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BANK OF CHONGQING CO., LTD.*

重慶銀行股份有限公司*

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

(Stock Code of H Shares: 1963)

(Stock Code of Preference Shares: 4616)

**ANNOUNCEMENT OF INTERIM RESULTS FOR
THE SIX MONTHS ENDED JUNE 30, 2021**

The board of directors (the “**Board**”) of Bank of Chongqing Co., Ltd.* (the “**Bank**”) is pleased to announce the unaudited interim results of the Bank and its subsidiaries for the six months ended June 30, 2021. This announcement, containing the full text of the 2021 Interim Report of the Bank, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results.

Printed version of the Bank’s 2021 Interim Report will in due course be dispatched to the H Shareholders of the Bank and available for viewing on the websites of the Bank (www.cqcbank.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Publication of Results Announcement

Both the Chinese and English versions of this results announcement are available on the websites of the Bank (www.cqcbank.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). In the event of any discrepancies in interpretations between the Chinese version and English version, the Chinese version shall prevail.

The Bank has also prepared the 2021 Interim Report in Chinese in accordance with the PRC Generally Accepted Accounting Principles, which is available on the websites of the Bank (www.cqcbank.com) and the Shanghai Stock Exchange (www.sse.com.cn).

For and on behalf the Board
Bank of Chongqing Co., Ltd.*
LIN Jun
Chairman

Chongqing, the PRC, August 30, 2021

As at the date of this announcement, the executive directors of the Bank are Ms. LIN Jun, Mr. RAN Hailing, Mr. LIU Jianhua and Mr. WONG Wah Sing; the non-executive directors of the Bank are Mr. WONG Hon Hing, Mr. YANG Yusong, Mr. WU Heng and Ms. LIU Ying; and the independent non-executive directors of the Bank are Dr. LIU Xing, Mr. WANG Rong, Dr. ZOU Hong, Dr. FUNG Don Hau and Mr. YUAN Xiaobin.

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

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Important Notice

- (1) The Board of Directors, the Board of Supervisors and each Director, Supervisor and member of senior management of the Bank warrant that the contents in this interim report are true, accurate and complete and contain no false representations, misleading statements or material omissions, and they will take legal responsibilities for such contents on a joint and several basis.
- (2) The 33rd meeting of the sixth session of the Board of the Bank was held on 30 August 2021 in the form of onsite (video) conference. Chairman LIN Jun presided over the meeting. 13 Directors were eligible to attend the meeting, among which 13 Directors attended the meeting. Supervisors and members of senior management of the Bank also attended the meeting. The convening of the meeting complied with relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of Bank of Chongqing Co., Ltd.
- (3) The Bank will not make any profit distribution or convert any capital reserve into share capital for the interim period of 2021.
- (4) The Bank's 2021 interim financial report is unaudited.
- (5) Unless otherwise stated, all monetary sums stated in this report are expressed in RMB.
- (6) LIN Jun (Chairman of the Bank), RAN Hailing (President of the Bank), YANG Shiyin (Vice President in charge of Finance) and YANG Kun (Head of Finance Department) warrant that the financial report in the half-year report is true, accurate and complete.
- (7) This report may contain forward-looking statements about matters such as future plans of the Bank. These statements are made on the basis of current plans, estimates and forecasts. The Group believes that the expectations reflected in these forward-looking statements are reasonable, but the Group cannot guarantee that these expectations can be realized or will be proved to be correct, so they shall not constitute substantive commitments of the Group. Investors shall not overly rely on such statements and shall maintain sufficient risk awareness in this regard. Please be aware that these forward-looking statements are related to future events or the Group's future financial, business or other performance and are subject to numerous uncertainties that may lead to significant differences in the actual results.
- (8) Warning of material risks: For the material risks to which the Group are exposed and proposed measures, please see the section headed "Management Discussions and Analysis – Risk Management" in this report.

Definitions

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

“Articles of Association”	the articles of association of Bank of Chongqing Co., Ltd.
“Bank” or “Bank of Chongqing”	Bank of Chongqing Co., Ltd.
“Group”	Bank of Chongqing Co., Ltd. and its controlled subsidiary
“CBRC”	former China Banking Regulatory Commission (中國銀行業監督管理委員會)
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CBRC Chongqing Bureau”	former China Banking Regulatory Commission Chongqing Bureau (中國銀行業監督管理委員會重慶監管局)
“Chongqing CBIRC”	China Banking and Insurance Regulatory Commission Chongqing Bureau (中國銀行保險監督管理委員會重慶監管局)
“Chongqing Yufu”	Chongqing Yufu Capital Operation Group Co., Ltd.
“Dah Sing Bank”	Dah Sing Bank, Limited
“Xinyu Financial Leasing”	Chongqing Xinyu Financial Leasing Co., Ltd.
“Xingyi Wanfeng”	Xingyi Wanfeng Village Bank Co., Ltd.
“Mashang Consumer”	Mashang Consumer Finance Co., Ltd.
“Three Gorges Bank”	Chongqing Three Gorges Bank Co., Ltd.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS(s)”	International Financial Reporting Standard(s)

Definitions

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC” or “Central Bank”	People’s Bank of China (中國人民銀行)
“Reporting Period”	the half year ended 30 June 2021
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

Company Profile

3.1 Corporate Information

- 3.1.1** Legal Name and Abbreviation in Chinese: 重慶銀行股份有限公司 (Abbreviation: 重慶銀行)
Name in English: Bank of Chongqing Co., Ltd.
- 3.1.2** Legal Representative: LIN Jun
Authorized Representatives: LIN Jun
WONG Wah Sing
Secretary to the Board: PENG Yanxi
Company Secretary: HO Wing Tsz Wendy
Securities Affairs Representative¹: LIU Songtao
- 3.1.3** Registered Address and Office Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the PRC
Principal Place of Business in Hong Kong: Level 54, Hopewell Centre,
183 Queen's Road East, Hong Kong
- 3.1.4** Correspondence Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the PRC
Postal Code: 400024
Tel: +86(23)63367688
Fax: +86(23)63799024
E-mail: ir@cqcbank.com
Website: <http://www.cqcbank.com>
Customer Service Hotline: 956023
- 3.1.5** General Information on the Listing of Shares:
A Shares:
Listing Exchange: Shanghai Stock Exchange
Stock Name: BCQ
Stock Code: 601963
H Shares:
Listing Exchange: The Stock Exchange of Hong Kong Limited
Stock Name: BCQ
Stock Code: 01963
Offshore Preference Shares:
Listing Exchange: The Stock Exchange of Hong Kong Limited
Stock Name: BCQ 17USDPRF
Stock Code: 4616

¹ The Board of Directors has appointed Mr. LIU Songtao as the Securities Affairs Representative of the Bank. The appointment of Mr. LIU Songtao will take effect only after he obtains a qualification certificate as the Secretary to the Board issued by the Shanghai Stock Exchange.

Company Profile

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

3.2 Business Summary

As one of the earliest local joint stock commercial banks in Western China and the upper reaches of the Yangtze River, the Bank was formerly known as Chongqing Urban Cooperative Bank, which was established by consolidating 37 urban credit cooperatives and 1 urban credit union in 1996. The Bank was renamed as Commercial Bank of Chongqing Co., Ltd. in 1998 and as Bank of Chongqing Co., Ltd. in 2007. In 2013, the Bank became the first urban commercial bank in Mainland China to be listed on the Hong Kong Stock Exchange. On 5 February 2021, the Bank was listed on the Shanghai Stock Exchange, thus becoming the third and first city commercial bank with listing of A shares and H Shares, in China and the Yangtze River Economic Belt respectively. As at 30 June 2021, the Bank operated 148 business outlets, covering “one municipality and three provinces”, including all districts and counties in Chongqing as well as Sichuan, Guizhou and Shaanxi, and controlled its subsidiaries Chongqing Xinyu Financial Leasing Co., Ltd. and Xingyi Wanfeng Village Bank Co., Ltd. The Bank recorded total assets of RMB606.553 billion, total deposits of RMB339.824 billion, and total loans of RMB310.116 billion, with the non-performing loan ratio of 1.35% and the allowance coverage ratio of 247.82%. All major business indicators have met regulatory requirements.

