



# 2022

## CORPORATE SOCIAL RESPONSIBILITY REPORT OF BANK OF CHONGQING

Environmental/Social/Governance

# 01



|                                 |   |
|---------------------------------|---|
| Chairman's Address              | 4 |
| President's Address             | 6 |
| Vision of Strategic Development | 8 |



# 02

## Management 10

|  |    |
|--|----|
| Consolidating the Foundation by Improving Corporate Governance | 12 |
| Leading Practice by Deepening Responsibility Management        | 14 |
| Efficient Collaboration to Strengthen Risk Control             | 15 |

# CONTENTS



# 03

## Practice 18

|   |           |
|---|-----------|
| <b>Making Targeted Efforts to Safeguard the Real Economy</b>  | <b>20</b> |
| Focusing on the positioning to serve major strategies         | 20        |
| Improving quality and efficiency to promote inclusive finance | 22        |
| Optimizing supply to support rural revitalization             | 26        |
| <b>Promoting Innovation-driven Digital Transformation</b>     | <b>30</b> |
| Deep integration by building digital banking                  | 30        |
| Digital innovation to empower transformation and development  | 32        |
| Intelligent upgrade to consolidate digital risk control       | 33        |
| <b>Protecting the Ecology to Boost Green Development</b>      | <b>34</b> |
| Steadily promote the construction of green banking            | 34        |
| Deepening green finance through exploration and innovation    | 35        |
| Green operation of energy saving and carbon reduction         | 37        |
| <b>Build a Better Life Together with Sincerity</b>            | <b>38</b> |
| Solidarity and commitment to the growth of employees          | 38        |
| Service-based protection of customer rights and interests     | 42        |
| Sincerity and goodness in the practice of social welfare      | 45        |



# 04

|                              |           |
|------------------------------|-----------|
| <b>ESG Disclosure</b>        | <b>46</b> |
| Governance                   | 46        |
| Environmental                | 46        |
| Social                       | 46        |
| <b>Key Performance</b>       | <b>50</b> |
| <b>Appendix</b>              | <b>55</b> |
| Basis of Reporting           | 55        |
| Independent Assurance Report | 56        |
| Notes to Report              | 60        |
| Feedback Form for Readers    | 61        |

# CHAIRMAN'S ADDRESS



As 2022 proves to be an extraordinary year, Bank of Chongqing adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the guide, thoroughly studied and implemented the guiding principles of the 20th National Congress of the Communist Party of China, and fully implemented the decision and deployment of the Party Central Committee and the work requirements of the Municipal Party Committee and Municipal Government of Chongqing. We worked diligently to achieve good and new achievements in serving the real economy, digital innovation, green development, and deepening reform. We continuously improved our capital strength by successfully issuing RMB13 billion A-share convertible bonds, RMB5 billion tier-2 capital bonds, and RMB4.5 billion perpetual bonds. As at the end of 2022, our assets reached RMB684.7 billion, while we have become the only urban commercial bank in China to be selected as one of the "Double Hundred Enterprises" by the State-owned Assets Supervision and Administration Commission of the State Council. We ranked among the world's top 300 banks for the seventh consecutive year in terms of comprehensive strength and brand value, while we maintained Standard & Poor's investment grade rating for six consecutive years, steadily advancing our high-quality development.

**The efforts to serve the real economy have highlighted new results.** Providing credit support of over RMB 120 billion, we fully integrated ourselves into the development of the Chengdu-Chongqing Economic Circle. We introduced the first exclusive online credit product in China and issued the first cross-border financing loan for specialized, refined, featured, and innovative enterprises in Chongqing, while the issued financing loans totaled more than USD2 billion via the convenience services and the one-stop cross-border financial service cloud platform. As we increased credit supply with a focus on key areas and weak links, the balance of real economy loans grew by 17.4%, which provided strong support to the stabilization of the economy. We also took advantage of our agile teams for scenario-based batch businesses to introduce "Relief and Support Loan" and other products, improve our inclusive financial product system, and implement the serial measures for supporting and benefiting enterprises. As at the end of 2022, the balance of inclusive micro and small loans reached RMB43,619 million. We spared no efforts to serve rural revitalization and strengthened the construction of various platforms, such as the "1+2+N Inclusive Financial Services to Villages" bases and the "rural service stations", helping consolidate the achievements of poverty alleviation. The balance of agriculture-related inclusive loans reached RMB12,455 million, representing an increase of 18.34%.

**Digital innovation has tapped new momentum.** We implemented more than 120 technology projects to enhance the construction of the technology-empowered system, thereby becoming the only bank in China to be selected as a pilot bank for financial technology innovation supervision by the People's Bank of China for the third consecutive year. A digital service system was created for inclusive finance. The upgraded "Hao Qi Dai" products served nearly 50,000 micro and small enterprises with a cumulative amount of over RMB34.8 billion. We relied on the "Intelligent Industrial Chain" system to map the industrial chain, strengthened the industry-oriented comprehensive financial service capabilities, and improved the overall service quality and efficiency by more than 30%. Meanwhile, we relied on mobile devices such as Bashi Digital Intelligence Mobile Banking and "Yuying" to provide customers with more than 70 one-stop mobile services, so as to continuously make financial services more inclusive. Moreover, we promoted e-CNY and opened 16,000 e-CNY wallets, ranking first in terms of both indirect and direct connection among locally incorporated banks.

**New steps have been taken in green development.** We deeply integrated ourselves into the construction of Chongqing Green Finance Reform and Innovation Pilot Zone and improved the service mechanism for green finance. We explored the innovation of green finance products and services, successfully launched the financing business of mortgage and pledge of carbon emission rights, pollution discharge rights, forest rights, and other environmental rights and interests, and opened up the channel for converting environmental rights and interests into financing and development benefits. Also, we enhanced measures for various aspects of support, such as the organization, resource support and appraisal of green finance, optimized the

"Green Finance Management System", and supported the green and sustainable development of major projects, key industries, and key regions. Meanwhile, we promoted the construction of the green finance standard system by taking the lead in Chongqing's study on the application of the China-EU Common Sustainable Finance Taxonomy, as it successfully launched the city's first green loan that met the criteria of China-Europe Common Taxonomy. As at the end of 2022, the balance of green loans grew by 45%.

**Deepening reform has achieved new results.** We achieved a high-quality conclusion of the three-year action of state-owned enterprise reform, as we fully completed the 34 assigned reform tasks, dynamically implemented 79 key reform tasks concerning "one policy for one enterprise" in the past three years, and received a "good" rating for the reform of state-owned enterprises directly subordinate to the city. We continuously refined the corporate governance mechanism to promote the efficient duty performance of each corporate governance entity, as we received the best rating among domestic banking institutions for corporate governance and supervision. We strengthened the construction of a comprehensive risk management system, deepened four risk management reforms, including the authenticity of pre-loan investigation and the predictability of credit review, and established a risk linkage and collaboration mechanism, continuously consolidating the foundation of stable development. Moreover, we implemented the new round of deepening and improvements of the state-owned enterprise reform by promoting 20 annual key reform tasks in the "Double Hundred Actions". As we continuously promoted the special action of benchmarking management improvement, we were awarded as a benchmarking state-owned enterprise directly subordinate to the city.

We continue to sail forward. In 2023, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Bank of Chongqing will thoroughly implement the guiding principles of the 20th National Congress of the Communist Party of China, strive to become a revolutionary organization with the "pioneering spirit of Hongyan", actively join and serve the new development paradigm, and unswervingly promote high-quality development. We will commit to consolidating the foundation and breaking new ground while upholding fundamental principles and strive to be the first with a faithful, pragmatic, and down-to-earth attitude, so as to contribute to the new era, the new journey, and the construction of a new Chongqing.

## LIN JUN

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



# PRESIDENT'S ADDRESS



2022 was a year of great importance in the history of the Party and the nation and a remarkable year in the transformation and development process of Bank of Chongqing. Bank of Chongqing thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China, and fully kept to the decision and deployment of the Party Central Committee and the work requirements of the Municipal Party Committee and Municipal Government of Chongqing. The Bank firmly served the local economy, steadfastly promoted strategic transformation, adhered to the bottom line of risk prevention and control, continued to improve the quality and efficiency of finance to serve the real economy, and constantly broadened the avenue of high-quality development.

As at the end of 2022, the total assets of the Bank were RMB684.7 billion, an increase of 10.6%; the total loans were RMB352.6 billion, an increase of 10.9%; the total deposits were RMB382.6 billion, an increase of 13.0%; and the net profit was RMB5.12 billion, an increase of 5.3%. With both development quality and efficiency improved, became the only bank to be selected as a pilot bank for financial technology innovation supervision by the People's Bank of China for the third consecutive year, the only urban commercial bank in China to be selected as one of the "Double Hundred Enterprises" by the State-owned Assets Supervision and Administration Commission of the State Council. The Bank ranked among the top 300 in comprehensive strength for 7 consecutive years.

**The Bank focused on its positioning to empower the real economy.** Adhering to our founding mission of serving the local economy, small and micro enterprises, and urban and rural residents, we focused on supporting key industries and major projects and comprehensively enhanced the capability of finance to serve the real economy. Throughout the year, we provided credit support of over RMB120 billion in key fields of the Chengdu-Chongqing Economic Circle and supported nearly 90 major projects. The Bank invested in the construction of the New International Land-Sea Trade Corridor and supported 48 projects with a total service amount of over USD2 billion. Notably, the Bank innovated cross-border financial services and launched the first online pure credit product "Channel e-finance" for the New International Land-Sea Trade Corridor, marking a breakthrough for locally incorporated banks to trade derivatives in currencies of countries along the New International Land-Sea Trade Corridor. In addition, we fully supported rural revitalization and increased credit supply in the fields related to "agriculture, rural areas, and farmers", with a balance of RMB55.4 billion in agriculture-related loans. The Bank made solid efforts in fee cuts and interest concessions and completed the first interest rate reduction of inclusive micro and small loans to benefit 56,000 enterprises. Deferred principal repayment and interest payment were applied to enterprises in difficulty, involving an amount of RMB15.7 billion, to help stimulate the vitality of market entities.

**The Bank focused on innovation to advance its transformation and development.** Driven by innovation, we continued to promote the digital transformation of the Bank, improved the quality and efficiency of digital operation and management, and increased the speed and efficiency of business development with the help of digital applications. The five-in-one digital service system of inclusive finance was refined. The balance of "Hao Qi Dai" series of products reached RMB12.8 billion, an increase of 35%; the balance of "Jie e Dai" reached RMB1.6 billion, an increase of 1.5 times. Moreover, we created a comprehensive digital risk control system, effectively improving the Bank's efficiency of financial service supply and the quality and effectiveness of internal control management. The main data system had capacity upgrade and efficiency improvement. Providing services for 150 million times, it obtained national standard certification for its data management. The Bank practiced the philosophy of green development, deepened the application of the Equator Principles and international standards, provided professional and efficient green finance services for the green and low-carbon transformation of

the economy and society, and vigorously contributed to realizing the goals of carbon peaking and carbon neutrality, with a green finance of RMB32.3 billion, and a 45% increase in green credit balance.

**The Bank focused on sharing to create a better life.** Adhering to customer-centered operation, we paid attention to the needs of key customer segments such as the elderly, youth, and new citizens, continued to optimize livelihood financial services, and continuously improved customers' sense of gain and satisfaction with finance. We improved the policies on consumer rights protection, optimized the customer complaint procedure, and continued to promote financial literacy. Attaching great importance to talent training, we continuously improved the training system, jointly constructed a learning ecosystem, and built a learning organization in all respects. The employee incentive mechanisms were optimized, the employee career development paths were opened up, and diversified growth channels were offered. With an awareness of giving back to the community, we also carried out various community public welfare activities. Several youth commandos and volunteer teams were set up to participate in welfare campaigns, transmitting the Bank of Chongqing's positive energy of "Heart-to-heart - Growing together".

Looking toward 2023, Bank of Chongqing will take the spirit of the 20th National Congress of the Communist Party of China as its guide, resolutely implement the major national deployments and strategies, adhere to the political and people-oriented nature of finance, continue to promote digital transformation, vigorously serve the real economy, and proactively practice the principles of finance for the people. The Bank will pioneer and innovate with concerted efforts, embrace the new era, embark on a new journey with the attitude of a striver, and continue to march toward the goal of a "first-class listed commercial bank".

## RAN HAILING

President  
Bank of Chongqing Co., Ltd.



# VISION OF STRATEGIC DEVELOPMENT



To become a first-class public-listed commercial bank in China featured with "Remaining true to the origin and source, distinctive characteristics, safety and robustness, and value excellence".

## Remaining true to the origin and source

"Origin" refers to the real economy while "source" refers to the regional development. The Bank of Chongqing (hereinafter referred to as the Bank) assumes the mission of serving the real economy, proactively gets involved in the development of national and regional strategies, remains true to the original aspiration with perseverance, adheres to the orientation of "serving local economy, serving micro and small businesses, serving urban and rural residents", makes new achievements by holding our grounds and explores new development space by better services.

## Distinctive characteristics

The Bank goes deep into the distinctive and differentiated development, makes use of the resource endowment and market environment owned by "one municipality and three provinces", advances reform and innovation in the aspects of product, channel, management, technology, mechanism, culture, talent, etc., provides optimized and featured services with enhanced support such as green finance, micro and small businesses finance, retail finance, culture and tourism finance, opening-up finance and green finance, and thus continuously improves the influence and competitiveness of products.

## Safety and robustness

The Bank strengthens risk awareness, fosters risk culture, thinks more about the baseline, and tightens the boundaries of risk control. Through the advancement of overall risk management and the general planning and management of credit risk, operational risk, liquidity risk, market risk, reputation risk, etc. the Bank endeavors to achieve robust operation and safe development.

## Value excellence

Driven by value creation, the Bank pursues value excellence. Setting the premium quality as the development goal and internal requirement, the Bank keeps ameliorating structure in an all-round manner, well integrates scale, quality and earnings, sharpens the comprehensive competitive edge, uplifts the holistic value in a balanced way, realizes the maintenance and appreciation of state-owned assets, and creates even larger value for investors and clients.

Through general improvement of fundamental capabilities, the Bank has realized the service with distinctive characteristics and state-of-art professionalism, the management of profoundness, safety and efficiency, the development with resilient operation and proliferating value, and the brand of trustworthiness and excellence.





