers, adjusted regional cap coefficients according to local conditions, and strictly controlled the credit cap for restricted and high-risk industries. The Bank was prudent in products with long loan terms or complicated business management models, and adhered to the principle of unified credit authorisation management for customers and managing the credit concentration of a single customer.

Deepening special post-loan management measures. In line with the general direction, the Bank implemented the rectification of internal and external problems, and maintained consistent requirements in risk control. As for key areas, the Bank monitored key business areas to prevent the accumulation of risks. In terms of weaknesses, the Bank identified weaknesses in its management and consolidated internal management capabilities. The Bank earnestly carried out special governance, firmly established the philosophy of “monitoring credit risks in the whole process”, and optimized the post-loan management mechanism in the long term.

Consolidating the foundation for the management and control of non-performing assets. The Bank strengthened the planned management of non-performing assets and make timely adjustments, and formed a dynamic and orderly closed-loop management. The Bank promoted the standardized post-loan management and regulated disposal procedures of non-performing assets, thus fully enhancing the efficiency of management. Meantime, the Bank adopted the debt collection, debt conversion, judicial recovery, transfer of creditor’s rights, bankruptcy liquidation, repayment with property and other methods in an integrated manner, so as to accelerate the disposal of non-performing assets and collect debts to generate income.

Management Discussions and Analysis

Improving the management system of digital risks. The “Wind Chime Intelligent Review” digital risk control system, consisting of “Correlation Huicha (關聯慧查)”, “Industrial Huilian (產業慧鏈)”, “Intelligent Financial Identification” (財務慧識) and “Digital Intelligent Mapping” (數字慧圖), are widely used in credit business, asset preservation and other areas. Through targeted scenario-based analysis and application, it can provide efficient intelligent risk control tools assisting decision-making for corporate business and internal management.

5.7.2 Management on operational risk

Operational risk refers to the risks of losses that may be incurred due to inadequate or problematic internal procedures, staffing and information technology systems, as well as external events. Based on the principles of effectiveness, comprehensiveness, prudence and cost-effectiveness, the Bank has continuously improved its operational risk management system.

During the Reporting Period, the Bank actively promoted the application of management tools for operational risk, continued special management measures for post-loan management and employee behavior, strengthened risk control in key areas, improved business continuity management, and promoted standardized and scientific management of operational risk. Firstly, further promoting the application of management tools for operational risk. The Bank conducted the operational risk and control self-assessment (RCSA), organized relevant departments and offices of the head office to optimize the key risk indicators of operational risk, dynamically carried out monitoring on key risk indicators, and continuously promoted the collection processes to collect operational risk incidents from all institutions in a timely manner, which were reported to the senior management and the Board. Secondly, continuously carrying out special management measures. The Bank continuously carried out in-depth special management measures for post-loan management and employee behavior with focus on key areas, targeted weak links, strengthened remediation and took multiple measures, thus improving the quality and efficiency of management. Thirdly, continuously improving the establishment of business continuity management system. The Bank conducted the analysis of impacts on business, formulate Bank-wide business continuity plans and resource construction plans, continuously optimize the emergency plan system for business continuity, and practically carried out business continuity emergency drills under the real background ensure the authenticity, effectiveness and safety of such drills.

5.7.3 Market risk management

5.7.3.1 Interest rate risk

Interest rate risk refers to the risk of loss suffered by commercial banks arising from the uncertain fluctuation of market interest rates, namely, the possibility of losses suffered by commercial banks resulting from the divergence between effective yield and the expected yield or the real cost and the expected cost of commercial banks due to the changes in interest rate, which results in the effective yield being lower than the expected yield or the real cost being higher than the expected cost. The main interest rate risk the Group faced was gap risk, which arose from the mismatch between interest rate sensitive assets or liabilities at the re-pricing date or that at the maturity date.

The Group regularly measures its interest rate sensitivity gap, evaluates interest rate risk suffered through gap analysis, and further assesses the impact of interest rate changes on net interest income and corporate net value in varied interest rate scenarios.

In the first half of 2022, the market liquidity remained reasonably sufficient, and the terminal interest rate showed a downward trend. The Group paid close attention to changes in the interest rate environment in the external market, strengthened market research and judgment, and continuously improved the management of interest rate pricing and the interest rate risk in the banking book. It effectively guided the adjustment of repricing term structure through the rational use of tools such as interest rate pricing and internal fund transfer pricing (FTP), and improved its initiative and foresight in terms of bank account book interest rate risk management, to ensure the overall stability and acceptability of interest rate risk.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
30 June 2022							
Total financial assets	127,591,874	36,428,391	189,627,895	241,427,710	44,506,669	13,548,460	653,130,999
Total financial liabilities	(152,499,737)	(55,136,785)	(228,871,920)	(145,361,609)	(17,094,111)	(10,575,250)	(609,539,412)
Total interest rate sensitivity gap	(24,907,863)	(18,708,394)	(39,244,025)	96,066,101	27,412,558	2,973,210	43,591,587

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
31 December 2021							
Total financial assets	143,229,907	40,458,192	125,721,443	243,501,686	42,196,875	13,766,248	608,874,351
Total financial liabilities	(141,562,677)	(46,802,547)	(219,255,835)	(139,984,522)	(12,586,961)	(6,922,385)	(567,114,927)
Total interest rate sensitivity gap	1,667,230	(6,344,355)	(93,534,392)	103,517,164	29,609,914	6,843,863	41,759,424

As at the end of June 2022, the Group's accumulated gap for all maturities amounted to RMB43,592 million, representing an increase of RMB1,832 million or 4.4% as compared to the end of the previous year.

Management Discussions and Analysis

5.7.3.2 Exchange rate risk

Exchange rate risk faced by the Bank mainly relates to the impact on the position level and cash flow of foreign exchange exposure held by the Bank due to changes in major foreign exchange rates. By setting limits on foreign exchange exposure and stop loss to reduce and control exchange rate risk, the Bank seeks to ensure that the adverse impact of exchange rate fluctuations falls within an acceptable range.

The exposure to foreign exchange risk of the Group's financial assets and liabilities at carrying amounts in RMB, categorised by the original currency, is as follows.

(All amounts expressed in thousands of RMB unless otherwise stated)	RMB	US Dollar	HK Dollar	Others	Total
30 June 2022					
Net position	36,489,371	7,064,266	5,559	32,391	43,591,587

(All amounts expressed in thousands of RMB unless otherwise stated)	RMB	US Dollar	HK Dollar	Others	Total
31 December 2021					
Net position	36,687,676	5,040,641	6,766	24,341	41,759,424

5.7.4 Liquidity risk management

Liquidity risk refers to the risk of failure to obtain adequate funds in time at a reasonable cost to cope with asset growth, repay due debts or perform other payment obligations. The liquidity risk management of the Bank has well accommodated to the current development stage by adhering to the prudent, forward-looking and comprehensive principle.

Based on the principle of separation of policy-making, strategy implementation and supervision functions for liquidity risk management, the Bank established a liquidity risk management governance framework, which defined the duties and reporting routes of the Board of Directors, the Risk Management Committee, the Board of Supervisors, the senior management, special committees and relevant departments in liquidity risk management, thus forming into a liquidity risk management framework subject to division of labor, clear responsibilities, and efficient operation.

Management Discussions and Analysis

During the Reporting Period, the Group continued to improve liquidity risk management framework by streamlining the policy system for liquidity risk management, and improved its capability in liquidity risk measurement and forecast and upgraded its liquidity risk management capability by continuously implementing the coordination meeting mechanism for assets and liabilities, position management, quota management for liquidity indexes, duration mismatch management, management of liquidity reserve assets, dynamic management of liquidity risk. Meanwhile, the Group also promoted the accuracy and automation in liquidity risk monitoring and measurement by continuously improving the ability to apply information system of liquidity management through system construction and active application of scientific and technological means. The Group had liquidity risk measurement and monitoring mechanisms in place to conduct periodic audits over the Group's overall money-market balance, liquidity reserves, liquidity exposure and related supervisory indicators. At the same time, the Group's assets and liabilities were managed in accordance with factors such as liquidity exposure, liquidity reserves, moneymarket balances, market conditions, and relevant monitoring targets. By means of quota management, internal funds transfer pricing and other management methods, proactive adjustments to the assets and liabilities maturity structure can be achieved, which provide security against liquidity risk. In addition, the Group continuously carried out liquidity risk stress tests (at least once a quarter) so that it can discover the weakness in liquidity risk management in advance through such stress tests and adopt relevant measures to constantly improve the liquidity risk management and control capability of the Bank. The results of the stress tests in the first two quarters of 2022 indicated that the liquidity risks remained within a controllable range even under stressful conditions. As at the end of the Reporting Period, all of the major regulatory indicators reflecting the Group's liquidity position met the regulatory requirements.

The Group uses liquidity gap analysis to assess liquidity risk. As at end of the Reporting Period, the liquidity gap of the Group calculated from its net assets and liabilities and classified according to relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date was as follows:

(All amounts expressed in thousands of RMB unless otherwise stated)	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	In perpetuity	Overdue	Total
30 June 2022	(103,939,490)	30,919,407	(16,677,233)	(104,217,383)	167,478,256	116,227,055	29,094,902	8,650,686	127,536,200
31 December 2021	(88,472,154)	13,175,703	(10,215,764)	(101,832,144)	153,254,370	126,809,551	28,132,352	7,666,895	128,518,809

As of 30 June 2022, the Group's cumulative gap for all maturities was RMB127,536 million, representing a decrease of RMB983 million as compared to the end of the previous year. Although there was a shortfall in on demand repayment of RMB103,939 million, the Group had an extensive and solid deposit customer basis. Current deposit settlement rates were relatively high and funding sources were stable, thus the impact of the shortfall on the Group's real liquidity was not significant.

Management Discussions and Analysis

Liquidity coverage ratio

The Group measures its liquidity coverage ratio according to the latest Administrative Measures for Liquidity Risk Management of Commercial Banks of the CBIRC (中國銀保監會最新流動性風險管理辦法) which was issued on 23 May 2018. As of 30 June 2022, the Group's liquidity coverage ratio was 301.07%, which was in compliance with the regulatory requirements of the CBIRC.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022	31 December 2021
Qualified high-quality liquid assets	64,790,152	50,084,928
Net cash outflow in the next 30 days	21,520,215	28,972,043
Liquidity coverage ratio (%)	301.07	172.87

Net stable funding ratio

The net stable funding ratio is introduced to ensure that commercial banks have sufficient and stable funding to meet the requirements of various assets and off-balance sheet risk exposures for stable funding. According to the Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks (商業銀行流動性風險管理辦法), which was implemented on 1 July 2018, the net stable funding ratio shall be no less than 100%.

As of 30 June 2022, available and stable funds and required stable funds of the Group amounted to RMB385,725 million and RMB333,908 million, respectively, which met the regulatory requirement with the net stable funding ratio standing at 115.52%.

5.7.5 Large-sum risk exposure management

In accordance with relevant requirements of the Administrative Measures for Large-Sum Risk Exposure of Commercial Banks issued by China Banking and Insurance Regulatory Commission, the Bank has established a large-sum risk exposure management system, carried out credit risk exposure measurement penetrating to the ultimate debtors, continuously monitored the large-sum risk exposures and changes, and effectively controlled the customer concentration risk. As at the end of the Reporting Period, all of the large-sum risk exposure indicators of the Bank have satisfied the regulatory requirements.

5.7.6 Reputational risk management

Reputational risk refers to the risk that the stakeholders may have a negative view of the Bank as a result of its operation, management and other activities or external events. As an important part of the corporate governance and comprehensive risk management system, reputational risk management covers all behaviors, business activities and business fields of the Bank and its branches and subsidiaries. Through establishing and formulating relevant systems and requirements for reputational risk management, the Bank has actively and effectively prevented reputational risks and coped with reputational event, so as to minimize loss and negative impact.

During the Reporting Period, the Bank incorporated reputational risk into the comprehensive risk management system, which cover all business lines as well as all branches and holding subsidiaries. The Bank upgraded the existing public opinion monitoring system iteratively, arranged special personnel to implement 24-hour public opinion monitoring during the important and sensitive periods, so as to strengthen investigation and analysis of reputational risks. The Bank also continued to carry out special trainings on reputational risk, thereby further enhancing its awareness and management level of reputational risk.

5.7.7 Compliance risk management

Compliance risk refers to the risk of legal sanctions, regulatory penalties, significant financial losses and reputational losses that may result from the failure to comply with laws, rules and standards. Focusing on the compliance management objectives, the Bank established a compliance management framework in line with the regulatory requirements and suitable for its business scope, corporate governance structure and business scale, which defines the compliance management duties of the Board of Directors, the Board of Supervisors, the senior management, the Internal Control and Compliance Department, all lines of management departments and the branches at all levels. The Bank established three defense lines and two reporting routes for compliance risk management, and achieved effective control over compliance risks by means of continuously strengthening system construction, improving the management technology, intensifying compliance propaganda and training, supervision and inspection, and other approaches.

During the Reporting Period, to cope with the continuous trend of “strong supervision and strict supervision”, the Bank proactively adapted to new regulatory requirements, adhered to the direction of compliance, and ensured the transmission of regulatory requirements, thus further improving the long-term mechanism for compliance management. Firstly, the Bank strengthened the life-cycle management of rules and regulations, and promoted the continuous optimization and improvement of rules, regulations and systems of the Bank. Secondly, the Bank implemented the compliance risk monitoring to ensure the all-round monitoring, online process, and whole-process management of compliance risks, and have achieved innovative breakthroughs and progress in compliance risk management methods. Thirdly, the Bank carried out the “the Improvement Year for Internal Control and Compliance Management” activity to consolidate the achievements of the “Construction Year for Internal Control and Compliance Management”, and further strengthened the internal force of risk prevention and control, thus deepening the construction of the long-term internal control and compliance mechanism of the Bank. Fourthly, with an orientation towards “risk control and value creation by compliance”, the Bank strengthened compliance review to ensure the steady development of all of its businesses in compliance with laws and regulations. Fifthly, the Bank appointed compliance officers to incorporate compliance work in institutions at all levels of the Bank. Sixthly, the Bank organized various legal compliance publicity activities such as thematic publicity and education on the Civil Code and trainings for the grassroots, and fostered a compliance culture of stable and prudent operation, so as to create a soft compliance environment for the Bank.

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5.7.8 Anti-money laundering management

The Bank has established a relatively perfect internal control system for anti-money laundering. In accordance with the anti-money laundering laws and regulations and according to its actual situation, the Bank formulated a set of anti-money laundering management system, developed and launched a relatively perfect anti-money laundering system, established an anti-money laundering organization system, and set up a professional anti-money laundering team, all of which have provided guarantee for the stable operation of the Bank's businesses.

During the Reporting Period, the Bank actively fulfilled anti-money laundering obligations and took a number of measures to enhance its anti-money laundering compliance and effectiveness. Firstly, the Bank enhanced the effectiveness of money laundering risk assessment for products, optimized assessment indicators, and improved the method for measuring residual money laundering risks of products. Secondly, the Bank strengthened the management of money laundering risk system, and improved the continuous identification mechanism for special merchants and the reidentification mechanism for customers who are frozen and detained by competent authorities. Thirdly, the Bank deepened the governance of anti-money laundering data, unified the standards of anti-money laundering data across the Bank, optimized the elements collection of large-sum doubtful transactions, and diversified the verification rules for customer information, thus enhancing the integrity and effectiveness of anti-money laundering data. Fourthly, the Bank tapped into suspicious clues, identified, analyzed and reported a number of key suspicious clues, and actively cooperated with regulatory authorities in anti-money laundering investigations. Fifthly, the Bank carried out comprehensive and differentiated anti-money laundering trainings with the theme of "Strengthening Awareness and Enhancing Capacities" to improve the capability to perform anti-money laundering duties. Sixthly, the Bank actively fulfilled social responsibilities and conducted the publicity of the Anti-organized Crime Law of the PRC and drug prohibition.

5.8 Capital Management

With an aim to satisfy the regulatory requirements on capital management and continuously enhance its capital risk resistance and capital return, the Group had reasonably set its capital adequacy objective and promoted business development with measures such as performance appraisal and capital configuration so as to realize synergic development among overall strategies, business development and capital management strategies.

In order to facilitate the Group's sustainable development, transformation of growth modes, coordination of its capital operations and capital preservation, and to further enhance capital preservation awareness among operating institutions, in recent years, the Group has paid attention to the capital consumption and earnings of various institutions in performance appraisal, and further improved its risk adjustment methods and performance appraisal plan, and provided guidance to branches and management to focus on capital preservation operations and high capital yield operations. At the same time, capital budget management has been implemented, through introducing capital distribution and establishing a balancing mechanism between sound capital occupancy and risk assets, to ensure continuous compliance with capital adequacy.

5.8.1 Capital adequacy ratio

The Group calculates its capital adequacy ratio in accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial) 《商業銀行資本管理辦法(試行)》 issued by the CBIRC and other relevant regulatory rules, pursuant to which, credit risk-weighted assets are measured with the method of weighting, the market risk weighted assets are measured with standard measuring, and the operational risk-weighted assets are measured with basic indication measuring. During the Reporting Period, the Group was in strict compliance with CBIRC's requirements for minimum capital, capital reserve and counter-cyclicality capital during the transition period.

The following table sets forth information about net capital and capital adequacy ratio of the Group and the Bank calculated according to the Administrative Measures for the Capital of Commercial Banks (for Trial) 《商業銀行資本管理辦法(試行)》 as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022		31 December 2021	
	The Group	The Bank	The Group	The Bank
Net capital:				
Core Tier I Capital, net	45,595,381	42,013,254	43,214,481	39,864,673
Tier I Capital, net	50,683,027	46,922,561	48,277,879	44,773,980
Net capital	61,646,925	57,103,448	59,974,137	55,799,514
Capital adequacy ratio (%):				
Core Tier I Capital adequacy ratio	9.57	9.54	9.36	9.25
Tier I Capital adequacy ratio	10.64	10.65	10.45	10.39
Capital adequacy ratio	12.94	12.96	12.99	12.95

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022	31 December 2021	31 December 2020
Core capital:			
Share capital	3,474,505	3,474,505	3,127,055
Counted part of capital surplus	8,658,420	8,955,990	5,246,195
Eligible portion of other equity instruments	1,071,721	–	–
Surplus reserve and general risk reserves	11,300,908	10,790,354	9,753,867
Counted part of retained earnings	20,062,052	19,143,032	17,101,676
Eligible portion of minority interests	1,337,540	1,155,679	919,041
Core Tier I Capital deductibles items:			
Full deductibles items	(309,765)	(305,079)	(245,643)
Threshold deduction items	–	–	–
Core Tier I Capital, net	45,595,381	43,214,481	35,902,191
Other Tier I Capital, net	5,087,646	5,063,398	5,031,846
Tier II Capital, net	10,963,898	11,696,258	12,738,776
Net capital	61,646,925	59,974,137	53,672,813
On-balance sheet risk-weighted assets	446,911,390	429,163,661	397,595,492
Off-balance sheet risk-weighted assets	7,218,099	7,264,706	6,893,744
Risk-weighted assets for exposure to counterparty credit risk	55,366	5,885	345
Total credit risk-weighted assets	454,184,855	436,434,252	404,489,581
Total market risk-weighted assets	840,429	678,575	954,344
Total operational risk-weighted assets	21,456,708	24,694,731	22,502,901
Total risk-weighted assets before applying capital base	476,481,992	461,807,558	427,946,826
Total risk-weighted assets after applying capital base	476,481,992	461,807,558	427,946,826
Core Tier I Capital adequacy ratio (%)	9.57	9.36	8.39
Tier I Capital adequacy ratio (%)	10.64	10.45	9.57
Capital adequacy ratio (%)	12.94	12.99	12.54

As of 30 June 2022, the Core Tier I Capital adequacy ratio of the Group was 9.57%, representing an increase of 0.21 percentage point as compared with the end of the previous year. The Tier I Capital adequacy ratio was 10.64%, representing an increase of 0.19 percentage point as compared with the end of the previous year. The capital adequacy ratio was 12.94%, representing a decrease of 0.05 percentage point as compared with the end of the previous year. The change in capital adequacy ratio was mainly due to (1) issuance of A Share Convertible Corporate Bonds to replenish the core Tier-1 capital of RMB 1,072 million; (2) the net profit attributable to shareholders of the Bank of RMB 2,785 million during the Reporting Period; (3) the provision of cash dividends for ordinary shares for 2021 of RMB 1,355 million during the Reporting Period; (4) redemption of tier II capital bonds of RMB6,000 million and new issuance of tier II capital bonds of RMB5,000 million during the Reporting Period.

In accordance with the Supervisory Requirements on Information Disclosure of Commercial Banks' Capital Composition 《關於商業銀行資本構成信息披露的監管要求》 issued by the CBIRC, the Bank has disclosed its capital composition, relevant items, and capital tools, details of which are available at "Investors Relation – Financial Information – Capital Regulation" (投資者關係 – 財務信息 – 監管資本) on the website of the Bank (www.cqcbank.com).

5.8.2 Leverage ratio

As of 30 June 2022, the Group's leverage ratio was 7.00%, falling within regulatory requirements of the CBIRC.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2022	31 December 2021	31 December 2020
Leverage ratio (%)	7.00	7.22	6.84
Tier I Capital	50,992,792	48,582,958	41,179,679
Deductions from Tier I Capital	309,765	305,079	245,642
Tier I Capital, net	50,683,027	48,277,879	40,934,037
On-balance sheet assets after adjustment	664,094,716	620,131,107	562,213,707
Off-balance sheet assets after adjustment	60,366,047	48,300,181	36,389,776
On-and off-balance sheet assets after adjustment	724,460,763	668,431,288	598,603,483

5.8.3 Capital financing management

On the basis of replenishing capital with retained profits, the Bank actively expanded the outsourced capital replenishment channels, continuously promoted the innovation of capital instruments, enhanced capital strength, optimized capital structure and reasonably controlled the cost of capital.

In March 2017, the Bank issued RMB6 billion Tier II capital bonds within the domestic inter-bank bond market of China. Such Tier II capital bonds have a maturity of 10 years, with a fixed coupon rate of 4.80% per annum before maturity. Subject to the applicable laws and the approvals by relevant the regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital. The Bank redeemed the bond in March 2022.

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In December 2017, the Bank issued the offshore preference shares of US\$750 million (equivalent to RMB4.95 billion) in the offshore market at the indefinite floating interest rate. The first redemption date is 20 December 2022. Subject to the applicable laws and the approvals by relevant the regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's additional Tier I capital. For more information, please refer to "7.3 Preference Shares" of the Interim Report.

In March 2022, the Bank issued RMB5.0 billion Tier II capital bonds within the domestic inter-bank bond market of China. Such Tier II capital bonds have a maturity of 10 years, with a fixed coupon rate of 3.73% per annum before maturity. Subject to the applicable laws and the approvals by relevant the regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital as planned. The bank has the right to redeem the bonds in March 2027.

The Bank publicly issued a total of RMB13 billion A Share Convertible Corporate Bonds at par with a par value of RMB100 each in March 2022. The total number of A Share Convertible Corporate Bonds issued was 130 million (13 million lots). The A Share Convertible Corporate Bonds have a maturity of 6 years, with a coupon rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year, and 3.50% for the sixth year, respectively. The proceeds have been fully used to support business development as planned, and will be fully applied towards replenishing the core Tier-1 capital of the Bank after the conversion of A Share Convertible Corporate Bonds into Shares pursuant to the approval of applicable laws and regulators. For more details, please refer to "8.4 Convertible Corporate Bonds" in this interim report.

5.8.4 Economic capital allocation and management

The Bank's economic capital management mainly consists of measurement, allocation and application. There are three kinds of economic capital indicators, namely Economic Capital (EC) occupancy, Risk-Adjusted Return on Capital (RAROC) and Economic Value added (EVA), whose application fields include credit resource allocation, quota management, performance assessment, cost allocation, product pricing, customer management, etc.

The Bank further improved the economic capital management system in terms of measurement, allocation and assessment, strengthened the economic capital constraint and incentive mechanism, and promoted capital-intensive development. Firstly, the Bank further improved the economic capital measurement policy, optimized the economic capital measurement standard and system. Secondly, the Bank strictly implemented the economic capital quota management measures, continuously improved the refined management level of economic capital, and comprehensively strengthened the capital constraints on branches and holding institutions. Thirdly, the Bank continued to optimize the economic capital measurement and assessment policy in its credit business, and actively facilitated its credit structure adjustment. Fourthly, the Bank strengthened the training of economic capital management for institutions at all levels, and vigorously promoted the application of economic capital in operation management and business frontier.

5.9 Environment and Outlook

Despite the complicated and challenging global conditions and the domestic resurgence of COVID-19 in the first half of 2022, China has taken swift countermeasures and actions to stabilize its economy under pressure, showcasing its strong resilience in development. According to the statistic data from the National Bureau of Statistics, in the first half of 2022, China's gross domestic product (GDP) increased by 2.5% on a year-on-year basis. Undeterred by the decline in economic growth due to the disruption of the pandemic, China demonstrated its remarkable economic momentum in the second half of 2022 with the recovery of consumption and constant growth in fixed assets investment and imports and exports.

Looking forward to the second half of 2022, China's economy will gain stronger momentum as the implementation of prudent monetary policy continues to increase, and the fiscal policies become more active. In terms of structure, the marginal contribution of consumption to the economy is expected to rise, especially the contribution of the consumption of bulk durables, such as automobiles, green home appliances and green building materials, are expected to further increase. The fixed assets investment will continue to play its role as the cornerstone of the economy. Under the direct influence of relevant policies and with the roll-out of intensive incremental policy tools, the infrastructure construction will play a greater role in stabilizing investment and the growth of investment will gradually exert its supporting role. In terms of exports, China possesses prominent advantages in its entire industry chain, and will show a relatively strong resilience in the second half of the year.

In terms of macroeconomic policies, a meeting of the Political Bureau of the CPC Central Committee stressed that macroeconomic policies should play an active role in expanding demand, and fiscal and monetary policies should effectively make up for the lack of social demand. China will optimize utilization of special local government bonds, and support local governments to make full and good use of the quota of special bonds. China's monetary policy should seek to ensure reasonably sufficient liquidity, and credit to businesses should be boosted. China should improve the stability and international competitiveness of industrial and supply chains, ensure smooth transportation and logistics, optimize the layout of domestic industrial chain, and support the central and western regions to improve infrastructure and business environment.

In terms of regulatory environment, firstly, risk prevention is the top priority, and the steady advancement of reform and risk defusion of the banking and insurance industry remains an important regulatory goal. Secondly, China will stabilize the overall economy, play the role of finance in counter-cyclical adjustment, and fully implement a package of policy measures to stabilize the economy.

In terms of industry landscape, the banking industry will further adhere to the main responsibility and business of serving the real economy, focus on key strategies, industries and enterprises, implement the national policy package to stabilize the economy, and allocate more loans to the real economy. The retail business will transform from quantity to quality, build an ecosystem of "scenario + finance", and enhance overall capabilities including products and services.

In terms of regional development, as the largest municipality directly under the Central Government in China, an important strategic fulcrum for the development of Western China, and the intersection of the Belt and Road Initiative and the Yangtze River Economic Belt, Chongqing enjoyed great location advantages, actively promoting the construction of the Chengdu-Chongqing Economic Circle and the Western Financial Center. In the first half of 2022, the gross domestic product (GDP) of Chongqing recorded a year-on-year increase of 4%, and the consumption of new energy vehicles and the investment in high-tech industries maintained rapid growth. In the first half of 2022, Chongqing signed 1,591 investment promotion projects, with a contracted investment of RMB1.08 trillion. The opportunities from regional development and the continuous advancement of key projects bring significant development and business growth opportunities for financial institutions.

Significant Events

6.1 Performance of Undertakings

According to the Prospectus of Bank of Chongqing Co., Ltd. for Initial Public Offering of Shares (A Shares) disclosed by the Bank on 30 December 2020, the Bank, its shareholders, directors, supervisors and senior management have made and are performing the following undertakings:

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Road & Bridge Co., Ltd., both of which are domestic shareholders, holding more than 5% of the shares of the Bank before the offering of A Shares.	Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Road & Bridge Co., Ltd. undertake as follows: <ol style="list-style-type: none"> "1. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, the company will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by the company. The company undertakes that it will comply with relevant laws, regulations and normative documents (including the relevant regulations of China Securities Regulatory Commission and the stock exchange) on share lock-up. 2. If the closing price of A Shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by the company will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 1 of the Letter of Undertaking. 	5 February 2021	36 months subject to extension as appropriate	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. If the company reduces its shareholding in Bank of Chongqing within 2 years following the expiry of the lock-up period, the price for the disposal of the shares shall not be lower than the price of the initial public offering of A Shares of Bank of Chongqing.</p> <p>4. The company undertakes that the proceeds from the disposal of the shares held by it in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If the company fails to pay Bank of Chongqing, the proceeds from the non-compliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to the company equal to such proceeds payable by the company to Bank of Chongqing, so as to offset such proceeds. In case of dividend distribution, bonus issue, conversion of capital reserve into share capital, placement of shares and other ex-right and ex-dividend matters of Bank of Chongqing during the above period of undertaking, the above offering price will be adjusted accordingly."</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Land Group, Lifan Technology (Group) Co., Ltd. ² , Peking University Founder Group Co., Ltd., Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) ³ , Chongqing Expressway Co., Ltd. and Minsheng Industrial (Group) Co., Ltd., all of which are shareholders of the Bank	7 shareholders, namely the Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Land Group, Lifan Technology (Group) Co., Ltd., Peking University Founder Group Co., Ltd., Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司), Chongqing Expressway Co., Ltd. and Minsheng Industrial (Group) Co., Ltd., undertake as follows: "Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, the company will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are directly or indirectly held by the company. Upon expiry of the lock-up period, relevant regulations of relevant regulatory authorities shall apply."	5 February 2021	36 months	Yes

² Formerly known as Lifan Industrial (Group) Co., Ltd., which was renamed as Lifan Technology (Group) Co., Ltd. on 3 March 2021, and the legal representative, registered capital and business scope were changed

³ Formerly known as Chongqing Transport and Travel Investment Group Co., Ltd, which was renamed as Chongqing Development and Real Estate Management Co., Ltd. on 30 April 2020, and the investor, registered capital and business scope were changed.