Based on its original intention of serving local economy, serving small and micro enterprises and serving urban and rural residents, the Bank developed “You You Dai” and “Credit Loan for Business Entities” to fully support private enterprises and serve the real economy. The Bank developed “Hao Qi Dai” series financial products using the big data analysis technology, so as to help micro, small and medium-sized enterprises solve their financing difficulties. The Bank launched Chongqing Talent Card to provide exclusive financial services for high-level talents. The Bank obtained the Class B lead underwriter qualification in the inter-bank market and the trading qualification for ordinary derivatives, thereby continuously improving its financial service capability. In 2017, the Bank was awarded the title of “National Civilized Unit” by the Spiritual Civilization Steering Committee of the CPC Central Committee. In 2020, the Head Office was honored as the “National May Fourth Red Flag Youth League Committee” issued by the Central Committee of the Communist Youth League. The Bank was rated by the Standard & Poor’s as investment rating, with rating outlook as “stable” for five consecutive years in 2017-2021. It ranked among the top 300 in the “Top 1,000 World Banks” in The Banker, a UK magazine, for six consecutive years.

Financial Highlights

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

4.1 Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change	For the six months ended 30 June 2019
OPERATING RESULTS			Change in percentage (%)	
Interest income	13,310,644	12,203,094	9.1	10,681,572
Interest expense	(7,715,029)	(6,866,929)	12.4	(6,484,723)
Net interest income	5,595,615	5,336,165	4.9	4,196,849
Net fee and commission income	428,526	522,194	(17.9)	459,733
Net trading gains, net gains on investment securities and other operating income	1,145,669	652,953	75.5	816,950
Operating income	7,169,810	6,511,312	10.1	5,473,532
Operating expenses	(1,531,821)	(1,242,510)	23.3	(1,171,262)
Assets impairment losses	(2,285,268)	(1,990,161)	14.8	(1,153,489)
Operating profit	3,352,721	3,278,641	2.3	3,148,781
Share of profit of associates	108,589	29,839	263.9	44,902
Profit before income tax	3,461,310	3,308,480	4.6	3,193,683
Income tax	(707,000)	(688,312)	2.7	(704,761)
Net profit	2,754,310	2,620,168	5.1	2,488,922
Net profit attributable to shareholders of the Bank	2,659,397	2,545,620	4.5	2,421,889
Net cash flows generated from/(used in) operating activities	(21,039,632)	10,726,257	N/A	4,336,940
Calculated on a per share basis (RMB)			Change	
Basic earnings per share	0.79	0.81	(0.02)	0.77
Diluted earnings per share	0.79	0.81	(0.02)	0.77

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021	As at 31 December 2020	Change	As at 31 December 2019
Scale indicators			Change in percentage (%)	
Total assets	606,552,941	561,641,397	8.0	501,231,864
Of which: loans and advances to customers, net	299,867,341	272,259,348	10.1	238,626,834
Impairment allowances for loans	(10,248,430)	(10,967,207)	(6.6)	8,721,904
Total liabilities	559,547,141	519,647,183	7.7	462,618,195
Of which: customer deposits	339,823,749	314,500,257	8.1	281,048,911
Share capital	3,474,505	3,127,055	11.1	3,127,055
Equity attributable to shareholders of the Bank	45,135,770	40,174,997	12.3	36,949,429
Total equity	47,005,800	41,994,214	11.9	38,613,669
Calculated on a per share basis (RMB)			Change	
Net assets per share attributable to shareholders of the Bank	11.58	11.28	0.30	10.25

4.2 Financial Indicators

(All amounts expressed in percentage unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change	For the six months ended 30 June 2019
Profitability indicators (%)				
Annualized return on average total assets ⁽¹⁾	0.95	1.02	(0.07)	1.10
Annualized weighted average return on net asset ⁽²⁾	13.69	15.54	(1.85)	16.66
Net interest spread ⁽³⁾	1.94	2.20	(0.26)	1.99
Net interest margin ⁽³⁾	2.06	2.31	(0.25)	2.06
Net fee and commission income to operating income	5.98	8.02	(2.04)	8.40
Cost-to-income ratio ⁽⁴⁾	20.17	17.93	2.24	20.08

(All amounts expressed in percentage unless otherwise stated)	As at 30 June 2021	As at 31 December 2020	Change	As at 31 December 2019
Asset quality indicators (%)				
Non-performing loan ratio ⁽⁵⁾	1.35	1.27	0.08	1.27
Allowance coverage ratio ⁽⁶⁾	247.82	309.13	(61.31)	279.83
Loan allowance ratio ⁽⁷⁾	3.34	3.92	(0.58)	3.56
Indicators of capital adequacy ratio (%)				
Core Tier I capital adequacy ratio ⁽⁸⁾	8.97	8.39	0.58	8.51
Tier I capital adequacy ratio ⁽⁸⁾	10.07	9.57	0.50	9.82
Capital adequacy ratio ⁽⁸⁾	12.62	12.54	0.08	13.00
Total equity to total assets	7.75	7.48	0.27	7.70
Other indicators (%)				
Liquidity ratio ⁽⁹⁾	98.76	83.52	15.24	78.35
Percentage of loans to the single largest customer ⁽¹⁰⁾	3.43	2.48	0.95	2.52
Percentage of loans to the top ten customers ⁽¹¹⁾	24.94	20.49	4.45	19.30
Loan to deposit ratio	91.26	90.06	1.20	88.01

Financial Highlights

Notes:

- (1) Calculated by dividing net profit by the average of total assets at the beginning and at the end of the period.
- (2) Net profit (net of dividends of preference shares distributed during the year) attributable to shareholders of the Bank as a percentage of the average balance of equity, net of preference shares, attributable to shareholders of the Bank at the beginning and at the end of the period.
- (3) Net interest spread refers to the difference between the average yield on interest-earning assets and the average cost ratio of interest-bearing liabilities; net interest margin represents the ratio of net interest income to the average balance of interest-earning assets.
- (4) Calculated by dividing operating expenses (less tax and surcharges) by operating income.
- (5) Calculated by dividing balance of non-performing loans by total loans and advances to customers.
- (6) Calculated by dividing the balance of impairment allowances on loans by the balance of non-performing loans. The balance of impairment allowances on loans is the sum of impairment allowances on loans and advances to customers measured at amortized cost and FVOCI. Pursuant to regulatory requirements, the regulatory standard of such indicator of the Bank is 120%.
- (7) Calculated by dividing balance of impairment allowances on loans by total principal of loans and advances to customers. Pursuant to regulatory requirements, the regulatory standard of such indicator of the Bank is 1.9%.
- (8) The Group's core tier I capital adequacy ratio, tier I capital adequacy ratio and capital adequacy ratio were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial) promulgated by CBIRC.
- (9) Liquidity ratio is calculated in accordance with the formula promulgated by the CBIRC.
- (10) Calculated by dividing total loans to the single largest customer by net capital.
- (11) Calculated by dividing total loans to the top ten customers by net capital.

4.3 Differences between Domestic and Foreign Accounting Standards

With respect to the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards) and those under the IFRSs, there is no difference for the net profit attributable to shareholders of the Bank for the Reporting Period ended 30 June 2021 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Management Discussions and Analysis

5.1 Overview

2021 is the first year for the Group's "14th Five-Year" Plan and the first year of listing of its A shares. In the face of the complicated and changing external environment, the Group adhered to the general tone of making progress while maintaining stability, took reform and innovation as the fundamental driving force, and unswervingly promoted high-quality development, and thus performance indicators met expectations.