## 02

## MANAGEMENT



|  |    |
|--|----|
| Consolidating the Foundation by Improving Corporate Governance | 12 |
| Leading Practice by Deepening Responsibility Management        | 14 |
| Efficient Collaboration to Strengthen Risk Control             | 15 |



## CONSOLIDATING THE FOUNDATION BY IMPROVING CORPORATE GOVERNANCE

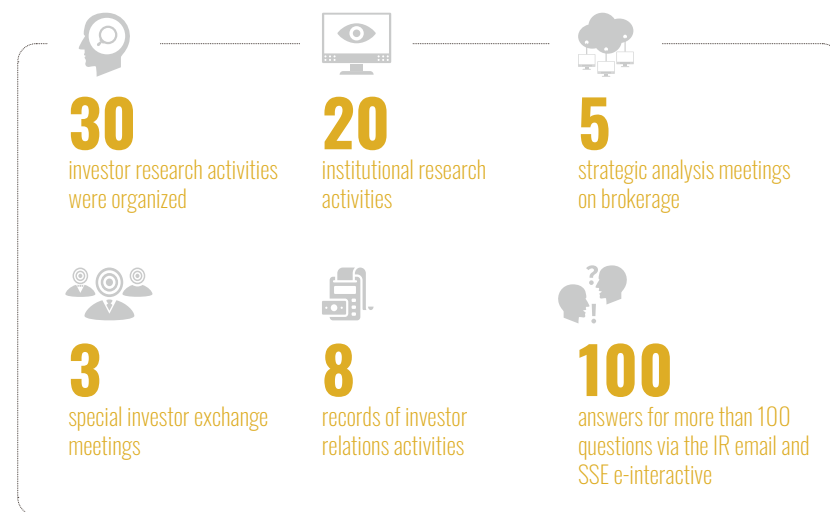
In 2022, the Board of Directors of the Bank strengthened efficient and standardized duty performance and promoted the improvement of the quality and efficiency of decision-making. Three general meetings of shareholders (including one annual general meeting and two extraordinary general meetings) were held, where 20 proposals were considered and seven reports were heard; 17 board meetings were held, where 98 proposals were considered and 66 reports were heard; 60 special committees were held, where 148 proposals were considered and five reports were heard.

### The top-level decision-making management was strengthened

An assessment of the implementation of the 2021 strategy was conducted, and the completion of the Bank's strategic plan in the opening year of the 14th Five-Year Plan was comprehensively summarized and evaluated, so as to provide important reference for the rolling update of the 14th Five-Year Plan. In terms of consumer rights protection, the Bank amended its Articles of Association in 2022 to refine the content related to "consumer rights protection" in accordance with the Guidelines on Strengthening the Construction of Consumer Rights Protection Policies and Mechanisms in Banking and Insurance Institutions issued by the CBIRC, updated and refined the content on the responsibilities of the Board of Directors for consumer rights protection, and added the responsibilities of the senior management for consumer rights protection. The Bank's Board of Directors and special committees heard reports on the implementation of consumer rights protection in 2021, consumer rights protection in the first half of 2022, and green finance in 2021, deliberated on the implementation of consumer rights protection and green finance, proposed guidance and improvement measures, and supervised their implementation.

### The investor relations management was strengthened.

Thirty investor research activities were organized, including 20 institutional research activities, five strategic analysis meetings on brokerage, and three special investor exchange meetings, and eight records of investor relations activities were published. We continuously strengthened the management of communication channels such as the IR email, IR hotline, and SSE e-interactive to further optimize the communication channels for small and medium shareholders and investors and enhance communication effectiveness. Throughout the year, we communicated with shareholders and investors and answered more than 100 questions via the IR email and SSE e-interactive.



### The management of information disclosure was strengthened

Throughout the year, we disclosed 353 various announcements and documents in English and Chinese, with the disclosure content and procedures fully in line with the requirements by regulatory authorities and exchanges for timeliness and compliance. We strengthened the internal promotion of information disclosure regulations and conducted bank-wide training on information disclosure regulations, with nearly 1,400 participants. In 2022, the Bank won the "Golden Bull Award for Investor Relations in 2021" and "2022 Tianji Award for Harmonious Investor Relations" and was awarded the "Best Digital Investor Relations Award" and "Best Shareholder Relations Award" in the 6th China IR Awards.



In 2022, the Bank won

**Golden Bull Award for Investor Relations in 2021**  
**2022 Tianji Award for Harmonious Investor Relations**



In the selection of the 6th China IR, awarded  
**Best Digital Investor Relations Award**  
**Best Shareholder Relations Award**

### The role of supervising duty performance and performing supervisory duties were strengthened

The role of supervising duty performance and performing supervisory duties were strengthened. The Board of Supervisors effectively performed its role of supervising duty performance and conscientiously performed its supervisory duties with a focus on important businesses and risk fields. By conducting project inspections, promoting routine supervision, implementing meeting supervision, conducting performance appraisal, and promoting problem remediation, the Bank effectively supervised the Bank's internal control, risk management, financial activities, and the fulfillment of social responsibilities by the Board of Directors and the senior management, actively safeguarded the legitimate rights and interests of the Bank, shareholders, employees, creditors, depositors, and other stakeholders, and gave full play to its role in legal person governance and supervision.

The Board of Supervisors paid great attention to the Bank's work in supporting the consolidation of poverty alleviation, supporting rural

revitalization, promoting the business development and digital innovation of green finance, and strengthening inclusive finance services, heard reports on key fields such as risk management, compliance management, consumer rights protection, and anti-money laundering, and made a comprehensive evaluation of the duty performance of the Board of Directors and the senior management in related fields. The Board of Supervisors reviewed the *2022 Corporate Social Responsibility (Environmental, Social, and Governance) Report of Bank of Chongqing*, expressed independent opinions on the report, and disclosed them in the annual report. At the same time, the Board of Supervisors paid close attention to the quality and effectiveness of the Bank's information disclosure and made targeted supervision recommendations.



# LEADING PRACTICE BY DEEPENING RESPONSIBILITY MANAGEMENT

## Philosophy of social responsibility

The Bank is committed to integrating the concept of social responsibility into corporate culture construction and strategic development planning, constantly enriching the connotation of corporate social responsibility, actively exploring the practice of social responsibility with characteristics that are in line with the actual situation of the Bank, and promoting the harmonious and sustainable development of enterprises and the economy, society and environment, and creating values together.

In the re-implementation of the 14th Five-Year Plan, we have defined three key tasks, namely, "taking customers as the center, fully promoting service improvement", "taking innovation as the guide, fully promoting digital transformation" and "taking collaboration as the support, fully promoting characteristic development", which shows that the Bank has deeply integrated the responsibility concept and cross-border responsibility management thinking into development and operation, and laid a solid foundation for re-implementing sustainable development management.

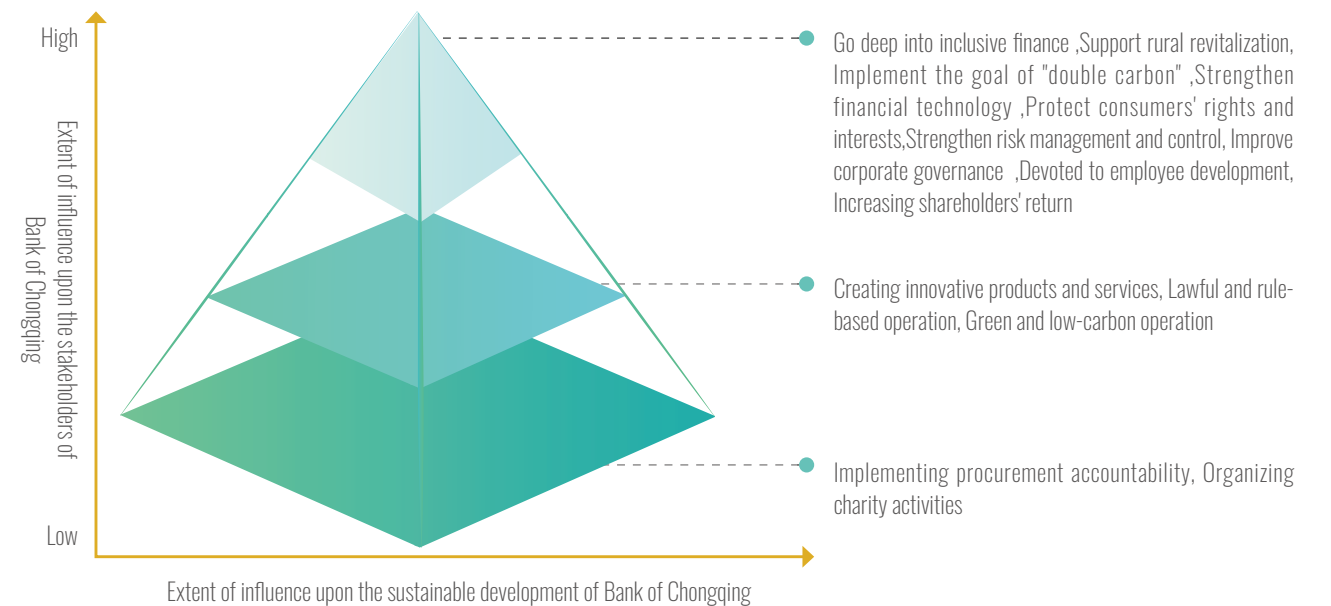


Model of Social Responsibility Philosophy of Bank of Chongqing

## Analysis of substantive topics

We insist on formal and informal communication, conference forums, research cooperation, etc. with the government, regulators, shareholders, investors, customers, employees, professional organizations, media, the public and other stakeholders, so as to listen to opinions and suggestions and learn new knowledge. Valuable information and feedback will be incorporated into all aspects of management and sustainable development, such as re-development decision-making, business innovation, risk prevention and control, capacity building, communication and so on.

In 2022, the Bank made an overall analysis of internal and external policies and requirements, and further focused on issues such as inclusive finance, rural revitalization, green banking, financial technology, protection of consumers' rights and interests, and employee capacity building, which were mainly responded and disclosed in this report.



## EFFICIENT COLLABORATION TO STRENGTHEN RISK CONTROL

The Bank continuously strengthened the construction of a comprehensive risk management system to consolidate the foundation of stable development. Based on the risk management structure, we established a hierarchical, sectional, multiform, and multi-content risk linkage and collaboration mechanism to efficiently transfer risk management information to form a synergy of risk management and promote high-quality business development while effectively preventing risks.

We expanded the application of risk monitoring results and removed the information barriers among the first, second, and third lines of defense by setting up the agile mechanism, joint meeting mechanism, and regular reporting mechanism, which made it possible to provide timely feedback on identified risk information, further reinforcing risk prevention and control.

We optimized and upgraded the system and rating model, created multi-scene and multi-purpose agile tools, and strengthened the construction of digital risk control. A complete organizational structure and policy system of business continuity management was established, and business continuity management was carried out continuously. Bank-wide special training on risk management was regularly organized, with a cumulative total of more than 7,000 participants. Special symposiums were organized in different areas to further cultivate a robust culture of risk management.



# SOCIAL RECOGNITION



| Institutions   | Award/Honor  |
|--|--|
| All China Federation of Trade Unions   | The “Most Beautiful Outdoor Worker Service Outlet for the Union” in 2022   |
| Chongqing Municipal Federation of Trade Unions and Chongqing Human Resources and Social Security Bureau                                    | Chongqing Pioneer Worker   |
| The Publicity Department of the Chongqing Municipal Party Committee and the Civilization Office of the Chongqing Municipal Party Committee | “Good People of Chongqing” Special Award for 2022  |
| Credit Reference Center of the People’s Bank of China  | Outstanding Institution for Data Quality (Personal Business) in the Credit Reference System for 2021.  |
| The Chongqing Operations Office of the People’s Bank of China  | First Prize in the Outstanding Contribution Awards for Mobile Payment Services for the Convenience of the People<br>Excellent Organizer of the Attack and Defense Drill in the Financial Metropolitan Area Network in Chongqing for 2022<br>Advanced Pilot Unit for Comprehensive Application of Financial Data in 2022<br>Advanced Unit for FinTech Innovation in 2022<br>Advanced Unit for Financial Standard Innovation in 2022<br>Advanced Unit for the Demonstration Project of Financial Technology-empowered Rural Revitalization in 2022.<br>Advanced Group for the Operation and Maintenance of the Payment System in 2021<br>Advanced Bank for Publicity of Deposit and Insurance Businesses in 2021 |
| Chongqing Municipal Federation of Trade Unions   | Demonstration Site for Laborer Harbors<br>Modeling Employee Family in Chongqing for 2022   |
| Chongqing Office of China Banking and Insurance Regulatory Commission  | “Advanced Unit” for Financial Services for Small- and Micro-sized Enterprises in 2021  |

| Institutions   | Award/Honor  |
|--|--|
| The Organization Department of the Chongqing Municipal Party Committee, Chongqing Human Resources and Social Security Bureau and the Chongqing Municipal Committee of the Communist Youth League | Party Committee with the May 4th Red Flag in Chongqing for 2022  |
| China Association for Public Companies   | Best Practice Award in the 2021 Performance Reporting and Statement Meeting for Listed Companies<br>Excellent ESG Case for Listed Companies                            |
| China Financial Ideological and Political Work Research Association  | Excellent Unit for Cultural Development in the Financial System for 2021-2022  |
| The Chongqing Working Committee of Chinese Financial Workers’ Union and Chongqing Banking Association  | Third Prize for Groups in the 2022 Chongqing Financial System Banking and Wealth Management Skills Competition   |
| Chongqing Banking Association  | Advanced Unit for Social Responsibility in 2021 (Award for Financial Institutions)<br>Advanced Unit for Social Responsibility in 2021 (Award for Special Contribution) |
| Sichuan Banking Association  | Advanced Banking Units in Sichuan for Financial Knowledge Publicity and Education in 2022 (Excellent Organization Prize)   |
| The Organizing Committee of the sixth Global CSR Summit & Awards   | Excellent Global ESG Case  |
| The International Expert Committee of the Global Database for Commercial Cases of Sustainable Development  | The Bank was included in the <i>Typical Cases of Green and Low-Carbon Practices in the Global Database for Commercial Cases of Sustainable Development</i> .           |

# 03 PRACTICE

|   |    |
|---|----|
| Making Targeted Efforts to Safeguard the Real Economy | 20 |
| Promoting Innovation-driven Digital Transformation    | 30 |
| Protecting the Ecology to Boost Green Development     | 34 |
| Build a Better Life Together with Sincerity           | 38 |



# MAKING TARGETED EFFORTS TO SAFEGUARD THE REAL ECONOMY

## Focusing on the positioning to serve major strategies

Relying on the geographical layout of one municipality and three provinces, the Bank provided comprehensive financial services of "commercial bank + investment bank" and "direct financing + indirect financing" and contributed to the implementation of a series of major strategies such as the construction of the Chengdu-Chongqing Economic Circle, the leader of inland open economy, the New International Land-Sea Trade Corridor, and building the western financial center. The Bank continued to optimize cross-border financial services and promoted the facilitation of trade, investment, and financing, giving full play to the role to promote the high-quality development of the regional economy and society as a financial engine.