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Directors, supervisors and senior management holding shares of the Bank	<p>RAN Hailing, LIU Jianhua, YANG Yusong, YANG Shiyin, ZHOU Guohua and HUANG Ning, who serve as the directors and senior management members of the Bank and hold shares of the Bank, undertake as follows:</p> <ol style="list-style-type: none"> 1. I will comply with the Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies published by China Securities Regulatory Commission. 2. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me. 3. If the closing price of A Shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by me will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 2 of the Letter of Undertaking. During the extension period, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me. 	5 February 2021	36 months subject to extension as appropriate	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>4. If I reduce my shareholding in Bank of Chongqing within 2 years following the expiry of the lock-up period, the price for the disposal of the shares shall not be lower than the price of the initial public offering of A Shares of Bank of Chongqing.</p> <p>5. Upon expiry of the above lock-up period, I will also report to Bank of Chongqing on my shareholding in Bank of Chongqing and its changes in a timely manner in accordance with law: (1) The number of shares transferred each year during my term of office will not exceed 25% of the total number of shares held by me in Bank of Chongqing, and I will not transfer the shares held by me in Bank of Chongqing within six months following my separation; (2) The number of shares transferred by me each year shall not exceed 15% of the total number of shares held by me in Bank of Chongqing, and the total number of shares transferred within 5 years will not exceed 50% of the total number of shares held by me in Bank of Chongqing; (3) I will not purchase the shares of Bank of Chongqing within six months after they are disposed of, or dispose of the shares of Bank of Chongqing within six months after they are purchased.</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>6. I undertake that the proceeds from the disposal of the shares held by me in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If I fail to pay Bank of Chongqing, the proceeds from the non-compliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to me equal to such proceeds payable by me to Bank of Chongqing, so as to offset such proceeds. I will not cease the performance of the above undertakings as a result of change of duty, separation and otherwise. In case of dividend distribution, bonus issue, conversion of capital reserve into share capital, placement of shares and other ex-right and ex-dividend matters of Bank of Chongqing during the above period of undertaking, the above offering price will be adjusted accordingly.”</p> <p>HUANG Changsheng and WU Ping, who serve as supervisors of the Bank and hold shares of the Bank, undertake as follows:</p> <p>“1. I will comply with the Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies published by China Securities Regulatory Commission.</p> <p>2. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me.</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. Upon expiry of the above lock-up period, I will also report to Bank of Chongqing on my shareholding in Bank of Chongqing and its changes in a timely manner in accordance with law: (1) The number of shares transferred each year during my term of office will not exceed 25% of the total number of shares held by me in Bank of Chongqing, and I will not transfer the shares held by me in Bank of Chongqing within six months following my separation; (2) The number of shares transferred by me each year shall not exceed 15% of the total number of shares held by me in Bank of Chongqing, and the total number of shares transferred within 5 years will not exceed 50% of the total number of shares held by me in Bank of Chongqing; (3) I will not purchase the shares of Bank of Chongqing within six months after they are disposed of, or dispose of the shares of Bank of Chongqing within six months after they are purchased.</p>			
			<p>4. I undertake that the proceeds from the disposal of the shares held by me in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If I fail to pay Bank of Chongqing, the proceeds from the non-compliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to me equal to such proceeds payable by me to Bank of Chongqing, so as to offset such proceeds. I will not cease the performance of the above undertakings as a result of change of duty, separation and otherwise."</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Employee shareholders of the Bank	<p>220 natural persons who hold over 50 thousand employee shares of the Bank undertake as follows:</p> <p>“Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, I will not transfer the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me; upon expiry of the above lock-up period, the number of shares transferred by me each year shall not exceed 15% of the total number of shares held by me in Bank of Chongqing, and the number of shares transferred within 5 years will not exceed 50% of the total number of shares held by me in Bank of Chongqing.”</p>	5 February 2021	36 months	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	The Bank	<p>With regard to the prospectus, the Bank undertakes as follows:</p> <p>"1. If there are false representations, misleading statements or material omissions in the prospectus of the Bank, which have a significant and substantial impact on the determination of whether the Bank meets the offering conditions specified by law, the Bank will, within 5 trading days after CSRC, the people's court and other competent authorities make a final determination or effective judgment on the existence of the violation of the issuer, commence the share repurchase-related procedures to repurchase all new A Shares issued by the Bank in the public offering, and the specific share repurchase plan will be subject to the internal approval procedures of the Bank and external approval procedures, in accordance with applicable laws, regulations, normative documents and the Articles of Association. The repurchase price shall not be lower than the offering price of the shares of the Bank plus the interest on bank demand deposits for the period from the share offering date to the repurchase date. In case of profit distribution, bonus issue, placement of shares, conversion of capital reserve into share capital and other ex-right and ex-dividend matters after the offering and listing of shares of the Bank, the shares repurchased include all new A Shares issued in the public offering and their derivative shares, and the offering price of the above shares will be subject to ex-right and ex-dividend adjustment accordingly.</p>	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>2. If there are false representations, misleading statements or material omissions in the prospectus of the Bank, which causes any losses to investors in securities transaction, the Bank will compensate the investors for the losses by law in full and in a timely manner, according to the final decision or effective judgment made by CSRC, the people's court and other competent authorities.</p> <p>3. The Bank will, in accordance with the provisions of relevant laws, regulations and normative documents and the requirements of regulatory authorities, be liable for its failure to perform the above undertakings."</p>			
Undertaking in relation to the initial public offering	Others	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	<p>With regard to the prospectus of the Bank, Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>"1. There are no false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, and it accepts responsibility for the authenticity, accuracy and completeness of the prospectus in accordance with law.</p> <p>2. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which have a significant and substantial impact on the determination of whether Bank of Chongqing meets the offering conditions specified by law, the company will urge Bank of Chongqing to repurchase all the new shares issued in the offering and their derivative shares (in case of profit distribution, bonus issue, placement of shares, conversion of capital reserve into share capital and other ex-right and ex-dividend matters after the offering and listing of shares of Bank of Chongqing).</p>	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which causes any losses to investors in securities transaction, the company will compensate the investors for the losses by law.</p> <p>The company provides as the security for the performance of the above undertakings, the dividend to which the company is entitled under the profit distribution plan for the year in which A Shares of Bank of Chongqing are listed and subsequent years, and the shares held by the company in Bank of Chongqing shall not be transferred after the incurrence of relevant obligations in the above undertakings of the company and prior to the performance of the obligations."</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	All directors, supervisors and senior management of the Bank	<p>With regard to the prospectus of the Bank, all directors, supervisors and senior management of the Bank undertake as follows:</p> <p>All directors, supervisors and senior management of the Bank hereby undertake as follows:</p> <p>"1. There are no false representations, misleading statements or material omissions in the prospectus published by Bank of Chongqing for its initial public offering of A Shares and listing, and I jointly and severally accept legal responsibility for the authenticity, accuracy and completeness of the prospectus. If securities regulatory authorities or judiciary authorities hold that there are false representations, misleading statements or material omissions in the prospectus published by Bank of Chongqing, which causes any losses to investors in securities transaction, I will compensate the investors for the losses by law.</p> <p>2. I will, in accordance with the relevant laws and regulations and the requirements of regulatory authorities, be liable for my failure to perform the above undertakings."</p>	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Elimination of horizontal competition	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	<p>Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>(I) The existing principal businesses of the company and its subsidiaries (including wholly-owned subsidiaries, majority-owned subsidiary and enterprises over which the company has actual control) do not involve commercial banking business, and are not in horizontal competition with the issuer.</p> <p>(II) During the period in which the company is the major shareholder of the issuer, the company and its subsidiaries (including wholly-owned subsidiaries, majority-owned subsidiary and enterprises over which the company has actual control) will not engage, directly or indirectly, in any business activities that compete or may compete with the principal business of the issuer in any form. The company will supervise its subsidiaries in accordance with the undertakings and exercise necessary rights to urge them to comply with the undertakings.</p>	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			(III) Notwithstanding Articles (I) and (II) above, considering that the company is a company whose establishment has been approved by Chongqing Municipal People's Government and engages in comprehensive investment and management of state-owned asset and carries out businesses including financial businesses such as investment in securities companies, banks and insurance companies, and manages relevant financial assets, the company and the enterprises controlled by the company may invest in enterprises engaged in commercial banking business, to the extent authorized by Chongqing Municipal People's Government, in any form permitted by regulations (including but not limited to sole proprietorship, joint venture, cooperative operation and direct or indirect ownership of shares or other interests in other companies or enterprises). As at the date of giving the undertakings, the company invested in Chongqing Rural Commercial Bank Co., Ltd. and held approximately 9.98% of shares of the bank, in addition to investment in the issuer.			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>(IV) The company undertakes to fairly treat the commercial banks in which the company and the enterprises controlled by the company invest, and will not grant or provide to any commercial banks, government approval, authorization, license or business opportunities obtained or possibly obtained by the company and the enterprises controlled by the company for carrying out commercial banking business, or use the status as a major shareholder of the issuer or the information obtained with such status, to make any decision or judgment which is adverse to the issuer but beneficial to other commercial banks in which the company or the enterprises controlled by the company invest, and will make efforts to avoid the occurrence of such event. In exercising the rights of a shareholder of the issuer, the company will act in the best interests of the issuer as if the issuer is the sole commercial bank in which the company invests, and the business judgment of the company as a shareholder of the issuer to seek the best interests for the issuer will not be affected as a result of the investment of the company and the enterprises controlled by the company in other commercial banks.</p>			
			<p>(V) The company warrants that it will strictly comply with relevant rules and regulations of China Securities Regulatory Commission and the stock exchange where the issuer is listed, the articles of association of the issuer, measures for management of related party transactions and other corporate management policies, exercise the rights of a shareholder and perform obligations of a shareholder equally with other shareholders, and will not use the status as a major shareholder to seek improper advantage, or damage the legitimate rights and interests of the issuer and other shareholders.”</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	The Bank	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A Shares, the Bank undertakes as follows:</p> <p>"1. Condition for taking the share price stabilization measures</p> <p>Subject to the provisions of laws, regulations and normative documents in relation to increase in shareholdings or repurchase, measures will be taken by the Bank and relevant entities to stabilize the share price of the Bank, according to the Plan for Stabilization of A Share Price, if the closing price of A Shares of the Bank is less than the latest audited net assets per share of the Bank (the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of the Bank after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the offering of A Shares of the Bank other than due to force majeure factors.</p>	5 February 2021	36 months	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			II. Specific Measures for Stabilization of A Share Price			
			(I) Repurchase of shares by the Bank			
			1. If the closing price of A Shares of the Bank is less than the latest audited net assets per share of the Bank for 20 consecutive trading days, the obligation of the Bank to take the share price stabilization measures is triggered. The Board of the Bank shall formulate and announce the share price stabilization plan of the Bank within 10 trading days from the date of triggering the above obligation. The share price stabilization plans of the Bank include but not limited to the plan to repurchase the shares of the Bank or other plans that comply with relevant laws, regulations and other normative documents (including the rules of the place where the shares of the Bank is listed). The specific plan will be subject to the internal approval procedures of the Bank and applicable external approval procedures, in accordance with applicable laws, regulations, normative documents, the Articles of Association of the Bank and other provisions.			
			2. The Bank will, immediately after the Board resolution is made, convene a general meeting and a shareholders' class meeting to consider the proposal on share repurchase (hereinafter referred to as "Repurchase Proposal"), according to the Articles of Association of the Bank, and the Repurchase Proposal is subject to approval by shareholders present at the meeting and representing at least two thirds of the voting rights.			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. If the Bank adopts the share repurchase plan of the Bank, the share repurchase proposal will include but not limited to the number of shares to be repurchased, the repurchase price range, the source of funds for the repurchase, the impact of repurchase on the share price and the operation of the Bank. The Bank shall implement the share repurchase plan after completing the internal approval procedures of the Bank and other relevant procedures in accordance with applicable laws, regulations, normative documents, the Articles of Association of the Bank and other provisions, and obtaining required approvals, for the share repurchase plan. The Bank shall repurchase its shares through call auction, offer and/or other legal means on a securities exchange. The total funds used by the Bank to repurchase shares shall not be less than 5% of the net profit attributable to shareholders of the Bank in the previous year but shall not exceed the net proceeds from the public offering of shares of the Bank.</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>4. If the Bank adopts other share price stabilization plans that comply with relevant laws, regulations and other normative documents (including the rules of the place where the shares of the Bank is listed), the plans shall be implemented after the Bank completes corresponding approval and/or filing procedures in accordance with applicable laws, regulations, normative documents (including the rules of the place where the shares of the Bank is listed) and the Articles of Association of the Bank.</p> <p>5. In implementing the share price stabilization plan, the Bank may suspend the plan if: (1) the closing price of A Shares of the Bank exceeds the latest audited net assets per share of the Bank for 10 consecutive trading days; (2) continued repurchase of shares causes the Bank to fail to satisfy the statutory listing conditions; or (3) the number of repurchased shares reaches 2% of the total number of A Shares of the Bank existing before the repurchase.</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>6. The Bank shall continue to implement the above share price stabilization plan if after the Bank suspends the share price stabilization plan, the closing price of A Shares of the Bank remains below the latest audited net assets per share of the Bank for 20 consecutive trading days within 12 months following the date of triggering the above obligation to stabilize the share price.</p> <p>7. The repurchase, information disclosure and disposal of shares after repurchase by the Bank shall comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, other relevant laws, administrative regulations and the Articles of Association of the Bank.</p>			
			<p>(II) Restraints against the failure to perform the obligation to increase shareholdings or repurchase shares</p> <p>1. If the Bank fails to formulate and announce its share price stabilization plan within 10 trading days following the date of triggering the obligation of the Bank to stabilize its share price as indicated in the share price stabilization plan, or fails to act according to the plan announced, the Bank will, within 5 trading days, automatically freeze funds equal to 10% of the net profit attributable to shareholders of the Bank in the previous year, so as to perform the above undertakings to stabilize the share price. The Bank will, in accordance with law, compensate investors for losses arising out of its failure to perform the obligation to stabilize the share price.</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>2. If the directors and senior management of the Bank fail to propose a specific plan of increasing the shareholdings or act according to the disclosed plan within 10 trading days following the date of triggering the obligation to increase the shareholding, the Bank shall deduct 15% of the monthly salary of the parties concerned, as well as cash dividends (if any), from the month in which the agreed obligation is not performed, until the total amount of deductions reaches 15% of the total salary (after tax) obtained from the Bank in the previous accounting year in which the obligation to stabilize the share price shall be performed, and the deductions shall remain with the Bank.</p> <p>III. In performing the above obligation, the Bank shall perform corresponding information disclosure obligations in accordance with the listing rules of the place where the shares of the Bank are listed and other applicable regulatory requirements, and shall comply with relevant regulations including those on the regulation of commercial banks."</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	Directors and senior management of the Bank	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A Shares of the Bank, directors (excluding independent directors, and directors who do not receive remuneration from the Bank) and senior management of the Bank undertake as follows:</p> <p>"1. Condition for taking the share price stabilization measures</p> <p>I will actively take the following measure to stabilize the share price of Bank of Chongqing according to the specific share price stabilization plan in the Plan for Stabilization of A Share Price if the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing (the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of the Bank after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the initial public offering and listing of A Shares of Bank of Chongqing, other than due to force majeure factors.</p>	5 February 2021	36 months	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>II. Specific Measures for Stabilization of A Share Price</p> <p>1. If the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days, and the share price stabilization plan of Bank of Chongqing is not approved at the general meeting and the shareholders' class meeting of Bank of Chongqing, or the shares cannot be repurchased for other legal reasons, I will increase my shareholding in Bank of Chongqing within 90 days from the date triggering the condition for taking the share price stabilization measures, or within 90 days from the date on which a resolution not to implement the share repurchase plan is made at the general meeting and the shareholders' class meeting of Bank of Chongqing (whichever is earlier).</p> <p>2. If Bank of Chongqing fails to satisfy the condition that "the closing price of A Shares of Bank of Chongqing exceeds the latest audited net assets per share of the Bank for 10 consecutive trading days" even after it implements its share repurchase plan, I will start to increase my shareholding in Bank of Chongqing within 90 days following the date of the completion of the implementation of the share repurchase plan of Bank of Chongqing, and will not dispose of the additional shares acquired, within 6 months following the completion of the implementation of the plan of increasing the shareholding. I undertake that the increase in my shareholding and information disclosure will comply with the Company Law, the Securities Law, other relevant laws and administrative regulations.</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. Subject to relevant laws, regulations and normative documents (including the listing rules of the place where the shares of Bank of Chongqing is listed), I will notify Bank of Chongqing in writing of the specific plan of increasing my shareholding in Bank of Chongqing within 10 trading days after triggering the obligation to increase my shareholding, including but not limited to the range of the number of additional shares to be acquired, price range, completion period and other information, which will be announced by Bank of Chongqing.</p>			
			<p>4. In implementing the above plan of increasing the shareholding, I may suspend the plan if: (1) the closing price of A Shares of Bank of Chongqing exceeds the latest audited net assets per share of Bank of Chongqing for 10 consecutive trading days, after increasing the shareholding in Bank of Chongqing; (2) continued increase in the shareholding causes Bank of Chongqing to fail to satisfy the statutory listing conditions; (3) continued increase in the shareholding will lead to the obligation to offer to acquire while it has no plan to offer to acquire; or (4) the funds used to increase the shareholding reach 15% of the total salary receiving from Bank of Chongqing in the previous year.</p>			
			<p>5. I will continue to implement the above plan of increasing my shareholding if after the plan is suspended, the closing price of shares of Bank of Chongqing remains below the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days within 12 months following the date of triggering the above obligation to increase the shareholding.</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>III. Restraints against the failure to perform the obligation to increase shareholdings or repurchase shares</p> <p>If I fail to propose a specific plan of increasing the shareholdings or act according to the disclosed plan within 10 trading days following the date of triggering the obligation to increase the shareholding, Bank of Chongqing shall deduct 15% of my monthly salary, as well as cash dividends (if any), from the month in which the agreed obligation is not performed, until the total amount of deductions reaches 15% of the total salary (after tax) obtained from Bank of Chongqing in the previous accounting year in which the obligation to stabilize the share price shall be performed, and the deductions shall remain with Bank of Chongqing; I will, in accordance with law, compensate Bank of Chongqing and investors for any losses arising out of my failure to perform such obligation.</p>			
			<p>IV. In performing the above obligation, I shall perform corresponding information disclosure obligations in accordance with the listing rules of the place where the shares of Bank of Chongqing are listed and other applicable regulatory requirements, and shall comply with relevant regulations including those on the regulation of commercial banks."</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A Shares of the Bank, Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>"1. The company will actively take the following measures to stabilize the share price of Bank of Chongqing according to the specific share price stabilization plan in the Plan for Stabilization of A Share Price Within Three Years Following Initial Public Offering and Listing of Bank of Chongqing Co., Ltd. if the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing (the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of the Bank after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the initial public offering and listing of A Shares of Bank of Chongqing, other than due to force majeure factors.</p>	5 February 2021	36 months	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>II. If the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days, and the share price stabilization plan is not announced by the Board of Bank of Chongqing as scheduled, or approved by competent authorities or departments, the obligation of the company to increase its shareholding in Bank of Chongqing is triggered, and the company will take the following measures:</p> <ol style="list-style-type: none"> 1. The company will, within 15 trading days following the date of triggering, submit to Bank of Chongqing, the plan of increasing its shareholding in Bank of Chongqing, which will be announced by Bank of Chongqing. The notice of acquisition of additional shares shall indicate the number of additional shares to be acquired, the price, period, target for and other information on the acquisition. 2. Within 6 months following the date of triggering the obligation to stabilize the share price, the company will increase its shareholding in the Bank of Chongqing, for a total consideration not less than 15% of the cash dividend of Bank of Chongqing in the latest year to which it is entitled upon the announcement of the plan of increasing its shareholding in Bank of Chongqing. 			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. The company may suspend the plan of increasing its shareholding if the closing price of A Shares of Bank of Chongqing exceeds the latest audited net assets per share of Bank of Chongqing for 10 consecutive trading days in implementing the above plan. The company will continue to implement the above plan of increasing its shareholding if after the plan is suspended, the closing price of shares of Bank of Chongqing remains below the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days within 12 months following the date of triggering the above obligation to increase the shareholding.</p> <p>4. Within six months following the completion of the plan of increasing its shareholding, the company will not dispose of the additional shares acquired by it; and after the company increases its shareholding, the distribution of equity interests in Bank of Chongqing shall comply with the listing conditions, and the increase in the shareholding shall comply with relevant laws, regulations and normative documents.</p> <p>III. If the company fails to propose a specific plan of increasing the shareholding, within 15 trading days from the date of triggering the obligation to increase the shareholding, or fails to act according to the disclosed plan of increasing the shareholding, Bank of Chongqing has the right to own the cash dividends payable to the company in the year and subsequent years which are equal to the amount paid by the company for the performance of such obligation, until the company performs such obligation; the company will, in accordance with law, compensate Bank of Chongqing and investors for any losses arising out of its failure to perform such obligation."</p>			

Significant Events

6.2 Tie-up of Funds of Listed Company by Controlling Shareholders and Other Related Parties for Non-operating Purposes

During the Reporting Period, no funds of the Bank were tied up by controlling shareholders of the Bank and other related parties for non-operating purposes.

6.3 Material Related Party Transaction

6.3.1 Related Party Transaction in Relation to Daily Operation

During the Reporting Period, the Bank carried out related party transactions with fair prices and in the interests of the Bank and its shareholders as a whole, in strict accordance with domestic and overseas supervision systems including the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions, the Interim Measures for Management of Equity Interests of Commercial Banks, the Rules Governing Listing of Stocks on the Shanghai Stock Exchange, the Self-Regulatory Supervision Guidelines for Company Listed on the Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions, the Hong Kong Listing Rules, and the Management Measures for Related Party Transactions of Bank of Chongqing Co., Ltd.

At the 2021 Annual General Meeting held on 23 June 2022, the Bank considered and approved the Proposal on the Estimated Annual Cap for Daily Related Party Transactions for 2022. Information on the Bank's daily related party transactions during the Reporting Period is as follows:

Unit: RMB100 million

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions in 2022	As of 30 June 2022
Chongqing Foreign Trade and Economic Cooperation (Group) Co., Ltd. and its associates	Credit	22.64	10.37
Among which, Chongqing Foreign Trade and Economic Cooperation (Group) Co., Ltd.	Credit	11.43	7.49
Chongqing Yu Feng Imp. & Exp. Co., Ltd.	Credit	4.56	0.00
Chongqing Yumaotong Supply Chain Management Co., Ltd.	Credit	3.50	3.40
Chongqing Yufu Holding Group Co., Ltd. and its associates	Credit	45.50	27.20
Among which, Chongqing Yufu Holding Group Co., Ltd.	Credit	15.00	14.97
Chongqing Yufu Capital Operation Group Co., Ltd.	Credit	8.00	3.00
Chongqing Yin Hai Financing Leasing Co., Ltd.	Credit	5.40	2.18
Chongqing Travel Investment Group Company Limited	Credit	5.00	5.00
Chongqing Chuanyi Microcircuit Co., Ltd.	Credit	2.20	0.00
Chongqing Silian Technical Import & Export Co., Ltd.	Credit	2.20	1.79
Southwest Securities Company, Ltd.	Credit	3.00	0.00
China Silian Instrument Group Co., Ltd.	Credit	4.00	0.27
Chongqing Lifan Industry (Group) Import and Export Co., Ltd.	Credit	5.00	0.00
Lifan Technology (Group) Co., Ltd.	Credit	2.87	2.88
Chongqing Export-Import Financing Guarantee Co., Ltd.	Non-credit	11.50	1.50

Significant Events

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions in 2022	As of 30 June 2022
Chongqing Sanxia Financing Guarantee Group Corporation	Non-credit	45.00	12.45
Chongqing Jiaotong Financing Guarantee Co., Ltd.	Non-credit	5.00	1.47
Chongqing Xingnong Financing Guarantee Group Co., Ltd.	Non-credit	42.00	8.97
Chongqing Financing Re-guarantee Co., Ltd.	Non-credit	5.00	1.43
China Resources YuKang Asset Management Co., Ltd.	Credit	15.00	1.90
Chongqing Road & Bridge Co., Ltd.	Credit	2.00	0.00
Chongqing Three Gorges Bank Co., Ltd.	Credit	3.00	2.40
	Non-credit	12.00	0.00
Chongqing Rural Commercial Bank Co., Ltd.	Credit	43.00	2.00
	Non-credit	45.00	0.00
Chongqing Boe Display Technology Co., Ltd.	Credit	4.25	0.00
Chongqing Shangshe Company (Group) Co., Ltd. and its associates	Credit	16.60	4.00
Among which, Chongqing Shangshe Company (Group) Co., Ltd.	Credit	3.30	0.00
Chongqing Commercial Investment Group Co., Ltd.	Credit	4.50	0.00
Chongqing Department Store Co., Ltd.	Credit	4.00	4.00
Chongqing Real Estate Group Co., Ltd. and its associates	Credit	35.00	25.68
Among which, Chongqing Real Estate Group Co., Ltd.	Credit	30.10	23.20
Chongqing Dazhai Property Management Co., Ltd.	Credit	4.90	2.48
Changan Auto Finance Co., Ltd.	Credit	25.00	4.70
China Merchants Bank Co., Ltd.	Credit	88.50	3.00
	Non-credit	24.50	1.30
Chang'an Bank Limited	Credit	42.00	0.00
Chongqing Lifan Holdings Co., Ltd.	Credit	0	0.00
Mashang Consumer Finance Co., Ltd.	Credit	0	0.00
Connected natural persons	Credit	4.35	1.20

These related party transactions either do not constitute connected transactions or are fully exempted connected transactions under the Hong Kong Listing Rules.

6.3.2 Related Party Transactions Relating to Assets or Equity Interest Acquisition and Disposal

During the Reporting Period, there was no related party transactions relating to assets or equity interest acquisition and disposal by the Bank.

6.3.3 Related Party Transactions Relating to Joint External Investments

During the Reporting Period, there was no related party transactions relating to joint external investments by the Bank.

Significant Events

6.3.4 Claims and Liabilities among the Related Party Transactions

During the Reporting Period, there was no non-operating claims and liabilities among the related party transactions by the Bank.

6.3.5 Financial Businesses in Relation to Connected Financial Companies, Financial Companies Controlled by the Bank and Their Related Parties

During the Reporting Period, the Bank did not engage in any financial businesses with any connected financial companies, and the Bank did not have any holding financial companies.

6.3.6 Other Material Related Party Transactions

The first extraordinary general meeting of 2022 by the Bank held on 17 March 2022 considered and approved the Resolution Regarding the Connected Transaction of the Subscription of A Share Convertible Corporate Bonds to be Publicly Issued by Bank of Chongqing Co., Ltd. by Chongqing Yufu Capital Operation Group Co., Ltd.. During the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. has subscribed for the Bank's A Share Convertible Bonds with a principal amount of RMB2.8 billion in accordance with the Bank's plan for the issuance of A Share Convertible Bonds. The transaction constituted a connected transaction of the Bank under Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, during the Reporting Period, there was no other material related party transactions by the Bank.

6.4 Engagement of Intermediaries

6.4.1 Engagement of Accounting Firms

During the Reporting Period, the 46th meeting of the sixth session of the Board of the Bank considered and approved the Proposal on the Appointment and Remuneration of External Auditor for 2022, intending to engage Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young as the domestic auditors and international auditors of the Bank for 2022 respectively. The proposal has been considered and approved by the 2021 Annual General Meeting of the Bank.

6.4.2 Engagement of Financial Advisers and Sponsors

The Bank has engaged China Merchants Securities Co., Ltd. as the sponsor of the Bank with regard to the public offering of A share convertible corporate bonds. Upon the completion of the offering of A share convertible corporate bonds in March 2022 and the listing thereof on the Shanghai Stock Exchange in April 2022, the Bank has paid China Merchants Securities Co., Ltd. the underwriting and sponsorship fees of RMB12.2642 million (exclusive of value-added tax).

6.5 Material Contracts and Their Performance

6.5.1 Material Custody, Contracting and Lease

During the Reporting Period, no material contracts signed by the Bank involved custody, contracting and lease of assets between the Bank and other companies outside the ordinary course of business of the Bank.

6.5.2 Material Guarantee

Guarantee business is ordinary business of the Bank. During the Reporting Period, except the financial guarantee business within the scope of business which is approved by CBIRC, there are no other major guarantee matters that need to be disclosed by the Bank. During the Reporting Period, the Bank did not violate stipulated decision-making procedures in issuing outward guarantees.

6.6 Material Litigation and Arbitration

In the course of daily operation, the Bank involved several legal proceedings, most of which were initiated to recover non-performing loans. For information on the disputes between the Bank, Chongqing Apu Properties (Group) Co., Ltd. and Chongqing New City Construction Co., Ltd. in relation to bond transactions, please refer to the announcements published by the Bank on the website of the Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange and the website of the Bank.

The Bank has 7 outstanding legal claims (including the Bank as a third party) amounting to RMB263 million as of 30 June 2022. The Bank believes that the above litigations and arbitrations would not have a material and adverse impact on the financial position or operation results of the Bank.

6.7 Punishment and Rectification

During the Reporting Period, the Bank was not subject to investigation by law for suspected crimes, and all Directors, Supervisors and senior management of the Bank were not subject to coercive measures by law for suspected crimes.

During the Reporting Period, the Bank and all Directors, Supervisors and senior management of the Bank were not subject to criminal punishment, investigation by the CSRC for suspected violations of laws and regulations, administrative punishment by the CSRC, or material administrative punishment by other competent agencies.

During the Reporting Period, the Bank and all Directors, Supervisors and senior management of the Bank were not subject to detention by discipline inspection and supervision agencies for suspected serious violations of discipline.

During the Reporting Period, the Bank and all Directors, Supervisors and senior management of the Bank were not subject to coercive measures by other competent agencies for suspected violations of laws and regulations.

During the Reporting Period, the Bank and all Directors, Supervisors and senior management of the Bank were not subject to administrative supervision measures by the CSRC, or disciplinary punishments by stock exchanges.

The Directors, Supervisors and senior management of the Bank had not been subject to punishment by securities regulatory authorities in recent three years.

6.8 Integrity

During the Reporting Period, there were no effective court judgments on material litigations with which the Bank failed to comply, nor were there any large debt of the Bank due and outstanding.

Significant Events

6.9 Statement on Changes in Accounting Policies and Accounting Estimates or Corrections of Significant Accounting Errors

During the Reporting Period, the Bank had no changes in its accounting policies or accounting estimates, nor any corrections to significant accounting errors.

6.10 Major Asset Purchases, Sales and Mergers

During the Reporting Period, the Group did not conduct any major asset purchases, sales or mergers.

6.11 Review of the Interim Financial Statements

The Bank has engaged Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young respectively as external auditors to review the interim financial statements of the Bank prepared under the PRC GAAP (China Accounting Standards) and the IFRSs. The Board of Directors of the Bank and the Board Audit Committee have reviewed and agreed the 2022 interim Report of the Bank.

6.12 Publication of Interim Report

The Interim Report in Chinese prepared by the Bank in accordance with PRC GAAP and the Rules on Preparation of Interim Reports of CSRC is available at the websites of the Shanghai Stock Exchange and the Bank.

The Interim Report, in Chinese and English, prepared by the Bank in accordance with the IFRS and Hong Kong Listing Rules are available at the websites of the Hong Kong Stock Exchange and the Bank. In case of any discrepancy, the Chinese version shall prevail.

6.13 Others

Pursuant to paragraph 40 of Appendix 16 to the Hong Kong Listing Rules headed “Disclosure of Financial Information”, save as disclosed herein, the Bank confirms that there is no significant difference between its existing information in relation to the matters set out in paragraph 32 of Appendix 16 and those disclosed in the Bank’s 2021 Annual Report.

Change in Share Capital and Shareholders

7.1 Changes in the Ordinary Shares

7.1.1 General situation of the Ordinary Shares

At the end of the Reporting Period, the Bank had a total of 3,474,505,339 Ordinary Shares, comprising 1,895,484,527 A Shares and 1,579,020,812 H Shares.

	31 December 2021		Increase or decrease during the Reporting Period (shares)					30 June 2022	
	Number (shares)	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number (shares)	Percentage (%)
1. Shares subject to selling restrictions	1,548,033,993	44.55	-	-	-	-343,907,543	-343,907,543	1,204,126,450	34.66
1. Shareholding of the State	-	-	-	-	-	-	-	-	-
2. Shareholding of state-owned legal persons	1,020,475,249	29.37	-	-	-	-144,934,462	-144,934,462	875,540,787	25.20
3. Other Domestic Shares	527,558,744	15.18	-	-	-	-198,973,081	-198,973,081	328,585,663	9.46
Of which: Shareholding of domestic non-state-owned legal persons	470,205,866	13.53	-	-	-	-167,395,999	-167,395,999	302,809,867	8.72
Shareholding of domestic natural persons	57,352,878	1.65	-	-	-	-31,577,082	-31,577,082	25,775,796	0.74
4. Foreign shares	-	-	-	-	-	-	-	-	-
Of which: Shareholding of offshore legal persons	-	-	-	-	-	-	-	-	-
Shareholding of offshore natural persons	-	-	-	-	-	-	-	-	-
2. Outstanding shares not subject to selling restrictions	1,926,471,346	55.45	-	-	-	343,907,543	343,907,543	2,270,378,889	65.34
1. RMB ordinary shares	347,450,534	10.00	-	-	-	343,907,543	343,907,543	691,358,077	19.90
2. Foreign shares listed domestically	-	-	-	-	-	-	-	-	-
3. Foreign shares listed overseas	1,579,020,812	45.45	-	-	-	-	-	1,579,020,812	45.45
4. Others	-	-	-	-	-	-	-	-	-
3. Total number of ordinary shares	3,474,505,339	100.00	-	-	-	-	-	3,474,505,339	100.00

Note:

- (1) Among the shares subject to selling restrictions, changes in the number of shares held by state-owned legal persons, domestic non-state-owned legal persons and domestic natural persons are due to changes in the nature of the account of the securities holders, and the shares in the special account of newly-recognized shareholders, unrecognized shares custody being incorporated into domestic non-state-owned legal persons and release for circulation of Shares subject to selling restrictions in the market.
- (2) As at the end of the Report Period, pledged shares of the Bank amounted 141,062,307 shares, representing 4.06% of the Bank's total share capital; frozen shares amounted to 62,318 shares, representing 0.002% of the Bank's total share capital.

Change in Share Capital and Shareholders

7.1.2 Statement on Changes in Ordinary Shares

During the Reporting Period, the total number of the Bank's ordinary shares remained unchanged.

7.1.3 Impact of Changes in Ordinary Shares on Earnings per Share, Net Assets per Share and Other Financial Indicators

Not applicable.

7.1.4 Changes in Shares subject to Selling Restrictions

Due to the IPO and listing of A Shares of the Bank in 2021, the original 1,548,033,993 Domestic Shares were recorded as outstanding shares subject to selling restrictions, with the lock-up period of 12 months or 36 months from the listing date.

During the Reporting Period, a total of 343,907,543 A shares subject to selling restrictions were released for circulation, involving 2,626 shareholders. This portion of shares are subject to a lock-up period of 12 months from the listing date, which has expired on 5 February 2022 (Saturday), and were released for circulation on 7 February 2022 (Monday). As at the end of the Reporting Period, the Bank had 1,204,126,450 shares subject to selling restrictions.

7.2 Particulars of Shareholders and Actual Controllers

7.2.1 Total Number of Shareholders

As at the end of the Reporting Period, the Bank had a total of 76,350 ordinary shareholder accounts, of which, 75,234 are A Shareholder accounts and 1,116 are H Shareholder accounts.

Change in Share Capital and Shareholders

7.2.2 Top ten shareholders and top ten shareholders holding outstanding shares (or shareholders not subject to selling restrictions) as at the end of the Reporting Period *Particulars of Shareholdings of the Top Ten Ordinary Shares Shareholders of the Bank*

S.N.	Name of shareholder	Nature of shareholder	Total number of shares held at the end of the Period (shares)	Shareholding percentage (%)	Type of share	Increase or decrease during the Reporting Period (shares)	Number of shares subject to selling restrictions (shares)	Pledged, tagged or frozen	
								Status	Number (shares)
1	HKSCC Nominees Limited	Offshore legal person	1,172,861,432	33.76	H Shares	500	-	Unknown	-
2	Chongqing Yufu Capital Operation Group Co., Ltd.	State-owned legal person	488,551,003	14.06	A Shares + H Shares	3,116,200	407,929,748	-	-
3	Dah Sing Bank, Limited	Offshore legal person	458,574,853	13.20	H Shares	-	-	-	-
4	Lifan Technology (Group) Co., Ltd.	Private legal person	294,818,932	8.49	A Shares + H Shares	-	129,564,932	Pledged	129,564,932
5	SAIC Motor Corporation Limited	State-owned legal person	240,463,650	6.92	H Shares	-	-	-	-
6	Funde Sino Life Insurance Co., Ltd.	Private legal person	217,570,150	6.26	H Shares	-	-	-	-
7	Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned legal person	173,367,766	4.99	A Shares	33,529,091	139,838,675	-	-
8	Chongqing Road & Bridge Co., Ltd.	Private legal person	171,339,698	4.93	A Shares	-	171,339,698	-	-
9	Chongqing Real Estate Group Co., Ltd.	State-owned legal person	169,704,404	4.88	A Shares	9,777,885	139,838,675	-	-
10	Peking University Founder Group Co., Ltd.	State-owned legal person	94,506,878	2.72	A Shares	-	94,506,878	-	-

Change in Share Capital and Shareholders

Shareholdings of Top Ten Ordinary Shares Shareholders not subject to Selling Restrictions of the Bank

S.N.	Name of shareholder	Number of Outstanding Shares Held not subject to Selling Restrictions (shares)	Class and Number of Shares	
			Class	Number (shares)
1	HKSCC Nominees Limited	1,172,861,432	H Shares	1,172,861,432
2	Special securities account for agreed repurchase securities transactions of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司)	68,600,000	A Shares	68,600,000
3	Chongqing Water Conservancy Investment Group Co., Ltd.	33,529,091	A Shares	33,529,091
4	Chongqing Real Estate Group Co., Ltd.	29,865,729	A Shares	29,865,729
5	CECEP Chongqing Industry Co., Ltd.	24,901,099	A Shares	24,901,099
6	Hong Kong Securities Clearing Company Limited	17,805,338	A Shares	17,805,338
7	Chongqing Chuanyi Automation Co., Ltd.	16,129,476	A Shares	16,129,476
8	Chongqing Jianfeng Industrial Group Co., Ltd. (重慶建峰工業集團有限公司)	12,847,732	A Shares	12,847,732
9	Chongqing Water & Environment Holdings Group Ltd.	10,068,631	A Shares	10,068,631
10	Chongqing Technology Financial Group limited (重慶科技金融集團有限公司)	9,143,525	A Shares	9,143,525

Information on special repurchase accounts of top ten shareholders: During the Reporting Period, Chongqing South Group Limited, a shareholder of the Bank, entered into an agreed repurchase securities transaction with Guotai Junan Securities Co., Ltd. in connection with 68,600,000 outstanding shares without selling restrictions (accounting for 1.97% of the Bank's total shares) held by Chongqing South Group Limited. As at the end of the Reporting Period, Chongqing South Group Limited still held 2,362 shares of the Bank.

Information on voting rights delegated to and by, and abstinence from voting by the above shareholders: N/A

Information on the related-party relationship or concerted action of the above shareholders: HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited; Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Chuanyi Automation Co., Ltd. are both controlled by Chongqing Yufu Holding Group Co., Ltd.. Apart from this, the Bank was not aware of any related-party relationship between the above shareholders or whether they are parties acting in concert.