Further growth in the scale of operation. The Group persisted in echoing national and regional strategies, seized market opportunities and expanded its market share, thus vigorously driving the growth in the scale of operation. As of 30 June 2021, the Group's total assets amounted to RMB606,553 million, representing an increase of RMB44,912 million or 8.0% over the end of the previous year; total loans and advances to customers amounted to RMB310,116 million, representing an increase of RMB26,889 million or 9.5% over the end of the previous year; total liabilities amounted to RMB559,547 million, representing an increase of RMB39,900 million or 7.7% over the end of the previous year; total customer deposits amounted to RMB339,824 million, representing an increase of RMB25,323 million or 8.1%, over the end of the previous year.

Improvement in operating benefits, quality and efficiency. Under the orientation of finance serving the real economy, the Group made efforts to build differentiated competitive advantages and consolidated the high-quality development trend. For the six months ended 30 June 2021, the operating income of the Group amounted to RMB7,170 million, representing an increase of RMB658 million or 10.1% as compared to the same period in the previous year; net profit amounted to RMB2,754 million, representing an increase of RMB134 million or 5.1% as compared to the same period in the previous year.

Continuous optimization of the operating structure. The Group actively blended in the development of the Chengdu-Chongqing economic circle, adjusted its focus of asset investment, expanded sources of core liabilities, and continuously increased the proportions of credit assets and savings deposits. As of 30 June 2021, the Group's total loans and advances to customers as a percentage of the total assets increased to 51.13%, representing an increase of 0.70 percentage points over the end of the previous year; customer deposits as a percentage of the total liabilities increased to 60.73%, representing an increase of 0.21 percentage points over the end of the previous year, while savings deposit as a percentage of the total deposits was 39.51%, representing an increase of 0.77 percentage points over the end of the previous year.

Steady enhancement of capital strength. The Group raised funds through various channels and methods. The capital structure was further optimized through IPO of A shares and stable profit growth in the first half of the year. Meanwhile, the Group strengthened the efficiency management under capital constraints, allocated capital resources rationally, gave priority to businesses with low capital consumption such as retail and small and micro enterprise banking businesses, so as to improve the efficiency in the use of funds. As of 30 June 2021, the core tier I capital adequacy ratio, the tier I capital adequacy ratio and the capital adequacy ratio of the Group were 8.97%, 10.07% and 12.62% respectively, representing an increase of 0.58, 0.50 and 0.08 percentage points respectively over the end of the previous year.

Steady improvement in asset quality. The Group continuously strengthened the construction of a comprehensive risk management system, accelerated the addressing of risks from existing large and doubtful credits, firmly forestalled risks, and kept the non-performing loan ratio and provision coverage within a reasonable range. As of 30 June 2021, the non-performing loan ratio of the Group was 1.35%, representing an increase of 0.08 percentage points over the end of the previous year; the allowance coverage ratio was 247.82%, representing a decrease of 61.31 percentage points over the end of the previous year.

Management Discussions and Analysis

5.2 Analysis of the Financial Statements

5.2.1 Analysis of the Income Statement

In the first half of 2021, the net interest income of the Group amounted to RMB5,596 million, representing an increase of RMB259 million or 4.9% as compared to the same period in the previous year; and net fee and commission income amounted to RMB429 million, representing a decrease of RMB94 million or 17.9% as compared to the same period in the previous year; operating expenses amounted to RMB1,532 million, representing an increase of RMB289 million or 23.3% as compared to the same period in the previous year; and assets impairment losses amounted to RMB2,285 million, representing an increase of RMB295 million or 14.8% as compared to the same period in the previous year. As a result of the foregoing factors, in the first half of 2021, the Group achieved a net profit of RMB2,754 million, representing an increase of RMB134 million or 5.1% as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Net interest income	5,595,615	5,336,165	259,450	4.9
Net non-interest income	1,574,195	1,175,147	399,048	34.0
Including: Net fee and commission income	428,526	522,194	(93,668)	(17.9)
Net trading losses/(gains)	303,090	45,989	257,101	559.1
Net gains on investment securities	755,739	593,054	162,685	27.4
Other operating income	86,840	13,910	72,930	524.3
Operating income	7,169,810	6,511,312	658,498	10.1
Operating expenses	(1,531,821)	(1,242,510)	(289,311)	23.3
Assets impairment losses	(2,285,268)	(1,990,161)	(295,107)	14.8
Operating profit	3,352,721	3,278,641	74,080	2.3
Share of profit of associates	108,589	29,839	78,750	263.9
Profit before income tax	3,461,310	3,308,480	152,830	4.6
Less: Income tax	707,000	688,312	18,688	2.7
Net profit	2,754,310	2,620,168	134,142	5.1
Attributable to shareholders of the Bank	2,659,397	2,545,620	113,777	4.5
Attributable to non-controlling interests	94,913	74,548	20,365	27.3

Note: In accordance with the notice of the Ministry of Finance and CBIRC on Strictly Implementing the Accounting Standards for Business Enterprises and Practically Strengthening the Annual Reporting Work of Enterprises in 2020, the Group reclassified the credit card service fee business from "service fee income" to "interest income", and the comparative data of the previous period has been modified synchronously, which is consistent with that of other banks.

Management Discussions and Analysis

5.2.1.1 Operating income

In the first half of 2021, the Group achieved the operating income of RMB7,170 million, representing an increase of RMB658 million or 10.1% as compared to the same period in the previous year, with the net interest income accounting for 78.04%, and the net non-interest income accounting for 21.96%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021		For the six months ended 30 June 2020		Change in amount	Change in percentage (%)
	Amount	Percentage	Amount	Percentage		
		(%)		(%)		
Net interest income	5,595,615	78.04	5,336,165	81.95	259,450	4.9
Net fee and commission income	428,526	5.98	522,194	8.02	(93,668)	(17.9)
Other net non-interest income	1,145,669	15.98	652,953	10.03	492,716	75.5
Total	7,169,810	100.00	6,511,312	100.00	658,498	10.1

5.2.1.2 Net interest income

In the first half of 2021, the net interest income of the Group amounted to RMB5,596 million, representing an increase of RMB259 million or 4.9% as compared to the same period in the previous year.

Interest income, interest expense and net interest income

In the first half of 2021, the interest income of the Group amounted to RMB13,311 million, representing an increase of RMB1,108 million or 9.1% as compared to the same period in the previous year; the interest expense amounted to RMB7,715 million, representing an increase of RMB848 million or 12.4% as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Interest income	13,310,644	12,203,094	1,107,550	9.1
Interest expense	(7,715,029)	(6,866,929)	(848,100)	12.4
Net interest income	5,595,615	5,336,165	259,450	4.9

Management Discussions and Analysis

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

In the first half of 2021, the average balance of interest-earning assets of the Group amounted to RMB548,961 million, representing an increase of RMB84,608 million or 18.2% as compared to the same period in the previous year. The average yield on interest-earning assets decreased by 39 basis points to 4.89% as compared to the same period in the previous year.

In the first half of 2021, the average balance of interest-bearing liabilities of the Group amounted to RMB527,193 million, representing an increase of RMB78,242 million or 17.4% as compared to the same period in the previous year. The average cost ratio of interest-bearing liabilities decreased by 13 basis points to 2.95% as compared to the same period in the previous year.

As a result of the combined impact of the above-mentioned factors, the net interest spread of the Group decreased by 26 basis points to 1.94% as compared to the same period in the previous year, while the net interest margin decreased by 25 basis points to 2.06% as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Average balance	Interest income/expense	Average annualized yield/cost ratio (%)	Average balance	Interest income/expense	Average annualized yield/cost ratio (%)
ASSETS						
Loans and advances to customers	296,775,530	8,222,789	5.59	255,369,399	7,695,173	6.06
Investment securities	164,247,136	4,289,370	5.27	135,002,960	3,837,577	5.72
Cash and balances with central bank	33,393,703	241,810	1.46	31,900,399	226,719	1.43
Due from and placements with banks and other financial institutions	54,544,703	556,675	2.06	42,080,041	443,625	2.12
Total interest-earning assets	548,961,072	13,310,644	4.89	464,352,799	12,203,094	5.28
LIABILITIES						
Customer deposits	323,682,966	4,608,147	2.87	289,315,064	4,326,322	3.01
Due to and placements from banks and other financial institutions and lease liabilities	95,398,282	1,409,132	2.98	57,137,083	912,918	3.21
Debt securities payable	108,111,459	1,697,750	3.17	102,498,626	1,627,689	3.19
Total interest-bearing liabilities	527,192,707	7,715,029	2.95	448,950,773	6,866,929	3.08
Net interest income		5,595,615			5,336,165	
Net interest spread			1.94			2.20
Net interest margin			2.06			2.31

Management Discussions and Analysis

Analysis of Changes in Interest Income and Expense

The Group's changes in interest income and expense are jointly affected by volume factor and interest rate factor. The following table sets forth the analysis of changes in interest income and expense of the Bank for the six months ended 30 June 2021.