As at the end of 2022, the Bank's institutions in the Chengdu-Chongqing Economic Circle provided credit support of over RMB120 billion for three major fields, including interconnectivity, modern industry, and ecology and livability, and supported the construction of nearly 100 major projects, including Jiangbei Airport, through a portfolio of products. Over RMB45 billion credit support was provided for six major industrial clusters, including electronics and equipment manufacturing, to help launch the key industrial projects such as power battery anode materials. The Bank provided financial support of over RMB8 billion for 27 foreign debt projects of the New International Land-Sea Trade Corridor, continuing to empower overseas direct financing for enterprises in provinces along the New International Land-Sea Trade Corridor.



▲ Supporting the Intelligent Terminal Supporting Project of Jinghongyi Technology Co., Ltd., Tongliang District, Chongqing



## Important Progress

### Serving the "New Leader" of Inland Open Economy

The Bank joined hands with Sichuan Bank and another 10 city commercial banks in western provinces and cities to carry out interbank cooperation in the construction of the New International Land-Sea Trade Corridor. Capital lending businesses with banks in Malaysia, Singapore, Vietnam, and other countries along the corridor were developed.

The Bank opened up domestic and overseas payment channels and local and foreign currency global payment channels, which covered 286 correspondent banks around the world and connected 19 countries and regions along the New International Land-Sea Trade Corridor, with an average annual international settlement amount of nearly USD4 billion. The Bank was the first in Central and Western China to connect directly to the cross-border financial service platform of the State Administration of Foreign Exchange and participated in developing the application scenario of logistics financing and settlement for the new corridor. Experts in various international certifications and foreign exchange talent were introduced and cultivated, with a total of over 100 persons.

The Bank supported the construction of the Kyaukphyu deep-sea port in Myanmar, Siem Reap Angkor International Airport in Cambodia, and major projects of "13 +

1" provinces/districts/cities along the New International Land-Sea Trade Corridor, which highlighted its support for the hub system of Chongqing consisting of "one main hub, two auxiliary hubs, and multiple nodes". The Bank took advantage of the full license of derivatives to hedge against exchange rate risks for enterprises making foreign trade via the New International Land-Sea Trade Corridor. 2022, derivatives trading volume reached RMB86.294 billion.

The first purely online credit product for the New International Land-Sea Trade Corridor, "Channel e-finance", was launched to provide targeted financing support for enterprises exporting via the New International Land-Sea Trade Corridor. The Bank launched "Export e-finance" and the one-stop cross-border financial service cloud platform "Cross-border Golden Manager" to provide integrated and attentive services such as business processing and information inquiry. Also, the Bank launched self-managed forward transactions of SGD against RMB, which marked a breakthrough for locally incorporated banks to make derivative trade in currencies of countries along the New International Land-Sea Trade Corridor, promoting the full coverage of correspondent banks along the New International Land-Sea Trade Corridor and in major ASEAN countries.



## Serving Industrial Chains and Supply Chains

We actively built the "ecosystem of industrial chain and supply chain finance" and provided various types of credit support (over RMB 20 billion) for nearly 2,000 enterprises in 33 key industrial chains in Chongqing, helping "extend" and "replenish" various supply chains and industrial chains.

We innovated and launched the first cross-border financial online credit product "Chain Enterprise Export e-finance" and launched the "C Chain Cloud Platform", providing the exclusive financial service mode of "one scenario for one enterprise" tailored for different core enterprises. We also launched the "debt bill" business, providing online and comprehensive financial services such as the financing, settlement, and confirmation of accounts receivable for enterprises in industrial chains along the New International Land-Sea Trade Corridor, with the total financing exceeding RMB350 million.

## Promoting the Transformation and Upgrading of the Automobile Industry

We established a flat mechanism of "openness + collaboration", cultivated an innovation culture of "empowerment + trial and error", and strengthened the innovation synergy of "agility + stability", so as to form an organization structure with rapid response and decision making internally and realize the "fast", "accurate", and "practical" efficiency of services for the new energy vehicle industry externally.

More than ten credit products such as the "You You Dai", "Credit Loan for Business Entities", and "Specialized, Refined, Special, and Novel Credit Loan" were launched, intended to meet the needs of enterprises in the automobile industrial chain with financing features such as credit, weak guarantee, and a medium or long term.



## Important Progress

### Helping Build the Chengdu-Chongqing Economic Circle

#### Digital empowerment was accelerated.

The Bank continued to build the "Industrial Huilian System of the Chengdu-Chongqing Economic Circle" to more accurately understand and meet the needs of enterprises and provide them with more efficient and targeted comprehensive financial services.

#### Matchmaking cooperation was strengthened.

The Bank strengthened inter-bank linkage and continued to promote cooperation with financial institutions through key regions, financial institutions, and other cooperation channels.

#### Products and services were optimized.

In Sichuan and Chongqing, we innovated and promoted the "You You Dai" and other featured products to help solve the problem of difficult financing and expensive financing for real enterprises. As at the end of 2022, the credit in Sichuan and Chongqing reached nearly RMB9 billion, forming a strong financial support for regional industrial development.



## Improving quality and efficiency to promote inclusive finance

The Bank adhered to its market positioning of serving the local economy, small and micro enterprises, and urban and rural residents, highlighted differentiated, distinctive, and innovative services, continuously heightened its sense of responsibility and mission to serve the real economy and stabilize market entities, and made solid efforts in financial service guarantee to provide higher-quality, more inclusive, and more efficient financial services.

As at the end of 2022, the balance of our small and micro enterprise loans by the national standard was amounted to RMB96,819 million, an increase of RMB8,916 million from the beginning of the year. The balance of inclusive loans for small and micro enterprises was RMB43,619 million, an increase of RMB3,836 million from the beginning of the year. The first batch nationwide to complete interest rate reduction of inclusive micro and small loans policy to benefit 56,000 enterprises.



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## COLUMN

### Multiple Measures to Support Small and Micro Enterprises

We enriched the financial supply system, developed an inclusive financial product system of three categories and eight series, and developed scenario-based batch business modes. Unsecured loans were increased and the "Ruyi Loan for Start-up Power", "Youth Rural Revitalization Loan" and other unsecured loan products were promoted to enhance the accessibility of financing for market entities. With the help of big data mining and digital innovation, the intelligent service system of small and micro inclusive finance for the "Hao Qi Dai" was created based on accurate customer profiling. The "Hao Qi Dai" has been expanded to 13 application scenarios and 53 sub-products, covering the aspects of green credit, rural revitalization, technological innovation, services for new citizens. We have set up a "green channel" for the review of small and micro enterprises' application, carried out offline loans with limited time, and realized "instant approval and disbursement" for online loans at the earliest, so as to improve the overall experience of small and micro finance services.

The Bank actively boosted the resumption of work and production. Taking advantages of the high efficiency of "15 minutes from application to disbursement, with approval results released in three minutes" and the multi-channel online-offline combination of O2O, Bank of Chongqing dynamically detected the business difficulties of small and micro enterprises, promptly met their financing needs, and made targeted

recommendation for credit products. For small and micro customers who were temporarily in difficulty, we took the initiative to provide services of flexible online loan renewal to meet their financing needs for the resumption of work and production in a diversified and convenient manner. At the same time, we continued to enhance the human touch of inclusive financial services by making special deployments such as optimizing the due diligence exemption mechanism, adjusting the appraisal management policies in due course, and strengthening internal incentives and guidance, so as to provide timely aid for small and micro customers.

The Bank continuously implemented policy measures to fee cuts and interest concessions, implemented preferential interest rates for digital inclusive credit products, and reduced the weighted average interest rate for inclusive small and micro business loans placed in 2022 by 0.87 percentage points compared to last year. Nearly 290 deferred loans of the "Hao Qi Dai" series of products were processed, and the interest rate on newly issued loans decreased by 0.7 percentage points year-on-year.

### Targeted Empowerment of "Specialized, Refined, Special, and Novel" Enterprises

We launched the action plan for "specialized, refined, special, and novel" enterprises to provide differentiated, distinctive, and innovative services for key customer segments. Exclusive products such as the "Specialized, Refined, Special, and Novel Credit Loan" and "Specialized, Refined, Special, Novel Secured Loan" were developed and promoted to provide targeted financing support for "specialized, refined, special, and novel" SMEs. As at the end of 2022, credit support with a credit line of over RMB8.4 billion was provided for over 630 "specialized, refined, special, and novel" enterprises, of which the proportion of national "small giant" enterprises was over 13%.

As the lead underwriter and bookrunner, we successfully launched the first "Technological Innovation Note" in Chongqing for the issuer Chongqing Wanzhou Economic-Technological Development (Group) Co., Ltd. and raised RMB1.07 billion to support the development of Golden Dragon Precise Copper Tube Group Inc., which was awarded the title of "Single Champion Enterprises in the Manufacturing Industry" by the Ministry of Industry and Information Technology, opening a new market-based financing channel for the technological innovation of enterprises.

Adopting the "Cross-border Technology Loan" mode of Liangjiang New Area, Chongqing, we helped an enterprise to obtain an overseas loan of USD1.42 million, which marked the first pilot business of cross-border financing facilitation for "specialized, refined, special, and novel" enterprises in Chongqing in this mode. In this way, the Bank helped enterprises to reduce financing costs while expanding financing channels, so as to solve the problem of difficult and expensive financing for SMEs.

Through the green channel for the approval of "specialized, refined, special, and novel" projects, we approved and issued RMB9 million "specialized, refined, special and novel" credit loans for one electrical companies in Chongqing within three working days to support the R&D and production of enterprises, and provided further fee cuts and interest concessions for enterprises to reduce their comprehensive financing costs.



## Attentive Services for New Citizens

We launched the "Housing Loan for New Citizens" product to meet new citizens' financing needs for first-time and upgrading house purchases and a digital application platform that allowed new citizens to apply for housing mortgage loans online by logging into the WeChat mini-program Bank of Chongqing Personal Finance, which greatly optimized the operation procedure and improved processing efficiency. Since the launch of the product in June 2022, a total of 162 housing mortgage loans have been issued to the customer segment of new citizens, with a year-end balance of RMB91.83 million.

We enriched the "Jie e Dai" product series of proprietary and consumption loans and launched exclusive consumption loan sub-products for new citizens. We created an exclusive service portal for new citizens, introduced internal and external data sources, optimized the customer scoring model, constructed visualized quantitative indicators, and realized the accurate profiling of different types of new citizens, such as newly employed college and university graduates. By doing so, the Bank provided financial guarantee for new citizens to help them integrate into local life.

We continued to improve hardware facilities, and each outlet had a "Chongyin

## Living in peace

Yijia" service station to provide new citizens with umbrellas, water dispensers, and other convenient service items. We actively promoted simple account opening services for personal bank accounts with the basic principles of "business compliance, controllable risk, service enhancement, and opening as many accounts as possible", so that new citizens can quickly open accounts with valid identity documents. With the general, small and micro enterprise, and care versions of mobile banking, we provided basic financial services such as payment and settlement, account management, wealth management product purchase, and payroll services for new citizens. Bashi Digital & Smart Mobile Banking also provided a series of remote financial services closely related to daily life, such as account opening, social security card activation, and water, electricity, and gas contract signing.

## Working in contentment

With our small and micro batch business mode, we developed a "Relief and Support Loan" program to explicitly support new citizens' entrepreneurship and employment and developed credit enhancement measures for the customer segment of new citizens in our quantitative access strategy, so as to vigorously stimulate the vitality of market entities and help each innovative entrepreneur to pursue their dreams.

We launched the "Chuang Xiang Dai" product together with the Chongqing Human Resources and Social Security Bureau and Small and Micro Enterprise Financing Guarantee Co., Ltd. to provide business loans to individuals or small and medium enterprises that meet the requirements of the policy. The "Chuang Xiang Dai" enjoyed preferential interest rates granted by the government and provided financial services for migrant workers, technical secondary and post-secondary school graduates, etc.

The Bank was connected to the network system of special account management for migrant workers' wages in the construction field and the monitoring and early warning platform for wage payment to migrant workers in Chongqing, and established a special account management and payroll service system for migrant workers' wages as well as a wage payment and margin system, with a view to realizing dynamic supervision of wage payment to migrant workers and effectively protecting the legitimate rights and interests of new citizens. Also, the Bank ensured the timeliness of wage payment to migrant workers by opening bank cards for them free of charge, handling inter-bank payroll services for cards of other banks free of charge, and directly paying their wages to their payroll cards.



▲ Dazui Sub-branch "Chongyin Yijia"



▲ Wenhugong Sub-branch was rated as the "Most Beautiful Outdoor Worker Service Outlet for the Union" in 2022



## Optimizing supply to support rural revitalization

The Bank continued to optimize the allocation of financial resources in the fields related to "agriculture, rural areas, and farmers" to provide strong financial support for consolidating the results of poverty alleviation and promoting rural revitalization. The Bank promoted the implementation of the *Implementation Opinions of the 14th Five-Year Plan on Financial Support for Consolidating and Expanding the Achievements of Poverty Alleviation and Promoting the Strategy of Rural Revitalization*, and continued to allocate resources to the credit approval procedure, credit authority, product R&D, staffing, and other aspects to continuously increase credit investment in the fields related to "agriculture, rural areas, and farmers".

In key fields such as food security and supply of important agricultural products, rural industrial development, and rural construction, the Bank focused on the financial service needs of new agricultural business entities, people who had been lifted out of poverty, migrant farmers, and rural innovators and entrepreneurs. The Bank completed the optimization and transformation of products and functional modules such as the "Agricultural Support Loan", "Loan to Alleviate Hardship", and wage payment to migrant workers and enriched and improved featured products related to agriculture, boosting rural revitalization in a comprehensive and multi-level manner.

In 2022, the Bank's balance of agriculture-related loans was RMB55.442 billion, up RMB6.70 billion from the beginning of the year, an increase of 13.7%; the balance of inclusive agriculture-related loans was RMB12.455 million, up RMB1.93 billion from the beginning of the year, an increase of 18.34%.



▲ Bank of Chongqing Assisted the Agricultural Development Limited Company in Xiushan County in Centralized Procurement of Villagers' Tea Leaves View

### Focusing on key fields

First, to ensure food security and the stable production and supply of important agricultural products, the Bank strengthened credit fund investment, with a focus on supporting staple food production, spring plowing preparation, grain distribution, storage and processing, and the "Vegetable Basket" Project. Second, for the construction of livable, workable, and beautiful rural areas, the Bank increased the supply of "Rural Revitalization Loan" and other special financial products and continuously consolidated the construction of county and rural infrastructure such as transportation, logistics, digital technology, living environment, and public services. Third, for the high-quality and high-efficiency development of agriculture, the Bank launched featured products such as "Two Mountains, Informatization and Industrialization, Haoqi Agricultural Support Loan" to vigorously support featured industries with competitive advantages, agricultural products processing, leisure agriculture, rural tourism, rural recreation, and other fields.