Statement on shareholders of preference shares with restored voting rights and the number of shares held: N/A

Change in Share Capital and Shareholders

Note:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of shares in the H Shares' account of shareholders of the Bank in the trading system represented by HKSCC Nominees Limited.
- (2) Chongqing Yufu Capital Operation Group Co., Ltd. directly held 413,985,003 A Shares and held 74,566,000 H Shares of the Bank through its subsidiary Chongqing Yufu (Hong Kong) Limited and held 31,173,547 A Shares of the Bank through its associates, namely Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Chuanyi Microcircuit Co., Ltd. (重慶川儀微電子有限公司), Chongqing Silian Investment and Management Co., Ltd. (重慶四聯投資管理有限公司), Southwest Securities Company, Ltd., Chongqing Hotel Co., Ltd., Chongqing Rural Commercial Bank Co., Ltd., Chongqing Union Property Right Exchange Co., Ltd. (重慶聯合產權交易所集團股份有限公司) and Yang Yusong, together with its associates, held an aggregate of 519,724,550 shares of the Bank, representing 14.96% of the Bank's total shares.
- (3) Lifan Technology (Group) Co., Ltd. directly held 129,564,932 A Shares of the Bank and held 165,254,000 H Shares of the Bank through its subsidiary Lifan International (Holdings) Limited. Lifan Technology (Group) Co., Ltd., thus held an aggregate of 294,818,932 Shares of the Bank, representing 8.49% of the Bank's total share capital.
- (4) SAIC Motor Corporation Limited held 240,463,650 H Shares of the Bank through its subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total share capital.
- (5) Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares of the Bank and held 67,570,150 H Shares of the Bank through its subsidiary Fund Resources Investment Holding Group Company Limited, thus held an aggregate of 217,570,150 H Shares of the Bank, representing 6.26% of the Bank's total share capital.
- (6) Chongqing Road & Bridge Co., Ltd. directly held 171,339,698 A Shares of the Bank, and its related party Chongqing International Trust Co., Ltd., held 196,102 A Shares of the Bank. Chongqing Road & Bridge Co., Ltd., thus held an aggregate of 171,535,800 A Shares of the Bank, representing 4.94% of the Bank's total shares.
- (7) Chongqing Real Estate Group Co., Ltd. directly held 169,704,404 A Shares of the Bank, and its associates, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Institute of Urban Pest Control (重慶市城市害蟲防治研究所), Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司), Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司) and Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 3,673,494 A Shares of the Bank. Chongqing Real Estate Group Co., Ltd., together with its associates, held an aggregate of 173,377,898 A Shares of the Bank, representing 4.99% of the Bank's total shares.

Change in Share Capital and Shareholders

Number of Shares Held by and Selling Restriction of the Top Ten Shareholders subject to Selling Restrictions of the Bank

S.N.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions (shares)	Details of approved tradable shares subject to selling restrictions	
			Time available for trading	Additional number of approved tradable shares (shares)
1	Chongqing Yufu Capital Operation Group Co., Ltd.	407,929,748	February 2024	0
2	Chongqing Road & Bridge Co., Ltd.	171,339,698	February 2024	0
3	Chongqing Water Conservancy Investment Group Co., Ltd.	139,838,675	February 2024	0
4	Chongqing Real Estate Group Co., Ltd.	139,838,675	February 2024	0
5	Lifan Technology (Group) Co., Ltd.	129,564,932	February 2024	0
6	Peking University Founder Group Co., Ltd.	94,506,878	February 2024	0
7	Chongqing Development and Real Estate Management Co., Ltd.	37,456,522	February 2024	0
8	Chongqing Expressway Investment Holding Co., Ltd.	29,942,325	February 2024	0
9	Minsheng Industrial (Group) Co., Ltd.	24,191,310	February 2024	0
10	Chongqing Kangju Property Development Co., Ltd.	1,659,547	February 2024	0

Statement on the connected relations or concerted actions between the above shareholders: Chongqing Kangju Property Development Co., Ltd. is an indirect subsidiary of Chongqing Real Estate Group Co., Ltd.. Apart from this, the Bank is not aware of connected relations or concerted actions exist between the above shareholders.

Whether there were strategic investors or ordinary legal persons who became top ten ordinary shareholders due to placing of new shares: No.

Change in Share Capital and Shareholders

7.2.3 Particulars of Controlling Shareholders and De facto Controllers

During the Reporting Period, there was no controlling shareholders of the Bank. The Bank has no shareholder who may exercise more than 30% of the shares with voting rights of the Bank when acting alone or in concert with others, while any shareholder of the Bank cannot control the resolutions of the general meeting or the resolutions of the Board meeting by shares with voting rights he/she holds, and there is no shareholder who controls the conduct of the Bank through the general meeting or de facto controls the conduct of the Bank through the Board of Directors and senior management. At the same time, there is no shareholder de facto controls the Bank in any other manner when acting alone or in concert with others. Therefore, the Bank has no controlling shareholders.

During the Reporting Period, there was no de facto controllers of the Bank. There was no situation in which the Bank was under de facto control of investors due to their direct or indirect equity investment relationship, scheme of arrangement or other arrangements with the Bank. Therefore, there was no de facto controllers of the Bank.

7.2.4 Particulars of Major Shareholders Holding More than 5% of the Shares

Chongqing Yufu Capital Operation Group Co., Ltd.

Chongqing Yufu Capital Operation Group Co., Ltd. was the first solely state-owned local comprehensive assets operation and management company in China, which was organised under the approval of Chongqing Municipal Government. Chongqing Yufu Holding Group Co., Ltd. is the controlling shareholder of Chongqing Yufu. Chongqing Yufu was established on 27 February 2004 with registered capital of RMB10 billion. Its legal representative is Yang Yusong, and its registered address is located at No. 198, East Section of Huangshan Avenue, Liangjiang New District, Chongqing. Its business scope includes the acquisition and disposal of assets and relevant property investment, investment advisory, financial consultancy, consultancy and agency for corporate reorganizations and mergers, custody of enterprises and assets (businesses requiring pre-requisite approval under the laws and regulations of the country shall not be conducted before such approval is obtained) under the authority of the municipal government.

As at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 413,985,003 A Shares and held 74,566,000 H Shares of the Bank through its subsidiary Chongqing Yufu (Hong Kong) Limited and held 31,173,547 A Shares of the Bank through its associates, namely Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Chuanyi Microcircuit Co., Ltd. (重慶川儀微電路有限責任公司), Chongqing Silian Investment and Management Co., Ltd. (重慶四聯投資管理有限公司), Southwest Securities Company, Ltd., Chongqing Hotel Co., Ltd., Chongqing Rural Commercial Bank Co., Ltd., Chongqing Union Property Right Exchange Co., Ltd. (重慶聯合產權交易所集團股份有限公司) and Yang Yusong, thus held an aggregate of 519,724,550 shares of the Bank, representing 14.96% of the Bank's total shares.

Change in Share Capital and Shareholders

Dah Sing Bank, Limited

Dah Sing Banking Group Limited is the controlling shareholder of Dah Sing Bank, Limited. Dah Sing Bank, Limited was established on 1 May 1947 with the registered capital of HK\$6.2 billion. Its registered address is located at 26th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. Dah Sing Bank, Limited provides retail banking, commercial banking and other related financial services in Hong Kong, Macau and Mainland China.

As at the end of the Reporting Period, Dah Sing Bank, Limited held 458,574,853 H Shares, representing 13.20% of the Bank's total share capital.

Lifan Technology (Group) Co., Ltd.

Chongqing Manjianghong Equity Investment Fund Partnership (Limited Partnership) (重慶滿江紅股權投資基金合夥企業(有限合夥)) is the controlling shareholder of Lifan Technology (Group) Co., Ltd.. Lifan Technology (Group) Co., Ltd. was established on 1 December 1997, and were listed on the Shanghai Stock Exchange in November 2010. As at the end of the Reporting Period, Lifan Group has a registered capital of RMB4.5 billion. Its legal representative is Xu Zhihao, and its registered address is located at No. 2, Huanghuan North Road, Jinshan Avenue, Liangjiang New District, Chongqing. Its business scope includes general items: the research, development, production and sales of automobiles, automobile engines, motorcycles, motorcycle engines, vehicle parts, motorcycle parts, small gasoline engines and parts, electric bicycles and parts, gasoline engine mopeds and parts; sales of non-ferrous metals (excluding precious metals), metal materials, metal products, silver jewelry, computers, sports (only car and motorcycle sports) and sports products (excluding development and production); provision of after-sales services for products developed, produced and sold by the company; the export business of technologies developed and produced by the company; the export business of technologies, raw and auxiliary materials, mechanical equipment, instrumentation, and spare parts required for its scientific research and production, and the processing imported goods and "Three-plus-one" business of the company; consulting services on economic information; wholesale and retail of lubricants and greases; and ordinary freight (except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As at the end of the Reporting Period, Lifan Technology (Group) Co., Ltd. held 129,564,932 A Shares and held 165,254,000 H Shares through its wholly-owned subsidiary Lifan International (Holdings) Limited, thus held an aggregate of 294,818,932 Shares, representing 8.49% of the Bank's total share capital. 129,564,932 A Shares held by Lifan Technology (Group) Co., Ltd. were pledged.

Change in Share Capital and Shareholders

SAIC Motor Corporation Limited

Shanghai Automotive Industry Corporation (Group)* is the controlling shareholder of SAIC Motor Corporation Limited. SAIC Motor Corporation Limited was established on 16 April 1984 with registered capital of RMB11.683 billion. It was listed on the Shanghai Stock Exchange since November 1997. Its legal representative is Chen Hong, and its registered address is located at Room 509, No.1 Tower, No. 563 Songtao Road, Pilot Free Trade Zone, Shanghai, China. Its business scope includes manufacturing and sales of automobiles, motorcycles, tractors and other motor vehicles, and machinery equipment, assembly and automobile parts, domestic trading (except those under special provisions), advisory services, sale of vehicle, assembly and components and parts in an e-commerce manner, technical service in the field of science and technology, export of self-manufactured products and technology, import of machinery and equipment, spare parts, raw and supplementary materials, and technology needed in the business operating (except goods and technology forbidden to import and export by Chinese government), rental of cars and machinery and equipment, industrial investment, periodical publishing, advertisements in its own media, import and export business of goods and technology (Any item that requires to be approved by law can only be carried out after approval by relevant authorities).

As at the end of the Reporting Period, SAIC Motor Corporation Limited held 240,463,650 H Shares through its wholly-owned subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total share capital.

Funde Sino Life Insurance Co., Ltd.

Funde Sino Life Insurance Co., Ltd. has no controlling shareholders. Funde Sino Life Insurance Co., Ltd. was established on 4 March 2002 with registered capital of RMB11.752 billion. Its legal representative is Fang Li, and its registered address is located at 27F, 28F, 29F & 30F, Life Insurance Building, 1001 Fuzhong No.1 Road, Futian District, Shenzhen City. Its business scope includes personal accident injury insurance, personal periodic death insurance, personal life insurance, personal annuity insurance, personal short-term health insurance, personal long-term health insurance, group accident injury insurance, group term life insurance, group annuity insurance, group short-term health insurance, group long-term health insurance, other life insurance activities approved by the CBIRC; reinsurance of the above-mentioned insurance activities; concurrent insurance agency business (licensed operations); and use of funds approved by the CBIRC.

As at the end of the Reporting Period, Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares and held 67,570,150 H Shares through its wholly-owned subsidiary Fund Resources Investment Holding Group Company Limited, thus held an aggregate of 217,570,150 H Shares, representing 6.26% of the Bank's total share capital.

Change in Share Capital and Shareholders

7.2.5 Other Major Shareholders under Regulations

Chongqing Beiheng Investment & Development Limited

Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd. is the controlling shareholder of Chongqing Beiheng Investment & Development Limited. Chongqing Beiheng Investment & Development Limited was established on 19 November 2012 with the registered capital of RMB1.1 billion. Its legal representative is Chen Zhenming, and its registered address is located at B, C & D Towers, No. 1 Xingguang Avenue, Gaoxin Park, Beibu New District, Chongqing. Its business scope includes: engaging in investment business with its own funds; investment consultation; financial consultation; asset management (the above scope of business excludes banking, insurance, securities and other financial services that require permits or approvals); real estate development; real estate brokerage; landscape greening design and maintenance; landscaping design; property management (the business activities should be conducted with the business licence(s)); hotel management; and construction-related business (the business activities shall be operated after obtaining the relevant qualifications). [Any item that requires to be approved by law can only be carried out after approval by relevant authorities]

As at the end of the Reporting Period, Chongqing Beiheng Investment & Development Limited held 84,823,500 H Shares in the Bank, and its associates, namely Chongqing Jintai State-owned Assets Management Co., Ltd. (重慶金泰國有資產經營有限公司), Chongqing High Technology Group Co., Ltd. (重慶高科集團有限公司), and Chongqing Yu Gao – Tech Industry (Group) Co. Ltd., held 1,934,949 A Shares of the Bank. Chongqing Beiheng Investment & Development Limited, together with its associates, held an aggregate of 86,758,449 shares of the Bank, representing 2.50% of the Bank's total shares. Pursuant to the requirements of the CBIRC, Chongqing Beiheng Investment & Development Limited has assigned Supervisor to the Bank. Therefore, it is a substantial shareholder of the Bank.

Change in Share Capital and Shareholders

7.2.6 Interests and Short Positions of Substantial Shareholders and Other Persons under Hong Kong Laws and Regulations

At the end of the Reporting Period, the interests of substantial shareholders (as defined under the SFO), other than Directors, Supervisors or chief executives of the Bank, in Shares and the underlying Shares of the Bank as recorded in the register required to be kept under Section 336 of the SFO and to the best knowledge of the Bank were as follows:

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Financial Holdings Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Banking Group Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Bank, Limited ⁽¹⁾	H Share	Long position	Beneficial owner	458,574,853	29.04	13.20
David Shou-Yeh WONG ⁽¹⁾	H Share	Long position	Settlor of a discretionary trust/interest of the beneficiary of a trust	458,574,853	29.04	13.20
Christine Yen WONG ⁽¹⁾	H Share	Long position	Interest of spouse	458,574,853	29.04	13.20
Harold Tsu-Hing WONG ⁽¹⁾	H Share	Long position	Deemed interest	458,574,853	29.04	13.20
HSBC International Trustee Limited ⁽²⁾	H Share	Long position	Interest of a trustee	458,574,853	29.04	13.20
Chongqing Yufu Holding Group Co., Ltd. ⁽³⁾	A Share	Long position (non-derivative interest)	Interest of a controlled corporation	435,749,841	22.99	12.54
	A Share	Long Position (derivative interest)	Interest of a controlled corporation	248,226,950	13.10	7.14
	H Share	Long position	Interest of a controlled corporation	74,566,000	4.72	2.15
Chongqing Yufu Capital Operation Group Co., Ltd. ⁽³⁾	A Share	Long position (non-derivative interest)	Beneficial owner	413,985,003	21.84	11.91
	A Share	Long position (derivative interest)	Beneficial owner	248,226,950	13.10	7.14
	H Share	Long position	Interest of a controlled corporation	74,566,000	4.72	2.15
Chongqing Yufu (Hong Kong) Limited	H Share	Long position	Beneficial owner	74,566,000	4.72	2.15

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
SAIC Motor Corporation Limited ⁽⁴⁾	H Share	Long position	Interest of a controlled corporation	240,463,650	15.23	6.92
SAIC Motor HK Investment Limited ⁽⁴⁾	H Share	Long position	Beneficial owner	240,463,650	15.23	6.92
Lifan Technology (Group) Co., Ltd. ⁽⁵⁾	A Share	Long position	Beneficial owner	129,564,932	6.84	3.73
	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽⁵⁾	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
Lifan International (Holdings) Limited ⁽⁵⁾	H Share	Long position	Beneficial owner	165,254,000	10.47	4.76
Funde Sino Life Insurance Co., Ltd. ⁽⁶⁾	H Share	Long position	Beneficial owner	150,000,000	9.50	4.32
	H Share	Long position	Interest of a controlled corporation	67,570,150	4.28	1.94
Fund Resources Investment Holding Group Company Limited ⁽⁶⁾	H Share	Long position	Beneficial owner	67,570,150	4.28	1.94
Chongqing Real Estate Group Co., Ltd. ⁽⁷⁾	A Share	Long position	Beneficial owner	169,704,404	8.95	4.88
	A Share	Long position	Interest of a controlled corporation	3,673,494	0.19	0.11

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Chongqing Kangju Property Development Co., Ltd. ⁽⁷⁾	A Share	Long position	Beneficial owner	1,659,547	0.09	0.05
Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	914,351	0.05	0.03
Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	720,142	0.04	0.02
Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	288,020	0.02	0.01
Chongqing Institute of Urban Pest Control Co., Ltd. (重慶市城市害蟲防治研究所有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	91,434	0.00	0.00
Chongqing Water Conservancy Investment Group Co., Ltd.	A Share	Long position	Beneficial owner	173,367,766	9.15	4.99
DBS Group Holdings Ltd. ⁽⁸⁾	H Share	Long position	Interest of a controlled corporation	101,088,504	6.40	2.91
	H Share	Short position	Interest of a controlled corporation	101,088,504	6.40	2.91
DBS Bank Ltd. ⁽⁸⁾	H Share	Long position	Beneficial owner	101,088,504	6.40	2.91
	H Share	Short position	Beneficial owner	101,088,504	6.40	2.91
Chongqing Beiheng Investment & Development Limited	H Share	Long position	Beneficial owner	84,823,500	5.37	2.44

Notes:

- (1) Dah Sing Bank, Limited held 458,574,853 H Shares of the Bank. Dah Sing Bank, Limited is wholly owned by Dah Sing Banking Group Limited, which is in turn owned as to approximately 74.37% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 42.96% of the issued share capital of Dah Sing Financial Holdings Limited. Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. For the purpose of the SFO, Dah Sing Financial Holdings Limited, Dah Sing Banking Group Limited, Mr. David Shou-Yeh WONG, Ms. Christine Yen WONG and Mr. Harold Tsu-Hing WONG are deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited.
- (2) HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of the family members of Mr. David Shou-Yeh Wong (the grantor), held 39.49% interests in Dah Sing Financial Holdings Limited indirectly. For the purpose of the SFO, HSBC International Trustee Limited is deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited (see note (1) above).

Change in Share Capital and Shareholders

- (3) *To the knowledge of the Bank, as at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 413,985,003 A Shares in the Bank, while Chongqing Yufu (Hong Kong) Limited held 74,566,000 H Shares in the Bank. Chongqing Yufu Capital Operation Group Co., Ltd. also held the A share convertible bonds of the Bank with total principal amount of RMB2.8 billion, which can be converted into A Shares of the Bank upon the exercise of rights (Based on the initial conversion price of RMB11.28 per A Share, it can be converted into up to 248,226,950 A Shares). For the purpose of the SFO, Chongqing Yufu Capital Operation Group Co., Ltd. is taken to have derivative interests in such shares. Chongqing Yufu (Hong Kong) Limited is wholly owned by Chongqing Yufu Capital Operation Group Co., Ltd., which is wholly owned by Chongqing Yufu Holding Group Co., Ltd. In addition, Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Hotel Co., Ltd. (重慶賓館有限公司), Chongqing Chuanyi Microcircuit Co., Ltd. (重慶川儀微電路有限責任公司), Chongqing Silian Investment Management Co., Ltd. (重慶四聯投資管理有限公司) and Southwest Securities Co., Ltd. (西南證券股份有限公司) directly held 16,129,476 A Shares, 4,571,761 A Shares, 136,571 A Shares, 12,679 A Shares and 914,351 A Shares, respectively; Chongqing Yufu Holding Group Co., Ltd. directly or indirectly controls more than one-third of the voting rights of these companies. For the purpose of the SFO, Chongqing Yufu Capital Operation Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu (Hong Kong) Limited in the Bank, while Chongqing Yufu Holding Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu Capital Operation Group Co., Ltd., Chongqing Yufu (Hong Kong) Limited, Chongqing Chuanyi Automation Co., Ltd., Chongqing Hotel Co., Ltd., Chongqing Chuanyi Microcircuit Co., Ltd., Chongqing Silian Investment Management Co., Ltd. and Southwest Securities Co., Ltd. in the Bank.*
- (4) *SAIC Motor HK Investment Limited directly held 240,463,650 H Shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares held by SAIC Motor HK Investment Limited in the Bank.*
- (5) *Lifan Technology (Group) Co, Ltd. directly held 129,564,932 A Shares of the Bank. Lifan International (Holdings) Limited directly held 165,254,000 H Shares. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Technology (Group) Co., Ltd. For the purpose of the SFO, Lifan Technology (Group) Co., Ltd. and Chongqing Lifan Industry (Group) Import and Export Co., Ltd. are deemed to be interested in the Shares held by Lifan International (Holdings) Limited in the Bank.*
- (6) *Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares in the Bank, while Fund Resources Investment Holding Group Company Limited directly held 67,570,150 H Shares in the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares held by Fund Resources Investment Holding Group Company Limited in the Bank.*
- (7) *To the knowledge of the Bank, as at the end of the Reporting Period, Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly held 169,704,404 A Shares in the Bank, and Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司), Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司), Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) and Chongqing Institute of Urban Pest Control Co., Ltd. (重慶市城市害蟲防治研究所有限公司) held 1,659,547, 914,351, 720,142, 288,020 and 91,434 A Shares in the Bank, respectively. Chongqing Real Estate Group Co., Ltd. directly held the 100% equity interest in Chongqing Institute of Urban Pest Control Co., Ltd., and Chongqing Real Estate Group Co., Ltd. indirectly held the 100% equity interest in Chongqing Qing'an Property Management Co., Ltd., Chongqing Key Engineering Development Co., Ltd., Chongqing Fangzong Real Estate Co., Ltd. and Chongqing Kangju Property Development Co., Ltd. through its subsidiaries. For the purpose of the SFO, Chongqing Real Estate Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Kangju Property Development Co., Ltd., Chongqing Fangzong Real Estate Co., Ltd., Chongqing Key Engineering Development Co., Ltd., Chongqing Qing'an Property Management Co., Ltd. and Chongqing Institute of Urban Pest Control Co., Ltd. in the Bank.*

Change in Share Capital and Shareholders

(8) DBS Bank Ltd. directly held 101,088,504 H Shares (long position) and 101,088,504 H Shares (short position) in the Bank, and is wholly owned by DBS Group Holdings Ltd. For the purpose of the SFO, DBS Group Holdings Ltd. is deemed to be interested in the shares held by DBS Bank Ltd. in the Bank. The 101,088,504 H Shares (long position) and 101,088,504 H Shares (short position) held by DBS Bank Ltd. involve derivatives in the classes below:

101,088,504 H Shares (long position) and 101,088,504 H Shares (short position) – Listed derivatives (convertible instruments)

7.3 Preference Shares

7.3.1 Issuance and Listing of Preference Shares in the Last Three Years

With the approval by the Chongqing Bureau of former CBRC (Yu Yin Jian Fu [2017] No. 78) and the approval by CSRC (Zheng Jian Xu Ke [2017] No. 2242), the Bank issued non-cumulative perpetual offshore preference shares on 20 December 2017 (see table below for details). The Offshore Preference Shares issued were listed on the Hong Kong Stock Exchange on 21 December 2017.

The Offshore Preference Shares will have a par value of RMB100 each and will be issued as fully paid-up capital in U.S. dollars so that the total issuance price of the Offshore Preference Shares will be U.S.\$20 each. The Offshore Preference Shares will be issued in registered form and issued and transferable only in minimum amounts of U.S.\$200,000 (or 10,000 Offshore Preference Shares) and integral multiples of U.S.\$1,000 (or 50 Offshore Preference Shares) in excess thereof. The preference shares shall have no less than 6 qualified placees and are offered to professional investors and not retail investors.

According to the Renminbi central parity rate as published by the China Foreign Exchange Trade System on 20 December 2017, the total proceeds from the issuance of the Offshore Preference Shares was approximately RMB4.95 billion. After deduction of the expense relating to the issuance, subject to applicable laws and regulations and the approvals by the regulatory authorities, the proceeds from the issuance of the Offshore Preference Shares was used to replenish the Bank's additional tier I capital.

Type of Offshore Preference Shares	Stock code	Dividend rate	Total amount of issuance	Proceeds per share	Number of shares issued
U.S. dollar preference shares	4616	5.4%	U.S.\$750,000,000	U.S.\$20	37,500,000 shares

Change in Share Capital and Shareholders

7.3.2 Number of Holders and Shareholding of the Preference Shares

As of the end of the Reporting Period, the total number of preference shareholders (or proxies) of the Bank was one. The details are as follows:

Name of Shareholder of Preference Shares	Nature of shareholder	Increase or decrease during the Reporting Period	Number of shares held at the end of Period (shares)	Shareholding (%)	Number of shares pledged or frozen
The Bank of New York Depository (Nominees) Limited	Offshore legal person	-	37,500,000	100.00	Unknown

Notes: (1) All shares held by the above shareholder are unconditional shares of the Bank.

(2) The shareholding of preferred shareholders is based on the information contained in the register of preferred shareholders of the Bank.

(3) As the issuance is a non-public offer, the information contained in the register of preferred shareholders refers to the proxies.

(4) The Bank is not aware that there are any relationships or concerted actions among the above preferred shareholders and Top 10 ordinary shareholders.

(5) "Shareholding" means the proportion of offshore preference shares held by preferred shareholders to the total number of offshore preference shares.

Change in Share Capital and Shareholders

7.3.3 Dividend Distribution of Preference Shares

As of the end of the Reporting Period, the Offshore Preference Shares issued by the Bank had not reached the dividend payment date during the year and there was no distribution of dividend for the Offshore Preference Shares during the year.

7.3.4 Redemption or Conversion of Preference Shares

During the Reporting Period, there was no redemption or conversion of preference shares issued by the Bank.

7.3.5 Restoration of Voting Rights of Preference Shares

During the Reporting Period, there was no restoration of voting rights of preference shares issued by the Bank.

7.3.6 Accounting Policy Adopted for Preference Shares and its Reasons

Pursuant to the requirements of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and Accounting Standards for Business Enterprises No. 37 – Presentation and Reporting of Financial Instrument formulated by the Ministry of Finance, the terms of the preference shares issued by the Bank and outstanding conform to the accounting requirements for equity instruments, and are accounted for as equity instruments.

7.4 Purchase, Sale and Redemption of Listed Securities of the Bank

During the Reporting Period, the Bank and its subsidiaries had not purchased, sold or redeemed any listed securities of the Bank.

Securities Issuance and Listing

8.1 Issuance and Listing of Ordinary Shares

During the Reporting Period, there was no ordinary shares issued by the Bank.

8.2 Issuance and Listing of Preference Shares

For details of the issuance and listing of preference shares of the Bank, please see the section headed “7.3 Preference Shares.”

8.3 Debt Securities Issued

8.3.1 Debt Securities Issued During the Reporting Period

Pursuant to a resolution considered and approved at the general meeting of the Bank held on 20 May 2021, the Approval by Chongqing CBIRC of the Public Issuance of A Share Convertible Corporate Bonds of Bank of Chongqing (Yu Yin Bao Jian Fu [2021] No. 227) dated 26 September 2021, and the Reply on the Approval of the Public Issuance of Convertible Corporate Bonds by Bank of Chongqing Co., Ltd. (ZJ Approval [2022] No.505) issued by the China Securities Regulatory Commission on 11 March 2022, the Bank publicly issued the A Share Convertible Corporate Bonds with a total par value of RMB13 billion on 23 March 2022. The term of the Convertible Bonds shall be six years, which commences from 23 March 2022 and ends on 22 March 2028. The Convertible Bonds bear a coupon rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year, and 3.50% for the sixth year, respectively. Within the period commencing on the first trading day immediately following the expiry of the six-month period after the date of completion of the issuance of the Convertible Bonds and ending on the maturity date of the Convertible Bonds, holders of the Convertible Bonds may exercise the rights to convert the Convertible Bonds into A Shares of the Bank at the current conversion price. Within five trading days after the maturity of the Convertible Bonds, the Bank will redeem all the outstanding Convertible Bonds which have not been converted into A Shares at a price of 110% of the par value of the Convertible Bonds (including the interest of the final term).

Pursuant to the consideration and approval by the Board of Directors of the Bank under the authorization of the general meeting on 20 November 2020, and the Chongqing CBIRC’s Approval of the Issuance of Tier 2 Capital Bonds by the Bank of Chongqing Co., Ltd. (Yu Yin Bao Jian Fu [2022] No. 17) on 20 January 2022, the Bank issued tier II capital bonds of RMB5.0 billion in the domestic inter-bank bond market of China on 24 March 2022; such bonds have a maturity of 10 years, with a fixed coupon rate of 3.73% per annum before maturity, payable annually. The Bank is entitled to exercise the redemption right to redeem such bonds at a price of the par value on 28 March 2027.

8.3.2 Bonds as of the End of Reporting Period

For details of bonds as of the end of Reporting Period, please see the section headed “Notes to the Unaudited Interim Condensed Consolidated Financial Information – Debt Securities Issued.”

8.4 Convertible Corporate Bonds

8.4.1 Issuance of Convertible Corporate Bonds

The Bank started the issuance of A Share Convertible Corporate Bonds in March 2021. Upon the consideration and approval of the Board of Directors and the general meeting of the Bank and with the approval of the Chongqing CBIRC and the CBIRC, the Bank has successfully issued the A Share Convertible Corporate Bonds in March 2022. The total proceeds from the issuance were RMB13 billion, and the net proceeds after deducting expenses relating to the issuance was approximately RMB12.984 billion. On 14 April 2022, the A share convertible corporate bonds of the Bank were listed on the Shanghai Stock Exchange (Stock abbreviation: BCQ Convertible Bonds (重銀轉債); Stock code: 113056) and the closing price of that day was RMB104.910 per bond. For details of the issuance of A share convertible corporate bonds of the Bank, please refer to the announcements published by the Bank on the website of the Shanghai Stock Exchange, the website of The Stock Exchange of Hong Kong Limited and the website of the Bank.

8.4.2 Holders and Guarantors of Convertible Bonds

Name of convertible bonds	BCQ Convertible Bonds
Number of holders of convertible bonds at the end of the Period	298,700
Guarantors of convertible bonds	None

The top ten holders of convertible bonds are as follows:

Name of holders of convertible bonds	Number of bonds held at the end of the Period (RMB)	Shareholding (%)
Chongqing Yufu Capital Operation Group Co., Ltd.	2,800,000,000	21.54
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China)	718,103,000	5.52
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China)	623,595,000	4.80
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Guosen Securities Co., Ltd.)	618,363,000	4.76
Specific accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.)	581,873,000	4.48
CITIC Securities Co., Ltd.	537,388,000	4.13
China Securities Co., Ltd.	500,000,000	3.85
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Southwest Securities Co., Ltd.)	380,000,000	2.92
Huaxi Securities Co., Ltd.	287,690,000	2.21
Guoyuan Securities Co., Ltd.	267,143,000	2.05

Securities Issuance and Listing

8.4.3 Changes in Convertible Bonds

Unit: RMB

Name of convertible bonds	Before the change	Increase/decrease			After the change
		Converted	Redeemed	Sold back	
BCQ Convertible Bonds	13,000,000,000	–	–	–	13,000,000,000

8.4.4 Cumulative Conversion of Convertible Bonds

The conversion period of the Convertible Bonds commences on the first trading day immediately following the expiry of the six-month period after the date of completion of the issuance of the Convertible Bonds, i.e., from 29 September 2022 to 22 March 2028 (which is subject to extension for public holidays). As of the date of this report, the Convertible Bonds was not in the conversion period.

8.4.5 Previous Adjustment of Conversion Price

According to the Offering Document on the Public Issuance of the A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., if there is any change in the shares of the Bank due to the distribution of share dividends, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters (excluding the increase in share capital due to the issuance of Convertible Corporate Bonds), or any distribution of cash dividends after this issuance, the Bank will adjust the conversion price based on the principles of fairness, justice and equity as well as fully protecting the rights of holders of Convertible Corporate Bonds.

The 2021 annual general meeting held on 23 June 2022 considered and approved the Proposal on the Profit Distribution Plan for 2021, which decided to distribute to all shareholders whose names appear on the register of members a cash dividend of RMB3.90 (tax inclusive) per 10 shares based on the total share capital of A Shares and H Shares on the record date for implementation of the profit distribution. Based on these reasons and according to the terms of the Convertible Bonds, the conversion price of BCQ Convertible Bonds will be adjusted from RMB11.28 per share to RMB10.89 per share, and the adjusted conversion price will be effective from 28 July 2022 (Ex-dividend Date). For details of the adjustment of the conversion price of the Convertible Bonds, please refer to the announcements published by the Bank on the website of the Shanghai Stock Exchange, the website of The Stock Exchange of Hong Kong Limited and the website of the Bank.

8.4.6 Liabilities, Credit Changes and Cash Arrangements for Debt Repayment in Next Years

According to the Measures for the Administration of the Issuance of Securities by Listed Companies, the Measures for the Administration of the Issuance and Trading of Corporate Bonds, the Rules of the Shanghai Stock Exchange Governing the Listing of Corporate Bonds and other relevant regulations, the Bank has engaged China Lianhe Credit Rating Co., Ltd. (“Lianhe Credit Rating”) to rate the A Share Convertible Corporate Bonds issued by the Bank in March 2022, and Lianhe Credit Rating has issued the Credit Rating Report on the Public Issuance of the A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd. The rating results are as follows: the Company’s overall credit rating is “AAA”, and the BCQ Convertible Bonds’ credit rating is “AAA” and its rating outlook is “stable”.

In May 2022, Lianhe Credit Rating has carried out a follow-up credit rating on the Bank and BCQ Convertible Bonds, and has issued the 2022 Follow-up Rating Report on the Public Issuance of the A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd. The rating results are as follows: the Company’s overall credit rating is “AAA”, and the BCQ Convertible Bonds’ credit rating is “AAA” and its rating outlook is “stable”. The rating results remain unchanged as compared with the previous one.