(All amounts expressed in thousands of RMB unless otherwise stated)	Due to changes in volume	Due to changes in interest rate	Change in interest income and expense
ASSETS			
Loans and advances to customers	1,125,929	(598,313)	527,616
Investment securities	753,092	(301,299)	451,793
Cash and balances with central bank	10,185	4,906	15,091
Due from and placements with banks and other financial institutions	125,984	(12,934)	113,050
Change in interest income	2,015,190	(907,640)	1,107,550
LIABILITIES			
Customer deposits	477,299	(195,474)	281,825
Due to and placements from banks and other financial institutions	562,629	(66,415)	496,214
Debt securities payable	83,634	(13,573)	70,061
Change in interest expense	1,123,562	(275,462)	848,100
Change in net interest income	891,628	(632,178)	259,450

5.2.1.3 Interest income

In the first half of 2021, the Group realised interest income of RMB13,311 million, representing an increase of RMB1,108 million or 9.1% as compared to the same period in the previous year.

Interest income from loans and advances to customers

In the first half of 2021, the Group's interest income from loans and advances to customers amounted to RMB8,223 million, representing an increase of RMB528 million or 6.9% as compared to the same period in the previous year, primarily due to the increase in average balance on loans and advances to customers by 16.2% as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Average balance	Interest income	Average annualized yield ratio (%)	Average balance	Interest income	Average annualized yield ratio (%)
Short-term loans	50,854,182	971,120	3.85	56,601,474	1,330,426	4.73
Medium – and long – term loans	245,921,348	7,251,669	5.95	198,767,925	6,364,747	6.44
Total loans and advances to customers	296,775,530	8,222,789	5.59	255,369,399	7,695,173	6.06

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Average balance	Interest income	Average annualized yield ratio (%)	Average balance	Interest income	Average annualized yield ratio (%)
Corporate loans	179,347,975	4,867,782	5.47	148,036,188	4,382,114	5.95
Retail loans	103,228,034	3,194,843	6.24	93,582,063	3,110,559	6.68
Discounted bills	14,199,521	160,164	2.27	13,751,148	202,500	2.96
Total loans and advances to customers	296,775,530	8,222,789	5.59	255,369,399	7,695,173	6.06

Interest income from investment securities

In the first half of 2021, the Group's interest income from investment securities amounted to RMB4,289 million, representing an increase of RMB452 million or 11.8% as compared to the same period in the previous year, primarily due to the increase of 21.7% in average balance on investment securities as compared to the same period in the previous year.

Interest income from cash and balances with central bank

In the first half of 2021, the Group's interest income from cash and balances with central bank amounted to RMB242 million, representing an increase of RMB15 million or 6.7% as compared to the same period in the previous year, primarily due to the increase of 4.7% in average balance on cash and balances with central bank as compared to the same period in the previous year.

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

In the first half of 2021, the total interest income from the Group's amounts due from and placements with other banks and financial institutions amounted to RMB557 million, representing an increase of RMB113 million or 25.5% as compared to the same period in the previous year, primarily due to the increase in average balance of amounts due from and placements with other banks and financial institutions by 29.6% as compared to the same period in the previous year.

5.2.1.4 Interest expense

Interest expense on customer deposits

In the first half of 2021, the Group's interest expense on customer deposits was RMB4,608 million, representing an increase of RMB282 million or 6.5% as compared to the same period in the previous year, primarily due to the increase in average balance of customer deposits by 11.9% as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Corporate deposits						
Demand	72,326,913	375,843	1.05	64,517,914	303,920	0.95
Time	107,776,551	1,889,238	3.53	99,427,283	1,953,680	3.95
Subtotal	180,103,464	2,265,081	2.54	163,945,197	2,257,600	2.77
Individual deposits						
Demand	16,594,160	32,161	0.39	13,654,286	26,605	0.39
Time	113,522,873	2,216,310	3.94	95,407,815	1,947,708	4.11
Subtotal	130,117,033	2,248,471	3.48	109,062,101	1,974,313	3.64
Other deposits	13,462,469	94,595	1.42	16,307,766	94,409	1.16
Total	323,682,966	4,608,147	2.87	289,315,064	4,326,322	3.01

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

In the first half of 2021, the Group's total interest expense on amounts due to and placements from banks and other financial institutions and lease liabilities was RMB1,409 million, representing an increase of RMB496 million or 54.4% as compared to the same period in the previous year, primarily due to the increase in average balance of amounts due to and placements from banks and other financial institutions and lease liabilities by 67.0% as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Due to and placements from other banks	52,906,469	893,499	3.41	39,788,155	696,432	3.52
Borrowings from central bank	29,985,077	382,691	2.57	13,204,010	180,490	2.75
Financial assets sold under repurchase agreements	12,396,972	131,157	2.13	4,034,732	34,094	1.70
Lease liabilities	109,764	1,785	3.28	110,186	1,902	3.47
Total	95,398,282	1,409,132	2.98	57,137,083	912,918	3.21

Interest expense on issuance of debt securities

In the first half of 2021, the Group's interest expense on issuance of debts securities amounted to RMB1,698 million, representing an increase of RMB70 million or 4.3% as compared to the same period in the previous year, primarily due to the increase in average balance by 5.5% as compared to that of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Subordinated debts	6,403,201	152,211	4.79	7,500,000	180,151	4.83
Financial debts for small and micro enterprises	3,712,387	66,969	3.64	–	–	–
Inter-bank certificates of deposits	88,139,638	1,281,008	2.93	85,998,626	1,261,360	2.95
Financial debts	9,856,233	197,562	4.04	9,000,000	186,178	4.16
Total	108,111,459	1,697,750	3.17	102,498,626	1,627,689	3.19

5.2.1.5 Non-interest income

Net fee and commission income

In the first half of 2021, the Group's net fee and commission income amounted to RMB429 million, representing an decrease of RMB94 million or 17.9% as compared to the same period in the previous year.

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

All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Fee and commission income	491,537	564,240	(72,703)	(12.9)
Financial advisory and consulting services	21,651	6,575	15,076	229.3
Wealth management agency services	294,300	406,940	(112,640)	(27.7)
Custodian services	40,268	53,553	(13,285)	(24.8)
Bank card services	34,018	12,767	21,251	166.5
Guarantees and credit commitments	47,839	50,437	(2,598)	(5.2)
Settlement and agency services	53,461	33,968	19,493	57.4
Fee and commission expense	(63,011)	(42,046)	(20,965)	49.9
Net fee and commission income	428,526	522,194	(93,668)	(17.9)

Other net non-interest income

In the first half of 2020, the Group's other non-interest income amounted to RMB1,146 million, representing an increase of RMB493 million or 75.5% as compared with the same period in the previous year. Among which, the Group's net trading losses/(gains) amounted to RMB303 million, representing an increase of RMB257 million or 559.1% as compared with the same period in the previous year, mainly due to the impact of two factors including the exchange loss of US dollar assets held by the Group arising from the rise of the exchange rate of US dollar, and the growth of equity investment valuation of the financial assets classified as measured at fair value through profit or loss. The net gains on investment securities amounted to RMB756 million, representing an increase of RMB163 million or 27.4% as compared with the same period in the previous year. Other operating income amounted to RMB87 million, representing an increase of RMB73 million or 524.3% as compared with the previous year, mainly due to the increase of government grants received by the Group.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Net trading losses/(gains)	303,090	45,989	257,101	559.1
Net gains on investment securities	755,739	593,054	162,685	27.4
Other operating income	86,840	13,910	72,930	524.3
Total	1,145,669	652,953	492,716	75.5