### Deepening product innovation

Considering the mountainous areas of Chongqing, we explored the role of agriculture-related data resources as an element and made solid efforts to innovate our products and services. First, we put great efforts in technological innovation. Relying on digitalization, the Bank created the credit business procedure of "online loan application - online intelligent approval supplemented by offline review - online contract signing and disbursement by cell phone for rural customers" by "innovating and re-engineering service procedures and improving risk internal control system", which effectively improved the human touch of financial services and the efficiency of business processing. Second, we worked hard in mechanism innovation. The Bank constructed a cross-line and modular agile innovation mechanism and launched 16 scenario-based batch businesses such as the "Relief and Support Loan", providing targeted support for groups such as agriculture-related individual businesses and fields such as agricultural and sideline product distribution. Third, we made efforts in mode innovation. The Bank developed the first "Youth Rural Revitalization Loan" exclusive credit product in Chongqing and financial service modes for agricultural industrial chains such as the "Dekang Supply Chain Loan".

### Consolidating the results of poverty alleviation

We strictly implemented the requirement of "ensuring that poverty relief responsibilities, policies, assistance, and monitoring continue even after an area is removed from the poverty list" and intensified support for key support districts and counties of rural revitalization and other districts and counties lifted out of poverty. First, we provided priority support. Prioritizing Wuxi, Chengkou, Youyang, and Pengshui, the Bank implemented "one policy for one county" financial support programs, introduced special policies, and allocated special resources. Second, we provided targeted support. The Bank formulated and implemented a series of policies and measures to support Wuxi County each year with a focus on five aspects, namely, credit supply, financial support, consumption support, service improvement, and guarantee enhancement, continuously providing targeted assistance. Third, we provided consumption support. The Bank continued to purchase agricultural products from areas lifted out of poverty and key areas for rural revitalization through canteen ingredient procurement and labor union procurement to help convert agricultural and sideline products into actual income for villagers and support the sustainable, healthy, and stable development of local industries.

### Enhancing service capabilities

The Bank accelerated reform and innovation, improved the rural financial service system, and continuously enhanced the depth and breadth of rural financial services. First, the Bank consolidated the long-term mechanism. We improved the special shift operation mechanism for rural revitalization, strengthened the policy support of credit approval, appraisal and incentive, and due diligence and exemption, and made efforts to allocate more financial resources to the areas related to "agriculture, rural areas, and farmers" and counties. Second, the Bank improved the service system. online channels such as mobile banking, online banking, and Bashi Digital & Smart Mobile Banking and offline channels such as 1+2+N Inclusive Financial Services for Village bases, rural service stations, rural convenience stations for small withdrawal, mobile banking service vehicles, and intelligent teller machines were opened to enhance the "new infrastructure" of finance in rural areas. Third, the Bank deepened technological empowerment. We used 5G, artificial intelligence, big data, and other technological means in combination to build a comprehensive and innovative platform for one-stop digital marketing and customer relationship management. We accurately profiled rural customers and created inclusive digital credit products such as the "Agricultural Support Loan", and the "Loan to Alleviate Hardship" and a data-driven three-dimensional and digital system of mobile professional services.



## Promoting the Development of Featured Rural Industries

Regarding the innovation of financial cooperation modes, we accelerated the innovation of inclusive financial products for key entities such as new agricultural business entities, rural innovators and entrepreneurs, and collective economic organizations. By strengthening the tripartite cooperation of "Bank, Government, and Securities Company", the Bank launched the first "Rural Revitalization Loan" in cooperation with the government and the securities company in Chongqing to support the construction of agricultural infrastructure. Using products such as "Two Mountains, Informatization and Industrialization, Haoqi Agricultural Support Loan" and "Youth Rural Revitalization Loan", the Bank promoted the cultivation plan of family farms and helped improve the quality of farmers' cooperatives.

In terms of creating a supply chain financial service mode, the Bank facilitated financing for upstream and downstream market entities in the agricultural supply chain based on leading enterprises of agricultural industrialization, reduced financing costs, and promoted the comprehensive upgrading of the agricultural industry chain. Concerning the supply of important agricultural products, the Bank expanded the scope of collaterals and pledges to cover live livestock and poultry, agricultural facilities and equipment, etc., and used products such as the "Haoqi Agricultural Support Loan", "Rural Revitalization Loan", and "Hog Mortgage Loan" to solve the

financing problems of agricultural business entities.

Though a certain agricultural company in Xiushan County has been a leading local enterprise of agricultural industrialization, in the early stage of the business, it encountered a funding gap. Due to the large initial investment and no fixed assets, the working capital was seriously insufficient. After a comprehensive investigation, the staff of Bank of Chongqing Xiushan Sub-branch found that the enterprise with a focus on tea had effective enterprise management and effectively drove the employment of local villagers. Then, the staff tailored a special credit program for it through the comprehensive use of the product "Huiyu Financial Service" of inclusive financial services. "Bank of Chongqing provided door-to-door services throughout the whole process and approved the loan in only three days, which solved our urgent need." The person in charge of the company commented.

Today, with the credit support of Bank of Chongqing, the company has developed into a local collection of planting, processing, sales and ecological agricultural tourism as one of the characteristics of agro-industry, helping 15,000 villagers annually with labor, driving more than 700 local villagers to get rich through the tea industry.

## Deepening County-level Basic Financial Services

Relying on technological innovation, we created a five-in-one service platform integrating "grassroots Party building + convenience services + financial services + protection of financial consumers + financial publicity" to introduce inclusive financial services to the village, so that villagers can obtain basic financial services without leaving home.

Notably, "Bashi Digital & Smart Mobile Banking" project was selected as a demonstration project of financial technology-empowered rural revitalization in Chongqing. With an innovative use of various technologies such as 5G, artificial intelligence, and big data analysis applications, the project extended OTC non-cash business processing, credit application forms, and contract signing services beyond outlets. In remote areas with insufficient outlet coverage, we provided customers with safe, convenient, and efficient featured financial services and opened up the "last mile" of financial services. We also installed free POS machines for merchants in key districts and counties for rural revitalization support to effectively improve the rural payment environment.

In addition, the Bank used financing service platforms such as "Golden Chongqing Net", "Xinyi Loan - Yuhui Financing", "Yangtze River Yurongtong", and "Chongqing Enterprise Golden Service" to actively build

financing service channels such as "1+2+N Inclusive Financial Services for Villages bases", promoting the introduction of credit services to villages and towns. By sharing agriculture-related credit data and simplifying the application and approval procedures, the first "New Rural Credit Through Train" loan in Chongqing was successfully launched.

For example, Bank of Chongqing Qijiang Sub-branch has completed the construction of "1+2+N Inclusive Financial Services for Villages" demonstration bases in 26 administrative villages in the region, which brought quality services to the fields and also became an important position for local villagers to popularize financial knowledge and protect financial consumer rights. By strengthening product innovation, enriching service methods, and maintaining good communication among the Bank, the government, and enterprises, the sub-branch continued to inject financial vitality into rural revitalization. Relying on the mode of "company + farmers", the Bank gave play to the core role of leading enterprises and developed the special product "Pig Farmer Loan" to provide medium and long-term unsecured loans for farmers with financing needs, further enhancing the precision and effectiveness of financial services for rural revitalization.

## "Yulehui" Sent Agricultural Products out of the Mountainous Areas

With consumption support as an entry point, the "Yulehui" e-mall further helped areas lifted out of poverty to solve the problems of limited sales and increased production without increased income and opened up the "last mile" on the way out of the mountainous areas for agricultural products. The "Yulehui" e-mall has a "Consumption Support" section in a prominent position, where more than 20 local consumption support enterprises have been introduced. It continued to carry out special sales activities based on

the seasonal characteristics of agricultural and sideline products, helping to enhance the popularity and sales of special local agricultural products in areas lifted out of poverty. In 2022, there were 53,000 orders for consumption support in the "Yulehui" e-mall, with a transaction amount of over RMB3.37 million.

## Supporting Agricultural Infrastructure Development

Chongqing Yidao Agricultural Shareholding Cooperative Union was established in 2018, mainly engaged in agricultural production custodian services. It took the lead in the city to explore the role of drones in agriculture, and its drone diving livestreaming and drone pest control of mountainous economic fruit forests were the first successful experimental cases in Chongqing. Its successful experience was compiled and selected to be included in the *Collection of Case Studies on Reform Practices in National Rural Reform Pilot Areas* and the *Typical Cases of National Agricultural Socialized Services* by Liangping District Agricultural and Rural Committee. Since the union advanced too much funds for agricultural production materials, the funds could not be withdrawn in a short period of time. As a result, the union lacked funds to build a standardized agricultural machinery warehouse.

After understanding the actual situation of the union, Bank of Chongqing Liangping Sub-branch sent special personnel to communicate in time and quickly issued a "Rural Revitalization Loan" of RMB1.1 million of low-cost, unsecured loan funds for the union, which effectively solved the problem of fund shortage in the early stage of the construction of the agricultural machinery warehouse. The completion of the agricultural machinery warehouse brought more efficient and standardized socialized services to the union, providing more than 8,000 households around with production custodian services and benefiting more than 3,000 households with income increase and employment.



▲ Financial support for the production of high standard farmland in Liangping



# PROMOTING INNOVATION-DRIVEN DIGITAL TRANSFORMATION

## Deep integration by building digital banking

Following the strategic requirement of "technological empowerment", the Bank promoted digital transformation while driven by innovation, developed financial technology, and made every effort to build an "intelligent bank" and "digital bank". The "14th Five-Year Plan" Strategic Plan for Information Technology of Bank of Chongqing and the Bank of Chongqing Data Strategy were released, which proposed the strategic vision of building a technological innovation and governance system with "leading technology, robust operation, and refined management" and defined the implementation goals and paths for the Bank's financial technology integration and innovation. At the same time, it was specified that the Bank should follow the concept of data creating value, grasp the new development trend of digital economy and digital finance, strengthen data thinking and data use in the process of financial technology innovation, and give play to the multiplying role of data elements.

Toward the core goal of agile iteration, we built the DevOps platform for the integration of research and operation, realizing the whole-procedure innovation closed loop from demand, R&D, testing, delivery, to operation and improving the efficiency of

business iteration and delivery. The Bank carried out the pilot exploration of the agile delivery mode, promoted the deep integration of business and technology, and built a synergistic working mechanism. Agile innovation teams for credit card business, retail business, and inclusive business were set up to provide small, fast, and flexible continuous iteration and delivery support for business innovation. A dual-mode delivery and synergistic development mode with robust upgrade of key business and agile iteration of innovative business was gradually formed.

Regarding the "selection, cultivation, retention, and use" of technological innovation talent, the Bank established and improved relevant supporting mechanisms for talent management, broadened channels for recruiting and attracting talent, and opened up career development channels. The Bank deepened the construction of the technological innovation talent team with a focus on introducing inter-disciplinary talent in cutting-edge fields such as frontier financial technology, information security expertise, and data analysis and modeling techniques.



## Important Progress

### Upgrading Bashi Digital & Smart Mobile Banking

With data insight and Internet Omni channel layout as the core of transformation, we continued to upgrade Bashi Digital & Smart Mobile Banking, promoted the intelligent service system "Yuying Link", and built the digital operation platform "Yunfan". These systems, together with mobile banking, online banking, and WeChat banking, formed an integrated digital operation system and provided over three million online customers with tailored products and services based on digital technologies such as big data, intelligent decision-making engine, and customer tagging and profiling.

### Promoting e-CNY Pilot

We have realized direct access to the e-CNY platform and offered products and services for e-CNY personal and public "wallets" via our mobile banking and online banking. We popularized and publicized the advantages of e-CNY such as security and convenience through articles, videos, and comics via our WeChat official account. The Bank took the comprehensive advantages of "indirect connection + direct connection" and used "online + offline" channels to give full play to the advantages of e-CNY, centering on efficiency and convenience, benefiting people's livelihood, and serving the economy in nearly ten scenarios such as retail stores and supermarkets, transportation and travel, and culture and tourism, which promoted people's livelihood consumption and economic and social development.





## Digital innovation to empower transformation and development

The Bank accelerated digital innovation with a focus on the new situation and new business mode of digital economy, effectively promoted the upgrade and quality improvement of operational management, increased the speed and efficiency of business development, and continuously enhanced the capability to serve the real economy, thus achieving a number of important results in the innovation of digital infrastructure, data governance, digital credit, digital risk control, and digital operation.

In 2022, the Bank carried out key projects following the *Three-Year Implementation Plan (2021-2023) of Bank of Chongqing for Digital Innovation Development*, which covered the capacity building of digital financial products and services, system building of digital financial business empowerment, capacity building of digital internal management, and innovation and exploration of new digital technology scenarios.

We promoted the continuous improvement of the Bank's digitalization level, which comprehensively covered all fields and lines from business to management, from the Head Office to branches and sub-branches, achieving a new height of digital application where technological capabilities are visible everywhere and technological resources are available to everyone.

In particular, in terms of digital financial products and service capacity building, the Bank created a five-in-one digital service system of "diversified products, intelligent risk control, digital operation, accurate post-loan warning, and new legal compliance" for inclusive finance. The "Hao Qi Dai" and "Chain Enterprise Loan" series of products constructed under the system served nearly 50,000 small and micro enterprise customers with a cumulative amount of over RMB34.8 billion.

## Intelligent upgrade to consolidate digital risk control

The Bank continued to improve digital risk prevention and control and gradually formed a comprehensive digital risk control system in credit policy adjustment, targeted customer services, business risk monitoring, digital procedure control, intelligent audit analysis, anti-money laundering risk identification, and employee behavior management. In this way, a "digital perception brain" integrating development and risk prevention control was created, effectively improving the Bank's efficiency of financial service supply and quality and effectiveness of internal control management.

"Wind Chime Intelligent Review", a self-developed digital risk control system to support multi-scenario business and internal control management applications, profiled large and medium-sized enterprises and their affiliated relationships based on knowledge mapping technology, connected thousands of categories of internal and external data in ten categories, such as industry and commerce, transaction, security and finance, built a multi-perspective and multi-dimensional risk analysis model covering enterprise related party credit granting models, cluster risk models, transaction analysis models, financial whitewash models, and loan monitoring models, and outlined the industrial

chain mapping, so as to penetrate the hidden relationships among enterprises. The system has been widely applied to the whole credit procedure, risk management, internal audit, asset protection, anti-money laundering, and other fields, building an intelligent "firewall" that can be widely applied to the whole life cycle of banking business and internal control management.