The Bank has a reasonable asset structure with good credit standing, and there are no significant changes in liabilities. As such, the Bank has sufficient solvency.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1 Basic Information of Directors, Supervisors and Senior Management

9.1.1 Directors

Name	Gender	Month and year of birth	Position in the Bank	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
LIN Jun	Female	August 1963	Secretary to the Party Committee Chairman Executive Director	Since June 2017 Since March 2018 Since March 2018	8,600	20,200	11,600	Increasing shareholding to stabilize Share price
RAN Hailing	Male	May 1963	Deputy Secretary of the Party Committee Executive Director President	Since December 2013 Since February 2011 Since April 2013	54,574	66,074	11,500	Increasing shareholding to stabilize Share price
LIU Jianhua	Male	December 1965	Member of the Party Committee Executive Director Vice President	Since February 2013 Since August 2016 Since October 2014	176,375	186,875	10,500	Increasing shareholding to stabilize Share price
WONG Wah Sing	Male	July 1960	Executive Director Chief Risk Officer Chief Anti-money Laundering Officer	Since September 2016 Since September 2016 Since December 2019	8,700	8,700	-	-
WONG Hon Hing	Male	August 1952	Vice Chairman Non-executive Director	Since July 2007	2,000	4,600	2,600	Increasing shareholding to stabilize Share price
YANG Yusong	Male	June 1972	Non-executive Director	Since December 2018	1,033	1,033	-	-
WU Heng	Male	August 1976	Non-executive Director	Since April 2019	-	-	-	-
ZHONG Xian	Female	June 1977	Non-executive Director	Since October 2021	-	400	400	Increasing shareholding to stabilize Share price
LIU Xing	Male	September 1956	Independent Non-executive Director	Since March 2020	-	-	-	-
WANG Rong	Male	March 1956	Independent Non-executive Director	Since March 2020	-	-	-	-
ZOU Hong	Male	October 1969	Independent Non-executive Director	Since March 2020	-	-	-	-
FUNG Don Hau	Male	December 1952	Independent Non-executive Director	Since March 2020	-	-	-	-
YUAN Xiaobin	Male	August 1969	Independent Non-executive Director	Since May 2020	-	-	-	-

Outgoing Directors During The Reporting Period: Nil

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.2 Supervisors

Name	Gender	Month and year of birth	Position in the Bank	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
HUANG Changsheng	Male	February 1964	Deputy Secretary of the Party Committee Employee Supervisor Chairman of the Labor Union	Since April 2013	123,451	123,451	-	-
YIN Jun	Male	September 1979	Employee Supervisor	Since May 2019	-	-	-	-
WU Ping	Male	October 1967	Employee Supervisor	Since December 2019	65,625	65,625	-	-
QI Jun	Male	December 1978	Shareholder Supervisor	Since December 2019	-	-	-	-
CHEN Zhong	Male	April 1956	External Supervisor	Since June 2016	-	-	-	-
PENG Daihui	Male	October 1954	External Supervisor	Since May 2018	-	-	-	-
HOU Guoyue	Male	May 1974	External Supervisor	Since December 2019	-	-	-	-
<i>Outgoing Supervisors During The Reporting Period</i>								
YANG Xiaotao	Male	August 1963	Member of the Party Committee Chairperson of the Board of Supervisors Employee Supervisor	March 2015 to February 2022	-	-	-	-
ZENG Xiangming	Male	October 1974	Shareholder Supervisor	Since August 2019 to March 2022	-	-	-	-

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.3 Senior Management

Name	Gender	Month and year of birth	Position in the Bank	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
RAN Hailing	Male	May 1963	Deputy Secretary of the Party Committee	Since December 2013	54,574	66,074	11,500	Increasing shareholding to stabilize Share price
			Executive Director	Since February 2011				
			President	Since April 2013				
SUI Jun	Male	January 1968	Member of the Party Committee	SINCE APRIL 2016	9,900	20,400	10,500	Increasing shareholding to stabilize Share price
			Vice President	Since June 2017				
LIU Jianhua	Male	December 1965	Member of the Party Committee	Since February 2013	176,375	186,875	10,500	Increasing shareholding to stabilize Share price
			Executive Director	Since August 2016				
			Vice President	Since October 2014				
YANG Shiyin	Female	September 1965	Member of the Party Committee	Since February 2013	144,947	144,947	-	-
			Vice President	Since October 2014				
ZHOU Guohua	Male	December 1965	Member of the Party Committee	Since February 2013	77,723	77,723	-	-
			Vice President	Since October 2014				
PENG Yanx	Female	June 1976	Member of the Party Committee	Since October 2015	8,300	18,700	10,400	Increasing shareholding to stabilize Share price
			Vice President	Since March 2016				
			Secretary to the Board	Since August 2018				
HUANG Ning	Male	June 1974	Member of the Party Committee	Since October 2014	70,862	81,462	10,600	Increasing shareholding to stabilize Share price
			Vice President	Since March 2016				
WONG Wah Sing	Male	July 1960	Executive Director	Since September 2016	8,700	8,700	-	-
			Chief Risk Officer	Since September 2016				
			Chief Anti-money Laundering Officer	Since December 2019				

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.2 Positions of Directors, Supervisors and Senior Management

9.2.1 Position held in shareholder

Name	Name of shareholder	Position held in shareholder	Date of appointment	Date of termination
WONG Hon Hing	Dah Sing Bank, Limited	Executive Director Vice chairman of the board of directors	August 1989 April 2011	To date
YANG Yusong	Chongqing Yufu Capital Operation Group Co., Ltd.	Chairman of the board of directors	July 2021	To date
WU Heng	SAIC Motor Corporation Limited	General manager of the financial affairs department	August 2019	To date
ZHONG Xian	Lifan Technology (Group) Co., Ltd.	Director President	January 2021 May 2022	To date
QI Jun	Chongqing Beiheng Investment & Development Limited	Supervisor	May 2015	To date

9.2.2 Position held in other companies

Name	Name of other companies	Position held in other companies
WONG Hon Hing	Dah Sing Banking Group Limited	Executive director, managing director and chief executive officer, and vice chairman of the board of directors
	Dah Sing Financial Holdings Limited	Executive director, managing director and chief executive officer
	Banco Commercial De Macau	Director
	Dah Sing Bank (China) Co., Ltd.	Chairman of the board of directors
	Dah Sing Insurance Company (1976) Ltd.	Executive Director
	Bank Consortium Holding Limited	Director
	Bank Consortium Trust Company Limited	Director
	BCT Financial Limited	Director
	Nengmin Holding Limited (能敏控股有限公司)	Director
	DSB BCM (1) Limited	Director
	DSB BCM (2) Limited	Director
	DSGI (1) Limited	Director
	DSLII (2) Limited	Director

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position held in other companies
	DSLI (BVI) (1) Limited	Director
	DSMI Group Limited	Director
	Dah Sing Company Limited	Director
	Dah Sing Finance Limited	Director
	Dah Sing Properties Limited	Director
	Filey Investment Corporation	Director
	High Standard Investment Ltd.	Director
	Luen Fung Investment Company, Limited	Director
	Macau Insurance Company Limited	Director
	MEVAS (1931) Limited	Director
	MEVAS Nominees Limited	Director
	Modern World Holdings Limited	Director
	Modern Bright Hong Kong Limited	Director
	Newinner Investments Limited	Director
	Pacific Finance (Hong Kong) Limited	Director
	South Development Limited	Director
	Reliable Associates Limited	Director
	Upway Wealth International Limited	Director
	Vanishing Border Investment Services Limited	Director
	WOF Escrow Limited	Director
	Well Idea Enterprises Limited	Director
	The Chinese Banks' Association Limited	Director
	Dah Sing Nominees Limited	Director
	Hong Kong Institute of Bankers	Director
YANG Yusong	Ancheng Property & Casualty Co., Ltd.	Director
	Chongqing Shangshe Company (Group) Co., Ltd.	Director
	Chongqing Department Store Co., Ltd.	Director
WU Heng	SAIC Motor Financial Holding Management Co., Ltd.	Director and general manager
	Shanghai Automotive Group Finance Company, Ltd.	Director
	SAIC Equity Investment Company Limited	Director
	SAIC Insurance Sales Company Limited	Director
	SAIC-GMF Leasing Co., Ltd.	Director
	SAIC HK International Finance Limited	Director
	Shanghai SAIC Hengxu Investment Management Co., Ltd.	Director
	Shanghai SAIC Mobility Technology and Service Co., Ltd.	Director

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position held in other companies
ZHONG Xian LIU Xing	SAIC Venture Capital Corporation	Chairman of the board of directors, general manager and legal person
	Wuhan KOTEI Informatics Co., Ltd.	Director
	Wuhan Heading Data Intelligence Technology Co., Ltd.	Director
	SAIC Anji Logistics Co., Ltd.	Director
	Anji Hoau Logistics Technology (Shanghai) Co., Ltd. (安吉華宇物流科技(上海)有限公司)	Director
	RV2Go Technology Co., Ltd. (房車生活家科技有限公司)	Director
	Shanghai UTOPILOT Technology Co., Ltd. (上海友道智途科技有限公司)	Director
	Shanghai Jie-Hydrogen Technology Co., Ltd. (上海捷氫科技股份有限公司)	Director
	Anji Car Rental and Leasing Co., Ltd.	Director
	DIAS Automotive Electronic Systems Co., Ltd. (聯創汽車電子有限公司)	Director
	Shanghai Lianjing Automotive Technology Co., Ltd. (上海聯徑汽車科技有限公司)	Director
	China Merchants Bank Co., Ltd.	Supervisor
	Ningbo Jiangchen Automation Equipment Co., Ltd.	Director
	School of Economics and Business Administration of Chongqing University	Professor and doctoral supervisor
	New Dazheng Property Group Co., Ltd.	Independent director
	CETC Energy Joint-Stock Co., Ltd.	Independent director
	Yinhua Fund Management Co., Ltd.	Independent director
	China Finance and Accounting Research Center of Chongqing University	Director
	Review panel of the National Social Science Fund Project	Expert
Review panel of the National Natural Science Foundation Project	Expert	
Overseas Academic Exchange Committee of the Accounting Society of China	Deputy director	
ZOU Hong	Faculty of Business and Economics of the University of Hong Kong	Professor of finance (Tenure)
FUNG Don Hau	China Banking Association	Senior advisor (Part-time)
	The Hong Kong Institute of Bankers	Senior advisor (Part-time)
	[Asian Financial Think Tank] under Asian Financial Cooperation Association	Contact research fellow (Part-time)
	Chang'an Bank Limited	Independent director
	China Banking and Insurance Regulatory Commission	Adjunct professor (Part-time)

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position held in other companies
YUAN Xiaobin	Zhonghao Law Firm	Chairman of the board of directors
	Revolutionary Committee of the Chinese Kuomintang	Member of the Standing Committee
	Revolutionary Committee of the Chinese Kuomintang Chongqing Municipal Committee	Deputy chairman
	Chongqing Lawyers Association	President
	Chongqing Municipal Committee of the Communist Party of China	Legal advisor
	Chongqing Law Society	Vice president
	Chongqing Municipal People's Government	Decision-making consultant
	China International Economic and Trade Arbitration Commission	Arbitrator
	Shanghai International Arbitration Center	Arbitrator
	Hanhua Financial Holding Co., Ltd.	Independent director
	Changan Auto Finance Co., Ltd.	Independent director
	Chongqing Pingwei Auto Science & Technology Co., Ltd.	Independent director
	Chongqing International Trust Co., Ltd.	Independent director
	CHEN Zhong	Brighstone Investment and Management Co., Ltd.
Bright Stone Innovation Technology Group Co., Ltd.		Director
IMEIK Technology Development Co., Ltd.		Independent director
Sichuan Development Lomon Co., Ltd.		Director
HOU Guoyue	Doushen (Beijing) Education & Technology INC.	Independent director
	Southwest University of Political Science and Law	Professor
	K&H Law Firm in Chongqing	Deputy director of the Administration Committee
QI Jun	Chongqing Airport Group Co., Ltd.	Supervisor
	Chongqing United Wisdom Technology Co., Ltd.	Director
	Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd.	Deputy manager of the financial department
	Chongqing Jutai Minsheng Investment and Development Co., Ltd.	Supervisor
HUANG Ning	Chongqing Shale Gas Industry Investment Fund Co., Ltd.	Supervisor
	Mashang Consumer Finance Co., Ltd.	Shareholder director

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.3 Changes in Directors, Supervisors and Senior Management

9.3.1 Changes in Directors

The 46th meeting of the sixth session of the Board of the Bank held on 31 March 2022 considered and approved the Proposal on Election of Ms. You Lili as a Non-executive Director of Bank of Chongqing, and proposed to appoint Ms. You Lili as a non-executive director of the Bank. The appointment has been considered and approved at the 2021 annual general meeting of the Bank, but her qualification is subject to the approval by Chongqing CBIRC.

9.3.2 Changes in Supervisors

On 21 February 2022, Mr. YANG Xiaotao voluntarily resigned from his positions as the chairperson and an employee Supervisor of the Board of Supervisors due to work adjustment.

On 29 March 2022, Mr. ZENG Xiangming voluntarily resigned from his position as a shareholder's Supervisor of the Bank due to work adjustment.

9.3.3 Changes in Senior Management

During the Reporting Period, there was no change in the senior management of the Bank.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.4 Interests and Short Positions of the Directors, Supervisors and Chief Executive Under Hong Kong Laws and Regulations

As at 30 June 2022, the interests of the Directors, supervisors and chief executive of the Bank and their respective associates in the shares of the Bank which were required, pursuant to Section 352 of the SFO to be entered into the register maintained or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Bank and the Hong Kong Stock Exchange are as follows:

Name	Position	Class of Shares	Long/Short Position	Capacity	Number of Shares Held	Percentage of the total share capital of the Bank (%)
LIN Jun	Secretary to the Party Committee Chairman Executive Director	A Share	Long position	Beneficial owner	20,200	0.00058
RAN Hailing	Deputy Secretary of the Party Committee Executive Director President	A Share	Long position	Beneficial owner	66,074	0.00190
LIU Jianhua	Member of the Party Committee Executive Director Vice President	A Share	Long position	Beneficial owner	186,875	0.00538
WONG Wah Sing	Executive Director Chief Risk Officer Chief Anti-money Laundering Officer	A Share	Long position	Beneficial owner	8,700	0.00025
WONG Hon Hing	Vice Chairman Non-executive Director	A Share	Long position	Beneficial owner	4,600	0.00013
YANG Yusong	Non-executive Director	A Share	Long position	Beneficial owner	1,033	0.00003
Zhong Xian	Non-executive Director	A Share	Long position	Beneficial owner	400	0.00001
HUANG Changsheng	Deputy Secretary of the Party Committee Employee Supervisor Chairman of the Labor Union	A Share	Long position	Beneficial owner	123,451	0.00355
WU Ping	Employee Supervisor	A Share	Long position	Interest of spouse	60,647	0.00175
WU Ping	Employee Supervisor	A Share	Long position	Beneficial owner	65,625	0.00189

Save as disclosed above, none of the Directors, the Supervisors, or the chief executives of the Bank or their associates held any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations as at 30 June 2022.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.5 Securities Transactions by Directors, Supervisors and Relevant Employees

The Bank has adopted the code of conduct specified in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules, for the securities transactions by Directors and supervisors of the Bank. Having made specific enquiry, to the best knowledge of the Bank, all Directors and supervisors of the Bank complied with the Model Code above during the Reporting Period.

The Bank has also set up guidelines in respect of the dealings by its relevant employees in the Bank's securities, which are on no less exacting terms than the Model Code. During the Reporting Period, the Bank was not aware of any breach of the guidelines by its relevant employees.

9.6 Details of employees

As of 30 June 2022, the Bank had a total of 4,839 regular employees, 4,442 of whom held bachelor's degree or above, representing 91.80% of all the Bank's regular employees. In addition, the Bank had 186 dispatch workers, 58 internally retired employees and 258 retired employees. Furthermore, the controlled subsidiaries of the Bank had 151 employees, including 85 employees in Xinyu Financial Leasing and 66 employees in Xingyi Wanfeng.

The following table sets forth the composition of the Bank's regular employees.

Item	Number of employees	Percentage (%)
<i>Composition of professions</i>		
Supporting	679	14.03
Risk control	360	7.44
Operation	930	19.22
Business development	1,483	30.65
Information technology	145	3.00
Management	1,242	25.66
<i>Educational background</i>		
Master's degree or above	674	13.93
Bachelor's degree	3,768	77.87
College's degree or below	397	8.20
<i>Range of ages</i>		
30 and below	1,083	22.38
31-40	2,595	53.63
41-50	840	17.36
51 and above	321	6.63
Total	4,839	100.00

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.7 Details of branch outlets

Item	Business address	Number of branches	Number of employees	Asset scale (RMB100 million)
Head Office	No. 6 Yongpingmen Street, Jiangbei District, Chongqing	–	1,046	3,423.12
Liangjiang Branch	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	9	241	274.67
Other branches in Chongqing Region:	Please refer to Chapter “List of Branch Outlets” for details	120	2,503	2,159.56
Chengdu Branch	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu, Sichuan	13	414	280.31
Xi’an Branch	1/F to 3/F, Building 2, Yinhe Xinzhuobiao Building, No. 25 Tangyan Road, Xi’an, Shaanxi	9	345	265.01
Guiyang Branch	3/F to 8/F, Building 4, North Commercial Zone of Financial City, Area B of Zhongtian Exhibition City, Changling North Road, Guanshanhu District, Guiyang, Guizhou	6	290	233.68
Total	–	157	4,839	6,636.35

Environmental and Social Responsibility

10.1 Environmental Protection

10.1.1 Promotion of Green Finance

The Bank based itself on the “dual carbon” strategic goal, and attached great importance to the development of green finance. As an Equator Bank, the Bank integrated the concept of sustainable development into its development strategy. As at the end of the Reporting Period, the balance of green financial business of the Bank was RMB27.86 billion, representing an increase of 25% as compared with the end of the previous year. The green finance practice of the Bank was selected in the “Chongqing Typical Cases of ‘Providing Practical Services for the Public’ Practices” as the only financial case. The emission rights mortgage financing case of the Bank became one of the “Excellent Green Finance Cases of Chongqing”.

Strengthening the top-level design and consolidating the green foundation. The Bank strengthened the strategic guidance, integrated green finance into the Development Plan of the Bank during the 14th Five-Year Period, and formulated a three-year implementation plan and an annual development plan, which further defined the development direction, objectives and implementation paths of green finance. The Bank increased resources investment to further improve the construction of policy support system for green financial services, and provided differentiated credit policies, green approval channels and special assessment policies, so as to gradually implement the management and guidance for the development of green finance from macro level to micro level.

Developing innovative product tools and empowering green development. Based on “dual carbon” series of green financial products, the Bank continued to explore the mortgage and pledge financing model for environmental rights and interests, successfully implemented the mortgage and pledge financing business of environmental rights and interests including carbon emission rights, emission rights and forest rights, and initially realized the full coverage of mortgage and pledge financing models for mainstream environmental rights and interests. The Bank further optimized the green finance management system, which can intelligently identify the classification of green loans, and carry out real-time monitoring of environmental performance, early warning of environmental and social risks and analysis of the whole green finance, thus enabling the digital technology leads the development of green finance.

Deepening the research on standards and enhancing capacity building. The Bank strove to enhance its capability building with reference to advanced international standards, and continuously promoted the implementation of EU standards in its business. The Bank focused on the research on standards of the industry to consolidate the development foundation, issued the Process Standards for Green Credit Business (綠色信貸業務流程標準) and the Standards for the Information Disclosure of Green Bonds (綠色債券信息披露規範), and actively participated in the formulation of the group standards of the Guidelines for the Construction of Digital Platforms for Green Finance (綠色金融數字化平台建設指南), thus continuously improving the construction of system for green finance standards.

Strengthening risk management and improving disclosure mechanism. The Bank integrated the environmental and social risk management concept of the Equator Principles into the credit process, and formulated the management measures for the implementation of the Equator Principles, with a view to ensuring that all projects supported by the Bank adopt strict environmental and social standards in the whole process. Meantime, based on the green finance management system, the Bank strengthened the whole-process management of environmental and social risks in the promotion of business, and guided funds to invest in projects with less environmental impact, thus promoting the sustainable development of the Bank’s businesses. The Bank further enhanced the transparency of disclosure, and disclosed the 2021 climate and environmental information report on the “Yangtze River Green Financing Connection” of the PBOC and the website of the Bank, so as to continuously improve the information disclosure mechanism.

Environmental and Social Responsibility

Leveraging on the linkage effect and publicizing the green concept. The Bank actively exerted the linkage effect of multiple systems. As the first bank to reach a strategic cooperation with the Chongqing Municipal Ecology and Environment Bureau with regard to “dual carbon”, the Bank will provide the financial support of RMB50 billion for “dual carbon” and climate investment and financing projects. The Bank has established strategic partnerships on green finance with local governments, and made joint efforts with multiple parties to promote the development of green finance. In response to the “2022 National Low-Carbon Day” theme events, the Bank participated in the “low-carbon travel” around the island and low-carbon initiatives to encourage the public to jointly practice green and low-carbon life.

10.1.2 Green Operation

The Bank made efforts to promote the philosophy of low-carbon and green office, and thus the philosophy of energy saving and environmental protection took root in its employees. The Bank formulated the Management Measures for Bank of Chongqing Building to regulate the energy consumption and environmental management of office buildings. The Bank required all employees to develop the green and energy conservation concept, encouraged low-carbon office and conservation of electricity, and followed the good practices of turning off lights, water, computers and air conditioners while leaving. Detailed energy-saving measures were formulated for the use of lights, air conditioners, water, paper, disposables and cleaning supplies. The head office building was awarded the Golden Label for green building design by the Chongqing Urban and Rural Development Committee. The office building adopts the renewable energy from the river water source for centralized heating and cooling. The lighting and air-conditioning systems of the office building are equipped with an intelligent system, which can intelligently implement the energy-saving control of office areas and rationally use air conditioners according to the temperature changes. The office building is equipped with the energy-saving control system for the central air-conditioning and water systems. Through improving the cooling and heating system and the coordinated operation of electromechanical equipment, the office building realized modern equipment management, thereby reducing the energy consumption of equipment and promoting the application of renewable energy in buildings. In order to promote the development of new energy vehicles and reduce automobile exhaust pollution, the office building has successively built charging piles.

The Bank gave full play to the advantages of online office, further promoted paperless office, advocated the use of both sides of paper, and reduced the use of disposable articles including paper cups, so as to minimize paper consumption. The Bank use durable goods as much as possible, reuse items multiple times, and replace paper cups with porcelain and glass cups. Office supplies are controlled by appropriating budgets based on the number of people in order to reduce consumption. The Bank carried out the “clean plate” campaign, practiced austerity, cherished food and refused to waste food.

In terms of building energy conservation of outlets, energy-saving and thermal insulation materials are used for external walls, and building materials used are environmentally friendly. In addition, intelligent control of indoor lighting in outlets is gradually promoted to effectively save energy, and indoor natural ventilation and lighting are used as far as possible based on the actual conditions, so as to further achieve the goal of saving energy and reducing consumption.

In purchase management, the Bank publicized and practiced the green and environmental protection philosophy. The Bank had strict requirements on admission of suppliers in terms of environmental protection, energy conservation and emission reduction, and took as important considerations for purchase, environmental protection qualification and energy conservation performance of suppliers of intelligent auxiliary supplies, logos and signs, office furniture and other products. The Bank established a procurement management system and put it into operation to promote online remote biddings for suppliers, so as to reduce procurement costs.

The Bank and its subsidiaries are not included in the list of main pollutants discharging entities announced by the environmental protection department. During the Reporting Period, the Bank and its subsidiaries were not subject to punishment as a result of violation of laws and regulations in relation to environmental protection. The Bank operates in the monetary and financial service industry, and its main business does not generate pollutants specified in the Regulations on the Administration of List of Main Pollutants Discharging Entities. In future production and operation activities, the Bank and its subsidiaries will strictly comply with the Environmental Protection Law of the People's Republic of China and other environmental protection laws and regulations, and perform the environmental protection responsibilities of financial enterprises.

10.2 Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization

As of the end of June 2022, the balance of agriculture-related loans of the Bank was RMB53,636 million, representing an increase of RMB4,893 million as compared with the end of the previous year, effectively meeting the financing service needs of agriculture-related business entities such as farmers, household farms, farmers' professional cooperatives and leading enterprises, among which the balance of inclusive agriculture-related loans was RMB12,269 million, representing an increase of RMB1,744 million as compared with the end of the previous year, and the weighted average loan interest rate was 5.28%, representing a decrease of 0.23 percentage point as compared with the end of the previous year.

Focusing on systems and mechanisms and enhancing financial service capabilities for rural revitalization. The Bank set up a working group for rural revitalization at the head office, held regular meetings to coordinate and promote financial services for rural revitalization, established a mechanism featured with special responsible person, special assessment and special work mechanism, and formulated the Implementation Opinions on Consolidating Achievements of Poverty Alleviation and Comprehensively Promoting Rural Revitalization Strategy through Financial Assistance during the 14th Five-Year Plan Period (“十四五”金融支持鞏固拓展脫貧攻堅成果全面推進鄉村振興戰略的實施意見). Meantime, the Bank intensified assistance in policies and resources, covering the credit approval process, authorization of credit, product research and development, economic capital allocation, transfer and pricing of internal funds, personnel, assessment and incentives, fee arrangement, due diligence and exemption, so as to strengthen its credit support for agriculture, rural areas and rural residents and enhance its inclusive financial service capabilities.

Focusing on key areas and increasing the supply of financial resources for rural revitalization. With focus on key areas such as food security and supply of important agricultural products, development of rural industries, and construction of rural areas, the financing needs of new agricultural business entities, people out of poverty, farmers settled in urban areas, and personnel engaging in rural innovation and entrepreneurship. As such, the Bank launched the “Youth Rural Revitalization Loan” (鄉村振興青年貸), which is the first special credit product in Chongqing under the “Youth Rural Revitalization Loan Program” (鄉村振興青年貸項目), and the “Rural Revitalization Loan” (鄉村振興貸), which integrated the district and county finance with government-affiliated guarantee institutions to support the construction of agricultural infrastructure. Meantime, the Bank upgraded the “Two Mountains, Informatization and Industrialization, Haoqi Agricultural Support Loan” (兩山兩化•好企助農貸) under the O2O model with the process of “online application, offline review, online approval, and online lending”, and expanded the scope and amount of “Real Economy Credit Loan” (實體經濟信用貸), “Knowledge Value Credit Loan” (知識價值信用貸), “Hog Mortgage Loan” (生豬活體抵押貸), “Creation Loan” (創想貸), “Small Loan for Farmers” (農戶小額貸款), “Jie E Dai” (捷e貸) and “Xing Fu Dai” (幸福貸), so as to invigorate the internal growth momentum of rural areas and met the needs of rural revitalization and development in an all-round and multi-level manner.

Environmental and Social Responsibility

Focusing on consolidating poverty alleviation and maintaining stable policy support. The Bank strictly implemented the “four-noes” requirements, strengthened support measures such as credit, consumption, and sales, and intensified assistance for people out of poverty in areas lifted from poverty, so as to consolidate the foundation of poverty alleviation and sustain the achievements. In terms of credit-based assistance, the Bank adopted a small credit model for people out of poverty with the online and offline process of “online application, manual approval, online signing and online lending”, which provided one-stop services for opening accounts, application, contract signing and lending for people out of poverty, so as to support their development and production activities and consolidate poverty alleviation achievements. In terms of consumption assistance, the Bank continue to purchase agricultural products through various ways, including targeted procurement, encouraging consumption in rural areas and organizing agricultural product exhibitions and sales, thus promoting the conversion of agricultural products into actual income of farmers and supporting the sustainable, healthy and stable development of local industries. In terms of sales assistance, the Bank set the special section of “Agriculture Assistance” (惠農幫扶) in “Yangtze Cai Fu Hui” (重慶銀行長江財富匯) and “Point Reward Mall” (重慶銀行積分商城) of Bank of Chongqing to introduce characteristic agricultural products from areas lifted from poverty and broaden sales channels of agricultural products.

Focusing on optimizing services and improving basic rural financial services. The Bank catered to the financial service needs of farmers and individual businesses, and upgraded mobile banking, personal online banking, WeChat banking, Mini Program and other service modules, which provided an online service matrix with various functions, scenarios and mobile intelligence and enhanced online and mobile service capabilities. The Bank promoted the “1+2+N inclusive financial services for villages” (1+2+N普惠金融服務到村) and developed a five-in-one service platform integrating grassroots Party building, convenience services, financial services, protection of financial consumers and financial publicity, thus enhancing the breadth and depth of basic rural financial services. For key districts for rural revitalization, the Bank installed integrated payment terminals for free for merchants and granted fee reductions and exemptions, so as to effectively improve the payment environment of such districts and facilitate payment services. Moreover, the Bank carried out online and offline publicity activities under the “Popularizing Financial Knowledge, and Securing Your Money” Program (普及金融知識·守住‘錢袋子’) to improve the finance awareness of farmers and optimize financial environment in rural areas.

10.3 Consumer Protection

10.3.1 Overview on Consumer Protection

The Bank attaches great importance to consumer protection, and earnestly assumes the main responsibility to protect the legitimate rights and interests of financial consumers in line with the principles of voluntariness, equality, fairness, integrity and credibility. In order to fulfill its legal obligations in respect of protecting the rights and interests of financial consumers, the Bank has incorporated them into its corporate governance, corporate culture construction and business development strategies.

At the Board of Directors level, the Board of the Bank assumes the ultimate responsibility for consumer protection. The Board has set up the Consumer Protection Committee to guide and supervise the implementation of consumer protection, and monitor and evaluate the comprehensiveness, promptness and effectiveness of the Bank’s consumer protection as well as the performance of relevant senior management.

At the organizational and operation guarantee level, the Bank established a special department for consumer protection at the head office in 2016. This department is responsible for the planning, management, organization and coordination of consumer protection work, and sets up a leading work group for consumer protection at the operation and management level according to internal duty distribution. The leading work group consists members from 20 relevant departments and offices, and comprises five professional teams including information disclosure coordination, knowledge dissemination and education, consumer information protection, product design coordination and coordination of complaints of consumer protection, so as to protect the legitimate rights and interests of consumers through coordinating and mobilizing of the Bank's resources more effectively.

In terms of strategy formulation and implementation measures, the Bank adhered to the "people-centered" development philosophy, thoroughly practiced the core value of "providing practical services for the public", and made relentless efforts to improve its systems and mechanisms and enhance customer satisfaction. The Bank earnestly assumed the main responsibility to protect the rights and interests of financial consumers, incorporated consumer protection into its corporate governance, and established and improved seven consumer protection mechanisms, namely the assessment and evaluation of consumer protection work, the timely handling, trace and rectification of consumer complaints, the assessment of sales suitability, the protection of consumer personal information, the disclosure and inquiry of products and services information, the publicity of and education on financial knowledge, and the special review of products entering the market and consumer protection. Moreover, the Bank further promoted compliant and robust operation and steered the direction of high-quality development, thereby ensuring the stable development of the Bank.

10.3.2 Strengthening the handling of complaints

The Bank attached great importance to the handling of customer complaints, earnestly fulfilled its main responsibility, and continuously promoted the standardized handling of customer complaints. In the first half of 2022, the Bank adopted the "customer-focused" approach, adhered to the problem, target and result-oriented principle, and enhanced itself in the three aspects. Firstly, strengthening the construction of complaint management mechanism. The Bank completed the third modification of the management measures, improved the mechanism for the timely handling, trace and rectification of consumer complaints, and established the process for resolving complaints and disputes through external mediation mechanism, so as to ensure handling complaints in compliance with laws and regulations across the Bank. Secondly, intensifying the whole-process management of complaint handling. The Bank carried out self-inspection and self-correction for the whole process of complaint handling, and made extensive and in-depth efforts in the timely handling of consumer complaints. Meantime, the Bank collected various suggestions from customers on products and services of the Bank, with an aim to continuously improve the customer experience and promote the standardized handling of customer complaints. Thirdly, strengthening the data analysis, trace and rectification of consumer complaints. The Bank paid close attention to key risk areas, strengthened the analysis, trace and rectification of risks, and effectively reduced homogenous complaints through the management of sources. Based on above measures, the Bank can identify the sources of complaints, regulate the key steps of complaint handling, and build a firewall to protect customers' rights and interests.

In the first half of 2022, the Bank received a total of 1,059 customer complaints, among which, in terms of business lines, the complaints mainly consisted of loans (359 cases, accounting for 33.90%), credit cards (198 cases, accounting for 18.70%), and debit cards (191 cases, accounting for 18.04%). In terms of reasons for complaints, it was mainly due to customers' lack of knowledge of rules, pricing and charges, and failure to meet customer expectations in service attitude and quality. In terms of geographical distribution, there were 971 complaints in Chongqing, accounting for 91.69%; 21 complaints in Sichuan, accounting for 1.98%; 20 complaints in Guizhou, accounting for 1.89%; and 47 complaints in Shaanxi, accounting for 4.44%.

Corporate Governance Report

11.1 Corporate Governance Overview

The Bank is committed to building a high-level corporate governance. In strict accordance with relevant laws and regulations, including the Company Law of the People's Republic of China, the Law of the People's Republic of China on Commercial Banks, and the Securities Law of the People's Republic of China, the listing rules of stock exchanges on which the Bank was listed as well as the corporate governance practices of the Bank, it continued to optimize its corporate governance structure and improve its corporate governance system.

During the Reporting Period, the Bank strove to improve the transparency of corporate governance to safeguard shareholders' interests and enhance its enterprise value and commitment. The Bank also strictly complied with the provisions of relevant laws and regulations and the Listing Rules governing management of insider information, further upgraded its standards of information disclosure and standardized its work on management of investor relations to enhance the transparency and corporate governance standards of the Bank.

During the Reporting Period, the Bank strictly complied with the code provisions in the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules, and adopted the recommended best practices as specified therein where appropriate.

11.2 Convocation of Meeting

11.2.1 General Meeting

During the Reporting Period, in accordance with the Listing Rules of Shanghai and Hong Kong and the Articles of Association, the Bank held two general meetings, the first extraordinary general meeting of 2022 held on 17 March 2022 and the 2021 annual general meeting held on 23 June 2022, respectively.

The first extraordinary general meeting of 2022 considered and approved the Resolution Regarding the Connected Transaction of the Subscription of A Share Convertible Corporate Bonds to be Publicly Issued by Bank of Chongqing Co., Ltd. by Chongqing Yufu Capital Operation Group Co., Ltd. as an ordinary resolution.

The 2021 annual general meeting considered and approved six special resolutions, including the Proposal on Amending the Articles of Association of Bank of Chongqing Co., Ltd., the Proposal on Amending the Procedural Rules for General Meetings of Bank of Chongqing Co., Ltd., the Proposal on Amending the Procedural Rules for Board of Directors of Bank of Chongqing Co., Ltd., the Proposal on Amending the Procedural Rules for Board of Supervisors of Bank of Chongqing Co., Ltd., the Proposal on Amending the Authorization Plan of the Shareholders' General Meeting to the Board of Directors and the Proposal on Issuance of Undated Capital Bonds of Bank of Chongqing Co., Ltd.; and 11 ordinary resolutions, including the Proposal on the Work Report of the Board of Directors for 2021, the Proposal on the Work Report of the Board of Supervisors for 2021, the Proposal on the Final Financial Accounts for 2021, the Proposal on the Profit Distribution Plan for 2021, the Proposal on the Financial Budget Proposal of Bank of Chongqing for 2022, the Proposal on the 2021 Annual Report of Bank of Chongqing Co., Ltd. and Highlights thereof, the Proposal on the Appointment and Remuneration of External Auditors for 2022, the Proposal on Election of Ms. You Lili as a Non-executive Director of Bank of Chongqing, the Proposal on the Estimated Annual Caps for Daily Related Transactions for 2022, the Proposal on the Investment Plan for 2022 and the Proposal on Amending the Administrative Measures on Outward Equity Investments of Bank of Chongqing Co., Ltd.; and heard 7 reports, including the Report of the Board of Directors on Evaluation of Performance of Duties by Directors for 2021, the Report of the Board of Supervisors on Evaluation of Performance of Duties by Supervisors for 2021, the Duty Performance and Cross-Evaluation Reports of Independent Non-Executive Directors for 2021, the Cross-Evaluation Reports of external Supervisors for 2021, the Report of the Implementation of Remuneration of Non-Executive Directors for 2021, the Report of the Implementation of Remuneration of non-employee Supervisors for 2021 and the Report of the Management of Related Party Transactions for 2021.

For details of the meetings, please refer to the announcements published by the Bank on the website of the Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange and the website of the Bank.