5.2.1.6 Operating expenses

In the first half of 2021, the Group's operating expenses were RMB1,532 million, representing an increase of RMB289 million or 23.3% as compared to the same period in the previous year, mainly because staff costs increased by 26.8% on a year-on-year basis; general and administrative expenses increased by 28.3% on a year-on-year basis; depreciation and amortization increased by 13.4% on a year-on-year basis; and tax and surcharges increased by 14.1% on a year-on-year basis.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Staff costs	957,901	755,289	202,612	26.8
General and administrative expense	274,643	214,043	60,600	28.3
Depreciation of property, plant and equipment	101,400	84,055	17,345	20.6
Tax and surcharges	85,437	74,865	10,572	14.1
Rental expenses	4,100	4,695	(595)	(12.7)
Professional fees	37,103	30,190	6,913	22.9
Amortisation of intangible assets	40,455	34,859	5,596	16.1
Amortisation of long-term prepaid expenses	6,964	4,647	2,317	49.9
Depreciation of right-of-use assets	20,068	25,406	(5,338)	(21.0)
Donations	1,200	12,800	(11,600)	(90.6)
Depreciation of investment properties	108	36	72	200.0
Others	2,442	1,625	817	50.3
Total operating expenses	1,531,821	1,242,510	289,311	23.3

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5.2.1.7 Assets impairment losses

In the first half of 2021, the assets impairment losses of the Group were RMB2,285 million, representing a year-on-year increase of RMB295 million or 14.8%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Loans and advances to customers	2,197,233	2,145,312	51,921	2.4
Investment securities	140,503	(89,537)	230,040	N/A
Due from and placements with banks and other financial institutions	1,999	93,024	(91,025)	(97.9)
Off-balance sheet losses on expected credit impairment	(155,101)	(161,524)	6,423	(4.0)
Other assets	100,634	2,886	97,748	3,387.0
Total assets impairment losses	2,285,268	1,990,161	295,107	14.8

5.2.1.8 Income tax

In the first half of 2021, the Group's income tax expenses amounted to RMB707 million, representing an increase of RMB19 million or 2.7% as compared with the previous year, with the effective tax rate of 20.43%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Change in amount	Change in percentage (%)
Profit before income tax	3,461,310	3,308,480	152,830	4.6
Tax calculated at applicable tax rates	865,328	827,120	38,208	4.6
Effect of preferential tax rate	(22,550)	–	(22,550)	N/A
Tax effect arising from non-taxable income	(200,245)	(93,578)	(106,667)	114.0
Tax effect of expenses that are not deductible for tax purposes	55,921	46,968	8,953	19.1
Tax losses utilised from prior years	(1,064)	–	(1,064)	N/A
Income tax adjustment for prior years	9,610	(92,198)	101,808	N/A
Income tax	707,000	688,312	18,688	2.7

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5.2.2 Balance sheet analysis

5.2.2.1 Total assets

As of 30 June 2021, the Group's total assets amounted to RMB606,553 million, representing an increase of RMB44,912 million or 8.0% over the end of the previous year. This was mainly because the Group actively supported the development of real economy, inclusive finance and big retail business, accelerated credit granting, optimized asset structure, promoted standardization, diversification and substantiation of the investment business, and steadily increased the scale of interest-earning assets during the Reporting Period.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	310,115,771	51.13	283,226,555	50.43
Of which: Total principal of loans and advances to customers	308,123,549	50.80	281,220,076	50.07
Interests due from loans and advances to customers	1,992,222	0.33	2,006,479	0.36
Total impairment allowances for the expected credit	(10,248,430)	(1.69)	(10,967,207)	(1.95)
Net loans and advances to customers	299,867,341	49.44	272,259,348	48.48
Investment securities-Financial investments carried at amortised cost	121,429,543	20.02	113,700,026	20.24
Investment securities-Financial investments at fair value through other comprehensive income	53,774,507	8.87	45,881,180	8.17
Financial assets at fair value through profit or loss	21,053,463	3.47	31,208,753	5.55
Investments in associates	2,040,925	0.34	1,945,081	0.35
Cash and balances with central bank	34,529,426	5.69	35,305,289	6.29
Due from other banks and financial institutions	64,680,504	10.66	52,659,497	9.38
Fixed assets	3,155,556	0.52	3,233,280	0.58
Deferred income tax assets	3,681,597	0.61	3,353,016	0.60
Other assets	2,340,079	0.38	2,095,927	0.37
Total assets	606,552,941	100.00	561,641,397	100.00

5.2.2.2 Loans and advances to customers

As of 30 June 2021, the Group's total loans and advances to customers amounted to RMB310,116 million, representing an increase of RMB26,889 million or 9.5% as compared with the end of the previous year. This was mainly because the Group actively implemented the spirit of national central economic and financial policies, participated in the development of the Chengdu-Chongqing economic circle, continuously enhanced its ability to serve the real economy during the Reporting Period, which promoted the steady growth in its major businesses.

As at 30 June 2021, the Group's total principal of corporate loans was RMB185,312 million, representing an increase of RMB20,651 million or 12.5% as compared with the end of the previous year; the total principal of retail loans was RMB106,168 million, representing an increase of RMB9,642 million or 10.0% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate loans	185,312,098	60.14	164,660,672	58.55
Discounted notes	16,643,455	5.40	20,032,920	7.12
Loans and advances to individuals	106,167,996	34.46	96,526,484	34.32
Total	308,123,549	100.00	281,220,076	100.00

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Short-term corporate loans	21,216,602	11.45	26,628,158	16.17
Medium and long-term corporate loans	164,095,496	88.55	138,032,514	83.83
Total	185,312,098	100.00	164,660,672	100.00

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Personal mortgage loans	42,784,304	40.30	35,530,566	36.80
Personal consumer loans	28,212,890	26.57	31,366,897	32.50
Personal business loans	22,748,167	21.43	19,942,281	20.66
Credit card advances	12,422,635	11.70	9,686,740	10.04
Total	106,167,996	100.00	96,526,484	100.00

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

Management Discussions and Analysis

5.2.2.3 Financial investments

As at 30 June 2021, the Group's financial investments amounted to RMB196,258 million, representing an increase of RMB5,468 million or 2.9% as compared with the end of the previous year. Among which, debt investments amounted to RMB121,430 million, representing an increase of RMB7,730 million or 6.8% as compared with the end of the previous year; other debt investments and other equity instruments totaled RMB53,775 million, representing an increase of RMB7,893 million or 17.2% as compared with the end of the previous year; transactional financial assets was RMB21,053 million, representing a decrease of RMB10,155 million or 32.5% as compared with the end of the previous year. This is mainly due to the standardized, diversified and light-asset allocation of financial investments, the linkage with investment banking business, the increase of investments in fixed income products, and the increase of interest rate bonds and other liquid reserve assets.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bond investments	107,487,170	54.77	87,653,180	45.94
Trust investments	16,733,554	8.53	18,136,520	9.51
Assets management plans	52,232,044	26.61	55,051,886	28.86
Debt financing plans	12,754,000	6.50	13,314,000	6.98
Wealth management products purchased from financial institutions	1,213,686	0.62	7,800,943	4.09
Fund investments	2,026,753	1.03	5,904,445	3.10
Equity investments	923,101	0.47	808,756	0.42
Derivative financial instruments	11,918	0.01	4,543	0.00
Others	14	0.00	14	0.00
Interest receivable	4,052,158	2.06	3,442,174	1.80
Provision for impairment	(1,176,885)	(0.60)	(1,326,502)	(0.70)
Total	196,257,513	100.00	190,789,959	100.00