The trial operation of universal industrial risk rating model enabled accurate adjustment of credit limits. The comprehensive promotion of "good enterprise to see" realized online and offline collaborative customer screening and multi-angle risk penetration and generated more than 30,000 enterprise credit reports.

Special training on big data, financial technology, and other topics were extensively carried out to strengthen the behavioral habits of all staff in understanding, managing, and using data, so that business, technology, and data were deeply integrated and synergistic.



### Important Progress

#### "Intelligent Visitor" Industrial Digital Finance Platform

The "Intelligent Visitor" industrial digital finance platform built a powerful multi-dimensional model of industry and industrial analysis, theme customer segment mining, risk and value assessment, etc. It mainly clarified a total of 70 industrial chains, including featured industries and strategic emerging industries in the Chongqing-Chengdu economic circle, and analyzed around 600,000 items of key policies and information data on the Chongqing-Chengdu economic circle and around 50,000 key enterprises in the Chongqing-Chengdu economic circle, thus realizing in-depth research on the development prospects, competition pattern, and industrial risks of key industries in Sichuan and Chongqing and empowering industrial economic development.

#### Digital Inclusive Finance

- The whole procedure was completed online, obviating the need for offline processing. We provided technical support for the "Hao Qi Dai" with new authentication methods such as biometrics and data certificates, realized "one-key application" through mobile intelligent terminals, and enabled the online completion of the whole procedure of application, calculation, contract signing, disbursement, and repayment.
- Data integration realized "one-point access" to business processing. By integrating "enterprise asset data", "government data", and "enterprise behavior data", we broke through the isolation of information and accurately profiled small and micro enterprise customers, and increased the number of "Hao Qi Dai" sub-products to 53, effectively solving the pain points of financing for small and micro enterprises.
- Intensive and fast business processing enabled "one-moment access". Relying on the big data platform, the Bank reconstructed the credit rating system for small and micro enterprises to support 7\*24-hour approval, so that the process from loan application to disbursement took a minimum of 15 minutes and approval results in three minutes were issued. Hundreds of data tags such as procedure nodes, processing time, and management tasks were constructed to dynamically monitor customer satisfaction and provide a convenient, fast, and attentive financing experience.





# PROTECTING THE ECOLOGY TO BOOST GREEN DEVELOPMENT

## Steadily promote the construction of green banking

As the seventh Equator Bank in China, the Bank was committed to practicing the concept of green development and adhered to the development idea of "strategic green protection, green policy management, green product enhancement, and industrial green planting". The Bank actively integrated itself into the construction of Chongqing Green Finance Reform and Innovation Pilot Zone and the pilot construction of the climate investment and financing platform and actively provided professional and efficient green finance services for the green and low-carbon transformation of the economy and society, making every effort to help achieve the goals of carbon peaking and carbon neutrality.

**The Bank innovated mechanisms to enhance professional service capabilities.** The Bank comprehensively promoted the construction of green finance specialized agents, built an organizational structure consisting of special committees, special departments, special sub-branches, and special staff at the leadership level of the green finance bank, and was one of the first batch of green finance business units in Chongqing to obtain regulatory approval. We saw to it that every level of the Bank performs their due responsibilities and laid out the business format of green finance.

**The Bank activated endogenous development power by orderly planning.** We incorporated green development into strategic planning from annual plans to special appraisal policies from macroscopic and microscopic perspectives, progressively implemented the management and guidance of green finance development, and stimulated its endogenous vitality.

**The Bank refined the standards and built the cornerstone of long-term development.** The Bank benchmarked its standards against the international standards and strengthened development innovation. We took the initiative to adopt the Equator Principles, took the lead in implementing the EU taxonomy for sustainable activities, released corporate standards such as the Standards for Green Credit Business Procedures, and participated in the development of group standards such as the Guidelines on the Construction of Green Finance Digital Platforms, promoting green development by continuously improving the construction of the green finance standard system.

## Deepening green finance through exploration and innovation

The Bank closely followed national policies and seized strategic opportunities such as the development of the Yangtze River Economic Belt and the construction of the Chengdu-Chongqing Economic Circle. We continuously improved the service capability of green finance, strengthened the resource guarantee of green finance, and promoted the green and sustainable development of major projects, key industries, and key fields, providing strong financial support for the construction of a strong ecological barrier in the upper reaches of the Yangtze River.

Continuously innovating the green finance product system in line with market demand, the Bank innovatively launched the "Carbon Peaking and Carbon Neutrality" series of green finance products consisting of three categories, namely, "Carbon Reduction Financing", "Carbon Sink Financing", and "Clean Financing", with a focus on major fields such as low-carbon energy saving, green carbon sink, and pollution prevention and control, which covered the financing business of mortgage and pledge of carbon emission rights, pollution discharge rights, forest rights, and other mainstream environmental rights and interests. Aiming at green and low-carbon digitalization, the Bank launched the first online inclusive special product of green finance in western China, "Haoqi Loan for Green Industry", to provide efficient online services for green small and micro enterprises. Through product innovation and resource protection enhancement, we continuously injected financial vitality into the development of green industries in Chongqing.

We continuously optimized the "Green Finance Management System" and fully connected it with "Yangtze River Green Finance" to help consolidate the digital infrastructure of Chongqing Green Finance Reform and Innovation Pilot Zone. We also assisted financial regulatory authorities in developing the "Green Easy Loan" and the "Carbon Emission Reduction Support Tool" function module to promote the intelligent management of green finance in the whole region. Meanwhile, we sped up business development with the help of intelligent identification of green business and automatic rating of environmental risks. Throughout the year, we conducted full-covered identification of more than 15,000 credit businesses and classified nearly 100,000 enterprises in terms of environmental risks, promoting the transformation of green finance from "statistical green" to "management green". We developed the "Intelligent Industrial Chain System", the first self-developed system for identifying green enterprises in western China, which clarified the green industrial chains and identifying green financing entities in three dimensions, namely, the carbon source, carbon application, and carbon emission, and have screened nearly 160,000 green enterprises.

As at the end of 2022, the Bank's green finance scale reached RMB32.3 billion, including RMB27.621 billion of green loans, with an increase of RMB8.5 billion and a growth rate of 45% (by the PBOC's standard). Due to its practice in green finance, the Bank was awarded the "Green Sustainable Urban Commercial Bank of the Year Award" by *The Asian Banker in 2022* and selected for the "Case Library of Global Sustainable Business".



### Important Progress

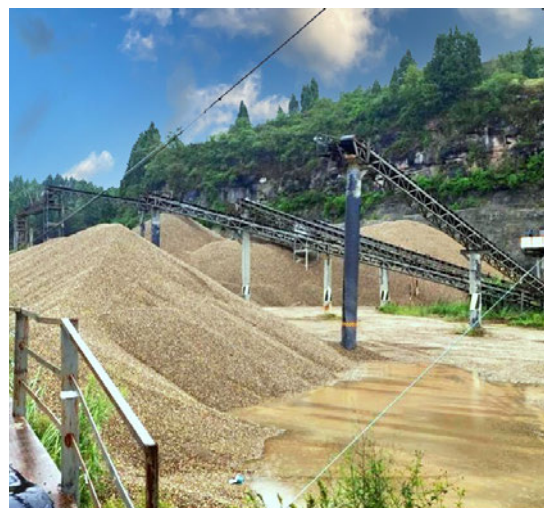
- The Bank supported the construction of beautiful rural areas with green credit. Long-term financial support was provided for over 100,000 mu of forest land planting in Liangping District and 45,000 mu of high-quality tea base construction in Youyang.
- The Bank supported regional sponge city construction with green bonds. RMB324 million in corporate bonds was invested in a city construction company for its "sponge city construction" project to further improve the quality of local ecological environment.
- The Bank supported the construction of the Belt and Road with green leasing. Chongqing Xinyu Financial Leasing Co., Ltd., a partially-owned subsidiary of the Bank, provided operating leasing services of containers for the China-Europe Railway Express.



## The first demonstration project of Equator Principles by a local bank in Chongqing was launched, guided by third-party environmental experts throughout the process

We have integrated the ten environmental and social risk management requirements of the Equator Principles into its internal credit management system to continuously improve its capabilities of environmental and social risk management. We launched the sand and gravel resources mining project in the Tongnan section of the Fu River basin, which was the first Equator Principles demonstration project of local banks in Chongqing, and carried out the whole-procedure assessment and management of environmental and social risks in conjunction with professional third-party companies to ensure that enterprises adopted strict environmental risk standards throughout the project operation. At the same time, we retained the identification of project environmental risks, due diligence, and other data in the system and laid the foundation for regulating procedure management and implementing environmental disclosure.

After the implementation of the project, the depth and width of the river will be effectively increased, which can increase the flow capacity of the river, enhance flood accommodation during the flooding period, reduce flood erosion, and bolster the ecological restoration along the Fu River.



## Launching the first Green Loans that Meet the China-EU Standards in Chongqing

The Bank launched the first green loan project in Chongqing that conforms to the China-EU Common Ground Taxonomy and was included in the support scope of the "Green Easy Loan". For example, the construction of a photovoltaic project of an agricultural company's beef cattle breeding farm was supported with low cost and long-term capital, which was a useful practice of the Bank to make use of the research and application of China-EU green finance standards and help improve the ecological environment.

The project will lay photovoltaic panels on the 16,000-square-meter cattle barn after reinforcing the color steel shed to generate electricity using solar photovoltaic technology. The project is expected to reduce 461.65 tons of carbon dioxide equivalent, 268.28 tons of standard coal, and 1.24 tons of nitrogen oxides after completion, not only relieving the pressure of local electricity consumption but also achieving pollution and carbon reduction, which helps optimize the local ecological environment.



## Supporting Green Logistics Enterprises with Green Leasing

Chongqing Xinyu Financial Leasing Co., Ltd., a partially-owned subsidiary of Bank of Chongqing, innovatively applied the thinking of supply chain finance and provided a company with 13 Qingling EV100 electric light cargo trucks through direct leasing. The vehicles used Ningde Times lithium iron phosphate batteries, which will save fuel costs of around RMB4.16 million and reduce carbon emissions of around 2,430 tons during the project leasing period.

The vehicles were handed over to the professional green logistics transportation enterprise by direct leasing, with the leasing service fee waived, which effectively eased the capital investment pressure of small and medium-sized enterprises. The use of new energy vehicles in the green logistics scenarios of large manufacturing enterprises greatly reduced logistics costs and accumulated valuable "carbon credits" for enterprises.

## Supporting Forestry Development

The Bank actively collaborated with the forestry department to open up the financing channel for forest rights mortgage and innovatively launched forest rights mortgage loans to turn the rich forest rights assets of enterprises into green wealth and solve the problem of difficult financing for forestry enterprises. After learning that a forestry company was facing

the problem of funding for a new expansion forestry project, the Bank used the financial service mode of "credit + forest rights" to transform 7,700 mu of forest land into RMB95 million working capital with a nine-year term for planting 50,000 mu of forest land, contributing to the enhancement of the forest volume and the natural carbon sequestration capacity.

## Launching Mortgage Loans of Pollution Discharge Rights

A certain new material enterprise was the first "green factory" in China in the glass fiber industry as judged by the State Ministry of Industry and Information Technology. After learning that the enterprise had the capital demand to expand the scale of production and operation, the Bank recommended pollution discharge right mortgage products for it

considering its introduction of advanced domestic and international waste treatment technology and granted pollution discharge right mortgage loans of RMB100 million to the enterprise, turning the enterprise's pollution discharge rights from "dormant assets" into "circulating capital" and supporting its green development.

## Green operation of energy saving and carbon reduction

The Bank vigorously advocated the concept of low-carbon and green office, carried out energy-saving and carbon-reducing actions, and promoted green operation. In accordance with the Management Measures for Bank of Chongqing Building, we continued to regulate the energy consumption and environmental management of the office building. The Head Office building was awarded the Gold Label for Green Building Design by Chongqing Urban and Rural Construction Committee. It was centrally cooled and heated by renewable energy from river water sources, and the lighting and air conditioning were under intelligent control, the energy-saving management of the office area were intelligently regulated, and the air conditioning were reasonably adjusted as the temperature changed. During the high-temperature period in summer, we took various measures to save electricity and improved the refined management of energy saving and consumption reduction in the office workplace. Charging piles were successively installed in the office building to help promote the development of new energy vehicles and reduce automobile exhaust pollution.

The Bank took full advantage of online office, implemented video conference and online training for all staff, promoted paperless office, adopted double-sided paper use, reduced paper cups and other disposable items to minimize paper consumption. The Bank comprehensively carried out the "Clear Your Plate" campaign, saved and cherished foods, and put an end to waste.

In terms of the building energy efficiency of each outlet, on the one hand, energy-saving insulation materials were used for exterior walls and environmentally friendly products were used as building materials. On the other hand, the intelligent control of indoor lighting in outlets was progressively implemented to effectively save energy, and natural ventilation and lighting were adopted as much as possible according to the actual conditions of each outlet to further achieve the goal of energy saving and consumption reduction.

## Energy Saving and Consumption Reduction on the Way to Green Development

The "Youth First in Energy Saving and Consumption Reduction" campaign was carried out in the Bank. In the campaign, young employees took the lead in saving electricity and water, and a strong publicity atmosphere of green low-carbon life, energy saving, and environmental protection was created.

The Bank popularized green knowledge for the public. The Bank participated in many green finance activities organized by the National Oil and Gas Forum and the Chongqing Youth League Municipal Committee and delivered keynote speeches as the only invited financial institution. The

Bank was also invited to deliver speech and popularize green knowledge in industry associations such as the Banking Association and the China Association of Technology Finance.

The Bank advocated the low-carbon concept toward the society. We actively carried out activities such as low-carbon concept publicity and low-carbon tour around the island at important points such as the Arbor Day and Low-carbon Day, setting an example for the public by practicing the low-carbon concept.



# BUILD A BETTER LIFE TOGETHER WITH SINCERITY

## Solidarity and commitment to the growth of employees

### Building a learning organization

The Bank maintained the close alignment of the talent development program with the Bank's development strategy and business priorities. We built the five support platforms of study, examination, research, tracking, and evaluation to comprehensively promote and continuously improve the key training programs of the Bank. The Bank relied on the online learning management system to enhance training efficiency, formed a complete knowledge management system, and comprehensively promoted the implementation of training programs. We jointly constructed a learning ecosystem and built a learning organization in all respects.

We enhanced the systematization, relevance, and effectiveness of bank-wide training, improved the division of labor system for training consisting of three levels of responsible entities, namely, the Head Office, branches, and sub-branches, and attached great importance to the overall planning and training of high-quality professional cadres at the Head Office. The Bank strengthened resource construction, constructed a "position-competency-course" system based on bank-wide strategy analysis, position competence analysis, and personal competence analysis, built a team of internal trainers, established a complete and effective mechanism for the selection, training, certification, management, and incentives of internal lecturers, and practiced the cultural concept of "learning, enjoying, and growing together", so as to provide strong support for the Bank's high-quality development.