11.2.2 The Board of Directors

During the Reporting Period, the Board of Directors of the Bank has convened a total of eight meetings in accordance with the listing rules of Shanghai and Hong Kong and the Articles of Association, and considered and approved 55 proposals, including the Proposal on the Financial Statements and Notes thereof for 2021; the Proposal on the Final Financial Accounts for 2021; the Proposal on the Appointment and Remuneration of External Auditors for 2022; the Proposal on the 2021 Annual Report of Bank of Chongqing Co., Ltd. and Highlights thereof; the Proposal on the 2021 Social Responsibility (Environmental, Social and Governance) Report of Bank of Chongqing Co., Ltd.; the Proposal on the Special Report on the Deposit and Actual Utilization of Raised Funds in 2021; the Proposal on the Report on Assessment of Internal Control for 2021; the Proposal on the 2022 Asset and Liability Management Strategy; the Proposal on the Work Report of the Board of Directors for 2021; the Proposal on the Report of the Board of Directors on Evaluation of Performance of Duties by Directors for 2021; the Proposal on the Duty Performance and Cross-Evaluation Reports of Independent Non-Executive Directors for 2021; the Proposal on the Report of the Implementation of Remuneration of Non-Executive Directors for 2021; the Proposal on the Report of the Management of Related Party Transactions for 2021; the Proposal on the Estimated Annual Cap for Daily Related Party Transactions for 2022; the Proposal on Election of Ms. You Lili as a Non-executive Director of Bank of Chongqing; the Proposal on the Management Measures for Liability Quality of Bank of Chongqing Co., Ltd.; the Proposal on the Plan for the Board's Authorization to the President (2022 version); the Proposal on the Profit Distribution Plan for 2021; and the Proposal on Convening 2021 Annual General Meeting of Bank of Chongqing Co., Ltd., all of which were submitted or reported to the general meeting of shareholders for consideration according to the provisions of the Articles of Association of the Bank.

During the Reporting Period, the Board of Directors heard 38 reports, including the Report on Performance of Duties of the Audit Committee under the Board of Directors for 2021; the Report on Information Technology Work for 2021; the Report on Green Finance Work for 2021; the Report on Business Performance and Work of the President for 2021; the Work Report on Consumer Protection for 2021; the Report on Profitability Analysis for 2021; the Report on the Analysis of Asset and Liability Management for 2021; the Report on the Management of Liquidity Risk for 2021; the Report on the Management of Liability Quality for 2021; the Report on the Management of Outward Investments for 2021; and the Report on the Consolidated Management of the Group for 2021, through which the Board of Directors had a full knowledge of the business management, risk management, compliance of internal control, consumer protection and other work of the Bank.

During the Reporting Period, the independent Directors of the Bank actively performed their duties, attended the general meeting, the meetings of the Board and its special committees, and expressed independent opinions on major issues including profit distribution, connected transactions, internal control, nomination and consideration of Directors and Deposit and Use of Raised Proceeds, to ensure the legality and compliance of items considered, the legality and validity of decision-making procedures, and actively safeguard the rights and interests of the Bank and minority shareholders.

Corporate Governance Report

11.2.3 Board of Supervisors

During the Reporting Period, in accordance with the Listing Rules of Shanghai and Hong Kong and the Articles of Association, the Board of Supervisors held a total of 4 meetings, which considered and approved 16 proposals including proposals on the 2021 Annual Report, the Profit Distribution Plan for 2021, the Work Report of the Board of Supervisors for 2021, the 2022 First Quarterly Report, the Report of the Board of Supervisors on Evaluation of Performance of Duties by Supervisors, and the Report of the external Supervisors on peer Evaluation of Performance of Duties, and actively performed its duties of supervision.

During the Reporting Period, the Board of Supervisors heard 9 reports, including the Special Audit Report on Electronic Banking, the Special Audit Report on Data Center, the Update Report on Related Parties, and the 2021 Report on Operation, Development and Management of Branches of Bank of Chongqing Outside the Province, and deeply understood the Bank's operation and management, and expressed opinions and suggestions on material matters.

During the Reporting Period, members of the Board of Supervisors of the Bank attended shareholders' meetings, were also in attendance at meetings of the Board and special committees under it to ensure adequate supervision of the decision-making process for significant matters of the Bank. All external supervisors of the Bank were able to independently perform their supervision duties in accordance with regulatory requirements, proactively understood the operation and management of the Bank, carefully studied proposals and special reports, and put forward opinions and suggestions, and played an important role in the performance of the supervision duties of the Board of Supervisors.

11.3 Profits and Dividends

The Bank's revenue for the six months ended 30 June 2022 and the Bank's financial position as at the same date are set out in the section headed "Financial Report".

As considered and approved at the 2021 annual general meeting held on 23 June 2022, the Bank paid all shareholders a final dividend of RMB3.90 (inclusive of tax) per 10 shares for the year ended 31 December 2021 ("**2021 Final Dividend**"), amounting to RMB1,355,057,082.21 (inclusive of tax) in aggregate. The 2021 Final Dividend was paid to A shareholders and H shareholders of the Bank on 28 July 2022.

The Group will not declare an interim dividend for 2022 or convert any capital reserve into share capital.

Financial Report

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Report on Review of Interim Financial Information

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

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Bank of Chongqing Co., Ltd. (the "Bank") and its subsidiaries (together, the "Group"), which comprises the interim condensed consolidated statement of financial position as at 30 June 2022 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board.

The directors are responsible for the preparation and presentation of interim condensed consolidated financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

30 August 2022

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Interest income		13,656,304	13,310,644
Interest expense		(8,301,765)	(7,715,029)
Net interest income	4	5,354,539	5,595,615
Fee and commission income		485,480	491,537
Fee and commission expense		(73,014)	(63,011)
Net fee and commission income	5	412,466	428,526
Net trading gains	6	188,814	303,090
Net gains on investment securities	7	616,093	755,739
Other operating income	8	73,644	86,840
Operating income		6,645,556	7,169,810
Operating expenses	9	(1,650,058)	(1,531,821)
Credit impairment losses	11	(1,648,792)	(2,277,352)
Other impairment losses		–	(7,916)
Operating profit		3,346,706	3,352,721
Share of profits of associates	20	125,361	108,589
Profit before income tax		3,472,067	3,461,310
Income tax	12	(575,097)	(707,000)
Net profit for the period		2,896,970	2,754,310
Net profit attributable to:			
Shareholders of the Bank		2,784,631	2,659,397
Non-controlling interests		112,339	94,913
		2,896,970	2,754,310
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)	13		
Basic		0.80	0.79
Diluted		0.71	0.79

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net (losses)/gains on debt investments at fair value through other comprehensive income		(395,909)	17,660
Less: Relevant income tax effect		98,977	(4,380)
Subtotal		(296,932)	13,280
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net losses on equity securities at fair value through other comprehensive income		–	(164,680)
Less: Relevant income tax effect		–	41,170
Remeasurement of retirement benefits		(851)	3,077
Less: Relevant income tax effect		213	(769)
Subtotal		(638)	(121,202)
Total other comprehensive income, net of tax	37	(297,570)	(107,922)
Total comprehensive income for the period		2,599,400	2,646,388
Net comprehensive income attributable to:			
Shareholders of the Bank		2,487,061	2,551,475
Non-controlling interests		112,339	94,913
		2,599,400	2,646,388

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) RMB'000
ASSETS			
Cash and balances with the central bank	14	33,238,629	37,200,469
Due from and placements with banks and other financial institutions	15	55,991,692	44,831,819
Financial assets at fair value through profit or loss ("FVPL")	16	25,507,706	24,585,122
Loans and advances to customers	18	328,094,482	306,883,598
Investment securities	19		
– Fair value through other comprehensive income ("FVOCI")		75,860,353	64,087,193
– Amortised cost		133,549,339	130,464,527
Investments in associates	20	2,295,846	2,228,158
Property, plant and equipment	21	3,127,539	3,152,421
Deferred tax assets	27	4,265,541	3,846,343
Other assets	22	1,703,897	1,673,970
Total assets		663,635,024	618,953,620

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) RMB'000
LIABILITIES			
Due to and placements from banks and other financial institutions	23	99,280,015	107,241,149
Financial liabilities at fair value through profit or loss	17	49,395	5,772
Customer deposits	24	376,739,949	338,695,343
Current tax liabilities		493,571	248,418
Debt securities issued	25	128,844,804	118,852,070
Other liabilities	26	6,727,741	4,664,173
Total liabilities		612,135,475	569,706,925
EQUITY			
Share capital	29	3,474,505	3,474,505
Other equity instruments	30	5,981,028	4,909,307
of which: Preference shares		4,909,307	4,909,307
Capital surplus	31	8,044,708	8,044,708
Other reserves	32	11,914,620	11,701,636
Retained earnings		20,062,052	19,143,032
Equity attributable to shareholders of the Bank		49,476,913	47,273,188
Non-controlling interests		2,022,636	1,973,507
Total equity		51,499,549	49,246,695
Total liabilities and equity		663,635,024	618,953,620

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

LIN JUN
CHAIRMAN

RAN HAILING
PRESIDENT

YANG SHIYIN
VICE PRESIDENT

YANG KUN
*HEAD OF FINANCE
DEPARTMENT*

Interim Condensed Consolidated Statement of Changes in Equity

	Equity attributable to shareholders of the Bank									Total RMB'000
	Share capital	Other equity instruments	Capital surplus	Surplus reserve	General reserve	Revaluation reserve for FVOCI	Remeasurement of retirement benefits	Retained earnings	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Note 29	Note 30	Note 31	Note 32	Note 32	Note 32	Note 32			
Balance at 31 December 2021	3,474,505	4,909,307	8,044,708	3,910,149	6,880,205	915,286	(4,004)	19,143,032	1,973,507	49,246,695
Net profit for the period	-	-	-	-	-	-	-	2,784,631	112,339	2,896,970
Other comprehensive income (Note 37)	-	-	-	-	-	(296,932)	(638)	-	-	(297,570)
Total comprehensive income	-	-	-	-	-	(296,932)	(638)	2,784,631	112,339	2,599,400
Issue of convertible bonds	-	1,071,721	-	-	-	-	-	-	-	1,071,721
Dividends (Note 33)	-	-	-	-	-	-	-	(1,355,057)	(63,210)	(1,418,267)
Appropriation reserve	-	-	-	-	510,554	-	-	(510,554)	-	-
Balance at 30 June 2022 (Unaudited)	3,474,505	5,981,028	8,044,708	3,910,149	7,390,759	618,354	(4,642)	20,062,052	2,022,636	51,499,549
Balance at 31 December 2020	3,127,055	4,909,307	4,680,638	3,458,521	6,295,346	607,806	(5,352)	17,101,676	1,819,217	41,994,214
Net profit for the year	-	-	-	-	-	-	-	2,659,397	94,913	2,754,310
Other comprehensive income (Note 37)	-	-	-	-	-	(110,230)	2,308	-	-	(107,922)
Total comprehensive income	-	-	-	-	-	(110,230)	2,308	2,659,397	94,913	2,646,388
Issue of share capital	347,450	-	3,357,838	-	-	-	-	-	-	3,705,288
Dividends (Note 33)	-	-	-	-	-	-	-	(1,295,990)	(44,100)	(1,340,090)
Appropriation reserve	-	-	-	-	584,859	-	-	(584,859)	-	-
Balance at 30 June 2021 (Unaudited)	3,474,505	4,909,307	8,038,476	3,458,521	6,880,205	497,576	(3,044)	17,880,224	1,870,030	47,005,800

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Cash flows from operating activities:		
Profit before income tax	3,472,067	3,461,310
Adjustments for:		
Depreciation and amortisation	197,548	168,995
Impairment losses on loans	1,635,894	2,197,233
Impairment losses on other assets	12,898	88,035
Net gains on disposal of property, plant and equipment and other long-term assets	(5,522)	(560)
Losses/(Gains) on changes in fair value	260,037	(283,232)
Net gains arising from financial investments	(774,857)	(822,888)
Share of profits of associates	(125,361)	(108,589)
Interest income arising from investment securities	(4,497,742)	(4,289,370)
Interest expense arising from financing activities	1,782,782	1,699,535
Changes in operating assets:		
Net increase in restricted deposit balances with the central bank	(982,415)	(1,423,893)
Net (increase)/decrease in due from and placements with banks and other financial institutions	(2,048,480)	1,343,866
Net increase in financial assets held under resale agreements	(10,715,402)	(8,179,780)
Net increase in loans and advances to customers	(23,308,205)	(30,262,517)
Net decrease in financial assets held for trading purposes	1,000,037	26,050
Net increase in other operating assets	(65,205)	(113,722)
Changes in operating liabilities:		
Net increase in borrowings from the central bank	201,019	4,119,856
Net increase/(decrease) in due to and placements from banks and other financial institutions	2,181,390	(6,865,517)
Net decrease in financial assets sold under repurchase agreements	(10,779,700)	(5,436,818)
Net increase in customer deposits	36,945,489	25,323,492
Net increase/(decrease) in other operating liabilities	2,023,668	(803,230)
Income tax paid	(649,952)	(877,888)
Net cash from operating activities	(4,240,012)	(21,039,632)

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Cash flows from investing activities:		
Proceeds from sale and redemption of investments	34,497,560	30,405,907
Return on investments	5,161,462	4,381,306
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	8,212	40,594
Purchase of property, plant and equipment, intangible assets and other long-term assets	(160,510)	(124,189)
Purchase of investment securities	(51,088,408)	(34,799,965)
Net cash from investing activities	(11,581,684)	(96,347)
Cash flows from financing activities:		
Proceeds from issuance of shares	–	3,705,288
Proceeds from issuance of debt securities	82,273,692	70,979,602
Cash paid to redeem debt securities issued	(72,510,000)	(49,990,000)
Cash paid for lease liabilities	(31,813)	(18,195)
Interest paid on debt securities	(479,916)	(489,002)
Dividends paid to shareholders	(29,670)	(21,425)
Net cash from financing activities	9,222,293	24,166,268
Impact from exchange rate changes on cash and cash equivalents	51,484	(42,953)
Net (decrease)/increase in cash and cash equivalents	(6,547,919)	2,987,336
Cash and cash equivalents at the beginning of the period	17,028,563	11,524,221
Cash and cash equivalents at the end of the period (Note 38)	10,480,644	14,511,557

The accompanying notes form an integral part of this interim condensed consolidated financial statements.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Bank of Chongqing Co., Ltd. (the “Bank”) was formerly known as Chongqing Urban Cooperative Bank (重慶城市合作銀行), which was established by consolidating 37 urban credit cooperatives and 1 urban credit union in Chongqing with the approval of Yin Fu [1996] No. 140 by the People’s Bank of China (“PBOC”). On 30 March 1998, the Bank was renamed as “Commercial Bank of Chongqing Co., Ltd.”(重慶市商業銀行股份有限公司) with the approval of Yu Yin Fu [1998] No. 48 by the PBOC Chongqing Branch. On 1 August 2007, the Bank was further renamed as Bank of Chongqing Co., Ltd. (重慶銀行股份有限公司) with the approval of Yin Jian Fu [2007] No. 325 by the China Banking Regulatory Commission (now renamed as China Banking and Insurance Regulatory Commission, hereinafter referred to as the “CBIRC”). On 6 November 2013, the Bank was listed on the Stock Exchange of Hong Kong Limited. On 5 February 2021, the Bank was listed on Shanghai Stock Exchange.

Headquartered in Chongqing, the Bank operates in Chongqing, Sichuan Province, Guizhou Province and Shaanxi Province in the People’s Republic of China (“PRC”).

As at 30 June 2022, the Bank operated its business through 157 sub-branches including a business department at its headquarter, a small enterprise credit centre, and 4 primary branches covering all the districts and counties of Chongqing as well as three provinces in western China, namely Sichuan province, Shaanxi province and Guizhou province.

The principal activities of the Bank and its subsidiaries (together, the “Group”) include deposit taking, loan lending, settlement services, financial leasing and other services approved by the respective regulators.

The interim condensed consolidated financial statements were authorised for issuance by the Bank’s Board of Directors on 30 August 2022.

2 BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The principal accounting policies adopted in the preparation of the interim condensed consolidated financial statements are set out below. These policies have been consistently applied to relevant periods presented unless otherwise stated.

(a) Basis of presentation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*. The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

The Group adopted the going concern basis in preparing its interim condensed consolidated financial statements.

2 BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(b) Significant accounting policies

Since 2022, the Group had adopted the following standards and amendments.

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRSs 2018-2020 Cycle	

The adoption of the standards and amendments above did not have a material impact on the Group's operating results, financial position or other comprehensive income.

Except for described above, the Group's accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those policies applied in preparing the financial statements for the year ended 31 December 2021.

The Group had not adopted the standards and amendments that are issued but not yet effective, as below.

		Effective for annual period beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Effective date has now been deferred indefinitely

The adoption of the above issued but not yet effective standards and amendments is not expected to have a material effect on the Group's operating results, financial position or other comprehensive income.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

2 BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(c) Major accounting estimates and judgements adopted in the implementation of accounting policies

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies.

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021. Please refer to the financial statements for the year ended 31 December 2021 for details.

3 SUBSIDIARIES

As at 30 June 2022, details of the Bank's subsidiaries are set out below:

Name of entity	Date of incorporation	Principle place of business and place of incorporation	Paid-in capital (RMB'000)	Proportion of equity interest	Proportion of voting rights	Principal activities
Chongqing Xinyu Financial Leasing Co., Ltd.	23 March 2017	Chongqing, the PRC	3,000,000	51.00%	51.00%	Financial leasing
Xingyi Wanfeng Village Bank Co., Ltd.	5 May 2011	Guizhou, the PRC	324,500	66.72%	66.72%	Financial services

	Assets RMB'000	Liabilities RMB'000	Revenue RMB'000	Net profit RMB'000
Chongqing Xinyu Financial Leasing Co., Ltd.	34,810,443	30,738,614	536,938	230,419
Xingyi Wanfeng Village Bank Co., Ltd.	747,685	612,505	14,562	(1,338)
	35,558,128	31,351,119	551,500	229,081

The above subsidiaries are limited by share and limited by liability respectively.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

4 NET INTEREST INCOME

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest income		
Balances with the central bank	229,340	241,810
Due from and placements with banks and other financial institutions	505,749	556,675
Loans and advances to customers	8,423,473	8,222,789
Investment securities	4,497,742	4,289,370
	13,656,304	13,310,644
Interest expense		
Due to and placements from banks and other financial institutions	(1,430,013)	(1,407,347)
Customer deposits	(5,088,970)	(4,608,147)
Debt securities issued	(1,780,679)	(1,697,750)
Other liabilities	(2,103)	(1,785)
	(8,301,765)	(7,715,029)
Net interest income	5,354,539	5,595,615

5 NET FEE AND COMMISSION INCOME

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Fee and commission income		
Wealth management agency services	333,117	294,300
Bank card services	41,878	34,018
Custodian services	23,053	40,268
Guarantees and credit commitments	38,336	47,839
Settlement and agency services	47,491	53,461
Financial advisory and consulting services	1,605	21,651
	485,480	491,537
Fee and commission expense		
Settlement and agency services	(34,110)	(36,404)
Bank card services	(25,961)	(9,926)
Others	(12,943)	(16,681)
	(73,014)	(63,011)
Net fee and commission income	412,466	428,526

Notes to the Unaudited Interim Condensed Consolidated Financial Information

6 NET TRADING GAINS

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Foreign exchange gains/(losses)	240,365	(57,201)
Bond and fund investments	62,171	85,890
Equity investments	(109,075)	279,025
Derivatives	(4,647)	(4,624)
	188,814	303,090

Net trading gains mainly include net gains/(losses) on foreign exchange, and gains and losses arising from buying and selling of, interest income on and changes in the fair value of financial assets held for trading. Net gains/(losses) on foreign exchange mainly include gains or losses from the trading of spot contracts, trading of swap contracts, as well as translation of foreign currency monetary assets and liabilities into RMB.

7 NET GAINS ON INVESTMENT SECURITIES

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Net gains arising from financial assets at FVPL and net gains on disposal of investment securities at FVOCI	490,647	755,739
Net gains on derecognition of investment securities at amortised cost	125,446	–
	616,093	755,739

8 OTHER OPERATING INCOME

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Government grants ^(a)	42,362	59,750
Rental income ^(b)	21,736	22,215
Gains on disposal of property, plant and equipment and other long-term assets	5,772	655
Compensation on breach of contract	454	544
Other miscellaneous income ^(c)	3,320	3,676
	73,644	86,840

(a) The government grants mainly include bonus of small and micro business loans, regional economies support bonus and other government grants.

(b) The rental income of the Group is generated from leasing its self-owned buildings, motor vehicles, electronic equipment and machinery equipment.

(c) Other miscellaneous income mainly comprised penalty and confiscatory income and income from dormant accounts.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

9 OPERATING EXPENSES

	Notes	For the six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Staff costs	10	998,199	957,901
General and administrative expenses		321,394	274,643
Tax and surcharges		81,124	85,437
Depreciation of property, plant and equipment	21	109,121	101,400
Amortisation of intangible assets	22(b)	52,005	40,455
Depreciation of right-of-use assets	22(c)	26,677	20,068
Depreciation of investment properties	22(e)	125	108
Amortisation of long-term prepaid expenses		9,620	6,964
Operating lease expenses		973	4,100
Professional fees		41,698	37,103
Donations		700	1,200
Others		8,422	2,442
		1,650,058	1,531,821

10 STAFF COSTS

	Note	For the six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Salaries and bonuses		728,971	712,048
Pension expenses	28	103,416	91,866
Housing benefits and subsidies		60,047	53,666
Labour union and staff education funds		15,891	15,124
Other social security and benefit costs		89,874	85,197
		998,199	957,901

Notes to the Unaudited Interim Condensed Consolidated Financial Information

11 CREDIT IMPAIRMENT LOSSES

	Notes	For the six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Loans and advances to customers carried at amortised cost	18(b)	1,638,240	2,195,762
Loans and advances to customers at FVOCI	18(b)	(2,346)	1,471
Investment securities – amortised cost	19	(90,257)	(149,617)
Investment securities – FVOCI	19	43,572	290,120
Loan commitments and financial guarantee contracts		51,999	(155,101)
Due from and placements with banks and other financial institutions		9,277	1,999
Other credit impairment losses		(1,693)	92,718
		1,648,792	2,277,352

12 INCOME TAX EXPENSE

	Note	For the six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Current income tax		895,318	998,791
Deferred income tax	27	(320,221)	(291,791)
		575,097	707,000

Current income tax is calculated at the statutory rate based on taxable income of estimated assessable profit of the Group for the respective periods as stipulated in PRC tax laws.

12 INCOME TAX EXPENSE (Continued)

The difference between the actual income tax charge in the profit or loss and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Profit before income tax	3,472,067	3,461,310
Tax at the enacted tax rate of 25%	868,017	865,328
Effect of different tax rates of subsidiaries ^(a)	(26,988)	(22,550)
Tax effect arising from non-taxable income ^(b)	(318,300)	(200,245)
Tax effect of expenses that are not deductible for tax purposes ^(c)	48,775	55,921
Effect of deductible losses	–	(1,064)
Income tax adjustment for prior years	3,593	9,610
Income tax expense	575,097	707,000

(a) In accordance with related provisions of the Notice on the Continuation of the Corporate Income Tax Policy of the Western Development Strategy (Cai Shui Fa [2020] No.23) and the latest Encouraged Industries in the Western Region Catalog (2020 Edition) released in 2021, the income tax rate of Chongqing Xinyu Financial Leasing Co., Ltd., a subsidiary of the Bank, has been adjusted to 15%.

(b) The Group's non-taxable income mainly represents interest income arising from treasury bonds and local government bonds, which is non-taxable in accordance with PRC tax laws.

(c) The Group's expenses that are not tax deductible for tax purposes mainly represent asset impairment losses that do not meet the pre-tax deduction conditions, as well as part of certain expenditures, such as entertainment expenses, which exceed the tax deduction limits pursuant to PRC laws.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

13 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Bank by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Net profit attributable to shareholders of the Bank	2,784,631	2,659,397
Net profit attributable to ordinary shareholders of the Bank	2,784,631	2,659,397
Weighted average number of ordinary shares issued (in thousands)	3,474,505	3,358,688
Basic earnings per share (in RMB)	0.80	0.79

Diluted earnings per share was computed by dividing the net profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all dilutive potential shares for the year by the adjusted weighted average number of ordinary shares in issue. The Bank had convertible bonds as dilutive potential ordinary shares.

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Net profit attributable to shareholders of the Bank	2,784,631	2,659,397
Add: Interest expense on convertible bonds, net of tax	107,813	–
Net profit used to determine diluted earnings per share	2,892,444	2,659,397
Weighted average number of ordinary shares issued (in thousands)	3,474,505	3,358,688
Add: Weighted average number of ordinary shares assuming conversion of all dilutive shares (in thousands)	596,878	–
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	4,071,383	3,358,688
Diluted earnings per share (in RMB)	0.71	0.79

The Bank issued non-cumulative preference shares on 20 December 2017 under the terms and conditions as detailed in Note 30. When calculating the basic earnings per share of the ordinary shares, the preference share dividends declared for the current period shall be deducted from the net profit attributable to the ordinary shareholders. The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur before 30 June 2022 and therefore the conversion feature of preference shares had no effect on the calculation of basic and diluted earnings per share as at 30 June 2022 (for the six months ended 30 June 2021: same).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

14 CASH AND BALANCES WITH THE CENTRAL BANK

	30 June 2022 RMB'000	31 December 2021 RMB'000
Cash	610,348	601,287
Mandatory reserve deposits with the central bank	28,153,709	27,073,359
Surplus reserve deposits with the central bank	4,443,409	9,396,698
Fiscal deposits	18,291	116,226
Total	33,225,757	37,187,570
Accrued interest	12,872	12,899
	33,238,629	37,200,469

The Group is required to place mandatory reserve deposits with the central bank. The deposits are calculated based on the amount of customer deposits placed with the Group. As at 30 June 2022, the mandatory reserve rate of the Bank for deposits denominated in RMB was 7.75% (31 December 2021: 8%), and the mandatory reserve rate of the Bank for deposits denominated in foreign currencies was 8% (31 December 2021: 9%). The mandatory reserve deposit rate of the subsidiaries of the Bank was consistent with the requirements of the central bank.

Mandatory reserve deposits with the central bank are not available for use by the Group in its day-to-day operations. Deposits with the central bank other than the mandatory reserve maintained are mainly for liquidity purposes.

15 DUE FROM AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Bills purchased under resale agreements	21,792,449	24,958,637
Securities purchased under resale agreements	26,540,160	12,658,570
Due from banks and other financial institutions	4,589,471	6,707,428
Placements with banks and other financial institutions	3,212,924	650,178
Total	56,135,004	44,974,813
Accrued interest	21,885	12,926
Less: ECL allowance	(165,197)	(155,920)
	55,991,692	44,831,819

As at 30 June 2022 and 31 December 2021, the gross principal balance of the Group's due from and placements with banks and other financial institutions classified within Stage 3 was RMB199,000 thousand, of which the accrued ECL allowance amounted to RMB149,250 thousand. The rest were all in Stage 1.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Financial assets at FVPL		
– Listed outside Hong Kong	540,936	594,216
– Unlisted	24,959,712	23,986,350
	25,500,648	24,580,566
Derivative financial instruments (<i>Note 17</i>)	7,058	4,556
	25,507,706	24,585,122

Unlisted financial assets measured at FVPL are set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Government bonds	–	1,726,325
Commercial bank bonds	1,258,250	1,444,666
Corporate bonds	301,017	–
Trust investments ^(a)	6,002,519	5,743,525
Asset management plans ^(b)	9,293,981	9,890,126
Wealth management products purchased from financial institutions	–	2,026,559
Fund investments	8,036,990	3,032,399
Equity investments	66,955	122,750
	24,959,712	23,986,350

The Group's unlisted commercial bank bonds and government bonds at FVPL are traded in the inter-bank bond market in Mainland China.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)**(a) Trust investments**

	30 June 2022 RMB'000	31 December 2021 RMB'000
Trust investments purchased from trust companies		
– Guaranteed by third-party companies	5,197,129	5,210,898
– Unsecured	805,390	532,627
Total	6,002,519	5,743,525

(b) Asset management plans

	30 June 2022 RMB'000	31 December 2021 RMB'000
Asset management plans purchased from securities companies		
– Guaranteed by third-party companies	9,293,981	9,890,126

An analysis of non-derivative financial assets at fair value through profit or loss by issuer is set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Financial assets at FVPL		
– Commercial banks	1,258,250	3,471,225
– Securities companies	9,293,981	9,890,126
– Fund companies	8,036,990	3,032,399
– Trust companies	6,002,519	5,743,525
– Corporations	301,017	–
– Governments	–	1,726,325
– Equity investments	607,891	716,966
	25,500,648	24,580,566

Notes to the Unaudited Interim Condensed Consolidated Financial Information

17 DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2022	Nominal amount RMB'000	Fair value	
		Assets RMB'000	Liabilities RMB'000
Interest rate swap	42,843,763	4,543	(5,813)
Foreign exchange swap	1,552,987	570	(43,485)
Foreign exchange forward	452,359	1,945	(97)
	44,849,109	7,058	(49,395)

31 December 2021	Nominal amount RMB'000	Fair value	
		Assets RMB'000	Liabilities RMB'000
Interest rate swap	39,864,023	4,556	(5,772)

18 LOANS AND ADVANCES TO CUSTOMERS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Loans and advances to customers		
– Amortised cost	300,650,426	287,806,900
– FVOCI	36,712,978	28,148,893
Total	337,363,404	315,955,793
Accrued interest	2,128,891	2,106,144
Less: ECL allowance	(11,397,813)	(11,178,339)
	328,094,482	306,883,598

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(a) Analysis of loans and advances to customers

	30 June 2022 RMB'000	31 December 2021 RMB'000
Loans and advances to corporate entities – amortised cost		
– Corporate loans and advances	203,198,171	185,958,346
Loans and advances to corporate entities – FVOCI		
– Discounted bills	36,712,978	28,148,893
Subtotal	239,911,149	214,107,239
Loans and advances to individuals – amortised cost		
– Mortgage loans	42,638,565	42,843,185
– Individual business loans	21,957,468	22,524,007
– Credit card advances	18,834,755	16,371,056
– Individual consumption loans	14,021,467	20,110,306
Subtotal	97,452,255	101,848,554
Total	337,363,404	315,955,793
Accrued interest	2,128,891	2,106,144
Gross amount of loans and advances to customers	339,492,295	318,061,937
Less: ECL allowance	(11,397,813)	(11,178,339)
Carrying amount of loans and advances to customers	328,094,482	306,883,598

Notes to the Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance

(1) Movements of impairment allowance for loans and advances to customers at amortised cost

Loans and advances to corporate entities	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2021	2,388,233	2,461,375	4,263,034	9,112,642
New financial assets originated or purchased	709,091	–	–	709,091
Remeasurement	(269,181)	236,322	1,068,492	1,035,633
Repayments	(266,274)	(124,691)	(137,397)	(528,362)
Write-off and disposal	–	–	(1,380,596)	(1,380,596)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(41,853)	41,853	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(4,106)	–	4,106	–
<i>Transfer from Stage 2 to Stage 1</i>	106,272	(106,272)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(1,066,147)	1,066,147	–
<i>Transfer from Stage 3 to Stage 2</i>	–	50,248	(50,248)	–
Recoveries of loans and advances written off in previous years	–	–	425,416	425,416
Unwinding impact of discount	–	–	(76,226)	(76,226)
As at 30 June 2022	2,622,182	1,492,688	5,182,728	9,297,598
As at 31 December 2020	2,246,170	3,539,127	3,035,014	8,820,311
New financial assets originated or purchased	1,134,001	–	–	1,134,001
Remeasurement	(391,343)	1,292,713	3,108,277	4,009,647
Repayments	(592,850)	(302,700)	(89,659)	(985,209)
Write-off and disposal	–	–	(4,238,317)	(4,238,317)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(134,820)	134,820	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(20,210)	–	20,210	–
<i>Transfer from Stage 2 to Stage 1</i>	147,285	(147,285)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(2,174,215)	2,174,215	–
<i>Transfer from Stage 3 to Stage 2</i>	–	118,915	(118,915)	–
Recoveries of loans and advances written off in previous years	–	–	407,117	407,117
Unwinding impact of discount	–	–	(34,908)	(34,908)
As at 31 December 2021	2,388,233	2,461,375	4,263,034	9,112,642

Notes to the Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

(1) Movements of impairment allowance for loans and advances to customers at amortised cost (Continued)

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Retail loans				
As at 31 December 2021	1,071,811	422,842	571,044	2,065,697
New financial assets originated or purchased	235,426	–	–	235,426
Remeasurement	69,480	335,125	399,450	804,055
Repayments	(320,069)	(200,501)	(97,033)	(617,603)
Write-off and disposal	–	–	(409,598)	(409,598)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(45,941)	45,941	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(12,767)	–	12,767	–
<i>Transfer from Stage 2 to Stage 1</i>	13,286	(13,286)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(98,471)	98,471	–
<i>Transfer from Stage 3 to Stage 2</i>	–	3,278	(3,278)	–
<i>Transfer from Stage 3 to Stage 1</i>	734	–	(734)	–
Recoveries of loans and advances written off in previous years	–	–	70,167	70,167
Unwinding impact of discount	–	–	(47,929)	(47,929)
As at 30 June 2022	1,011,960	494,928	593,327	2,100,215
As at 31 December 2020	1,091,030	403,554	652,312	2,146,896
New financial assets originated or purchased	624,513	–	–	624,513
Remeasurement	6,435	296,842	434,378	737,655
Repayments	(608,274)	(208,218)	(104,944)	(921,436)
Write-off and disposal	–	–	(612,208)	(612,208)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(35,227)	35,227	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(19,066)	–	19,066	–
<i>Transfer from Stage 2 to Stage 1</i>	10,471	(10,471)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(103,408)	103,408	–
<i>Transfer from Stage 3 to Stage 2</i>	–	9,316	(9,316)	–
<i>Transfer from Stage 3 to Stage 1</i>	1,929	–	(1,929)	–
Recoveries of loans and advances written off in previous years	–	–	140,195	140,195
Unwinding impact of discount	–	–	(49,918)	(49,918)
As at 31 December 2021	1,071,811	422,842	571,044	2,065,697

Notes to the Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

(2) *Movements of impairment allowance for loans and advances to customers at FVOCI*

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Discounted bills				
As at 31 December 2021	71,914	–	–	71,914
New financial assets originated or purchased	56,787	–	–	56,787
Repayment	(59,133)	–	–	(59,133)
As at 30 June 2022	69,568	–	–	69,568
As at 31 December 2020	49,196	1	–	49,197
New financial assets originated or purchased	71,914	–	–	71,914
Repayments	(49,196)	(1)	–	(49,197)
As at 31 December 2021	71,914	–	–	71,914

Notes to the Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements of gross amount (excluding accrued interest) of loans and advances to customers

(1) *Movements of gross amount (excluding accrued interest) of loans and advances to customers at amortised cost*

Loans and advances to corporate entities	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2021	166,954,127	12,739,087	6,265,132	185,958,346
New financial assets originated or purchased	46,881,144	–	–	46,881,144
Proceeds received	(26,530,808)	(1,167,562)	(216,447)	(27,914,817)
Financial assets derecognised other than write-offs	–	–	(965,448)	(965,448)
Write-off	–	–	(761,054)	(761,054)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(2,836,394)	2,836,394	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(223,863)	–	223,863	–
<i>Transfer from Stage 2 to Stage 1</i>	1,321,034	(1,321,034)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(3,737,315)	3,737,315	–
<i>Transfer from Stage 3 to Stage 2</i>	–	62,370	(62,370)	–
As at 30 June 2022	185,565,240	9,411,940	8,220,991	203,198,171
As at 31 December 2020	142,210,652	17,244,193	5,205,827	164,660,672
New financial assets originated or purchased	78,924,157	–	–	78,924,157
Proceeds received	(48,329,607)	(4,149,236)	(193,253)	(52,672,096)
Financial assets derecognised other than write-offs	–	–	(1,699,097)	(1,699,097)
Write-off	–	–	(3,255,290)	(3,255,290)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(7,023,100)	7,023,100	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(626,293)	–	626,293	–
<i>Transfer from Stage 2 to Stage 1</i>	1,798,318	(1,798,318)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(5,905,243)	5,905,243	–
<i>Transfer from Stage 3 to Stage 2</i>	–	324,591	(324,591)	–
As at 31 December 2021	166,954,127	12,739,087	6,265,132	185,958,346