As at 30 June 2021, the Group's total bond investments amounted to RMB107,487 million, representing an increase of RMB19,834 million or 22.6% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Up to 3 months	12,389,170	6.31	12,971,598	6.80
3 to 12 months	33,993,262	17.32	33,900,051	17.77
1 to 5 years	118,265,540	60.26	117,124,829	61.38
Over 5 years	29,884,650	15.23	25,431,099	13.33
In perpetuity	923,101	0.47	813,299	0.43
Overdue	801,790	0.41	549,083	0.29
Total financial investments	196,257,513	100.00	190,789,959	100.00

As at 30 June 2021, balance of the Group's financial investments with remaining term of less than a year was RMB46,382 million, representing a decrease of RMB489 million or 1.0% as compared with the end of the previous year; balance of the Group's financial investments with remaining term of more than a year was RMB148,150 million, representing an increase of RMB5,594 million or 3.9% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit or loss	21,053,463	10.73	31,208,753	16.36
Financial investments at fair value through other comprehensive income	53,774,507	27.40	45,881,180	24.05
Financial investments measured at amortised cost	121,429,543	61.87	113,700,026	59.59
Total financial investments	196,257,513	100.00	190,789,959	100.00

As of 30 June 2021, the Group's balance of financial investments at fair value through profit or loss amounted to RMB21,053 million, representing a decrease of RMB10,155 million or 32.5% as compared to the end of the previous year; the balance of financial investments at fair value through other comprehensive income amounted to RMB53,775 million, representing an increase of RMB7,893 million or 17.2% as compared to the end of the previous year; the balance of financial investments measured at amortised cost amounted to RMB121,430 million, representing an increase of RMB7,730 million or 6.8% as compared to the end of the previous year.

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Composition of the Group's bond investments by issuers

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Treasury bonds	39,150,309	36.42	28,549,717	32.57
Local government bonds	12,965,350	12.06	10,792,550	12.31
Bonds of financial institutions	5,209,522	4.85	5,946,007	6.79
Corporate bonds	50,161,989	46.67	42,364,906	48.33
Total bond investments	107,487,170	100.00	87,653,180	100.00

As at 30 June 2021, the Group's treasury bond investments amounted to RMB39,150 million, representing an increase of RMB10,601 million or 37.1% as compared with the end of the previous year, with its proportion in bond investments increasing by 3.85 percentage points to 36.42%.

Top ten financial bonds in terms of face value held by the Group as at the end of the Reporting Period

Name of bonds	Face value (thousands of RMB)	Annual interest rate (%)	Maturity date	Provision for impairment (thousands of RMB)
2020 Policy bank bonds	1,300,000	2.20	2023/4/1	1,763.78
2016 Policy bank bonds	1,000,000	3.18	2026/4/5	1,423.66
2016 Policy bank bonds	500,000	3.18	2026/9/5	719.13
2013 Policy bank bonds	460,000	5.04	2023/10/24	668.52
2005 Policy bank bonds	200,000	4.10	2025/8/30	286.53
2018 Tier II capital bonds of commercial banks	200,000	4.86	2028/9/5	282.98
2019 Tier II capital bonds of commercial banks	200,000	4.34	2034/9/24	162.15
2020 Tier II capital bonds of commercial banks	200,000	3.75	2030/6/29	–
2020 Financial bonds of commercial banks	200,000	3.60	2023/11/9	286.71
2021 Financial bonds of commercial banks	200,000	3.30	2024/1/26	287.47

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

5.2.2.4 Investment in associates

As at 30 June 2021, the Group's long-term equity investment was RMB2,041 million, representing an increase of RMB96 million or 4.9% as compared with the end of the previous year, mainly due to the increase in the share of associates confirmed by the Bank.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	2020
Balance at the beginning of the period	1,945,081	1,801,573
Additional long-term equity investment	–	–
Net profit or loss adjusted by equity method	108,589	162,903
Cash dividends declared	(12,745)	(19,395)
Balance at the end of the period	2,040,925	1,945,081

5.2.2.5 Total liabilities

As of 30 June 2021, the total liabilities of the Group amounted to RMB559,547 million, representing an increase of RMB39,900 million or 7.7% as compared to the end of the previous year. This was mainly due to the steady growth in customer deposits and the increase in deposits and loans from other banks and financial institutions during the Reporting Period.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Due to and placements from banks and other financial institutions	89,229,421	15.95	97,411,900	18.75
Financial liabilities at fair value through profit or loss	6,840	0.00	6,904	0.00
Customer deposits	339,823,749	60.73	314,500,257	60.52
Current tax liabilities	526,364	0.09	405,461	0.08
Debt securities issued	123,238,692	22.02	101,040,342	19.44
Other liabilities	6,722,075	1.20	6,282,319	1.21
Total liabilities	559,547,141	100.00	519,647,183	100.00

Management Discussions and Analysis

5.2.2.6 Customer deposits

In the first half of 2021, the Group gave full play to its regional brand advantages, and accelerated innovation in its products and services, which contributed to the steady growth in customer deposits. As of 30 June 2021, the total customer deposits of the Group amounted to RMB339,824 million, representing an increase of RMB25,323 million or 8.1% as compared to the end of the previous year.

In terms of customer structure, the Group's corporate deposits and individual deposits have grown steadily, with the proportion of individual deposits further increased. During the Reporting Period, the Group continuously improved the service level for retail customers through deeply exploring into the retail markets in the "one municipality and three provinces", leading to continual increase in the amount and proportion of individual deposits. As of 30 June 2021, balance of the Group's individual deposits was RMB134,282 million, representing an increase of RMB12,456 million or 10.2%, accounting for 39.51% of the total customer deposits, up by 0.77 percentage points as compared with the end of the previous year. Balance of the Group's corporate deposits was RMB186,593 million, representing an increase of RMB7,934 million or 4.4%, accounting for 54.91% of the total customer deposits, decreased by 1.90 percentage point as compared with the end of the previous year.

In terms of term structure, the scale of the Group's demand deposits and time deposits has steadily expanded. Among which, balance of demand deposits was RMB96,435 million, representing an increase of RMB6,132 million or 6.8% as compared with the end of the previous year; balance of the Group's time deposits was RMB224,441 million, representing an increase of RMB14,258 million or 6.8% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate demand deposits	79,529,779	23.40	74,291,268	23.62
Corporate time deposits	107,063,859	31.51	104,368,093	33.19
Individual demand deposits	16,905,014	4.97	16,011,350	5.09
Individual time deposits	117,376,994	34.54	105,814,582	33.65
Other deposits	15,567,385	4.58	11,077,135	3.52
Interest payable on customer deposits	3,380,718	1.00	2,937,829	0.93
Total customer deposits	339,823,749	100.00	314,500,257	100.00

5.2.2.7 Shareholders' equity

As of 30 June 2021, the total equity of the Bank amounted to RMB47,006 million, representing an increase of RMB5,012 million or 11.9% as compared to the end of the previous year; the equity attributable to shareholders of the Bank amounted to RMB45,136 million, representing an increase of RMB4,961 million or 12.3% as compared to the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	3,474,505	7.39	3,127,055	7.45
Preferred shares	4,909,307	10.44	4,909,307	11.69
Capital surplus	8,038,476	17.10	4,680,638	11.15
Other reserves	10,833,258	23.05	10,356,321	24.66
Retained earnings	17,880,224	38.04	17,101,676	40.72
Total equity attributable to shareholders of the Bank	45,135,770	96.02	40,174,997	95.67
Non-controlling interests	1,870,030	3.98	1,819,217	4.33
Total equity	47,005,800	100.00	41,994,214	100.00

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

5.3 Loan quality analysis

5.3.1 Distribution of loans by the five-category classification

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Pass	295,962,158	96.05	269,345,116	95.77
Special mention	8,005,486	2.60	8,311,335	2.96
Substandard	1,708,803	0.55	1,604,471	0.57
Doubtful	1,435,088	0.47	917,641	0.33
Loss	1,012,014	0.33	1,041,513	0.37
Total principals of loans and advances to customers	308,123,549	100.00	281,220,076	100.00
Amount of non-performing loans	4,155,905	1.35	3,563,625	1.27