The Bank used various training methods in combination such as assessment, mentorship, rotational training, and action learning and was committed to building a comprehensive training management system for all employees including training for management members at all levels, training for professionals to improve their abilities, and training for new employees. The Bank standardized, systematized, and branded the training programs and formed a normalized talent empowerment mode. With a focus on key groups such as cadres, young elites, and new employees, we vigorously built our talent team and improved their business skills and ability of duty performance, progressively improving the professional training management system.



▲ Employees' Home, Beibei Sub-branch



▲ Participated in the 5th Chongqing Financial Industry Labor and Skills Competition and won excellent results



▲ Bank of Chongqing 2022 School Recruitment New Employee Orientation Training



## Optimizing incentive mechanisms

### The principle of position-based salary

We determined the position salary based on the relative value of the position, so as to match the income level of the employees with the contribution of the position and fully reflect the internal fairness of salary incentives.

### The principle of performance orientation

We distinguished the positioning and responsibilities of different positions, determined the proportion of fixed pay and performance pay for each position, and always linked performance pay with performance assessment results. The Bank has established a scientific, reasonable, open, and transparent performance appraisal system, which provides effective positive incentives.

### The principle of scientific incentives and constraints

We set scientific, reasonable, and operable rules for salary rating and grading, promotion, and adjustment, so as to give full play to the incentive and disciplinary effects of salary on employees.

### The principle of moderate resilience

We comprehensively opened up career development channels for employees and increased the incentives for key and excellent talent in order to attract and retain them. In 2022, 1,462 employees completed grade assessment, which provided a smooth career development path and diversified growth channels.

### In addition, the Bank carried out "Youth Day" selection and commendation to select and set up advanced models

Two young employees were awarded the titles of National Youth Position Expert and Chongqing Youth Position Expert Pioneer respectively, and several collectives and advanced individuals were honored.

## Protecting employees' rights and interests

Relying on the democratic management policy with the employee representative assembly as its basic form, the Bank's major decisions and major issues of immediate interest to employees were submitted to the employee representative assembly for discussion and resolution to ensure employees' participation in democratic management. Four employee representative assemblies were held in 2022.

The Bank continuously carried out support and sympathy activities. We carried out activities such as "New Year's Greetings" and "Coolness in Summer". In 2022, we sent greetings to over 4,000 employees, continuously improving employees' sense of gain and happiness. We continued to improve the critical illness insurance policy for employees and renewed the mutual insurance for employees. In 2022, we helped seven employees apply for a total of RMB84,000 of mutual insurance funds for critical illnesses and sent the care and sympathy of the labor union to 13 employees who had temporary difficulties in life due to illness. We made great efforts to promote the construction of the "Employees' Home". One grassroots labor union successfully created the "Chongqing Demonstration Employees' Home", and two successfully created "Advanced Employees' Home of Chongqing Finance, Trade, Light Industry, and Textile Labor Union".

Colorful interest activities were organized to enrich employees' spare time. The "Youth Fun Session youth interest group was set up to promote youth exchange learning, and a bank-wide youth forum was held.

### Paper Flower Arrangement Activity for International Women's Day

On the 112th International Women's Day, the labor union directly under the Head Office carried out a paper flower arrangement activity called "Flowers' Story: You Bring Beauty to the World", in which nearly 100 female staff representatives from departments of the Head Office participated. In the activity, a professional flower arrangement teacher was invited to instruct them, giving a detailed explanation of the selection of materials, color matching, flower branch length trimming, and other aspects and live demonstration of paper flower arrangement steps and shape design. The activity not only gave female employees a taste of the unique fun of paper flower arrangement but also created a pleasant atmosphere where they were accompanied by flowers and wandered in the sea of flowers, reflecting female employees' love of beauty and life and spirit of solidarity and cooperation.



▲ The head office labor union carried out flower arranging activities on the March 8th Festival



▲ Employees' Children's Day Activity of Creating a Home for Employees



## Service-based protection of customer rights and interests

Bank of Chongqing always adheres to the "people-centered" development philosophy in its consumer rights protection, takes "doing practical things for the public" as the central tenet, aims at improving the institutional mechanism and enhancing customer satisfaction, and conscientiously implements the entity responsibility for financial consumer rights protection.

In 2022, the 46th and 52nd meetings of the 6th Board of Directors of the Bank were held to hear reports from the senior management on consumer rights protection and

to monitor the senior management's duty performance in consumer rights protection. The Consumer Rights Protection Committee under the Board of Directors held two meetings and considered annual work plans, work summaries, reports on complaint handling, and other proposals. Moreover, the leading group of consumer protection at the Head Office held seven group meetings to develop and review work plans, programs, and tasks on consumer rights protection, and followed the latest policy documents from regulatory authorities in real time.

## Conducting special reviews of consumer rights protection

The scope of special reviews of consumer rights protection was further expanded. The Bank included all policies, procedures, product manuals, format contracts, cooperation agreements, marketing and promotion programs, etc. of products, services, and marketing and promotional activities involving consumers of the departments of the Head Office in the scope of review, intensified the review of marketing and promotional activities of all branch-level institutions. By doing so, the Bank continuously improved the standardization of financial marketing and promotional behaviors while ensuring the compliance of products and services.

The key points of special reviews of consumer rights protection were further optimized. We implemented regulatory concerns, focused on hot social issues, increased our sensitivity to risks, and paid close attention to key risk points such as the security of the collection and use of customer information, the adequacy of product and service information disclosure, and the compliance of post-loan collection. In addition, taking into account the feedback from our customers, we kept optimizing the key points of the market entry review of consumer rights protection products and improved the effectiveness of ex-ante control.

## Continuously improving professional competence

We participated in regulatory policy training. We organized the personnel of the special positions for consumer rights protection at the Head Office and branches to attend the "2022 First Online Training Course on Consumer Rights Protection Review and Regulatory Evaluation of Financial Institutions", and "2022 Special Training in Consumer Rights Protection for Urban Commercial Banks and Private Banks" organized by the regulatory authorities to hear external experts' interpretation of regulatory policies and learn from the advanced experience shared by outstanding peers.

We organized special training. Lectures given by external senior experts covered 300 employees, including members of the leading group of consumer protection of the Head

Office, heads of branch institutions in charge of consumer rights protection, the Bank's personnel of the special positions for consumer rights protection, and other relevant grassroots business personnel. We updated consumer rights protection courses in the "Chongyin University" App, which focused on the interpretation of laws, regulations, and regulatory policy requirements related to personal information protection. Over 15,000 employees participated in the training and online tests. Carrying out complaint handling skill training, we effectively strengthened the construction of the Bank's complaint handling specialist team and improved the ability of grassroots complaint handling specialists to respond to emergencies through the analysis of typical complaint cases with a focus on win-win communication and crisis management.

## Strengthening complaint management

Based on the regulatory policies, the Bank's policies and mechanisms for complaint management were continuously improved taking into account internal practical experience. In 2022, the Management Measures of Bank of Chongqing for Handling Customer Complaints (Version 2022) and the Supplementary Notice on Further Strengthening Customer Complaint Handling were completed to clarify the requirements for complaint registration, handling procedure, statistical analysis, file management, information disclosure, etc. The implementation was ensured by "appraisal" and "training", and the entity responsibility for complaint handling was further consolidated.

The Bank effectively fulfilled the entity responsibility for complaint handling, adhered to the customer-centered approach, handled customer complaints in accordance with the laws and regulations, and promoted remediation by tracing the root of the problem to achieve the "three improvements". First, we improved the level of complaint handling standardization, completed the revision of the complaint management policy, carried out special self-inspection, and made further efforts to improve the complaint management mechanism, open up consumer complaint channels, strengthen complaint procedure control, and promptly repair weak links. Second, we improved the effectiveness of traceability and remediation, paid great attention to the key risk fields of complaints and homogeneous complaints, strengthened data analysis, revealed risks in a timely manner, and followed up on the effectiveness of traceability and remediation to promote the continuous improvement of our products and services. Third, we improved the effectiveness of complaint handling, implemented the quick disposal of complaints by level and category, gave full play to the internal collaboration mechanism, and effectively made use of the external financial dispute mediation mechanism, so as to achieve "accurate", "fast", and "successful" complaint handling.

In 2022, the Bank received a total of 2,221 customer complaints. Specifically, the main business fields of complaints were loans (666 complaints, accounting for 30.0%), credit cards (482 complaints, accounting for 21.7%), and debit cards (404 complaints, accounting for 18.2%). The main reasons for complaints were that a few customers did not understand the policies and rules or pricing and charges, and that the service attitude and quality were not consistent with their expectations. Geographically, 2,042 complaints or 91.9% of the complaints were in Chongqing, 45 or 2.0% were in Sichuan, 39 or 1.8% were in Guizhou, and 95 or 4.3% were in Shaanxi.





## Popularizing financial knowledge

We promoted the construction of the inclusive finance publicity and education base. We carried out the construction of inclusive finance bases in depth for three consecutive years and conducted financial knowledge publicity and education activities on this basis. As at the end of 2022, the Bank have built a total of 313 inclusive finance to the village bases, which covered remote villages in Wuxi, Wushan, Chengkou, and other districts and counties. At the same time, we took steps to build a demonstration base for financial education in Renmin Road Primary School and provided students with an immersive site to learn financial knowledge by distributing financial knowledge publicity materials such as textbooks and courseware for school students and carrying out interactive teaching activities, so as to achieve the goal of "educating a student, influencing the whole family, and benefiting the economy and society".

We carried out financial literacy publicity activities on a regular basis. First, the publicity theme was closely related to hot topics and current events of people's concern, including the prevention of telecommunications network fraud, illegal fund-raising, deceptive high-interest loans, and other topics. We paid attention to the elderly, teenagers, and other key groups. In the self-designed and self-made WeChat official account articles such as "Anti-fraud Tips for the Elderly" and "Anti-fraud Tips

for Teenagers", we reminded key groups such as the elderly and teenagers to pay attention to personal information protection. Second, publicity methods cover a variety of common channels for the public, including official WeChat official account, portal website, outlet lobby, and going into communities, villages, factories, schools, etc. Third, strengthened the promotion of the publicity and education brand for financial literacy. With the IP image of "Yuxiaoxuan" as the logo, we designed and created a series of promotional works such as animations, comics, and articles and released them via the Bank's WeChat official account, official website, official video channel, "One Screen" project, and other channels to expand the influence of the brand of financial knowledge publicity and education.

In 2022, a total of 1,500 centralized publicity activities were carried out, over 1.07 million consumers were reached, which raised public awareness of risk prevention and effectively practiced our corporate social responsibility.



▲ Bank of Chongqing Went to Hongfan No. 8 Middle School to Publicize Financial Knowledge

## Sincerity and goodness in the practice of social welfare

The Bank carried out various community public welfare activities to gather the strength and convey the human touch of Bank of Chongqing. Several youth commandos and volunteer teams were set up to participate in front-line public welfare campaigns such as poverty alleviation, mountain fire rescue, and community services, transmitting the Bank of Chongqing's positive energy of "Heart-to-heart - Growing together".

In 2022, the Bank's charity donation totaled RMB3.48 million, including RMB2.2 million to the Southwest University Education Development Foundation to support the

development of education, and RMB200,000 to the "Good People of China" and the "Good People of Chongqing" in difficulty. The Bank donated RMB500,000 to Shiliang Village, Dashi Township, Dianjiang County, to support the implementation of projects to improve the living environment and living conditions of villagers; RMB580,000 to Wuxi County, assisting in promoting rural revitalization, deepening targeted assistance, and supporting farmers with breeding intentions to develop the aquaculture industry.



**RMB2.2million**  
to the Southwest University Education  
Development Foundation



**RMB580,000**  
to Wuxi County, assisting in  
promoting rural revitalization



**RMB500,000**  
to Shiliang Village, Dashi Township,  
Dianjiang County



**RMB200,000**  
to the "Good People of China" and  
the "Good People of Chongqing" in  
difficulty

## Heartwarming "Yuxiaojin"

Founded in May 1999, the "Yuxiaojin" volunteer team has more than 1,600 volunteers, covering Chongqing, Sichuan, Shaanxi, and Guizhou. In 2022, the "Yuxiaojin" volunteer service team gave full play to its advantage of financial professionalism. While providing high-quality financial services, it gave more than 1,100 lectures on financial knowledge in villages, streets, schools, and parks, and carried out financial volunteer services for the elderly, teenagers, and new citizens for over 600 times. The team carried out "Little Bankers" teenager financial quotient education activity, children's financial quotient story contest, "Winter Sunshine - Warming You and Me" charity support activity, "Warm Chongqing Spring - Sending Love Home" book delivery activity, and other public welfare activities. We also conscientiously built the Chongqing financial education base for teenagers

and the financial education training base for college students to help improve the financial literacy of the public.

In face of high temperature, and mountain fire, the volunteers stepped forward bravely, went against the crowd, and fought day and night, translating the volunteer service spirit of "dedication, friendship, mutual help, and progress" into practical actions, nurturing patriotism and enterprising character in the practice of volunteer services. The "Yuxiaojin" volunteer service team won the "Good People of Chongqing" Special Award for 2022 granted by the Publicity Department of the Chongqing Municipal Party Committee and the Civilization Office of the Chongqing Municipal Party Committee.



▲ Volunteer participated in mountain fire rescue in Jinyun Mountain



# ESG DISCLOSURE

Bank of Chongqing Co., Ltd. completed ESG disclosure in accordance with HKEX Appendix XXVII “Guidelines on the Environmental, Social, and Governance Report”.

## Governance

For this section, please refer to the section on consolidating the foundation by improving corporate governance and protecting the ecology to boost green development.

## Environmental

Level A1:  
Emissions

Level A2:  
Resource Use

Level A3:  
Environment and Natural Resources. See green operation of energy saving and carbon reduction and key performance.

Level A4: Climate Change

In order to explore and identify the operational challenges posed by climate change, the Bank launched a risk stress test project for green finance in 2022 and developed a management tool for relevant stress tests. This management tool takes into account both physical risks (e.g., heat wave or flood scenarios) and transformation risks (e.g., the carbon price scenario), focuses on key sectors that are highly affected by climate, and establishes the three transmission modes of macroscopic, mesoscopic, and microscopic modes, aiming to quantitatively assess the potential impact of climate environmental risks on the Bank’s credit assets in a forward-looking manner.