Notes to the Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements of gross amount (excluding accrued interest) of loans and advances to customers (Continued)

(1) *Movements of gross amount (excluding accrued interest) of loans and advances to customers at amortised cost (Continued)*

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Retail loans				
As at 31 December 2021	99,006,595	1,904,370	937,589	101,848,554
New financial assets originated or purchased	17,939,144	–	–	17,939,144
Proceeds received	(21,051,220)	(672,893)	(198,832)	(21,922,945)
Financial assets derecognised other than write-offs	–	–	(2,900)	(2,900)
Write-off	–	–	(409,598)	(409,598)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1,412,763)	1,412,763	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(427,528)	–	427,528	–
<i>Transfer from Stage 2 to Stage 1</i>	146,314	(146,314)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(305,990)	305,990	–
<i>Transfer from Stage 3 to Stage 2</i>	–	12,260	(12,260)	–
<i>Transfer from Stage 3 to Stage 1</i>	3,441	–	(3,441)	–
As at 30 June 2022	94,203,983	2,204,196	1,044,076	97,452,255
As at 31 December 2020	93,962,228	1,600,249	964,007	96,526,484
New financial assets originated or purchased	47,184,014	–	–	47,184,014
Proceeds received	(40,252,069)	(800,981)	(182,025)	(41,235,075)
Financial assets derecognised other than write-offs	–	–	(14,780)	(14,780)
Write-off	–	–	(612,089)	(612,089)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1,489,244)	1,489,244	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(498,619)	–	498,619	–
<i>Transfer from Stage 2 to Stage 1</i>	94,576	(94,576)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(310,177)	310,177	–
<i>Transfer from Stage 3 to Stage 2</i>	–	20,611	(20,611)	–
<i>Transfer from Stage 3 to Stage 1</i>	5,709	–	(5,709)	–
As at 31 December 2021	99,006,595	1,904,370	937,589	101,848,554

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements of gross amount (excluding accrued interest) of loans and advances to customers (Continued)

(2) *Movements of gross amount (excluding accrued interest) of loans and advances to customers at FVOCI*

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Discounted bills				
As at 31 December 2021	28,148,893	–	–	28,148,893
New financial assets originated or purchased	26,568,378	–	–	26,568,378
Proceeds received	(18,110,503)	–	–	(18,110,503)
Changes in fair value	106,210	–	–	106,210
As at 30 June 2022	36,712,978	–	–	36,712,978
As at 31 December 2020	20,032,718	202	–	20,032,920
New financial assets originated or purchased	27,744,279	–	–	27,744,279
Proceeds received	(20,032,718)	(202)	–	(20,032,920)
Fair value measurement	404,614	–	–	404,614
As at 31 December 2021	28,148,893	–	–	28,148,893

Notes to the Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(d) Analysis of loans and advances to customers by industry or nature

	30 June 2022		31 December 2021	
	Amount RMB'000	%	Amount RMB'000	%
Corporate loans – amortised cost				
Leasing and commercial services	53,899,759	22.46	46,610,041	21.76
Water conservation, environment and public facility administration	51,303,870	21.38	48,240,630	22.53
Manufacturing	24,726,070	10.31	22,395,267	10.46
Construction	21,647,750	9.02	19,476,734	9.10
Wholesale and retail	17,352,838	7.23	14,860,177	6.94
Real estate	10,981,301	4.58	11,534,439	5.39
Electricity, heat, gas and water production and supply	5,845,919	2.44	6,012,594	2.81
Agriculture, forestry, animal husbandry and fishery	3,395,679	1.42	3,043,563	1.42
Transportation, storage and postal service	2,968,777	1.24	2,816,982	1.32
Health and social welfare	1,989,122	0.83	2,032,034	0.95
Scientific research and technology services	1,573,155	0.66	1,815,385	0.85
Accommodation and catering	1,535,018	0.64	1,526,935	0.71
Culture, sports and entertainment	1,392,885	0.58	781,354	0.36
Information transmission, software and information technology services	1,352,061	0.56	1,218,619	0.57
Mining	1,167,674	0.49	1,545,653	0.72
Financing	869,618	0.36	878,949	0.41
Education	808,655	0.34	831,517	0.39
Household services, repairing and other services	388,020	0.16	337,473	0.16
Corporate loans – FVOCI				
Discounted bills	36,712,978	15.30	28,148,893	13.15
Total corporate loans	239,911,149	100.00	214,107,239	100.00
Retail loans – amortised cost				
Mortgage loans	42,638,565	43.75	42,843,185	42.06
Personal business loans	21,957,468	22.53	22,524,007	22.12
Credit card advances	18,834,755	19.33	16,371,056	16.07
Personal consumption loans	14,021,467	14.39	20,110,306	19.75
Total retail loans	97,452,255	100.00	101,848,554	100.00
Accrued interest	2,128,891		2,106,144	
Gross amount of loans and advances to customers	339,492,295		318,061,937	

The economic sector risk concentration analysis for loans and advances to customers is based on the type of industry of the borrowers.

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(e) Analysis of loans and advances to customers (gross) by type of collateral

	30 June 2022 RMB'000	31 December 2021 RMB'000
Guaranteed loans	138,146,301	136,184,651
Collateralised loans	91,481,818	91,070,650
Unsecured loans	56,426,270	48,041,918
Pledged loans	51,309,015	40,658,574
Accrued interest	2,128,891	2,106,144
Total	339,492,295	318,061,937

(f) Analysis of loans and advances to customers by overdue period

	30 June 2022				
	Overdue within 90 days (inclusive) RMB'000	Overdue for 90 days – 1 year (inclusive) RMB'000	Overdue for 1-3 years (inclusive) RMB'000	Overdue for more than 3 years RMB'000	Total RMB'000
Collateralised loans	2,132,888	903,296	401,352	108,207	3,545,743
Guaranteed loans	2,090,998	339,085	1,006,431	279,059	3,715,573
Unsecured loans	538,752	304,623	75,347	25,056	943,778
Pledged loans	377,338	137,425	–	–	514,763
Total	5,139,976	1,684,429	1,483,130	412,322	8,719,857

	31 December 2021				
	Overdue within 90 days (inclusive) RMB'000	Overdue for 90 days – 1 year (inclusive) RMB'000	Overdue for 1-3 years (inclusive) RMB'000	Overdue for more than 3 years RMB'000	Total RMB'000
Collateralised loans	2,270,493	854,203	417,898	129,554	3,672,148
Guaranteed loans	1,610,237	642,118	904,168	238,681	3,395,204
Unsecured loans	371,224	240,583	82,687	30,494	724,988
Pledged loans	636,232	–	22,741	–	658,973
Total	4,888,186	1,736,904	1,427,494	398,729	8,451,313

Notes to the Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Investment securities – FVOCI		
Debt securities – measured at fair value		
– Listed outside Hong Kong	26,821,348	21,900,014
– Listed in Hong Kong	7,409,365	6,195,354
– Unlisted	39,694,628	34,389,274
Total	73,925,341	62,484,642
Accrued interest	1,819,007	1,486,546
	75,744,348	63,971,188
Equity securities – measured at fair value		
– Unlisted	115,991	115,991
Others	14	14
	75,860,353	64,087,193

Unlisted investment securities measured at FVOCI are set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Debt securities – measured at fair value (unlisted)		
– Corporations	31,470,665	32,458,833
– Policy banks	709,711	1,117,018
– Commercial banks	4,487,889	612,857
– Governments	3,026,363	200,566
	39,694,628	34,389,274
Equity securities – measured at fair value (unlisted)		
– Equity investments	115,991	115,991
Total	39,810,619	34,505,265

19 INVESTMENT SECURITIES (Continued)

	30 June 2022 RMB'000	31 December 2021 RMB'000
Investment securities – amortised cost		
Debt securities – measured at amortised cost		
– Listed outside Hong Kong	2,579,893	10,106,458
– Unlisted	129,474,321	118,971,698
Total	132,054,214	129,078,156
Accrued interest	2,443,394	2,424,897
Less: ECL allowance	(948,269)	(1,038,526)
	133,549,339	130,464,527

Unlisted financial assets measured at amortised cost are set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Debt securities – measured at amortised cost (unlisted)		
– Trust investments ^(a)	6,510,233	8,630,698
– Asset management plans ^(b)	32,733,680	37,131,500
– Bonds	80,546,408	62,487,500
– Debt financing plans	9,684,000	10,722,000
Total	129,474,321	118,971,698

(a) Trust investments

	30 June 2022 RMB'000	31 December 2021 RMB'000
Trust investments purchased from trust companies		
– Collateralised by properties	3,769,052	5,288,017
– Guaranteed by the third-party companies	2,075,800	2,677,300
– Unsecured	665,381	665,381
Total	6,510,233	8,630,698

Notes to the Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

(b) Asset management plans

	30 June 2022 RMB'000	31 December 2021 RMB'000
Asset management plans purchased from securities companies		
– Guaranteed by third-party companies	476,000	1,275,000
– Collateralised by properties	488,000	488,000
Subtotal	964,000	1,763,000
Asset management plans purchased from asset management companies		
– Guaranteed by third-party companies	5,032,500	6,182,500
– Unsecured	26,737,180	29,186,000
Subtotal	31,769,680	35,368,500
Total	32,733,680	37,131,500

Movements of impairment allowance for investment securities are summarised below:

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Investment securities – FVOCI				
As at 31 December 2021	288,917	–	464,000	752,917
New financial assets originated or purchased	82,131	–	–	82,131
Remeasurement	(9,816)	–	–	(9,816)
Repayments	(28,743)	–	–	(28,743)
As at 30 June 2022	332,489	–	464,000	796,489
As at 31 December 2020	177,824	–	–	177,824
New financial assets originated or purchased	126,767	94,900	–	221,667
Remeasurement	8,029	–	369,100	377,129
Repayments	(23,703)	–	–	(23,703)
Transfers:				
<i>Transfer from Stage 2 to Stage 3</i>	–	(94,900)	94,900	–
As at 31 December 2021	288,917	–	464,000	752,917

19 INVESTMENT SECURITIES (Continued)

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Investment securities – amortised cost	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2021	568,339	50,005	420,182	1,038,526
New financial assets originated or purchased	9,050	–	–	9,050
Remeasurement	(36,958)	(5,233)	(88)	(42,279)
Repayments	(34,257)	(4,310)	(18,461)	(57,028)
Transfers:				
<i>Transfer from Stage 2 to Stage 1</i>	12,042	(12,042)	–	–
As at 30 June 2022	518,216	28,420	401,633	948,269
As at 31 December 2020	847,319	43,871	435,312	1,326,502
New financial assets originated or purchased	41,128	2,240	–	43,368
Remeasurement	(143,093)	(2,462)	69,737	(75,818)
Repayments	(164,596)	(6,063)	(84,867)	(255,526)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(20,076)	20,076	–	–
<i>Transfer from Stage 2 to Stage 1</i>	7,657	(7,657)	–	–
As at 31 December 2021	568,339	50,005	420,182	1,038,526

Notes to the Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

Movements of gross amount (excluding accrued interest) of investment securities are summarised below:

As at 30 June 2022 and as at 31 December 2021, debt securities of RMB500,000 thousand at fair value through other comprehensive income of the Group were in stage 3, and the ECL allowance on the above-mentioned debt instruments amounted to RMB464,000 thousand. Other debt securities at fair value through other comprehensive income were in stage 1.

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Investment securities – amortised cost				
As at 31 December 2021	126,254,758	1,952,000	871,398	129,078,156
New financial assets originated or purchased	20,502,626	–	–	20,502,626
Proceeds received	(17,201,702)	(283,000)	(41,866)	(17,526,568)
Transfers:				
<i>Transfer from Stage 2 to Stage 1</i>	250,000	(250,000)	–	–
As at 30 June 2022	129,805,682	1,419,000	829,532	132,054,214
As at 31 December 2020	110,238,369	1,200,000	1,109,083	112,547,452
New financial assets originated or purchased	39,069,748	235,000	–	39,304,748
Proceeds received	(22,306,359)	(230,000)	(237,685)	(22,774,044)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1,447,000)	1,447,000	–	–
<i>Transfer from Stage 2 to Stage 1</i>	700,000	(700,000)	–	–
As at 31 December 2021	126,254,758	1,952,000	871,398	129,078,156

19 INVESTMENT SECURITIES (Continued)

An analysis of investment securities by issuer is as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Investment securities – FVOCI		
– Corporations	65,493,123	60,084,188
– Policy banks	709,711	1,117,018
– Commercial banks	4,494,059	720,628
– Equity investments at fair value	115,991	115,991
– Other financial bonds	202,085	201,596
– Governments	3,026,363	361,212
– Others	14	14
Total	74,041,346	62,600,647
Accrued interest	1,819,007	1,486,546
	75,860,353	64,087,193
Investment securities – amortised cost		
– Trust companies	6,510,233	8,630,698
– Governments	80,533,869	69,980,313
– Securities companies	964,000	1,763,000
– Asset management companies	31,769,680	35,368,500
– Corporations	9,684,000	10,752,000
– Policy banks	2,472,432	2,463,645
– Commercial banks	120,000	120,000
Total	132,054,214	129,078,156
Accrued interest	2,443,394	2,424,897
Less: ECL allowance	(948,269)	(1,038,526)
	133,549,339	130,464,527

20 INVESTMENTS IN ASSOCIATES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Balance at the beginning of the period/year	2,228,158	1,945,081
Share of profits of associates	125,361	295,822
Declared cash dividends	(57,673)	(12,745)
Balance at the end of the period/year	2,295,846	2,228,158

On 15 June 2015, the Group invested RMB54,000 thousand in Mashang Consumer Finance Co., Ltd. (“Mashang Finance”) on its incorporation, and appointed a director. As at 14 August 2016, Mashang Finance increased its registered capital to RMB1,300,000 thousand, and the Group increased the investment to RMB205,270 thousand which accounted for 15.79% of the equity interest. On 13 July 2017, Mashang Finance further increased its registered capital to RMB2,210,294 thousand, and the Group increased the investment to RMB338,346 thousand, which accounted for 15.31% of the total registered capital. On 9 August 2018, Mashang Finance further increased its registered capital to RMB4,000,000 thousand, and the Group increased the investment to RMB655,142 thousand, which accounted for 15.53% of the equity interest.

Pursuant to the resolution of the board meeting of Chongqing Three Gorges Bank Co., Ltd. (“Three Gorges Bank”) on 21 April 2017, the Group appointed a director to the board of Three Gorges Bank, and therefore, the Group had significant influence on Three Gorges Bank. Three Gorges Bank became an associate of the Group. The investment of the Group amounted to RMB379,024 thousand, accounting for 4.97% of the equity interest of RMB5,573,975 thousand registered capital.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

21 PROPERTY, PLANT AND EQUIPMENT

	Assets under						Total RMB'000
	Buildings RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	operating leases RMB'000	Construction in progress RMB'000	
Cost							
As at 31 December 2021	3,143,267	10,375	610,689	153,075	178,975	459,100	4,555,481
Additions	6,812	1,479	33,106	20,213	–	25,275	86,885
Transfer from construction in progress	164,349	–	63	–	–	(164,412)	–
Disposals	(6,543)	(5)	(9,189)	(3,817)	(74)	–	(19,628)
As at 30 June 2022	3,307,885	11,849	634,669	169,471	178,901	319,963	4,622,738
Accumulated depreciation							
As at 31 December 2021	(822,790)	(9,359)	(419,010)	(108,693)	(41,708)	–	(1,401,560)
Charge for the period (<i>Note 9</i>)	(53,243)	(250)	(33,518)	(7,981)	(14,129)	–	(109,121)
Disposals	4,281	4	8,978	3,703	16	–	16,982
As at 30 June 2022	(871,752)	(9,605)	(443,550)	(112,971)	(55,821)	–	(1,493,699)
Impairment allowance	(1,500)	–	–	–	–	–	(1,500)
Net book value							
As at 30 June 2022	2,434,633	2,244	191,119	56,500	123,080	319,963	3,127,539

Notes to the Unaudited Interim Condensed Consolidated Financial Information

21 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Assets under		Total RMB'000
					operating leases RMB'000	Construction in progress RMB'000	
Cost							
As at 31 December 2020	3,058,596	9,851	552,564	143,723	178,975	516,935	4,460,644
Additions	21,478	524	68,075	16,642	–	64,219	170,938
Transfer from construction in progress	79,381	–	–	2,357	–	(81,738)	–
Disposals	(14,663)	–	(9,950)	(9,647)	–	(40,316)	(74,576)
Transfer to investment properties	(1,525)	–	–	–	–	–	(1,525)
As at 31 December 2021	3,143,267	10,375	610,689	153,075	178,975	459,100	4,555,481
Accumulated depreciation							
As at 31 December 2020	(730,333)	(8,835)	(367,540)	(105,712)	(13,444)	–	(1,225,864)
Charge for the year	(102,527)	(524)	(61,133)	(12,347)	(28,264)	–	(204,795)
Disposals	9,771	–	9,663	9,366	–	–	28,800
Transfer to investment properties	299	–	–	–	–	–	299
As at 31 December 2021	(822,790)	(9,359)	(419,010)	(108,693)	(41,708)	–	(1,401,560)
Impairment allowance							
As at 31 December 2020	–	–	–	–	–	(1,500)	(1,500)
Transfer from construction in progress	(1,500)	–	–	–	–	1,500	–
As at 31 December 2021	(1,500)	–	–	–	–	–	(1,500)
Net book value							
As at 31 December 2021	2,318,977	1,016	191,679	44,382	137,267	459,100	3,152,421

As at 30 June 2022, the cost of motor vehicles and machinery equipment leased out by the Group under operating lease arrangements was RMB178,901 thousand (31 December 2021: RMB178,975 thousand). The depreciation charged for the reporting period amounted to RMB14,129 thousand (for the six months ended 30 June 2021: RMB14,132 thousand). There were no clauses regarding the residual value guarantee under the lease contracts signed by the Group as a lessor.

As at 30 June 2022, the net value of the buildings whose registration procedures have not been completed was RMB80,348 thousand (31 December 2021: RMB93,489 thousand). The registration process has little impact on the Group's right to own the property, plant and equipment.

22 OTHER ASSETS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Other receivables ^(a)	344,400	372,134
Less: Impairment allowance ^(a)	(35,619)	(37,825)
Intangible assets ^(b)	309,765	305,079
Right-of-use assets ^(c)	275,229	242,168
Interest receivable	302,601	235,820
Continuing involvement in transferred assets	229,517	229,505
Fee and commission receivable	98,502	105,885
Foreclosed assets ^(d)	68,564	68,564
Leasehold improvements	56,593	49,279
Investment properties ^(e)	3,444	3,569
Others	50,901	99,792
	1,703,897	1,673,970

Notes to the Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(a) Other receivables

Movements of impairment allowance for other receivables:

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Other receivables				
As at 31 December 2021	5,348	17,163	15,314	37,825
New financial assets originated or purchased	326	–	–	326
Remeasurement	(212)	(3,430)	6,099	2,457
Write-off	–	–	(2,523)	(2,523)
Repayments	(464)	(96)	(1,906)	(2,466)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(54)	54	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(127)	–	127	–
<i>Transfer from Stage 2 to Stage 3</i>	210	(210)	–	–
<i>Transfer from Stage 3 to Stage 2</i>	–	(279)	279	–
As at 30 June 2022	5,027	13,202	17,390	35,619
As at 31 December 2020	1,093	69,370	102,559	173,022
New financial assets originated or purchased	1,300	–	–	1,300
Remeasurement	(11,271)	(11,138)	52,193	29,784
Write-off and transferred	–	–	(126,046)	(126,046)
Repayments	(604)	(22,610)	(17,021)	(40,235)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(54)	54	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(512)	–	512	–
<i>Transfer from Stage 2 to Stage 1</i>	15,396	(15,396)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(3,117)	3,117	–
As at 31 December 2021	5,348	17,163	15,314	37,825

22 OTHER ASSETS (Continued)**(a) Other receivables (Continued)**

Movements of gross amount of other receivables:

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Other receivables				
As at 31 December 2021	255,013	93,220	23,901	372,134
New financial assets originated or purchased	43,120	–	–	43,120
Proceeds received	(64,333)	(682)	(3,316)	(68,331)
Write-off	–	–	(2,523)	(2,523)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(4,368)	4,368	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(10,216)	–	10,216	–
<i>Transfer from Stage 2 to Stage 1</i>	1,483	(1,483)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(1,975)	1,975	–
As at 30 June 2022	220,699	93,448	30,253	344,400
As at 31 December 2020	170,187	312,321	151,682	634,190
New financial assets originated or purchased	131,760	–	–	131,760
Proceeds received	(85,456)	(122,818)	(26,564)	(234,838)
Write-off and transferred	–	–	(158,978)	(158,978)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(4,283)	4,283	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(40,827)	–	40,827	–
<i>Transfer from Stage 2 to Stage 1</i>	83,632	(83,632)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(16,934)	16,934	–
As at 31 December 2021	255,013	93,220	23,901	372,134

Notes to the Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(b) Intangible assets

	For the six months ended 30 June 2022 RMB'000	For the year ended 31 December 2021 RMB'000
Cost		
Balance at the beginning of the period/year	685,536	538,642
Additions	56,691	146,894
Disposals	(270)	–
Balance at the end of the period/year	741,957	685,536
Accumulated amortisation		
Balance at the beginning of the period/year	(380,457)	(292,999)
Amortisation for the period/year (Note 9)	(52,005)	(87,458)
Disposals	270	–
Balance at the end of the period/year	(432,192)	(380,457)
Net book value		
Balance at the end of the period/year	309,765	305,079

(c) Right-of-use assets

	Buildings RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Land use rights RMB'000	Total RMB'000
Cost					
As at 31 December 2021	167,995	4,120	–	186,905	359,020
Add: Additions	59,677	383	–	–	60,060
Less: Deductions	(2,415)	–	–	–	(2,415)
As at 30 June 2022	225,257	4,503	–	186,905	416,665
Accumulated depreciation					
As at 31 December 2021	(55,335)	(3,677)	–	(57,840)	(116,852)
Add: Depreciation charged for the period	(23,906)	(434)	–	(2,337)	(26,677)
Less: Deductions	2,093	–	–	–	2,093
As at 30 June 2022	(77,148)	(4,111)	–	(60,177)	(141,436)
Net book value					
As at 30 June 2022	148,109	392	–	126,728	275,229

Notes to the Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(c) Right-of-use assets (Continued)

	Buildings RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Land use rights RMB'000	Total RMB'000
Cost					
As at 31 December 2020	208,232	12,745	66	186,905	407,948
Add: Additions	59,771	–	–	–	59,771
Less: Deductions	(100,008)	(8,625)	(66)	–	(108,699)
As at 31 December 2021	167,995	4,120	–	186,905	359,020
Accumulated depreciation					
As at 31 December 2020	(79,850)	(10,527)	(2)	(53,167)	(143,546)
Add: Depreciation charged for the year	(36,530)	(1,775)	–	(4,673)	(42,978)
Less: Deductions	61,045	8,625	2	–	69,672
As at 31 December 2021	(55,335)	(3,677)	–	(57,840)	(116,852)
Net book value					
As at 31 December 2021	112,660	443	–	129,065	242,168

(d) Foreclosed assets

The categories and carrying amounts of the Group's foreclosed assets are set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Business properties	65,221	65,221
Residential properties	3,343	3,343
	68,564	68,564

The Group intends to dispose of foreclosed assets through various methods including auction, competitive bidding and transfer. For the six months ended 30 June 2022, the Group did not dispose of any foreclosed assets (for the year ended 31 December 2021: disposed of foreclosed assets of RMB5,850 thousand).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(e) Investment properties

	For the six months ended 30 June 2022 RMB'000	For the year ended 31 December 2021 RMB'000
Cost		
Balance at the beginning of the period/year	7,474	5,949
Transfer from property, plant and equipment	–	1,525
Balance at the end of the period/year	7,474	7,474
Accumulated depreciation		
Balance at the beginning of the period/year	(3,905)	(3,374)
Transfer from property, plant and equipment	–	(299)
Depreciation charged for the period/year	(125)	(232)
Balance at the end of the period/year	(4,030)	(3,905)
Net book value		
Balance at the end of the period/year	3,444	3,569

23 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Loans from the central bank	50,487,820	50,286,801
Placements from banks and other financial institutions	31,816,308	25,576,022
Deposits from banks	5,145,077	7,823,804
Deposits from other financial institutions	4,301,853	5,682,022
Securities sold under repurchase agreements	6,392,500	17,172,200
Total	98,143,558	106,540,849
Accrued interest	1,136,457	700,300
	99,280,015	107,241,149

Notes to the Unaudited Interim Condensed Consolidated Financial Information

24 CUSTOMER DEPOSITS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Corporate demand deposits	71,272,195	71,149,941
Corporate time deposits	127,787,642	108,914,851
Individual demand deposits	17,698,651	17,235,404
Individual time deposits	139,915,248	122,683,998
Other deposits	15,458,008	15,202,061
Total	372,131,744	335,186,255
Accrued interest	4,608,205	3,509,088
	376,739,949	338,695,343

25 DEBT SECURITIES ISSUED

	30 June 2022 RMB'000	31 December 2021 RMB'000
Subordinated bonds		
Fixed rate Tier II capital bond – 2027 ^(a)	–	5,997,964
Fixed rate Tier II capital bond – 2032 ^(b)	4,999,424	–
Financial bonds		
Fixed rate small and micro business debt – 2023 ^(c)	2,000,000	2,000,000
Fixed rate small and micro business debt – 2024 ^(d)	1,999,789	1,999,722
Fixed rate green financial bond -2024 ^(e)	1,999,880	1,999,846
Fixed rate financial bond – 2024 ^(f)	1,499,393	1,199,250
Convertible Bonds ^(g)	12,034,950	–
Inter-bank certificates of deposit ^(h)	104,155,424	105,268,656
Total	128,688,860	118,465,438
Accrued interest	155,944	386,632
	128,844,804	118,852,070

(a) Pursuant to a resolution at the general meeting passed on 17 June 2016 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Yin Jian Fu [2016] No. 162) by the CBIRC Chongqing Bureau on 30 November 2016, the Bank issued RMB6 billion Tier II capital bonds in the domestic inter-bank bond market of China on 20 March 2017. Such Tier II bonds have a maturity of 10 years, with a fixed coupon rate of 4.80% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 21 March 2022. The bank redeemed the bonds on 21 March 2022.

25 DEBT SECURITIES ISSUED (Continued)

- (b) Pursuant to a resolution at the general meeting passed on 20 November 2020 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Yin Bao Jian Fu [2022] No. 17) by the CBIRC Chongqing Bureau on 20 January 2022, the Bank issued RMB5 billion Tier II capital bonds in the domestic inter-bank bond market of China on 24 March 2022. Such Tier II bonds have a maturity of 10 years, with a fixed coupon rate of 3.73% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 28 March 2027.

The debts has the write-down characteristics of the tier II capital instrument. When the supervised trigger events which are appointed in the issuing document occur, the Bank has the right to write down the principal of the debts and any accumulated interest payables will not be paid as well. According to the related regulations issued by the CBIRC, the tier II capital bonds meet the standards of the qualified tier II capital instrument.

- (c) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Special Financial Bonds for small and micro business loans (Yu Yin Bao Jian Fu [2020] No. 205) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 2 November 2020. Such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.73% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (d) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Special Financial Bonds for small and micro business loans (Yu Yin Bao Jian Fu [2020] No. 205) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 22 January 2021. Such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.50% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (e) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Green Financial Bonds (Yu Yin Bao Jian Fu [2020] No. 202) by the CBIRC Chongqing Bureau on 15 September 2020, the Bank issued RMB2 billion first phase of green financial bonds in the domestic inter-bank bond market of China on 16 March 2021. Such bonds have a maturity of 3 years, with a fixed coupon rate of 3.57% per annum before maturity, payable annually. The proceeds from this issue were used to support the green industry project specified in the Green Bond Support Project Catalogue compiled by the Green Finance Specialised Committee of the China Financial Association.
- (f) Pursuant to a resolution at the general meeting passed on 27 December 2019 and the Approval for Chongqing Xinyu Financial Leasing Co., Ltd. to Issue Financial Bonds (Yu Yin Bao Jian Fu [2020] No. 175) by the CBIRC Chongqing Bureau on 27 August 2020, Chongqing Xinyu Financial Leasing Co., Ltd. issued RMB1.5 billion Innovation-and-entrepreneurship-themed bonds in the domestic inter-bank bond market of China on 23 June 2021. Such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.95% per annum before maturity, payable annually. All proceeds raised were used for the launch of financial leasing projects. As at 30 June 2022, the outstanding balance of the bond of the Group was RMB1.5 billion (31 December 2021: RMB1.2 billion).
- (g) Pursuant to a resolution at the general meeting passed on 20 May 2021, and the Approval for Bank of Chongqing Co., Ltd. to Publicly Issue A-share Convertible Bonds (Yu Yin Bao Jian Fu [2021] No. 227) by the CBIRC Chongqing Bureau on 26 September 2021, and the Approval for Bank of Chongqing Co., Ltd. to Publicly Issue Convertible Bonds (Zheng Jian Xu Ke [2022] No. 505) by China Securities Regulatory Commission on 11 March 2022, the Bank publicly issued A-share convertible bonds with a total nominal amount of RMB13 billion (the "Convertible Bonds") on 23 March 2022. The Convertible Bonds have a maturity term of six years from 23 March 2022 to 22 March 2028, and bear a fixed interest rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year and 3.50% for the sixth year. The Convertible Bond holders may exercise their rights to convert the Convertible Bonds into the Bank's A shares at the stipulated conversion price during the year beginning six months after the date of issuance until the maturity date (the "Conversion Period"). Within 5 trading days after maturity, the Bank shall redeem the outstanding Convertible Bonds at 110% of the par value, including interest for the sixth year.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

25 DEBT SECURITIES ISSUED (Continued)

The liability and equity components of the convertible bonds issued by the Bank are broken down as follows:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
Nominal value of convertible bonds	11,926,926	1,073,074	13,000,000
Direct transaction costs	(15,033)	(1,353)	(16,386)
Balance as at the issuance date	11,911,893	1,071,721	12,983,614
Amortisation during the period	123,057	–	123,057
Conversion amount during the period	–	–	–
Balance as at 30 June 2022	12,034,950	1,071,721	13,106,671

During the conversion period, if the closing price of the Bank's A Shares is not lower than or equal to 130% of the prevailing conversion price in at least 15 trading days out of any 30 consecutive trading days, subject to the approval by relevant PRC authorities (if needed), the Bank has the right to redeem all or part of the outstanding convertible bonds at par value plus accrued interest on the first day on which the redemption criteria are met. In case that the Bank's conversion price is adjusted due to the ex-right or ex-dividend at these trading days, the pre-adjustment price is calculated at the conversion price and the closing price at the trading day before the adjustment, and the post-adjustment price is calculated at the conversion price and the closing price at the trading day after the adjustment. The Bank also has the right to redeem all the convertible bonds at par value plus accrued interest should the total outstanding amount be less than RMB30 million.

Based on the calculation method in the prospectus of the convertible bonds, the initial conversion price is RMB11.28 per share, no less than the average trading price of the Bank's A shares within 20 trading days before the announcement date of the prospectus (if the stock price is adjusted due to the ex-right or ex-dividend within these 20 trading days, the pre-adjustment price is calculated at the related adjusted price), the average trading price of the Bank's A shares at the previous trading day, as well as the latest audited net asset value per share and the face value.

For the six months ended 30 June 2022, the Bank did not pay any interest on the convertible bonds.

- (h) For the six months ended 30 June 2022, the Bank issued 76 inter-bank certificates of deposit at discounts with maturities from one month to one year and annual interest rates between 1.56% and 2.70% (for the year ended 31 December 2021: 175 inter-bank certificates of deposit with maturities from one month to one year and annual interest rates between 2.02% and 3.28%). As at 30 June 2022, 133 inter-bank certificates of deposit were not yet due with a total par value of RMB105.38 billion (31 December 2021: 139 were not due with a total par value of RMB106.68 billion).

For the six months ended 30 June 2022, there were no defaults of principal and interest or other breaches with respect to these bonds since their issuance (for the year ended 31 December 2021: nil).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

26 OTHER LIABILITIES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Lease deposit	1,937,850	1,648,685
Dividends payable	1,481,908	93,024
Other payables	1,202,318	744,322
Employee benefits payable	606,933	719,387
Deferred income	533,315	484,170
Value-added tax and other taxes payable	240,254	287,765
Continuing involvement in transferred liabilities	229,517	229,505
Provisions	247,230	195,231
Clearing funds for wealth management products	87,040	117,084
Lease liabilities	122,950	96,777
Others	38,426	48,223
	6,727,741	4,664,173

27 DEFERRED INCOME TAXES

The movements in the deferred income tax account are set out below:

	For the six months ended 30 June 2022 RMB'000	For the year ended 31 December 2021 RMB'000
Balance at beginning of the period/year	3,846,343	3,353,016
Charge to profit or loss (<i>Note 12</i>)	320,221	595,820
Changes in fair value of financial assets at FVOCI	109,284	46,959
Changes in ECL allowance of financial assets at FVOCI	(10,307)	(149,452)
Balance at end of the period/year	4,265,541	3,846,343

Notes to the Unaudited Interim Condensed Consolidated Financial Information

27 DEFERRED INCOME TAXES (Continued)

Deferred tax assets and liabilities are attributable to the following items:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Asset impairment allowances	4,184,671	3,916,675
Losses on changes in fair value of financial assets at FVPL	10,455	–
Others	290,866	299,548
Deferred tax assets	4,485,992	4,216,223
Gains on changes in fair value of financial assets at FVPL	(31,526)	(81,950)
Gains on changes in fair value of financial assets at FVOCI	–	(98,829)
Share of profits from associates under the equity method	(144,067)	(144,067)
Others	(44,858)	(45,034)
Deferred tax liabilities	(220,451)	(369,880)
Net deferred tax assets	4,265,541	3,846,343

Deferred income tax in the consolidated statement of comprehensive income comprises the following temporary differences:

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Asset impairment allowances	278,303	419,803
Changes in fair value of financial assets at FVPL	50,424	(105,322)
Others	(8,506)	(22,690)
	320,221	291,791

Other deferred tax assets of the Group are mainly generated by accelerated depreciation of property, plant and equipment, unpaid salaries and bonuses, advances from customers and government grants.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

28 RETIREMENT BENEFIT OBLIGATIONS

The Group provides supplementary retirement benefits to employees in Mainland China who retired before 30 June 2011. The Group's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of future benefits that the Group is committed to paying to the employees after their retirement using actuarial techniques. Such benefits are discounted to determine their present values. The discount rate is the yield on government bonds at the reporting date, the maturity dates of which approximate to the terms of the Group's obligations. Actuarial gains and losses, changes in actuarial assumptions and amendments to the pension plan are charged or credited to the consolidated statement of comprehensive income as they occur. The amounts recognised in the consolidated statement of financial position represent the present value of unfunded obligations plus any unrecognised actuarial gains and losses net of any unrecognised past service cost.