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

Management Discussions and Analysis

During the period, faced with the challenges posed by macro-economic dynamics, the Group accelerated the construction of a comprehensive risk management system, continued to strengthen the prevention and control of credit risk, strengthened the risk investigation, early risk warning, tracking and post-lending monitoring management and stepped up efforts in risk management, consolidated the foundation of asset quality, and at the same time ensure that the quality of the Group's credit assets was relatively good compared to other banks. As of 30 June 2021, the balance of non-performing loans was RMB4,156 million, representing an increase of RMB592 million as compared to the end of the previous year; non-performing loan ratio was 1.35%, representing an increase of 0.08 percentage point as compared to the end of the previous year. The amount of loans under special mention category accounted for 2.60% of total loans, representing a decrease of 0.36 percentage point as compared to that of the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)
Corporate loans	185,312,098	60.14	3,237,060	1.75	164,660,672	58.56	2,604,301	1.58
Short-term loans	21,216,602	6.89	978,465	4.61	26,628,158	9.47	1,120,845	4.21
Medium- and long-term loans	164,095,496	53.25	2,258,595	1.38	138,032,514	49.09	1,483,456	1.07
Discounted bills	16,643,455	5.40	-	-	20,032,920	7.12	-	-
Retail loans	106,167,996	34.46	918,845	0.87	96,526,484	34.32	959,324	0.99
Personal mortgage loans	42,784,304	13.89	103,308	0.24	35,530,566	12.64	103,067	0.29
Personal consumer loans	28,212,890	9.16	196,816	0.70	31,366,897	11.15	300,141	0.96
Personal business loans	22,748,167	7.38	516,167	2.27	19,942,281	7.09	457,509	2.29
Credit card advances	12,422,635	4.03	102,554	0.83	9,686,740	3.44	98,607	1.02
Total loans and principal of advances to customers	308,123,549	100.00	4,155,905	1.35	281,220,076	100.00	3,563,625	1.27

During the period, the Group adhered to its original intention and actively expanded various credit businesses. In term of retail loans, the Group steadily launched the personal mortgage loan and credit card loan to satisfy the personal housing needs, and actively supported the personal business loan demand and continued to optimize the asset quality. As at 30 June 2021, the non-performing rate of the Group's retail loans was 0.87%, of which that of personal mortgage loans, personal consumption loans, personal business loans, and credit card loans decreased. In terms of corporate loans, the Group steadily promoted and supported the development of businesses including local major project construction and green finance, meanwhile certain large credit loans for corporate customers which were significantly subject to macro-environment changes and the epidemic became non-performing loans. As of 30 June 2021, the non-performing ratio of the Group's corporate loans was 1.75%, representing an increase of 0.17 percentage points over the end of the previous year.

5.3.3 Distribution of loans and non-performing loans by industry

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)
Corporate loans – measured at amortised cost								
Manufacturing	20,851,509	6.77	543,950	2.61	23,232,705	8.26	629,193	2.71
Wholesale and retail	13,068,673	4.24	868,901	6.65	14,095,203	5.01	914,670	6.49
Construction	20,803,444	6.75	361,904	1.74	17,680,813	6.29	355,865	2.01
Real estate	12,908,849	4.19	810,556	6.28	14,556,043	5.18	564,970	3.88
Leasing and commercial services	43,655,547	14.17	15,175	0.03	35,458,997	12.61	9,799	0.03
Water conservation, environment and public facility administration	50,048,602	16.24	–	–	35,349,761	12.57	–	–
Transportation, warehousing and postal service	3,483,984	1.13	23,711	0.68	3,910,638	1.39	27,804	0.71
Mining	1,643,722	0.53	204,692	12.45	1,756,136	0.62	2,272	0.13
Electricity, heat, gas and water production and supply	6,303,473	2.05	–	–	6,845,137	2.43	–	–
Agriculture, forestry, animal husbandry and fishery	2,788,141	0.90	45,187	1.62	2,506,763	0.89	30,459	1.22
Household services, maintenance and other services	283,512	0.09	4,944	1.74	267,737	0.10	4,077	1.52
Education	942,413	0.31	844	0.09	903,269	0.32	4,367	0.48
Financing	891,873	0.29	–	–	725,257	0.26	–	–
Scientific research and technology services	1,967,082	0.64	287,628	14.62	1,630,880	0.58	–	–
Information transmission, software and information technology services	1,216,951	0.39	44,493	3.66	1,231,397	0.44	41,107	3.34
Accommodation and catering	1,469,343	0.48	16,327	1.11	1,454,567	0.52	17,860	1.23
Culture, sports and entertainment	951,043	0.31	4,600	0.48	953,156	0.34	–	–
Health and social welfare	2,033,937	0.66	4,148	0.20	2,102,213	0.75	1,858	0.09
Loans to corporate entities – measured at fair value through other comprehensive income								
Discounted bills	16,643,455	5.40	–	–	20,032,920	7.12	–	–
Retail loans – measured at amortised cost								
Retail loans	106,167,996	34.46	918,845	0.87	96,526,484	34.32	959,324	0.99
Total	308,123,549	100.00	4,155,905	1.35	281,220,076	100.00	3,563,625	1.27

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

Management Discussions and Analysis

During the period, the Group closely responded to the national major strategic planning, actively participated in the construction of “Chengdu-Chongqing Economic Rim”, continued to adjust the credit portfolio, and actively invested resources in the “new infrastructure” sector, strategic emerging industries, advanced manufacturing industry and other industries. We also dynamically adjusted the credit strategies for key industries such as real estate, local government financing platform by combining the national macro industrial policies. Moreover, we accelerated the screening of customers involved in high leverage, “zombie enterprises”, overcapacity and other risks.

As of the end of the Reporting Period, the Group’s non-performing loan ratio was 1.35%, representing an increase of 0.08 percentage points as compared with the end of last year. The non-performing loan ratios in wholesale and retail, real estate, mining and other industries increased as compared with the end of last year, while the non-performing loan ratios in manufacturing, construction and other industries decreased as compared with the end of last year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)
Collateralised loans	91,093,928	29.57	1,931,708	2.12	86,550,044	30.78	1,679,044	1.94
Pledged loans	29,246,068	9.49	268,261	0.92	31,342,120	11.15	278,177	0.89
Guaranteed loans	144,145,166	46.78	1,615,740	1.12	123,129,602	43.78	1,217,603	0.99
Unsecured loans	43,638,387	14.16	340,196	0.78	40,198,310	14.29	388,801	0.97
Total principals of loans and advances to customers	308,123,549	100.00	4,155,905	1.35	281,220,076	100.00	3,563,625	1.27

As at 30 June 2021, balance of the Group’s collateralized and pledged loans increased by RMB2,448 million or 2.1%, balance of the guaranteed loans increased by RMB21,016 million or 17.1%, and balance of the credit loans increased by RMB3,440 million or 8.6% as compared with the end of the previous year. The non-performing rate of collateralized loans, pledged loans and guaranteed loans increased by 0.18, 0.03 and 0.13 percentage point respectively, and that of unsecured loans decreased by 0.19 percentage point as compared with the end of the previous year.

5.3.5 Distribution of loans and non-performing loans by region

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)	Loan amount	Percentage of total (%)	Non-performing loans amount	Non-Performing loan ratio (%)
Chongqing	239,444,970	77.71	3,043,472	1.27	222,907,038	79.26	2,607,316	1.17
Other areas	68,678,579	22.29	1,112,433	1.62	58,313,038	20.74	956,309	1.64
Total principal of loans and advances to customers	308,123,549	100.00	4,155,905	1.35	281,220,076	100.00	3,563,625	1.27

As at 30 June 2021, the Group's non-performance loan ratio in Chongqing area, and other areas' branches are 1.27% and 1.62%, respectively.