## Social

Level B1: Employment

Level B4: Labor Guidelines

The Bank strictly abides by the Labor Law of the People’s Republic of China and other labor laws and regulations, actively builds a compliant labor relationship, and eliminates the use of child labor. The Bank continuously improved welfare protection measures to protect the rights and interests of employees. At the same time, we adhered to the principles of fixed positions, fixed staffing, and fixed staff, actively strengthened the recruitment and allocation of staff, optimized the functions and position responsibilities of the departments, and strove to build a modern human resource management system. In 2022, policy documents such as the Management Measures for Performance Appraisal of Heads of Operating Institutions of Bank of Chongqing (Version 2022), the Management Measures for Performance Pay Appraisal of Employees of Directly Managed Sub-branches of Bank of Chongqing in 2022, and the Guidelines on Further Standardization of the Recruitment Management of Branch Institutions were revised and issued.

Level B2: Health and Safety

Attaching great importance to safety, the Bank organized activities such as “May 12” Disaster Prevention and Reduction Day, June the Production Safety Month, International Disaster Reduction Day, and 119 Fire Awareness Month. The Bank properly ensured safety during important holidays and events, strengthened the safety management of employees’ office environment, and promoted the successful conclusion of the three-year action of production safety.

Throughout the year, 596 production safety meetings were held, 42,600 employees participated in production safety education training sessions, and 51,700 on-site safety inspections were carried out. With no production safety accidents or natural disaster losses, the Bank achieved the goal of “zero cases and zero accidents”.

### Summer Fire Safety Training and Fire Evacuation Plan Drills

In summer 2022, Chongqing City experienced continuous sunny weather and high temperature. In order to ensure the safe and stable operation of the Bank, we organized training sessions on prevention and control of heat and flood and security services to actively cope with continuous high temperature and deploy preventive measures.

Yuzhou Road Sub-branch under Jiulongpo Branch organized summer fire safety knowledge training and fire evacuation plan drills to enhance fire

safety awareness of all employees, improve their skill of fire prevention, firefighting, and evacuation and escape, which further enhanced the ability of self-prevention, self-rescue and disposal of fire hazards. In the fire evacuation and escape drill, each functional group performed their duties, and the alarm, disposal of the initial fire, transfer of important blank vouchers and cash, and evacuation of personnel were carried out in an orderly manner according to the plan.

### Carrying out “Safety Awareness and Consultation Day” Activities

On the Safety Promotion and Consultation Day, the Bank widely conducted publicity and education on customers, employees, and their families via the branch institutions, outlets, and other channels and carried out safety skill contests, knowledge tests, and fun activities, where the participants could learn safety knowledge while having fun.

We organized employees to learn safety knowledge via the Chongyin School and carried out contingency drills and practical training for emergencies. We



200

produced 200 public service announcements, posters, short videos, voice prompts



1.2

reached an audience of 1.2 million people



158

carried out 158 “Door-to-door Safety” activities



172,000

reached 172,000 people



50

contingency drill experience activities of various types



3,863

involved 3,863 people



CASE



### Level B3: Development and Training

In 2022, the Bank continued to improve the construction of its training system. We strengthened the construction of the "five libraries" of the course library, instructor library, case library, examination question library, and training supplier library to build up the training culture. We optimized the Chongyin School App with a gradual transition from traditional offline centralized training to a combination of online and offline training, flipped classrooms, and pure online learning, increased its interactivity, convenience, and fun, and improved training coverage, timeliness, and training experience. Throughout the year, we uploaded 441 self-developed courses, livestreamed more than 250 sessions, trained over 80,000 people, with a total of 119,200 online hours and a maximum monthly activity of 2,500 people.

We strengthened talent training by level and category. We continuously strengthened the training of cadres, professionals, and new employees. The Bank created talent echelons, enhanced the leadership, strategic thinking, and foresight of the cadre, promoted the skills and comprehensive quality of professional talent, and helped new employees to better integrate into and practice the corporate culture, clean financial culture, and compliance culture. Based on the Bank's strategic direction and key work, we launched high-quality themed training months such as credit review, corporate inclusive finance, employee conduct management, new employee training, the teacher month, and internal control compliance, steadily promoting the quality and effectiveness of training.

### Level B5: Supply Chain Management

The Bank advocated and practiced the green concept of environmental protection in its procurement management. The Bank strictly controlled the access requirements for suppliers in terms of environmental protection, energy saving and emission reduction, etc., took the environmental qualification and energy-saving performance of suppliers of engineering air conditioners, advertising equipment, and other products as an important indicator for consideration in procurement, and took the environmental protection requirements as the shortlisting requirements for engineering suppliers. The procurement management system was built and fully put into operation, and online remote bidding for suppliers was implemented to reduce the cost of the procurement process.

### Level B6: Product Responsibilities

The Bank strengthened network security by dividing the bank-wide network into security domains with strict access control in accordance with the principle of "minimum authorization". At the same time, the Bank enhanced host security protection, adopted automatic inspection of system vulnerabilities, account password security strategies, and process operation, and monitored abnormal user operation and behavior in real time. In addition, we enhanced data security protection, improved the disaster recovery system of two cities and three centers, realized in-city application-level disaster recovery for important business systems and off-site data-level disaster recovery for core systems and related systems, and strengthened security control in data transmission, data copying on mobile media, and sending and receiving emails via the external network.

For this section, please refer to the section on service-based protection of customer rights and interests.



### Level B7: Anti-corruption

#### Anti-corruption and integrity promotion

In 2022, the Bank deepened the construction of clean financial culture, further implemented the opinions on strengthening the construction of clean culture in the new era and several measures in Chongqing, formulated a work plan, and organized the "Clean Wind to Nurture the Bank's Practice - Clean Finance" series of activities. The Bank undertook the clean financial culture speech contest of Chongqing banking and insurance industry, organized the Bank's employees to actively participate in the clean financial knowledge contest, and won the excellent organization award. We continued to build clean financial culture "walls, galleries, fields, and rooms" with "integrity" and "compliance" as the ultimate goal, and constantly enhanced the effectiveness

of clean financial culture cultivation.

We advocated and promoted the values of honesty, integrity, and incorruptness throughout the Bank and continuously strengthened the culture of compliance. We carried out the "Year of Improvement of Internal Control and Compliance Management" activities of compliance case prevention knowledge study and examination and compliance management training, infused the concept of compliance culture into operation and management activities, guided employees to heighten compliance awareness and effectively prevent compliance risks.

#### Anti-money laundering

The Bank has built a mechanism for the whole-procedure management of anti-money laundering data. We clarified the anti-money laundering data responsibilities, established the anti-money laundering standards for customer and transaction data, and embedded them in business systems for the whole-procedure control of anti-money laundering data quality.

The Bank has improved the functions of the money laundering risk control system. We optimized the re-identification mechanism for customers who underwent Inquiry, freezing, and withholding, improved the restrictive measures for money laundering risk control, enriched the monitoring indicators for customer information quality control, and improved the intelligence level of money laundering risk management. The Bank continuously optimized the indicators of suspicious transaction monitoring, enhanced the manual identification capability of suspicious transactions, and assisted public security authorities in detecting fraud, gambling, and other illegal and criminal activities.

The Bank improved the endogenous power of money laundering risk prevention and control. We strengthened organization and leadership and coordinated the deployment to promote the Bank's anti-money laundering work. We paid close attention to the execution and implementation and regularly conducted

off-site sample inspection on the risk rating and re-identification of the Bank's customers.

The Bank participated in research on anti-money laundering regulatory issues, wrote the WeChat official account article "Understanding the Anti-Organized Crime Law in One Article" to carry out online publicity, used the LED display at the Bank's business outlets to loop anti-drug knowledge videos, and carried out targeted publicity activities for students, workers, elderly people, and other groups with weak anti-money laundering ability in campuses, enterprises, and elderly service institutions, so as to continuously improve the coverage and penetration of anti-money laundering publicity.

We conducted special training in anti-money laundering. We carried out multi-dimensional and full-coverage anti-money laundering training with the theme of "heightening awareness and improving ability". We conducted various forms of training such as special training in anti-money laundering duty performance, anti-money laundering business training, cross-training in anti-money laundering and business, and special training in suspicious transactions, covering all levels including directors, supervisors, and senior management members, middle management members, and personnel of special or part-time anti-money laundering positions.

#### Employee conduct management

We continuously regarded employee professional ethics and code of conduct as an important part of anti-corruption and integrity building, corporate culture building, compliance management, employee education and training, and human resource management. We optimized the construction of the internal control policy for employee behavior and formulated the Rules for

the Management of Employee Behavior of Bank of Chongqing. To strengthen the education and training of staff behavior management, a total of 167 sessions of various training were conducted to enhance employees' awareness of various policies and business risk points and strengthen employees' implementation capacity in routine operation.

**Level B8: Community Investment.** See the sincerity and goodness in the practice of social welfare.



## KEY PERFORMANCE

### | Comprehensive performance

| Economy   | 2022        | 2021        | 2020        |
|---|-------------|-------------|-------------|
| Total assets (thousand yuan)  | 684,712,563 | 618,953,620 | 561,641,397 |
| Net profit (thousand yuan)  | 5,116,525   | 4,859,025   | 4,565,695   |
| Shareholders' equity (thousand yuan)  | 49,336,512  | 47,273,188  | 40,174,997  |
| Capital adequacy ratio (%)  | 12.72       | 12.99       | 12.54       |
| Balance of agriculture-related loans (100 million yuan)                     | 554.42      | 487.43      | 413.05      |
| Balance of microloans (100 million yuan)                                    | 968.19      | 879.02      | 833.22      |
| Balance of inclusive loans to micro and small businesses (100 million yuan) | 436.19      | 397.83      | 342.59      |
| Social contribution value per share (yuan)                                  | 7.11        | 6.43        | 6.47        |
| Total number of employees (persons)   | 4,992       | 4,714       | 4,401       |
| Proportion of female employees (%)  | 57.43       | 56.96       | 56.33       |
| Proportion of female managers(%)  | 29.07       | 29.09       | 28.57       |
| Bank outlets  | 166         | 156         | 145         |
| Substitution rate of electronic transaction volume(%)                       | 97.7        | 95.7        | 91.6        |
| Customer satisfaction (score)   | 95.27       | 93.58       | 92.42       |
| Customer complaints   | 2,221       | 1,841       | 1,300       |
| Charity donation (thousand yuan)  | 3,480       | 4,090       | 17,543      |

### | Social dimension-employees structure

| Data scope          | Employees by gender |        | Employees by age |                 |               |
|---------------------|---------------------|--------|------------------|-----------------|---------------|
|                     | Male                | Female | < 30 years old   | 30-50 years old | >50 years old |
| Head Office         | 570                 | 654    | 123              | 990             | 111           |
| Branch institutions | 1,555               | 2,213  | 748              | 2,790           | 230           |
| The whole bank      | 2,125               | 2,867  | 871              | 3,780           | 341           |

| Data scope          | Employees by type |                         |            | Employees by region |         |         |         |        |
|---------------------|-------------------|-------------------------|------------|---------------------|---------|---------|---------|--------|
|                     | Senior management | Middle-level management | Grassroots | Chongqing           | Sichuan | Guizhou | Shaanxi | Others |
| Head Office         | 11                | 82                      | 1,131      | 818                 | 165     | 7       | 10      | 224    |
| Branch institutions | -                 | 134                     | 3,634      | 2,198               | 505     | 194     | 225     | 646    |
| The whole bank      | 11                | 216                     | 4,765      | 3,016               | 670     | 201     | 235     | 870    |

| Data scope          | Employee turnover by gender |        | Employee turnover by age |                 |               |
|---------------------|-----------------------------|--------|--------------------------|-----------------|---------------|
|                     | Male                        | Female | < 30 years old           | 30-50 years old | >50 years old |
| Head Office         | 8                           | 6      | 3                        | 10              | 1             |
| Branch institutions | 53                          | 50     | 38                       | 65              | -             |
| The whole bank      | 61                          | 56     | 41                       | 75              | 1             |

| Data scope          | Employee turnover by region |         |         |         |        |
|---------------------|-----------------------------|---------|---------|---------|--------|
|                     | Chongqing                   | Sichuan | Guizhou | Shaanxi | Others |
| Head Office         | 9                           | 1       | 0       | 0       | 4      |
| Branch institutions | 32                          | 19      | 7       | 10      | 35     |
| The whole bank      | 41                          | 20      | 7       | 10      | 39     |



| Social dimension – training of employees

| Head Office       | Employees by gender |        | Employees by type |                         |            |
|-------------------|---------------------|--------|-------------------|-------------------------|------------|
|                   | Male                | Female | Senior management | Middle-level management | Grassroots |
| Trained employees | 570                 | 654    | 11                | 82                      | 1,131      |
| Training hours    | 13,110              | 15,042 | 253               | 1,886                   | 26,013     |

| Branch institutions | Employees by gender |        | Employees by type |                         |            |
|---------------------|---------------------|--------|-------------------|-------------------------|------------|
|                     | Male                | Female | Senior management | Middle-level management | Grassroots |
| Trained employees   | 1,555               | 2,213  | -                 | 134                     | 3,634      |
| Training hours      | 35,765              | 50,899 | -                 | 3,082                   | 83,582     |

| The whole bank    | Employees by gender |        | Employees by type |                         |            |
|-------------------|---------------------|--------|-------------------|-------------------------|------------|
|                   | Male                | Female | Senior management | Middle-level management | Grassroots |
| Trained employees | 2,125               | 2,867  | 11                | 216                     | 4,765      |
| Training hours    | 48,875              | 65,941 | 253               | 4,968                   | 109,595    |

| Social dimension – death of and injury to employees in work

| The whole bank                 | 2022 | 2021 | 2020 |
|--------------------------------|------|------|------|
| Death in line of duty (person) | 0    | 0    | 0    |
| Lost time of work injury (day) | 3    | 239  | 240  |

| Social dimension -- Suppliers' data

| Quantity of partnering supplies in 2020 by region |         |           |          |         |           |       |
|---|---------|-----------|----------|---------|-----------|-------|
| Region  | Beijing | Guangdong | Shanghai | Sichuan | Chongqing | Other |
| Quantity  | 59      | 30        | 25       | 12      | 103       | 80    |

| Environmental Dimension (Unit: RMB100 million)

Balance of green loans

| Indicator  | 2022   | 2021   | 2020   |
|--|--------|--------|--------|
| Energy Conservation and Environmental Protection | 49.11  | 27.65  | 16.56  |
| Clean Production Industry                        | 7.21   | 4.95   | 1.58   |
| Clean Energy Industry                            | 21.83  | 19.19  | 17.42  |
| Ecological Environment Industry                  | 52.83  | 35.00  | 24.59  |
| Green Upgrade of Infrastructure                  | 142.01 | 100.75 | 79.39  |
| Green Services                                   | 3.22   | 3.63   | 4.56   |
| Total  | 276.21 | 191.15 | 144.10 |

Note : The statistical criteria for green loans refer to the Notice of the People's Bank of China on Revising the Special Statistical System for Green Loans (Yin Fa [2019] No. 326)

Greenhouse gas emission and density at Head Office (scope 1 and scope 2)

| Item                                       | Unit                          | 2022     | 2021     | 2020     |
|--|-------------------------------|----------|----------|----------|
| Emission of vehicles (scope 1)             | Ton                           | 21.14    | 23.14    | 25.28    |
| Emission of canteen LNG emission (scope 1) | Ton                           | 70.05    | 85.40    | 67.43    |
| Emission of electricity use (scope 2)      | Ton                           | 1,654.64 | 1,654.12 | 1,481.74 |
| Total GHG emission                         | Ton                           | 1,745.83 | 1,762.66 | 1,574.45 |
| Density of GHG emission                    | Ton/m <sup>2</sup> floor area | 0.016    | 0.02     | 0.01     |

Note 1: The GHG emission is calculated as per the Instructions on Carbon Dioxide Baseline Emission Factor OM Calculation for the Power Grid in China in 2019.  
Note 2: The floor area refers to the floor area of office buildings of Head Office.