Since 1 January 2010, employees of the Group voluntarily participate in an annuity plan set up by the Group in accordance with the state's corporate annuity regulations. The Group contributes to the annuity plan based on a certain percentage of the employees' gross salary in previous years, which is recognised in the consolidated statement of comprehensive income.

The Group has not forfeited any retirement benefit scheme contributions (i.e., contributions which are processed by the employer on behalf of the employee after the employee has withdrawn from the scheme before the relevant contributions become his/her own). At 30 June 2022, there are no forfeited contributions under the Group's retirement benefit plans which can be used to deduct contributions payable for future years.

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Expenses incurred on retirement benefit plan	70,959	63,316
Expenses incurred on supplementary retirement benefits	134	585
Expenses incurred on corporate annuity plan	32,323	27,965
Total	103,416	91,866

Supplementary retirement benefits

	30 June 2022 RMB'000	31 December 2021 RMB'000
Liabilities listed in consolidated statement of financial position:		
– Retirement benefits	17,893	17,671

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Expenses charged in consolidated statement of profit or loss:		
– Retirement benefits	134	585

Notes to the Unaudited Interim Condensed Consolidated Financial Information

28 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Supplementary retirement benefits (Continued)

The amounts recognised in the consolidated statement of financial position are determined as below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Present value of unfunded obligations	17,893	17,671
Unrecognised past service cost	–	–
Net amount of liabilities in the consolidated statement of financial position	17,893	17,671

29 SHARE CAPITAL

All shares of the Bank issued are fully paid ordinary shares. The par value per share is RMB1. The number of the Group's shares is as follows:

	31 December 2021	Additions for the period	Deductions for the period	30 June 2022
Quantity in shares	3,474,505	–	–	3,474,505
Carrying amount in RMB (in thousands)	3,474,505	–	–	3,474,505

30 OTHER EQUITY INSTRUMENTS

	30 June 2022 RMB'000	31 December 2021 RMB'000
Preference shares (<i>note 30 (a), (b), (c)</i>)	4,909,307	4,909,307
Equity of convertible bonds (<i>note 25(g)</i>)	1,071,721	–
Total	5,981,028	4,909,307

Notes to the Unaudited Interim Condensed Consolidated Financial Information

30 OTHER EQUITY INSTRUMENTS (Continued)

(a) Preference shares outstanding at the end of the period

	Issue date	Dividend rate	Issue price	Quantity	In original		Maturity	Conversion
			in original		currency	(USD, in		
			currency	in shares	thousand)	(in thousand)		
			(in USD)					
Offshore preference share	20 December 2017	5.40% at the issue date, and resets in the following periods according to the agreement. Dividend rate shall not at any time exceed 16.21% per annum.	20	37,500,000	750,000	4,909,307	No maturity date	No conversion during the period

(b) Movement of preference shares

	31 December 2021	Additions for the period	Deductions for the period	30 June 2022
Quantity in shares	37,500,000	–	–	37,500,000
Carrying amount in RMB (in thousands)	4,909,307	–	–	4,909,307

	31 December 2020	Additions for the year	Deductions for the year	31 December 2021
Quantity in shares	37,500,000	–	–	37,500,000
Carrying amount in RMB (in thousands)	4,909,307	–	–	4,909,307

30 OTHER EQUITY INSTRUMENTS (Continued)

(c) Main clauses

(1) Dividend rate

The offshore preference shares will accrue dividends on their liquidation preference at the relevant dividend rate below:

- (i) from the issue date (inclusive) to the first reset date (exclusive), at the initial dividend rate; and
- (ii) thereafter, in respect of the period from the first reset date and each reset date falling thereafter (inclusive) to the immediately following reset date (exclusive), at the relevant reset dividend rate; provided that the dividend rate shall not at any time exceed 16.21% per annum, which is the mean of the weighted average return on equity of the Bank (as determined in accordance with the Rules for Preparation of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share as amended in 2010 and calculated based on the return attributable to ordinary shareholders) for the two most recent financial years prior to the issue date.

(2) Conditions of distribution of dividends

The Bank could pay dividends to the offshore preference shareholders while the Bank still has distributable after-tax profit after making up previous years' losses, contributing to the statutory reserve and making general provisions, and the Bank's capital adequacy ratio meets regulatory requirements. The Bank may distribute dividends after announcing the resolution of dividend distribution by the Board of Directors according to the Articles of Association of the Bank.

Subject to the resolutions to be passed at a shareholders' general meeting of the Bank on each occasion, the Bank is entitled to cancel all or a portion of the dividends planned to distribute at interest date through terms and conditions. The Bank has the right to dispose of the capital obtained from cancelling the dividend distribution to pay other due debts. Except as provided in the terms and conditions, the offshore preference shareholders are not entitled to hold, attend or vote at such shareholders' general meeting.

When the resolution on cancelling the dividends for offshore preference shares is partially or entirely passed at the shareholders' general meeting, the Bank shall deliver the aforementioned notice to the offshore preference shareholders and financial agents as early as possible and, at the latest, prior to 10 working days before the corresponding dividend date (subject to terms and conditions). However, the Bank's dividends cancelled partially or entirely remain unchanged without delivering such notice, which does not constitute a breach of contract.

If the decision of cancelling dividends for offshore preference shares during the year partially or entirely was made at the shareholders' general meeting, the Bank has no obligation for dividend distribution or any distribution of ordinary shares or those ranking after or specified as subsequent to offshore preference shares.

30 OTHER EQUITY INSTRUMENTS (Continued)

(c) Main clauses (Continued)

(3) Conversion

If any trigger event occurs, the Bank shall (having notified and obtained the consent of the CBIRC but without the need for the consent of the preference shareholders or the ordinary shareholders):

- (i) cancel any dividend in respect of the relevant loss absorption amount that is unpaid and accrued up to the conversion date (inclusive); and
- (ii) irrevocably and compulsorily convert with effect from the conversion date all or some of the offshore preference shares into H Shares. The number of the H shares is equal to (i) the loss absorption amount held by the offshore preference shareholders (as converted into Hong Kong dollars at the fixed exchange rate of U.S.\$1.00 to HK\$7.7628) divided by (ii) the effective conversion price rounded down (to the extent permitted by applicable laws and regulations) to the nearest whole number of H Shares (such conversion to H Shares being referred to as a "Conversion", and "Converted" shall have a corresponding meaning), and any fractional share less than one H Share resulting from the conversion will not be issued and no cash payment or other adjustment will be made in lieu thereof.

Trigger event means additional Tier 1 Capital Instrument trigger event or non-viability trigger event (whichever is applicable). Among them, additional Tier 1 Capital Instrument trigger event means, at any time, the Core Tier 1 Capital Adequacy Ratio of the Bank has fallen to 5.125% or below. Non-viability trigger event refers to the earlier of below events:

- (i) the CBIRC having decided that without a conversion or write-off of the Bank's capital, the Bank would become non-viable; and
- (ii) the relevant authorities having decided that without a public sector injection of capital or equivalent support, the Bank would become non-viable.

(4) Order of distribution and liquidation method

On winding-up of the Bank, distribution to offshore preference shareholders is made in the order set out below:

- (i) After all debts of the Bank (including subordinated debts) and obligations that are issued or guaranteed by the Bank and specifically stated to be distributed prior to the offshore preference shares;
- (ii) All offshore preference shareholders are ranked the same in the distribution sequence without priority among them and have the same repayment sequence rights as holders of obligations with equivalent rights; and
- (iii) Distribution is made to offshore preference shareholders prior to ordinary shareholders.

30 OTHER EQUITY INSTRUMENTS (Continued)

(c) Main clauses (Continued)

(4) *Order of distribution and liquidation method (Continued)*

On winding-up of the Bank, the property will be paid in the following order:

- (i) the liquidation costs;
- (ii) the staff costs, social insurance costs and statutory compensation;
- (iii) the personal savings deposit principal and its legal interest;
- (iv) the taxes payable; and
- (v) the debts of the Bank.

On liquidation of the Bank, after being allocated in accordance with the forementioned order, any remaining property of the Bank shall be used to settle claims raised by offshore preference shareholders. The offshore preference shareholders shall share in the same proportion and in all aspects with holders who have an equal obligation and repayment sequence and in priority to the claims of the holders of ordinary shares. On liquidation of the Bank, for each offshore preference share, the amounts of the offshore preference shareholders obtained from each offshore preference share are equal to the liquidation priority amounts of the offshore preference shares plus the dividends declared but not yet paid in the current interest period of the offshore preference shares.

If the remaining assets of the Bank are insufficient to cover the offshore preference shares and all payables with an equal repayment sequence in the liquidation, the offshore preference shareholders and the holders of such obligations with the equal repayment sequence will prorate the remaining assets of the Bank (if any) in accordance with the total amount they are entitled to.

(5) *Redemption*

After obtaining CBIRC's approval while satisfying the terms and conditions of preconditions for dividend payment and redemption, the Bank is entitled to redeem all or part of the offshore preference shares on the first replacement price date and any subsequent interest payment dates after notifying the offshore preference shareholders and financial agents at least 30 days in advance, but not exceeding 60 days. The redemption price of the offshore preference shares equals to the liquidation priority amount of the offshore preference shares plus the total amount of dividends declared but not yet paid from the previous payment date (inclusive) to the planned redemption date (exclusive).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

31 CAPITAL SURPLUS

Generally, transactions of the following nature are recorded in the capital surplus:

- (a) Share premium arising from the issue of shares at prices in excess of their par value;
- (b) Donations received from shareholders; and
- (c) Any other items required by the PRC regulations.

Capital surplus can be utilised for the issuance of bonus shares or for increasing paid-in capital as approved by the shareholders at the annual general shareholders' meeting.

Share premium was recorded in the capital surplus after deducting direct issue costs which mainly included underwriting fees and professional fees.

The Group's capital surplus was set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Share premium	8,037,676	8,037,676
Others	7,032	7,032
	8,044,708	8,044,708

32 OTHER RESERVES

	Surplus reserve ^(a) RMB'000	General reserve ^(b) RMB'000	Revaluation reserve of equity instruments at FVOCI RMB'000	Revaluation reserve of debt instruments at FVOCI RMB'000	Impairment allowance for financial assets at FVOCI RMB'000	Remeasurement of retirement benefit plan RMB'000	Total RMB'000
Balance at 31 December 2021	3,910,149	6,880,205	80,543	216,121	618,622	(4,004)	11,701,636
Other comprehensive income	-	-	-	(327,851)	30,919	(638)	(297,570)
Appropriation reserve	-	510,554	-	-	-	-	510,554
Balance at 30 June 2022	3,910,149	7,390,759	80,543	(111,730)	649,541	(4,642)	11,914,620
Balance at 31 December 2020	3,458,521	6,295,346	201,300	236,242	170,264	(5,352)	10,356,321
Other comprehensive income	-	-	(120,757)	(20,121)	448,358	1,348	308,828
Appropriation reserve	451,628	584,859	-	-	-	-	1,036,487
Balance at 31 December 2021	3,910,149	6,880,205	80,543	216,121	618,622	(4,004)	11,701,636

(a) Surplus reserve

In accordance with the Company Law of the People's Republic of China and the Articles of Association, 10% of the net distributable profit of the Bank and its subsidiaries, is required to be transferred to a non-distributable statutory reserve until such time when this reserve represents 50% of the registered capital. With approval, statutory surplus reserve can be used for making up losses, or increasing the share capital.

The Group's statutory surplus reserve as at 30 June 2022 amounted to RMB3,910,149 thousand (31 December 2021: RMB3,910,149 thousand).

(b) General reserve

The Bank and its subsidiaries appropriated general reserves according to Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance (MOF) on 30 March 2012. In principle, the balance of general reserve shall not be less than 1.5% of the ending balance of risk assets.

A general reserve of RMB423,265 thousand was appropriated based on 1.5% of the ending balance of risk assets for the year ended 31 December 2021, which has been approved at the Annual General Meeting of Shareholders on 23 June 2022. For the six months ended 30 June 2022, the Bank appropriated a general reserve of RMB423,265 thousand from retained earnings (for the six months ended 30 June 2021: RMB584,859 thousand).

33 DIVIDENDS

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Dividends declared during the period	1,355,057	1,295,990
Dividend per share (in RMB)	0.390	0.373

Under the *Company Law of the People's Republic of China* and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowances for the following:

- (i) Making up prior year's cumulative losses, if any;
- (ii) Allocations to the non-distributable statutory surplus reserve of 10% of the net profit of the Bank.

In accordance with the relevant regulations, after the Bank's initial public offering, the net profit after tax of the Bank for the purpose of profit distribution is deemed to be the lower of (i) the distributable profits determined in accordance with the PRC Generally Accepted Accounting Principles and (ii) the distributable profits determined in accordance with IFRS.

A dividend of RMB0.390 per share in respect of profit for the year ended 31 December 2021 (2020: RMB0.373 per share), amounting to a total dividend of RMB1,355,057 thousand based on the number of shares issued as at 31 December 2021, was approved at the Annual General Meeting on 23 June 2022.

34 STRUCTURED ENTITIES

(a) Consolidated structured entities

The consolidated structured entities of the Group are wealth management products controlled by the Group, but issued and managed by independent third parties.

As at 30 June 2022, there were no structured entities consolidated by the Group (31 December 2021: RMB2,026,559 thousand).

(b) Unconsolidated structured entities

(i) *Unconsolidated structured entities managed by the Group*

The unconsolidated structured entities managed by the Group were mainly unsecured wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential targeted clients, the Group designed and sold capital investments and management plans to specific targeted clients, and the raised funds were then put into related financial markets or invested in related financial products according to the product contracts. Gains would be allocated to investors after the Group obtained the gains from investments. The Group received the corresponding wealth management commission fee income as the asset manager. The Group has recognised net commission income from unsecured wealth management products with the amount of RMB333,117 thousand for the six months ended 30 June 2022 (for the six months ended 30 June 2021: RMB294,300 thousand). The Group expects that the variable return it enjoys is insignificant as to the structured entities.

As at 30 June 2022, asset investments from the unsecured wealth management products issued and managed by the Group which were unconsolidated structured entities amounted to RMB53,159,420 thousand (31 December 2021: RMB52,391,448 thousand). The balance of unconsolidated wealth management products issued and managed by the Group amounted to RMB53,051,889 thousand (31 December 2021: RMB52,275,708 thousand).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

34 STRUCTURED ENTITIES (Continued)

(b) Unconsolidated structured entities (Continued)

(ii) Unconsolidated structured entities invested by the Group

The unconsolidated structured entities invested by the Group for the six months ended 30 June 2022 mainly included trust investments, asset management plans and fund investments. The Group made such investments in order to make a better use of the capital for profit-making.

The table below lists the carrying amounts and maximum risk exposure to loss of the assets due to the holding of interests from unconsolidated structured entities.

	30 June 2022		31 December 2021	
	Carrying amount RMB'000	Maximum risk exposure to loss RMB'000	Carrying amount RMB'000	Maximum risk exposure to loss RMB'000
Financial assets at FVPL	23,333,490	23,333,490	18,666,050	18,666,050
Investment securities – amortised cost	38,429,023	38,429,023	44,561,876	44,561,876
	61,762,513	61,762,513	63,227,926	63,227,926

The market information of total size of the unconsolidated structured entities listed above is not readily available to the public.

The interest income and fee and commission income from the above unconsolidated structured entities managed or invested by the Group were:

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest income	1,724,753	2,232,396
Net gains on investment securities	565,950	803,919
Fee and commission Income	333,117	294,300
	2,623,820	3,330,615

For the six months ended 30 June 2022, the Group had no plan to provide liquidity support to unconsolidated structured entities (for the six months ended 30 June 2021: Nil). For the six months ended 30 June 2022, the Group had no plans to provide any financial or other support to the unconsolidated structured entities (for the six months ended 30 June 2021: nil).

35 FINANCIAL GUARANTEES AND CREDIT RELATED COMMITMENTS, OTHER COMMITMENTS AND CONTINGENT LIABILITIES

Financial guarantees and other credit related commitments

The following tables indicate the contractual amounts of the Group's financial guarantees and credit related commitments which the Group has committed to customers:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Acceptances	50,431,088	40,136,679
Letters of credit	8,908,772	10,407,922
Guarantees	4,024,819	4,075,148
Confirmations	110,500	–
Other commitments with an original maturity of – Within 1 year	7,002,422	6,195,238
Total	70,477,601	60,814,987

Capital expenditure commitments

	30 June 2022 RMB'000	31 December 2021 RMB'000
Contracted but not provided for:		
– Capital expenditure commitments for buildings	33,716	63,068
– Acquisition of IT system	84,339	143,587
Total	118,055	206,655

External investment commitments

As at 30 June 2022, the Group had no external investment commitments (31 December 2021: nil).

Legal proceedings

Legal proceedings are initiated by third parties against the Group as defendant. As at 30 June 2022, the Group had 7 outstanding legal claims amounting to RMB263,246 thousand (31 December 2021: the Group had 21 outstanding legal claims amounting to RMB266,099 thousand). After consulting legal professionals, management of the Group believes that, at the current stage, these legal proceedings and arbitrations will not have a material impact on the financial position or operation results of the Group.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

36 COLLATERAL

(a) Assets pledged

The carrying amounts of assets pledged as collateral under repurchase agreements are set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Bonds	8,733,793	18,460,752
Total	8,733,793	18,460,752

The carrying amounts of assets pledged as collateral under borrowings from the PBOC are set out below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Loans	2,837,986	11,740,631
Bonds	51,001,426	51,564,637
Total	53,839,412	63,305,268

As at 30 June 2022, the Group's repurchase agreements and refinance agreements were primarily due within 12 months from the effective dates of these agreements (31 December 2021: same).

(b) Collateral accepted

The Group received bonds and bills as collateral in connection with the purchase of assets under resale agreements. Certain of the assets collateralised can be resold or re-pledged.

As at 30 June 2022, the Group has accepted collateral that can be resold or re-pledged with a fair value of RMB50,257,889 thousand (31 December 2021: RMB37,659,509 thousand). The Group has no re-pledged collateral which has to be returned upon maturity as at 30 June 2022 (31 December 2021: nil).

37 OTHER COMPREHENSIVE INCOME

	Before tax amount RMB'000	Income tax RMB'000	Net of tax amount RMB'000
For the six months ended 30 June 2022			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of debt investments measured at FVOCI	(437,135)	109,284	(327,851)
Credit loss provision for financial assets measured at FVOCI	41,226	(10,307)	30,919
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of retirement benefit plans	(851)	213	(638)
Other comprehensive income for the period	(396,760)	99,190	(297,570)
<hr/>			
	Before tax amount RMB'000	Income tax RMB'000	Net of tax amount RMB'000
For the six months ended 30 June 2021			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of debt investments measured at FVOCI	(273,931)	68,517	(205,414)
Credit loss provision for financial assets measured at FVOCI	291,591	(72,897)	218,694
<i>Items that will not be reclassified to profit or loss:</i>			
Net losses on valuation of equity securities measured at FVOCI	(164,680)	41,170	(123,510)
Remeasurement of retirement benefit plans	3,077	(769)	2,308
Other comprehensive income for the period	(143,943)	36,021	(107,922)

38 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than three months used for the purpose of meeting short-term cash commitments:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Cash and balances with the central bank	5,053,757	9,997,985
Due from banks and other financial institutions	4,589,471	6,707,428
Placements with banks	837,416	323,150
Cash and cash equivalents	10,480,644	17,028,563

(b) Cash outflows relating to leases

For the six months ended 30 June 2022, total cash outflows paid by the Group as a lessee amounted to RMB32,786 thousand (for the six months ended 30 June 2021: RMB22,295 thousand), of which cash payments for the principal portion and interest portion of the lease liabilities as cash flows from financing activities amounted to RMB31,813 thousand (for the six months ended 30 June 2021: RMB18,195 thousand), and the rest, generated from the rental expenses prepaid for lease exempted from recognition of right-of-use assets and lease liabilities, which resulted from a lease term of 12 months or less or an underlying asset of low value based on the value of the asset when it is new, were included in operating activities.

39 FINANCIAL ASSETS TRANSFER

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose entities. In some cases where these transferred financial assets qualify for derecognition, the transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

(a) Disposal of loans and advances

For the six months ended 30 June 2022, the Group disposed of loans with a gross amount of RMB873,374 thousand to third parties for RMB351,513 thousand. As at 30 June 2022, all receivables had been collected. The Group derecognised the loans accordingly.

For the year ended 31 December 2021, the Group disposed of loans with a gross amount of RMB1,430,983 thousand to third parties for RMB577,372 thousand. As at 31 December 2021, the remaining balance amounting to RMB26,000 thousand had not been collected yet and would be collected in the future by installment. As at 31 December 2021, there were no defaults. The Group derecognised the loans accordingly.

39 FINANCIAL ASSETS TRANSFER (Continued)

(b) Asset securitisation

The Group enters into securitisation transactions in the normal course of business by which it transfers credit assets to trust companies or special purpose trusts which issue asset-backed securities to investors.

The Group may retain interests in the form of subordinated tranches which may give rise to the Group's continuing involvement in the transferred assets. Those financial assets are recognised to the extent of the Group's continuing involvement, while the rest are derecognised. The extent of the Group's continuing involvement is the extent to which the Group is exposed to changes in the value of the transferred assets.

As at 30 June 2022, assets continuously recognised by the Group amounting to RMB229,517 thousand have been securitised by the Group under arrangements in which the Group retained a continuing involvement in such assets in the form of holding subordinated tranches (31 December 2021: RMB229,505 thousand).

40 RELATED PARTY TRANSACTIONS

(a) Related parties of the Group

The related parties of the Group mainly include: the major shareholders of the Bank (shareholders who have 5% or more shares, and shareholders who have less than 5% shares but have significant influence on the Bank) as well as the entities controlled by them, the Bank's associates, key management personnel (including the directors, supervisors and senior management) and their family members who have close relationships with them as well as the entities which are controlled, jointly controlled or can be significantly influenced by the key management personnel or their family members, and the entities, except the Group, in which the key management personnel or their close family members act as directors or senior management.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

40 RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions and balances

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest income from loans and advances to customers	126,583	89,180
Interest income from investment securities	30,240	35,264
Interest expense for customer deposits	95,747	40,104
Fee and commission income	2,665	2,491
Interest income from financial assets held under resale agreements	–	199
Interest expense for financial assets sold under repurchase agreements	157	–
Consideration of credit asset transfers	214,452	26,000

	30 June	31 December
	2022 RMB'000	2021 RMB'000
Loans and advances to customers	6,197,030	6,886,829
Customer deposits	7,747,781	9,480,191
Due to and placements from banks and other financial institutions	130,195	480,692
Due from banks and other financial institutions	256	19,446
Other receivables	49,606	69,806
Investment securities at amortised cost	500,000	500,000
Investment securities at FVOCI	1,850,000	1,430,000
Bank acceptance bills	248,725	214,962

	30 June	31 December
	2022	2021
Loans and advances to customers	3.00%-8.33%	3.19%-8.33%
Customer deposits	0.01%-3.99%	0.01%-5.40%
Due to and placements from banks and other financial institutions	0.30%-2.85%	0.39%-2.85%
Financial assets held under resale agreements	NA	0.83%-3.19%
Financial assets sold under repurchase agreements	1.88%-1.98%	NA
Investment securities at amortised cost	6.52%	6.52%
Investment securities at FVOCI	2.40%-6.50%	2.55%-5.60%
Due from banks and other financial institutions	0.01%	0.05%-0.35%

Notes to the Unaudited Interim Condensed Consolidated Financial Information

40 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances of loans and advances to customers guaranteed by the related parties

	30 June 2022 RMB'000	31 December 2021 RMB'000
Chongqing Xingnong Financing Guarantee Co., Ltd.	897,289	931,639
Chongqing Sanxia Financing Guarantee Group Corporation	1,245,040	859,414
Chongqing Education Guarantee Co., Ltd.	40,890	40,890
Chongqing Yutai Guarantee Co., Ltd.	25,950	27,400
Chongqing Jiaotong Financing Guarantee Co., Ltd.	147,013	173,350
Chongqing Financing Re-guarantee Co., Ltd.	143,450	183,220
	2,499,632	2,215,913

(d) Transactions between the Bank and its subsidiaries

Related party transactions between the Bank and its subsidiaries are conducted on the basis of normal business procedure or contractual terms. They are examined and approved in accordance with the transaction type and content by the corresponding decision-making authority.

Transactions and balances are as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Due to and placements from banks and other financial institutions	722,744	1,065,967
Due from and placements with banks and other financial institutions	1,097,321	944,095
Investment securities at FVOCI	–	306,168

	For the six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest income	22,516	204
Interest expense	1,872	4,777
Fee	1	–

40 RELATED PARTY TRANSACTIONS (Continued)

(e) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and senior management. The Group enters into banking transactions with key management personnel in the normal course of business. For the six months ended 30 June 2022, there was no material transaction and balance with key management personnel on an individual basis (for the six months ended 30 June 2021: same).

(f) Loans and advances to directors, supervisors and senior management

The Group had no material balances of loans, quasi-loans and other credit transactions to directors, supervisors and senior management as at the end of the reporting period. Those loans and advances to directors, supervisors and senior management were conducted in the normal and ordinary course of the business and under normal commercial terms or on the same terms and conditions with those which are available to other employees.

41 SEGMENT ANALYSIS

The Group's operating segments are business units that provide different financial products and services and are engaged in different types of financial transactions. As different operating segments deal with different clients and counterparties and are supported by specific techniques and market strategies, they operate independently.

Corporate banking mainly provides corporate customers with financial products and services including deposits and loans.

Retail banking mainly provides individual customers with financial products and services including deposits and loans.

Treasury mainly performs inter-bank lending and borrowing, bond investments, re-purchasing and foreign currency transactions.

Unallocated classes of businesses refer to the businesses that are not included in the above three segments or cannot be allocated appropriately.

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**(a) Financial instruments not measured at fair value**

Financial assets and liabilities that are not measured at fair value in the consolidated statement of financial position mainly include: balances with the central bank, due from and placements with banks and other financial institutions, loans and advances to customers, investment securities at amortised cost, due to and placements from banks and other financial institutions, customer deposits, and debt securities issued. Except for the following financial assets and financial liabilities, the carrying amounts of financial assets and liabilities that are not measured at fair value are reasonable approximations of their fair values.

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's consolidated statement of financial position at their fair value.

	30 June 2022				
	Carrying Amount RMB'000	Fair Value			Total RMB'000
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets					
Investment securities					
– Amortised cost	133,549,339	–	83,242,545	50,478,984	133,721,529
Financial liabilities					
Debt securities issued	128,844,804	–	130,208,323	–	130,208,323

	31 December 2021				
	Carrying Amount RMB'000	Fair Value			Total RMB'000
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets					
Investment securities					
– Amortised cost	130,464,527	–	74,581,193	57,899,294	132,480,487
Financial liabilities					
Debt securities issued	118,852,070	–	119,076,039	–	119,076,039

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(a) Financial instruments not measured at fair value (Continued)

Investment securities

The fair value of investment securities at amortised cost is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Debt securities issued

The fair value of fixed interest-bearing debt securities issued is calculated using a discounted cash flow model which is based on a current yield curve appropriate for the remaining term to maturity.

Other than the above, the carrying amounts of those financial assets and liabilities not presented at their fair value on the consolidated statement of financial position are reasonable approximations of their fair values. Those financial assets and liabilities include balances with the central bank, due from and placements with banks and other financial institutions, loans and advances to customers, due to and placements from banks and other financial institutions, and customer deposits. Fair value is measured using a discounted future cash flow model.

(b) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by level of inputs to valuation techniques. The different levels have been defined as follow:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)**(b) Fair value hierarchy (Continued)**

The Group's assets and liabilities measured at fair value are set out below:

30 June 2022	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Loans and advances to customers				
– Discounted bills	–	36,712,978	–	36,712,978
Financial assets at FVPL				
– Debt securities	–	1,559,267	–	1,559,267
– Fund investments	8,036,990	–	–	8,036,990
– Trust investments	–	–	6,002,519	6,002,519
– Asset management plans	–	–	9,293,981	9,293,981
– Equity investments at fair value	540,936	–	66,955	607,891
– Derivative financial assets	–	7,058	–	7,058
	8,577,926	1,566,325	15,363,455	25,507,706
Investment securities at FVOCI				
– Debt securities	–	75,744,362	–	75,744,362
– Equity investments	–	–	115,991	115,991
	–	75,744,362	115,991	75,860,353
Total	8,577,926	114,023,665	15,479,446	138,081,037

Notes to the Unaudited Interim Condensed Consolidated Financial Information

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

31 December 2021	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Loans and advances to customers				
– Discounted bills	–	28,148,893	–	28,148,893
Financial assets at FVPL				
– Debt securities	–	3,170,991	–	3,170,991
– Fund investments	3,032,399	–	–	3,032,399
– Trust investments	–	–	5,743,525	5,743,525
– Wealth management products purchased from financial institutions	–	–	2,026,559	2,026,559
– Asset management plans	–	–	9,890,126	9,890,126
– Equity investments at fair value	594,216	–	122,750	716,966
– Derivative financial assets	–	4,556	–	4,556
	3,626,615	3,175,547	17,782,960	24,585,122
Financial investments at FVOCI				
– Debt securities	–	63,971,202	–	63,971,202
– Equity investments	–	–	115,991	115,991
	–	63,971,202	115,991	64,087,193
Total	3,626,615	95,295,642	17,898,951	116,821,208

The Group takes the date of the event that causes the transfers between hierarchies as the timing of recognising the transfers between hierarchies. There were no significant transfers within the fair value hierarchy of the Group for the six months ended 30 June 2022 and the year ended 31 December 2021.

For financial instruments traded in active markets, the Group determines its fair value with its active market quotation; for financial instruments that are not traded in active markets, the Group uses valuation techniques to determine their fair values. The valuation models used are mainly cash flow discount models and market comparable company models. The inputs of valuation techniques mainly include risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, and lack of liquidity discount.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair values for the remaining financial instruments.

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)**(b) Fair value hierarchy (Continued)***Valuation of financial instruments with significant unobservable inputs*

Financial instruments valued with significant unobservable inputs are primarily unlisted equity and derivative contracts. These financial instruments are valued using cash flow discount models and market methods. The models incorporate various non-observable assumptions such as discount rate and market rate volatilities.

As of 30 June 2022, the carrying amounts of financial instruments valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

Changes in level 3 financial assets are analysed below:

	Financial assets at FVPL RMB'000	Financial assets at FVOCI RMB'000
Balance at 31 December 2021	17,782,960	115,991
Total gains or losses		
– Current profits or losses	(103,875)	–
– Other comprehensive income	–	–
Purchase	311,363	–
Sale and settlement	(2,626,993)	–
Balance at 30 June 2022	15,363,455	115,991
Total unrealised losses for the period included in profit or loss for financial assets held as at 30 June 2022	(159,671)	–
Balance at 31 December 2020	23,383,849	277,000
Total gains or losses		
– Current profits and losses	184,455	–
– Other comprehensive income	–	(161,009)
Purchase	2,476,046	–
Sale and settlement	(8,261,390)	–
Balance at 31 December 2021	17,782,960	115,991
Total unrealised gains for the year included in profit or loss for financial assets held as at 31 December 2021	390,284	–

44 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Risks are core to the financial business, and operational risks are an inevitable consequence of involving in business activities. The Group's aim is therefore to strike an balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets and products and emerged best practices.

The Board is the highest authority for the Group's overall risk management. It examines and approves strategies and measures of risk management, and monitors risk management and internal control system. It accesses the overall risk based on monitoring information and risk reports prepared by senior management. Under the authorisation of the Board, the risk management committee is in charge of the Group's overall risk management policies and process, including the written policies covering specific areas, such as credit risk, market risk, liquidity risk and operational risk. Senior management of the Group is in charge of the overall risk management and internal control, risk management policy making and procedure implementation. In addition, the internal audit department is in charge of conducting an independent review of the risk management and control environment.

The Group is subject to a number of financial risks, primarily including credit risk, market risk (including foreign exchange risk and interest risk), liquidity risk, and operational risk.

44.1 Credit risk

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable to or unwilling to meet its obligations under a contract. Changes in the economy or credit quality of a particular industry segment or concentration in the Group's portfolio could result in losses that are different from those provided for at the reporting date. Credit risk increases when the counterparties are in the similar geographical or industry segments. Credit exposures arise principally from loans and advances, bond securities, amounts due from banks, and debt instruments investment and derivative financial assets at FVPL that are not included in the impairment assessment. There are also credit risk exposures in off-balance sheet financial arrangements such as loan commitments, guarantees, acceptances and letters of credit.

The exposure to credit risk is managed through regular analysis of the ability of borrowers to meet interest and principal repayment obligations and by changing these lending limits, where appropriate. The exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(1) Credit risk management

(a) Credit business

The Group measures and manages the quality of its credit assets in accordance with the CBIRC's *Guidelines of Risk Classification of Loans* and *Guidelines of Risk Classification of Micro Enterprises loans (Trial Implementation)*. The classification of loans is based on the borrowers' repayment ability, repayment history, willingness of repayment, guarantee of loans, legal responsibility and loan administration. The *Guidelines of Risk Classification of Loans* require financial institutions to classify their credit assets into five categories, namely pass, special mention, substandard, doubtful and loss, of which the last three categories are non-performing loans. The Group monitors the overdue status of its loans to retail customers in managing credit risk.

The core definitions of credit asset classifications in the *Guidelines of Risk Classification of Loans* are as follows:

Pass:	The borrower can fulfil the contracts, and there is no sufficient reason to suspect that the principal and interest of loans cannot be repaid in full on time.
Special mention:	The borrower has the ability to make current payments, but there may be some potential issues that could have adverse impact on the future payments.
Substandard:	The borrower's repayment ability has been impaired and their normal income cannot repay the loan principal and interest in full. Even with the execution of guarantee, there may be certain level of loss.
Doubtful:	The borrower cannot repay the principal plus the interest in full. Even with the execution of guarantee, there will be a significant loss.
Loss:	After taking into consideration all possible recovery actions and all necessary legal proceedings, the loan principal and interest still cannot be recovered, or only a very small part can be recovered.

Risk management department coordinates the classification of loans. The classification of loans is performed monthly and adjusted in time. Risk management department summarises the reclassification information monthly and reports to risk management and internal control committee for approval. The classification of loans is monitored through credit risk management system.

(b) Treasury business

The Group manages the credit quality of amounts due from and placements with banks and other financial institutions by considering the size, financial position and the external credit rating of banks and financial institutions. The head office monitors and reviews the credit risk of loans to banks and other financial institutions by counterparties periodically. Limits are placed on different counterparties. For debt securities, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(2) Risk limit control and mitigation policies

(a) Credit business

The Group performs the same credit risk management control procedure for on and off-balance sheet risk exposures. The risk control procedure of the Group's credit risk includes the following: credit policy stipulating, pre-credit investigation, credit rating for corporate and retail customers, collateral assessment, examination and approval of credit loans, draw-down, post-loan management, management on non-performing loans, and due diligence on non-performing loans.

The Group has established a mechanism of risk warning for credit business, mainly including single customer credit authorisation risk and systematic risk. Unified credit authorisation management is implemented for corporate customers. Once the maximum exposure of a single customer is determined, the customer's exposure should not exceed its credit limit in the Group at any time before it achieved a new credit limit.

The Group takes actions to strengthen controls over credit risk in relation to group customers and related party customers. The Group places limits to the concentration of group customers to control credit risk. The committee of related party transactions is set up under the Board to manage controls over related party transactions.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is accepting collateral, which is a common practice.

Except for a few customers with excellent credit quality, the Group requires the borrowers to provide collateral for loans. The type of collateral mainly includes mortgages, pledges and guarantees. The Group employs property appraisal companies with certificates to evaluate the collateral. The detailed collateral type and amount are determined by the credit risk of counterparties or customers. Please refer to Note 44.1(5)(c) for specific guidelines on collateral and guarantees.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(2) Risk limit control and mitigation policies (Continued)

(b) Treasury business

Financial inter-bank division centralises control over the treasury business with hierarchical authorisation from department heads to the President for different business types such as subscription, distribution, buying, selling and repurchase of bonds.

The Group invests in bonds with hierarchical authorisation under the guidelines of asset and liability management committee. The Group sets stop-loss point accordingly for different maturity periods and evaluates the risk and loss of trading bonds. The Group places limits for interbank borrowing and lending. The Group manages the credit risk exposures of interbank borrowing and lending strictly within the limit of regulation and credit authorisation.

For bonds, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments, par value of single bond purchase, and selling price. RMB bond investments require a rating of AA – or above. Among foreign currency bond investments, financial institution bonds refer to those issued by a financial institution with an external credit rating of BBB or above (by Standard & Poor's, Moody's or equivalent agencies).

The bond traders regularly review and monitor the changes of market interest and report the market value of bonds to the financial market department and the asset and liability management department, and conduct risk prevention measures based on the guidance. If there is any significant fluctuation of interest rate in the market or any significant credit risk of debtors, the business department responsible for bond investments will ask for holding extraordinary asset and liability management meetings to research an emergency plan. The bond traders will react according to the plan.

The Group invests in trust schemes and asset management plans which are mainly guaranteed by third party banks or guarantee companies, or secured by collateral. The Group sets credit risk limit to the counterparty banks and third party companies to mitigate the risk associated therewith.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(3) Credit risk assessment

The estimation of credit exposures for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”).

In order to assess the exposure of corporate client risk, the Group uses internal credit risk gradings to reflect its assessment of the PD of individual counterparties, while using various internal rating models to various categories of counterparty. The specific information of the borrower and the loan collected at the time of application (such as key financial ratios, turnover and industry type of corporate borrowers) is fed into this rating model. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model. The rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update the information about the creditworthiness of the borrower every year from sources such as public financial statements. This will determine the updated internal credit rating and PD.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between A and A – rating grade is lower than the difference in the PD between BB and B rating grade.

For bond investments and interbank businesses, the Group uses external credit risk gradings to reflect its PD of individual counterparties, which is the prediction base of future PD. External rating agency credit grades are used. These published grades are continuously monitored and updated. The PD associated with each grade is determined based on realised default rates over the prior 12 months, as published by the rating agency.

In order to assess the exposure of individual client risk, the Group uses historical data to estimate the historical default data, which is the prediction base of the future PD, under various overdue periods and aging. After the date of initial recognition, the payment behaviour of the borrower, such as previous delinquency history, is monitored on a periodic basis. This score is mapped to a PD.

The internal rating system of the Group includes 15 non-default grades (AAA+ to C) and 1 default grade (D). The main scale table matches the PD of a specific range for each rating category and stays stable for a certain period of time. The Group conducts regular verification and recalibration of the rating method to enable it to reflect all actual observable default situations.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) *Expected credit loss measurement*

IFRS 9 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in “Stage 1” and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk (“SICR”) since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. Please refer to note 44.1(4)(a) for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”. Please refer to Note 44.1(4)(b) for a description of how the Group determines when a significant increase in credit risk has occurred.
- The method of provision for impairment allowance at different stages is as follows: Financial instruments in Stage 1 have their ECL allowance measured at an amount equal to the portion of lifetime expected credit losses that result from possible default events within the next 12 months. Instruments in Stage 2 or 3 have their ECL allowance measured based on expected credit losses on a lifetime basis. Please refer to Note 44.1(4)(c) for a decryption of inputs, assumptions and estimation techniques used in measuring the ECL allowance.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that forward-looking information should be considered. Note 44.1(4)(d) includes an explanation of how the Group has incorporated this in its ECL models.
- POCl financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

(a) *Significant increase in credit risk (SICR)*

The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(a) Significant increase in credit risk (SICR) (Continued)

Quantitative criteria

The remaining Lifetime PD at the reporting date of corporate loans and investment securities assessed by internal gradings has increased by over 100%, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised, and the default rate is greater than 2%.

To illustrate the application of these thresholds, a corporate loan which at initial recognition had a Lifetime PD of 1.31% is taken as an example. If, at the current reporting date, the Lifetime PD is actually 2.74% and this exceeds the expected PD by more than the threshold stated above, then a SICR has occurred.

Based on the assessment of how the PD changes over the lifetime of the instrument before default, the Group has determined the corresponding thresholds for corporate loans and investments assessed by internal gradings.

The financial instrument is considered to have experienced a SICR if the loan is more than 30 days past due on its contractual payments.

Qualitative criteria

- 1) The borrower of a loan-related financial instrument is on the Watchlist, which is used to monitor credit risk and an assessment on the counterparty level is conducted regularly; or
- 2) The risk classification of the instrument is between Special-mention I and Special-mention III; or
- 3) The status of credit card is classified as “overdue” or “concerned” under the internal management.

The Group provided extensions and rescue programs for existing customers affected by the Covid-19 in accordance with the government regulations. For customers who applied for loan extensions and rescue programs, the Group carefully evaluated their repayment abilities and allowed deferred interest repayment or adjusted the repayment plans of the customers who met the standards, while at the same time, the Group assessed whether such customers' credit risk has increased significantly.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) *Expected credit loss measurement (Continued)*

(b) *Definition of default and credit-impaired assets*

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The loan is more than 90 days past due on its contractual payments.

Qualitative criteria

- 1) The borrower of a loan-related financial instrument is on the Monitoring List, which is used to monitor credit risk and an assessment on the counterparty level is conducted regularly; or
- 2) The instrument is classified between Substandard I and Loss; or
- 3) The status of credit card is classified as “outsourced collection” or “sued and interest accrual stopped” under the internal management.

When the following circumstances occur, the borrower meets the criteria of “unlikeliness to pay” and the debt is classified as non-performing debt, indicating that the borrower is in significant financial difficulty.

- The borrower is in long-term forbearance;
- The borrower is deceased;
- The borrower is insolvent;
- The borrower is in breach of financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower’s financial difficulty;
- It is becoming probable that the borrower will enter bankruptcy;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to models of the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group’s expected loss calculation.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), as defined below:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For the definition of default, refer to Note 44.1(4)(b).
- EAD is based on the amounts which the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by the availability of collateral and other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

The 12M and Lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For instalment repayment and bullet payment loans, the EADs are based on the contractual repayments owed by the borrower over a 12M or lifetime basis.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default.

The 12M and Lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product types. For secured products, the LGDs are primarily based on collateral types.

Forward-looking economic information is also included in determining the 12M and Lifetime PDs, EADs, and LGDs. These assumptions vary by product type. Refer to Note 44.1(4)(d) for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs and how collateral value change, are monitored and reviewed regularly.

Except for forward-looking information, there have been no significant changes in estimation techniques or significant assumptions made for the six months ended 30 June 2022 (for the year ended 31 December 2021: nil).

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) *Expected credit loss measurement (Continued)*

(d) *Forward-looking information incorporated in the ECL models*

The assessment of a significant increase in credit risk and the calculation of expected credit losses both involve forward-looking information. Through historical data analysis, the Group identifies key economic indicators that affect the credit risk and expected credit loss of various assets, such as the accumulated year-on-year growth rate of consumer price index (“CPI”), the accumulated year-on-year growth rate of industrial value added, and purchasing managers’ index (“PMI”). The Group evaluates and forecasts these economic indicators at least annually, and regularly checks the evaluation results. When considering forward-looking information, the Group comprehensively considers internal and external data, expert forecasting, and statistical analysis to determine the relationship between these economic indicators and PD, LGD, and EAD. On the basis of fully considering the impact of Covid-19 on the future macroeconomics, the input value of the model has been smoothly adjusted.

These economic variables and their associated impacts on the PD, EAD and LGD vary by financial instruments. The Group uses expert judgment and external data to forecast these economic variables (the “central economic scenario”), and provides the best estimates of future economic conditions and forecasts under various scenarios. To project the economic variables for the full remaining lifetime of each instrument following the forecast period, a mean reversion approach has been used, which means that economic variables tend to be either a long run average rate or a long run average growth rate over a period of years. The impact of these economic variables on the PD has been determined by performing Merton-type model and statistical regression analysis to understand the impact of historical changes in these variables on default rates and on the PD.

The Group also provides other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure that non-linearities are captured. Among them, the central scenario is defined as the one which is most likely to happen in the future, and serves as the basis for comparison with other scenarios. Upside and downside are two scenarios that are better or worse and more likely to happen than the central scenario. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes that each chosen scenario is representative of. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12M or Lifetime ECLs should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12M ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As at 30 June 2022, the weights assigned to various economic scenarios were: “central” 70%, “upside” 10%, and “downside” 20% (31 December 2021: same).

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

*(4) Expected credit loss measurement (Continued)**(d) Forward-looking information incorporated in the ECL models (Continued)*

The ECLs calculated for the above three scenarios and the weighted average ECL of the Group are as follows:

	30 June 2022		
	Loans and advances to corporate entities	Retail loans	Investment securities
	RMB'000	RMB'000	RMB'000
Weighted average	9,297,598	2,100,215	1,744,758
Central	9,283,513	1,779,800	1,734,630
Upside	8,406,384	1,431,138	1,374,400
Downside	9,792,504	3,556,209	1,965,384

	31 December 2021		
	Loans and advances to corporate entities	Retail loans	Investment securities
	RMB'000	RMB'000	RMB'000
Weighted average	9,112,642	2,065,697	1,791,443
Central	9,108,915	1,708,517	1,784,211
Upside	8,220,545	1,294,628	1,367,142
Downside	9,571,735	3,701,365	2,028,904

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

As with any economic forecasts, the projections and likelihood of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts representing its best estimate of the possible outcomes and the chosen scenarios are appropriately representative of the range of possible scenarios.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

*(4) Expected credit loss measurement (Continued)**(d) Forward-looking information incorporated in the ECL models (Continued)*

The following table illustrates the change of ECL and provisions in the consolidated statement of financial position, in the case that all the financial assets and credit related commitments and financial guarantee in Stage 2 are transferred to Stage 1:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Gross amount of ECL and provisions assuming all the financial assets and credit related commitments and financial guarantee in Stage 2 are transferred to Stage 1	1,838,404	2,505,221
Gross amount of ECL and provisions in the consolidated statement of financial position	2,017,536	2,934,309
Difference – amount	(179,132)	(429,088)
Difference – percentage	(9%)	(15%)

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure

(a) Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	30 June 2022 Carrying amount RMB'000	31 December 2021 Carrying amount RMB'000
On-balance-sheet items		
Balances with the central bank (Stage 1)	32,628,281	36,599,182
Due from and placements with banks and other financial institutions	55,991,692	44,831,819
Stage 1	55,920,057	44,769,143
Stage 3	49,750	49,750
Accrued interest	21,885	12,926
Loans and advances to customers		
– Amortised cost	291,381,504	278,734,705
Stage 1	276,135,081	262,500,678
Stage 2	9,628,520	11,759,240
Stage 3	3,489,012	2,368,643
Accrued interest	2,128,891	2,106,144
– FVOCI (Stage 1)	36,712,978	28,148,893
Investment securities – amortised cost	133,549,339	130,464,527
Stage 1	129,287,466	125,686,404
Stage 2	1,390,580	1,901,995
Stage 3	427,899	451,231
Accrued interest	2,443,394	2,424,897
Investment securities – FVOCI	75,744,362	63,971,188
Stage 1	73,669,709	62,232,306
Stage 3	255,646	252,336
Accrued interest	1,819,007	1,486,546
Other receivables	308,781	334,309
Stage 1	215,672	249,665
Stage 2	80,246	76,057
Stage 3	12,863	8,587
On-balance-sheet total	626,316,937	583,084,623
Off-balance-sheet total	70,263,871	60,653,256
Total	696,580,808	643,737,879

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The Group internally ranks the asset risk characteristics based on the quality of the assets. The credit grade of the financial assets used in the expected credit loss is classified as “low risk”, “medium risk” and “high risk” according to the internal rating. It is used by the Group for internal credit risk management purposes. “Low risk” means that the assets are of good quality, of which the possibility of future default is low, and it is less affected by external unfavourable factors; “medium risk” refers to the assets with certain solvency, but persistent major instability and poor commercial, financial or economic conditions may reduce its solvency; “high risk” refers to the assets with high risk of default or those meet the definition of default by the Group, and existing unfavourable factors have a greater impact on solvency.

The following tables illustrates the maximum credit risk exposure of loans and advances to customers at amortised cost classified by credit grade:

	ECL Stage			Total RMB'000
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	
30 June 2022				
Credit rating				
Low risk	213,219,884	552,043	–	213,771,927
Medium risk	66,549,339	8,910,209	–	75,459,548
High risk	–	2,153,884	9,265,067	11,418,951
Gross principal balance	279,769,223	11,616,136	9,265,067	300,650,426
Impairment allowance	(3,634,142)	(1,987,616)	(5,776,055)	(11,397,813)
Total	276,135,081	9,628,520	3,489,012	289,252,613
31 December 2021				
Credit rating				
Low risk	200,673,892	427,973	–	201,101,865
Medium risk	65,286,830	11,066,701	–	76,353,531
High risk	–	3,148,783	7,202,721	10,351,504
Gross principal balance	265,960,722	14,643,457	7,202,721	287,806,900
Impairment allowance	(3,460,044)	(2,884,217)	(4,834,078)	(11,178,339)
Total	262,500,678	11,759,240	2,368,643	276,628,561

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The following tables illustrate the maximum credit risk exposure of financial investments – amortised cost classified by credit grade:

	ECL Stage			Total RMB'000
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	
30 June 2022				
Credit rating				
Low risk	118,964,568	–	–	118,964,568
Medium risk	10,841,114	1,419,000	–	12,260,114
High risk	–	–	829,532	829,532
Gross principal balance	129,805,682	1,419,000	829,532	132,054,214
Impairment allowance	(518,216)	(28,420)	(401,633)	(948,269)
Total	129,287,466	1,390,580	427,899	131,105,945
31 December 2021				
Credit rating				
Low risk	111,425,029	–	–	111,425,029
Medium risk	14,829,714	1,952,000	–	16,781,714
High risk	–	–	871,413	871,413
Gross principal balance	126,254,743	1,952,000	871,413	129,078,156
Impairment allowance	(568,339)	(50,005)	(420,182)	(1,038,526)
Total	125,686,404	1,901,995	451,231	128,039,630

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(b) Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e., FVPL):

	Maximum exposure to credit risk	
	30 June 2022 RMB'000	31 December 2021 RMB'000
Financial assets at FVPL		
Bond investments	1,559,267	3,170,991
Trust investments	6,002,519	5,743,525
Asset management plans	9,293,981	9,890,126
Wealth management products purchased from financial institutions	–	2,026,559
Fund investments	8,036,990	3,032,399
Total	24,892,757	23,863,600

(c) Collateral and other credit enhancements

The Group has a range of policies and practices intended to mitigate credit risk. The most useful practice is to accept collateral. The Group implements guidelines on the acceptability of specific classes of collateral. The principal types of collateral for loans are residential properties, business assets such as premises, inventories and accounts receivable, and financial instruments such as stocks.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(c) Collateral and other credit enhancements (Continued)

The value of collateral at the time of loan origination is determined by risk assessment department and the amount of the loans granted is subject to loan-to-value ratio limits based on collateral types. The principal types of collateral for corporate loans and individual loans are as follows:

Type of collateral	Maximum loan-to-value ratio
Bank note and bank acceptance bill	90%
Warehouse receipt and accounts receivable	70%
Construction in progress	50%
Publicly traded stocks	60%
Property	70%
Land use rights	70%
Motor vehicles	40%

Mortgage loans to retail customers are generally collateralised by residential properties. Other loans are collateralised dependent on the nature of the loan.

For loans guaranteed by a third-party guarantor, the Group will assess the guarantor's financial condition, credit history and ability to meet obligations.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Bonds, treasury and other eligible bills are generally unsecured, with the exception of certain asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Collateral is also held as part of reverse repurchase agreements. Details of collateral accepted and which the Group is obligated to return are disclosed in Note 36.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(c) Collateral and other credit enhancements (Continued)

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	Gross exposure RMB'000	Impairment allowance RMB'000	Carrying amount RMB'000	Fair value of collateral held RMB'000
30 June 2022				
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	8,220,991	(5,182,728)	3,038,263	5,762,391
– Retail loans	1,044,076	(593,327)	450,749	744,995
Investment securities measured at amortised cost	829,532	(401,633)	427,899	427,899
Gross amount of credit-impaired assets	10,094,599	(6,177,688)	3,916,911	6,935,285
31 December 2021				
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	6,265,132	(4,263,034)	2,002,098	4,330,711
– Retail loans	937,589	(571,044)	366,545	708,432
Investment securities measured at amortised cost	871,398	(420,182)	451,216	451,216
Gross amount of credit-impaired assets	8,074,119	(5,254,260)	2,819,859	5,490,359

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(6) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12M and Lifetime ECL;
- Additional allowances for new financial instruments recognised for the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs for the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Loans and advances to customers derecognised for the period and write-offs of allowances related to loans and advances to customers that were written off during the period.

The impact of the above factors on the loss allowance for loans and advances to customers made from the beginning to the end of this period is set out in Note 18(b). The impact of the above factors on the investment securities measured at FVOCI made from the beginning to the end of this period is set out in Note 19. The impact of the above factors on the investment securities measured at amortised cost made from the beginning to the end of this period is set out in Note 19.

(7) Write-off policy

In the case of meeting the provisions of the relevant documents issued by the Ministry of Finance for the write-off of bad debts, the Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that show no reasonable expectation of recovery include (i) collection or enforcement activity has been in place for a necessary period and (ii) the Group’s recovery method is foreclosing on collateral and the value of the collateral is not expected to recover the principal and interest in full.

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amount of such assets written off for the six months ended 30 June 2022 was RMB1,151,291 thousand (for the year ended 31 December 2021: RMB3,735,807 thousand).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(8) Investment securities

Bonds invested by the Group are rated by Zhongchengxin International Credit Rating Co. Ltd., China Lianhe Credit Rating Co., Ltd., Shanghai Far East Credit Rating Co., Ltd., Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., Pengyuan Credit Rating Co., Ltd. and Golden Credit Rating International Co., Ltd.

	Financial assets at FVPL RMB'000	Investment securities at FVOCI RMB'000	Investment securities at amortised cost RMB'000	Total RMB'000
30 June 2022				
Medium and long-term bonds:				
AAA	1,559,267	14,341,437	119,778	16,020,482
AA- to AA+	–	27,675,871	–	27,675,871
A+ and below	–	355,717	–	355,717
Unrated ⁽ⁱ⁾ :	23,333,490	31,552,316	130,986,167	185,871,973
Accrued interest	–	1,819,007	2,443,394	4,262,401
	24,892,757	75,744,348	133,549,339	234,186,444

	Financial assets at FVPL RMB'000	Investment securities at FVOCI RMB'000	Investment securities at amortised cost RMB'000	Total RMB'000
31 December 2021				
Medium and long-term bonds:				
AAA	1,444,666	8,258,633	149,753	9,853,052
AA- to AA+	–	26,980,811	–	26,980,811
A+ and below	–	252,336	–	252,336
Unrated ⁽ⁱ⁾ :	22,418,934	26,992,862	127,889,877	177,301,673
Accrued interest	–	1,486,546	2,424,897	3,911,443
	23,863,600	63,971,188	130,464,527	218,299,315

(i) These mainly represent debt securities at FVPL, debt securities at FVOCI and debt securities at amortised cost issued by the Ministry of Finance, the central bank, policy banks and other overseas financial institutions that are creditworthy issuers in the market, but are not rated by independent rating agencies. In addition, debt securities at FVPL and debt securities at amortised cost mainly include non-principal-guaranteed wealth management products issued by other banks, and the beneficiary rights of trust investments and asset management plans, whose principal and income are guaranteed or collateralised.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(8) Investment securities (Continued)

As at 30 June 2022, the accrued ECL allowances of debt securities at FVOCI and at amortised cost of the Group amounted to RMB796,489 thousand and RMB948,269 thousand respectively (31 December 2021: RMB752,917 thousand and RMB1,038,526 thousand).

Trust investments/asset management plans classified by underlying assets are summarised as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Financial assets at FVPL		
– Credit assets	15,296,500	15,633,651
Financial investments at amortised cost		
– Credit assets	7,704,233	10,623,698
– Bond assets	31,539,680	35,138,500
	39,243,913	45,762,198

As at 30 June 2022, the gross principal balance of the Group's Stage 3 investments in trust investments and asset management plans at amortised cost was RMB829,533 thousand, whose underlying assets were all credit assets, of which the accrued ECL allowance amounted to RMB401,633 thousand (31 December 2021: RMB871,398 thousand and RMB420,182 thousand).

Notes to the Unaudited Interim Condensed Consolidated Financial Information

45 OPERATING LEASE PAYMENTS TO BE RECEIVED SUBSEQUENT TO THE BALANCE SHEET DATE

As a lessor, the undiscounted cash flow of lease payments to be received subsequent to the reporting date is summarised as below:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Within 1 year	46,606	38,048
1 year to 2 years	29,450	29,470
2 years to 3 years	19,863	26,420
3 years to 4 years	12,720	16,370
4 years to 5 years	4,535	9,070
	113,174	119,378

46 SUBSEQUENT EVENTS

Up to the date of this report, the Group has no material events for disclosure after the reporting date.

Unaudited Supplementary Financial Information

Cross-border Claims

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

Cross-border claims include amounts due from banks and other financial institutions.

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

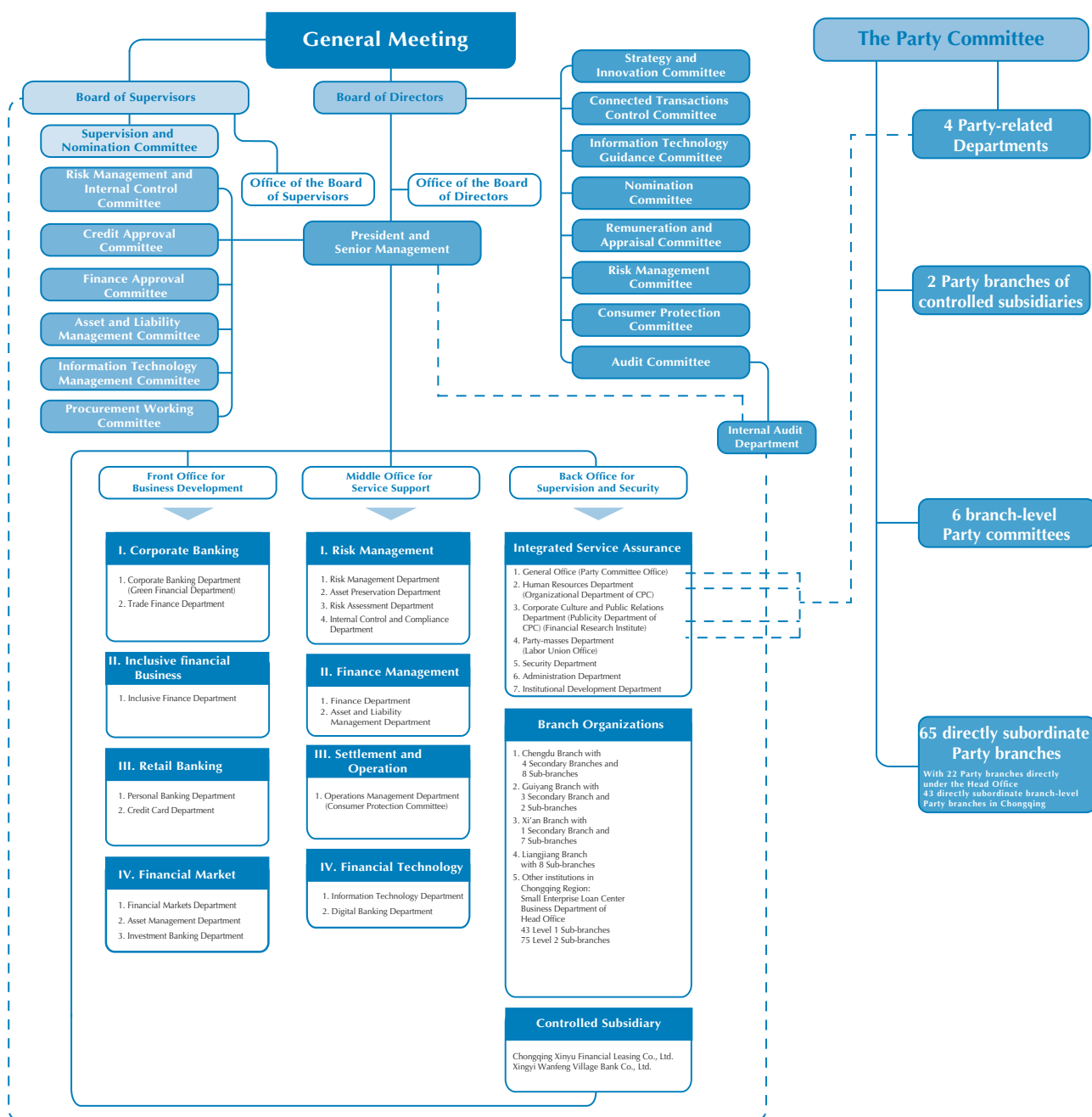
(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2022	As at 31 December 2021
Asia Pacific excluding Mainland China	35,495	46,080
– of which attributed to Hong Kong	19,223	35,785
Europe	–	3,751
North America	341,187	355,137
Total	376,682	404,968

Currency Concentrations

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in RMB			
	US Dollar	HK Dollar	Others	Total
As at 30 June 2022				
Spot assets	13,092,000	6,357	36,061	13,134,418
Spot liabilities	12,736,509	6,373	36,238	12,779,120
Net long/(short) position	355,491	(16)	(177)	355,298

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in RMB			
	US Dollar	HK Dollar	Others	Total
As at 31 December 2021				
Spot assets	12,118,212	6,830	45,496	12,170,538
Spot liabilities	11,681,184	6,865	46,073	11,734,122
Net long/(short) position	437,028	(35)	(577)	436,416

Organizational Chart



List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
1.	Business Department of Bank of Chongqing Co., Ltd.	No. 6 Yongpingmen Street, Jiangbei District, Chongqing	1	400020
2.	Small Enterprise Loan Centre of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	1	401147
3.	Liangjiang Branch of Bank of Chongqing Co., Ltd.	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	9	401121
4.	Chengdu Branch of Bank of Chongqing Co., Ltd.	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, HiTech District, Chengdu, Sichuan	13	610059
5.	Guiyang Branch of Bank of Chongqing Co., Ltd.	3/F to 8/F, Building 4, North Commercial Zone of Financial City, Area B of Zhongtian Exhibition City, Changling North Road, Guanshanhu District, Guiyang, Guizhou	6	550081
6.	Xi'an Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F, Building 2, Yinhe Xinzuoobao Building, No. 25 Tangyan Road, Xi'an, Shaanxi	9	710075
7.	Wenhuaogong Sub-branch of Bank of Chongqing Co., Ltd.	No. 139 Zhongshan San Road, Yuzhong District, Chongqing	3	400014
8.	Minsheng Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 153 Zourong Road, Yuzhong District, Chongqing	13	400010
9.	Shapingba Sub-branch of Bank of Chongqing Co., Ltd.	No. 339-3, Xiaolongkan Zheng Street, Shapingba District, Chongqing	4	400030
10.	Chongda Sub-branch of Bank of Chongqing Co., Ltd.	No. 83 Shabei Street, Shapingba District, Chongqing	3	400044
11.	Dadukou Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-18 Cuibai Road, Chunhui Road Sub-district, Dadukou District, Chongqing	2	400084
12.	Gaoxin Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-3, 4, 5, and 6, Unit 1, Building 1, No 23 Bai Xin Road, Baishiyi Town, Jiulongpo District, Chongqing	2	401329
13.	Jiulongpo Sub-branch of Bank of Chongqing Co., Ltd.	No. 1409 Jingwei Avenue, Jiulongpo District, Chongqing	5	400039
14.	Nan'an Sub-branch of Bank of Chongqing Co., Ltd.	2-2, 1/F, No. 199 Nancheng Avenue, Nanping Sub-district, Nan'an District, Chongqing	5	400060
15.	Banan Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 13-20, Shop-2 9-14, Shop-3 6-12, No. 40, Longzhou Avenue, Banan District, Chongqing	4	401320

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
16.	Beibei Sub-branch of Bank of Chongqing Co., Ltd.	No. 453, 455, 457, 459, 461 and 463 Yunqing Road, Beibei District, Chongqing	5	400700
17.	Jiangbei Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-4 Jianxin North Road, Jiangbei District, Chongqing	5	400020
18.	Longtousi Sub-branch of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	4	401147
19.	Yubei Sub-branch of Bank of Chongqing Co., Ltd.	Shops 1-1 and 2-1 of Integrated Commercial Complex of Shengjing Tianxia, No. 9 Baiguo Road, Shuanglonghu Sub-district, Yubei District, Chongqing	2	401120
20.	Fuling Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-2, 2-2, 3-1, 3-4, Basement, Block 2, Xiangjiang Garden, No. 8-1 Zhongshan Road, Fuling District, Chongqing	3	408000
21.	Changshou Sub-branch of Bank of Chongqing Co., Ltd.	No. 10 Taoyuan West Road, Changshou District, Chongqing	3	401220
22.	Hechuan Sub-branch of Bank of Chongqing Co., Ltd.	1-2, 2-1, No. 402, 400 Jiangcheng Avenue, South Office, Hechuan District, Chongqing	2	401520
23.	Wanzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 193 Baiyan Road, Wanzhou District, Chongqing	3	404000
24.	Qianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 555 Xinhua Avenue (West Section), Chengxi Sub-district, Qianjiang District, Chongqing	2	409000
25.	Jiangjin Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 503, 505 & 505 Dingshan Avenue, Jijiang Sub-district, Jiangjin District, Chongqing	4	402260
26.	Tongliang Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 1, Shop-2 1, Shop-3 1, Building 1, No. 505 Jinlong Avenue (Financial Building), Dongcheng Sub-district, Tongliang District, Chongqing	3	402560
27.	Yongchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78 Renmin South Road, Yongchuan District, Chongqing	2	402160
28.	Liangping Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-21 to 1-25, 1-96 to 1-101, 2-19 to 2-25, Building 2, No. 5, Jingui Road, Shuanggui Street, Liangping District, Chongqing	2	405200

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
29.	Nanchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-12 and No. 2-14, Block 1, No. 12 Longhua Avenue (Chamber of Commerce Building), Xi Cheng Sub-district, Nanchuan District, Chongqing	2	408400
30.	Rongchang Sub-branch of Bank of Chongqing Co., Ltd.	1-3 and 2-3, No. 43-2 Changlong Avenue, Changzhou Sub-district, Rongchang District, Chongqing	2	402460
31.	Zhong County Sub-branch of Bank of Chongqing Co., Ltd.	No. 3-1 Zhongbo Avenue, Zhongzhou Town, Zhong County, Chongqing	2	404300
32.	Bishan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78, No. 80, No. 82, No. 84, No. 86, Shuangxing Avenue, Biqian Street, Bishan District, Chongqing	3	402760
33.	Qijiang Sub-branch of Bank of Chongqing Co., Ltd.	Sub No. 1-40 and Sub No. 2-225 to 229, Podium Building, Rongrun Kaixuan Mingcheng, No. 47 Jiulong Avenue, Wenlong Sub-district, Qijiang District, Chongqing	1	401420
34.	Wansheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-1 Wansheng Avenue, Wansheng District, Chongqing	1	400800
35.	Xiushan Sub-branch of Bank of Chongqing Co., Ltd.	1-4, 1-5, 2-4 and 2-5, No. 70-1, Fengxiang Road, Zhonghe Street, Xiushan County, Chongqing	2	409900
36.	Kaizhou Sub-branch of Bank of Chongqing Co., Ltd.	Market Square, Kaizhou Avenue (Middle Section), Kaizhou District, Chongqing	2	405400
37.	Dazu Sub-branch of Bank of Chongqing Co., Ltd.	No. 335 Shengji West Road, Tangxiang Avenue, Dazu District, Chongqing	3	402360
38.	Tongnan Sub-branch of Bank of Chongqing Co., Ltd.	No. 173, 175, 177, 179 and 181 Xiangyang Road and 1-4, No. 219, 221, 223, 225, 227, 229 and 229 Ganquan West Road, Guilin Sub-district, Tongnan District, Chongqing	2	402660
39.	Fengdu Sub-branch of Bank of Chongqing Co., Ltd.	No. 181, 183, 185, 187, 189, 191, 179 (2-10, 2-11, 2-12, 2-13, 2-14, 2-15) and 179 (3-10, 3-11, 3-12, 3-13, 3-14, 3-15) Longcheng Avenue, Sanhe Sub-district, Fengdu County, Chongqing	2	408200

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
40.	Shizhu Sub-branch of Bank of Chongqing Co., Ltd.	26-30, No. 35, Dudu Avenue, Wan'an Street, Shizhu County, Chongqing	2	409100
41.	Dianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 9-32 Nanyang West Road, Guiyang Sub-district, Dianjiang County, Chongqing	2	408300
42.	Yunyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1299 Yunjiang Avenue, Qinglong Street, Yunyang County, Chongqing	2	404500
43.	Wuxi Sub-branch of Bank of Chongqing Co., Ltd.	Entertainment and Sports Building, Chunshen Avenue, Chengxiang Town, Wuxi County, Chongqing	1	405800
44.	Wulong Sub-branch of Bank of Chongqing Co., Ltd.	No. 117 Furong West Road, Xiangkou Town, Wulong County, Chongqing	2	408500
45.	Youyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-14, 1-15, 2-1, Building 9, Huisheng Square, No. 10 Middle Road, Taohuayuan Avenue, Youyang County, Chongqing	2	409800
46.	Pengshui Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 35 and No. 38, Building 1, No. 1 Liangjiang New Street, Shaoqing Sub-district, Pengshui Miao and Tujia Autonomous County, Chongqing	1	409699
47.	Wushan Sub-branch of Bank of Chongqing Co., Ltd.	Complex Building 1-1, No. 329 Guangdong East Road, Gaotang Sub-district, Wushan County, Chongqing	1	404700
48.	Chengkou Sub-branch of Bank of Chongqing Co., Ltd.	Commercial Building One, Block 1, Chongyang•Yicheng International Commercial Podium, No.18 Dongda Street, Gecheng Sub-district, Chengkou County, Chongqing	1	405900
49.	Fengjie Sub-branch of Bank of Chongqing Co., Ltd.	No. 4 Qiaomu Street, Yong'an Town, Fengjie County, Chongqing	1	404600