Air pollutant emission of public vehicles owned by the Head Office

| Item  | Unit | 2022  | 2021  | 2020  |
|-------|------|-------|-------|-------|
| NOx   | kg   | 2.23  | 2.89  | 3.16  |
| SOx   | kg   | 0.15  | 0.165 | 0.18  |
| CO    | kg   | 49.51 | 61.56 | 67.25 |
| PM2.5 | kg   | 0.24  | 0.27  | 0.30  |
| PM10  | kg   | 0.24  | 0.272 | 0.30  |

Note : The emission of air pollutants from the public vehicles is calculated as per the Technical Guides for Preparing Air Pollutant Emission List of Road Motor Vehicles issued by the Ministry of Ecology and Environment of the PRC.

Resource consumption and intensity of the Head Office

| Item                                      | Unit                          | 2022   | 2021   | 2020     |
|---|-------------------------------|--------|--------|----------|
| Electricity consumption                   | 10MWh                         | 314.75 | 314.65 | 281.86   |
| Electricity consumption density           | kWh/m <sup>2</sup> floor area | 29.59  | 29.58  | 26.50    |
| Water consumption                         | 10,000 tons                   | 3.76   | 3.65   | 3.33     |
| Water consumption density                 | ton/m <sup>2</sup> floor area | 0.35   | 0.34   | 0.31     |
| Gas consumption                           | 10,000 m <sup>3</sup>         | 3.24   | 4.04   | 3.19     |
| Gas consumption density                   | m3/m <sup>2</sup> floor area  | 0.30   | 0.38   | 0.30     |
| Gasoline consumption (by vehicle)         | 10,000 l                      | 0.99   | 1.08   | 1.18     |
| Gasoline consumption density (by vehicle) | l/vehicle                     | 900.00 | 981.81 | 1,072.73 |

Quantity and density of harmless wastes of the Head Office

| Item                       | 2022                      | 2021                    | 2020                    |
|----------------------------|---------------------------|-------------------------|-------------------------|
| Quantity of kitchen wastes | 3.62(tons)                | 4 (tons)                | 3.95 (tons)             |
| Density of kitchen wastes  | 0.00362 (tons per capita) | 0.004 (tons per capita) | 0.004 (tons per capita) |

## Appendix

# BASIS OF REPORTING

### The Head Office electricity consumption(10MWh):

The Head Office electricity consumption disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the total electricity consumption based on the electric meters of the new buildings in the office area where the Head Office is located, including the south and north buildings (excluding the 3-5 floors of the north building) during the reporting period.

### The Head Office water consumption (10,000 tons):

The Head Office water consumption disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the total water consumption based on the water meters of the new buildings in the office area where the Head Office is located, including the south and north buildings (excluding the 3-5 floors of the north building) during the reporting period.

### The Head Office gas consumption (10,000 m³):

The Head Office gas consumption disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the total gas consumption based on the gas meters of the new building in the office area where the Head Office of Bank of Chongqing is located during the reporting period.

### The Head Office gasoline consumption (by vehicle) (10,000 liters):

The Head Office gasoline consumption (by vehicle) disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the gasoline consumption based on refueling record of the Head Office's own business vehicles during the reporting period.

### Total number of employees:

The total number of employees disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the formal employees who signed labor contracts with Bank of Chongqing throughout the bank (excluding domestic and foreign subsidiaries) during the reporting period.

### Proportion of female employees (%):

The proportion of female employees disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the proportion of female employees who signed labor contracts with Bank of Chongqing throughout the bank (excluding domestic and foreign subsidiaries) during the reporting period. The gender of the employee is determined based on the official identification document of the employee.

### Proportion of female leaders (%):

The proportion of female leaders disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the proportion of female employees in the middle and senior management personnel of Bank of Chongqing throughout the reporting period (excluding domestic and foreign subsidiaries).Senior management

personnel refers to the members of the leadership team of the head office. Middle management personnel refers to the middle management personnel managed by the party committee of the head office.

The management personnel including President / Vice President of the Bank, Chief Risk Officer, Leader of Discipline Inspection and Supervision Team, Party secretary/ Deputy Party secretary, General Managers and Deputy General Managers of Department at the Head Office, President and Vice President of a Bank Branches. The gender of the employee is determined based on the official identification document of the employee.

### Bank outlets:

The bank outlets disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the number of outlets that have been approved by the China Banking Regulatory Commission for construction and opening during the reporting period.

### Substitution rate of electronic transaction volume (%):

The substitution rate of electronic transaction volume disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the proportion of the total amount of electronic channel transactions of Bank of Chongqing in all accounting transactions within the reporting period in accordance with *China Banking Service Report issued by the China Banking Association*.The substitution rate of electronic channel transaction volume=number of personal online banking transactions+number of mobile banking transactions+number of corporate online banking transactions+number of third-party payment transactions/number of counter (non cash) transactions+number of intelligent teller machine transactions+number of ATM bank card transfer transactions+number of personal online banking transactions+number of mobile banking transactions+number of corporate online banking transactions+number of third-party payment transactions.

### Customer satisfaction(score):

The customer satisfaction disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the third party company entrusted by Bank of Chongqing to conduct customer and product satisfaction score evaluation of Bank of Chongqing during the reporting period.

### Charity donation (thousand yuan):

The charity donation disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the amount of public welfare donations standardized by Bank of Chongqing in the reporting period in accordance with the Management Measures for External Donations of Bank of Chongqing Co., Ltd..

### Social contribution value per share(yuan):

The social contribution value per share disclosed in the

social responsibility report of Bank of Chongqing Co., Ltd. refers to the Bank of Chongqing in accordance with the *Shanghai Stock Exchange Self Regulatory Rules for Listed Companies Guidelines No. 1*.Social contribution per share disclosed in the social responsibility report of the bank= basic earnings per share + (ratal + employee expense + interest paid to creditors + total input in public good undertaking - social costs caused by environmental pollution) /total equities at the end of the reporting period.

### Balance of green loans (100 million yuan):

The balance of green loans disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. refers to the total number of green loan balances (excluding domestic and foreign subsidiaries) in accordance with the statistical calibre of the People's Bank of China "*Notice on Revising the Special Statistical System for Green Loans*" (Yin Fa [2019] No. 326)" at the end of the reporting period.

### Balance of agriculture-related loans (100 million yuan):

The balance of agriculture-related loans disclosed in the social responsibility report of Bank of Chongqing Co., Ltd. includes, by the end of the reporting period, the sum of the balance of the bank's agriculture-related loans in local currency (RMB) and foreign currency (US dollars) in accordance with the statistical calibre of the "*Special Statistical System for Agriculture-related Loans*" of the China Banking Regulatory Commission and People's Bank of China. The balance of agriculture-related loans includes the balance of loans to rural households, the balance of loans to rural enterprises and various organizations, the balance of agriculture-related loans to urban enterprises and various organizations, and the balance of loans to non-agricultural households for agriculture, forestry, animal husbandry and fishery.

### Balance of inclusive loans to micro and small businesses (100 million yuan):

The balance of inclusive loans to micro and small businesses disclosed in the social responsibility report is that as at the end of the reporting period, the total amount of the loans of Bank of Chongqing Co., Ltd. to micro and small businesses in accordance with the statistical standards of the CBIRC, that is, the balance of loans to micro and small businesses with the total amount of credit granted to a single customer less than RMB10 million (included), including the balance of loans to micro and small businesses, to self-employed business owners, and to small business owners, and excluding the balance of bill discount and re-discount businesses. The enterprise classification standard follows the Classification Standards for Small and Medium-Sized Enterprises of the Ministry of Industry and Information Technology.



# INDEPENDENT ASSURANCE REPORT



Ernst & Young Hua Ming LLP  
Level 17, Ernst & Young Tower  
Oriental Plaza, 1 East Chang An Avenue  
Dongcheng District  
Beijing, China 100738

安永华明会计师事务所(特殊普通合伙)  
中国北京市东城区东长安街1号  
东方广场安永大楼17层  
邮政编码: 100738

Tel 电话: +86 10 5815 3000  
Fax 传真: +86 10 8518 8298  
ey.com

## Independent accountant's assurance report

安永华明(2023)专字第61285686\_A01号  
Bank of Chongqing Co., Ltd.

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

### Scope

We have been engaged by Bank of Chongqing Co., Ltd. (the "Bank of Chongqing") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Bank of Chongqing's identified subject matter in the 2022 Annual Corporate Social Responsibility Report (the "Subject Matter") as of 31 December 2022 and for the year then ended 31 December 2022.

### Subject matter

- The Head Office electricity consumption(10MWh)
- The Head Office water consumption (10,000 tons)
- The Head Office gas consumption (10,000 m³)
- The Head Office gasoline consumption (by vehicle) (10,000 liters)
- Total number of employees
- Proportion of female employees (%)
- Proportion of female leaders (%)
- Bank outlets
- Substitution rate of electronic transaction volume (%)
- Customer satisfaction(score)
- Charity donation (thousand yuan)
- Social contribution value per share(yuan)
- Balance of green loans (100 million yuan)
- Balance of agriculture-related loans (100 million yuan)
- Balance of inclusive loans to micro and small businesses (100 million yuan)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the 2022 Social Responsibility Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Bank of Chongqing

In preparing the Subject Matter, Bank of Chongqing applied the criteria which is set out in the basis of reporting within the Social Responsibility Report.



## Independent accountant's assurance report

安永华明(2023)专字第61285686\_A01号  
Bank of Chongqing Co., Ltd.

### Bank of Chongqing's Responsibilities

Bank of Chongqing's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised): *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the terms of reference for this engagement as agreed with Bank of Chongqing. The standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.







### Independent accountant's assurance report

安永华明(2023)专字第61285686\_A01号  
Bank of Chongqing Co., Ltd.

#### Description of Procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- 1) Conducted interviews with personnel to understand the business and reporting process of the selected data during the reporting period;
- 2) Undertook analytical review procedures;
- 3) Tested, on a sample basis, underlying source information;
- 4) Recalculation.

We also performed such other procedures as we considered necessary in the circumstances.



### Independent accountant's assurance report

安永华明(2023)专字第61285686\_A01号  
Bank of Chongqing Co., Ltd.

#### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

#### Restricted use

This report is intended solely for the information and use of Bank of Chongqing not intended to be and should not be used by anyone other than those specified parties. We do not assume responsibility towards or accept liability to any other person for the content of this report.





NOTES TO REPORT

|                      |   |
|----------------------|---|
| Scope of report      | Organizational scope of the report: Head Office and branches of the Bank of Chongqing. The "Bank of Chongqing" and "the Bank" herein both refer to Bank of Chongqing Co., Ltd.<br>Time scope of the report: from Jan. 1, 2022 to Dec. 31, 2022 with part of contents beyond this time scope.<br>Publishing cycle of the report: the report is published annually.   |
| Basis of compilation | The report is compiled in accordance with the Opinions on Strengthening Social Responsibility of Banking Financial Institutions of the former China Banking Regulatory Commission, the Guidelines on Corporate Social Responsibility of Chinese Banking Financial Institutions of China Banking Association, Guidelines for Self-discipline Supervision of Listed Companies of Shanghai Stock Exchange No.1--Standardized Operation by Shanghai Stock Exchange,and the relevant requirements of the Guides on Environment, Social and Governance Report of Hong Kong Exchanges and Clearing Market. Meanwhile, reference has been made to the GRI Standards of GSSB, the Guidance on Social Responsibility (2010) of ISO 26000 and the Guidance on Social Responsibility (GB/T36000) of Standard Administration of the PRC. |
| Data specification   | The financial data in the report are extracted from the Annual Report of Bank of Chongqing Co., Ltd. in 2022(A-share) while other data are mostly within the year of 2022 with part of them beyond the time scope. All the current amounts in the report are in the unit of Renminbi yuan.  |
| Publication form     | The report is published in both hard copy and soft copy.<br>The softcopy is available at: <a href="http://www.cqcbank.com">http://www.cqcbank.com</a><br>The report is in three language versions of simplified Chinese, traditional Chinese and English. In case of any inconsistency therebetween, the simplified Chinese version should prevail.   |
| Contact information  | Office of Board of Directors, Bank of Chongqing Co., Ltd.<br>Address: 6 Yong Ping Men Street, Jiangbei District, Chongqing, China<br>Zip code: 400024<br>Phone: +86 (0)23 63799024  |

FEEDBACK FORM FOR READERS

Dear readers,

Thank you very much for taking time to read the Report of Corporate Social Responsibility (Environment, Social, Governance) of Bank of Chongqing 2022. We look forward to your valuable comments and feedback, which help us improve the report.

Best regards!

Bank of Chongqing Co., Ltd.  
March, 2023

Single choice question (please tick the option √)

Does the report comprehensively and accurately show the Bank's major impact on economy, society and environment?

☐Excellent                      ☐Good                      ☐General                      ☐Bad                      ☐Very Bad

Does the report respond to and disclose the most concerned issues of stakeholders?

☐Excellent                      ☐Good                      ☐General                      ☐Bad                      ☐Very Bad

Are the information, indicators and data disclosed in the report clear, accurate and complete?

☐Excellent                      ☐Good                      ☐General                      ☐Bad                      ☐Very Bad

What is the readability of the report the logic thread, content, language and format of the report?

☐Excellent                      ☐Good                      ☐General                      ☐Bad                      ☐Very Bad

Open questions

What information you intend to know is not contained in the report?

What is your advice on our future reports?





**重庆银行**  
BANK OF CHONGQING

心相伴 共成长



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