5.3.6 Loans to top ten single borrowers

(All amounts expressed in thousands of RMB unless otherwise stated)		As at 30 June 2021		
		Loan amount	Percentage of net capital (%)	Percentage of total loans (%)
Customer A	Leasing and commercial services	1,980,000	3.43	0.64
Customer B	Leasing and commercial services	1,966,000	3.40	0.64
Customer C	Water conservation, environment and public facility administration	1,493,785	2.59	0.48
Customer D	Leasing and commercial services	1,427,500	2.47	0.46
Customer E	Leasing and commercial services	1,379,686	2.39	0.45
Customer F	Water conservation, environment and public facility administration	1,354,388	2.34	0.44
Customer G	Water conservation, environment and public facility administration	1,285,000	2.22	0.42
Customer H	Water conservation, environment and public facility administration	1,260,000	2.18	0.41
Customer I	Leasing and commercial services	1,185,000	2.05	0.38
Customer J	Water conservation, environment and public facility administration	1,079,786	1.87	0.35

As of 30 June 2021, the Bank's total loans to its largest single borrower amounted to RMB1,980 million and accounted for 3.43% of its net capital, while total loans to its top ten customers amounted to RMB14,411 million and accounted for 24.94% of its net capital, which were in compliance with regulatory requirements. As of 30 June 2021, all of the Bank's loans to top ten single borrowers were loans in the pass category.

Management Discussions and Analysis

5.3.7 Overdue loans

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021		31 December 2020	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Past due within 90 days	3,382,073	1.10	3,798,615	1.35
Past due 90 days to 1 year	2,099,261	0.68	1,217,005	0.43
Past due over 1 year and within 3 years	1,235,027	0.40	1,561,623	0.56
Past due over 3 years	293,461	0.10	92,334	0.03
Total principals of overdue loans and advances to customers	7,009,822	2.28	6,669,577	2.37
Total principals of loans and advances to customers	308,123,549	100.00	281,220,076	100.00

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

As of 30 June 2021, the total overdue loans of the Group amounted to RMB7,010 million, representing an increase of RMB340 million as compared to the end of the previous year. Total overdue loans accounted for 2.28% of total loans and advances to customers, representing a decrease of 0.09 percentage point as compared to the end of the previous year. The Group adopts a prudent classification standard for overdue loans. The ratio of nonperforming loans to loans overdue for more than 90 days is 1.15.

5.3.8 Restructured loans

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021		31 December 2020	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Restructured loans	588,036	0.19	489,234	0.17
Including: Restructured loans overdue for more than 90 days	557,275	0.18	469,455	0.17
Total principals of loans and advances to customers	308,123,549	100.00	281,220,076	100.00

As of 30 June 2021, the Group's restructured loans accounted for 0.19%, up by 0.02 percentage point as compared with the end of the previous year.

5.3.9 Withdrawal of debt assets and provision for impairment

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021		31 December 2020	
	Amount	Provision for impairment	Amount	Provision for impairment
Debt assets	78,214	(13,637)	74,801	(6,480)

As of 30 June 2021, the Group's debt assets amounted to RMB78 million and the provision for impairment of debt assets was RMB14 million.

5.3.10 Changes in provision for loan impairment

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021	2020
Balance at the beginning of the period	10,967,207	8,721,904
New financial assets originated or purchased	1,326,493	2,059,840
Re-measurement	2,024,515	4,570,203
Repayment	(1,155,246)	(2,375,318)
Written-off of the year	(2,921,750)	(2,156,615)
Recoveries of loans written-off in previous years and advances transfer-in	125,207	300,204
Effect of discount factors	(117,996)	(153,011)
Ending balance of the period	10,248,430	10,967,207

The Group adheres to a sound and prudent provision policy, and realizes the scientific measurements of expected loss of assets by establishing the expected credit loss model. As of 30 June 2021, balance of the Group's loan loss provision was RMB10,248 million, representing a decrease of RMB719 million as compared with the end of the previous year. The provision coverage ratio of non-performing loans was 247.82%, down by 61.31 percentage points as compared with the end of the previous year. The loan provision ratio was 3.34%, down by 0.58 percentage point as compared with the end of the previous year.

5.4 Operating Results by Segment

Major business segments of the Group include corporate banking business, personal banking business and capital business. The following table sets forth the overall operating results of each business segment of the Group during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Operating income	Profit before income tax	Operating income	Profit before income tax
Corporate banking business	4,227,432	1,410,744	3,665,633	1,750,643
Retail banking business	1,523,751	759,506	1,553,740	427,768
Treasury business	1,354,307	1,240,516	1,278,622	1,142,569
Unallocated	64,320	50,544	13,317	(12,500)
Total	7,169,810	3,461,310	6,511,312	3,308,480

Management Discussions and Analysis

5.5 Other Information to be Disclosed according to Regulatory Requirements

5.5.1 Key regulatory indicators

Items		30 June 2021	31 December 2020	31 December 2019
Liquidity ratio (%)	RMB	89.86	77.07	73.18
	Foreign currency	857.46	787.01	385.34
Loan migration ratio (%)	Pass	1.35	2.61	3.18
	OAEM	20.60	24.74	24.32
	Substandard	28.89	76.74	83.39
	Doubtful	20.34	63.82	29.85

Notes:

- (1) Liquidity ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of CBIRC.
- (2) Loan migration ratio is an indicator of the Bank, which is calculated in accordance with the regulatory requirements of CBIRC.
- (3) Migration ratio of pass loans = amount migrated to the lower grades from the pass loans at the initial stage/(balance of pass loans at the initial stage – amount reduced during the period of pass loans at the initial stage) ×100%; Migration ratio of OAEM loans = amount migrated to the lower grades from the OAEM loans at the initial stage/(balance of OAEM loans at the initial stage – amount reduced during the period of OAEM loans at the initial stage) ×100%; Migration ratio of substandard loans = amount migrated to the lower grades from the substandard loans at the initial stage/(balance of substandard loans at the initial stage – amount reduced during the period of substandard loans at the initial stage) ×100%; Migration ratio of substandard loans = amount migrated to the lower grades from the substandard loans at the initial stage/(balance of substandard loans at the initial stage – amount reduced during the period of substandard loans at the initial stage) ×100%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021	31 December 2020
Credit related commitments	52,774,076	45,108,117
Of which:		
Irrevocable loan commitments	8,365	8,311
Bank acceptance bill	32,450,908	28,354,591
Issuance of letters of guarantee	4,627,849	4,342,096
Issuance of letters of credit	10,217,572	7,482,028
Unused credit card limits	5,469,382	4,921,091
Capital expenditure commitments	159,311	346,518
Total	52,933,387	45,454,635

5.6 Business Overview

5.6.1 Corporate Banking Business

As of 30 June 2021, balance of the Group's loans and advances to corporate entities (including discount of bills) amounted to RMB201.96 billion, representing an increase of RMB17.26 billion or 9.3% as compared with the end of the previous year. Balance of corporate deposits amounted to RMB186.59 billion, representing an increase of RMB7.93 billion or 4.4% as compared with the end of the previous year, and accounting for 54.91% of the balance of all deposits. The Group's corporate business was further optimized and improved during the Reporting Period.

Corporate deposits

The Group adhered to the strategy of "prospering the Bank through deposits" and the philosophy of high-quality development. It deeply participated in new development arrangements, seized new development opportunities, unswervingly promoted the adjustment and optimization of business structure and innovation and enhancement of service capabilities, and vigorously marketed corporate deposits.

Firstly, market orientation and active service. The Group adhered to the "customer-focused" business philosophy, carried out financial service presentations and actively served corporate customers. The Group gave full play to the advantages of local banks, and was deeply engaged in the local economy, and actively participated in the bidding of key customers and important funds.

Secondarily, intelligent marketing and customer acquisition. By using the intelligent management system, the Group can obtain customer settlement leads, actively carried out marketing on the upstream and downstream parts of customers, realized the acquisition of customers in batch, and achieved fund flow within the Bank, so as to retain settlement funds to the maximum extent.

Thirdly, tool empowerment, and characteristic services The Group further expanded the coverage of non-tax e-business in order to meet the needs of fiscal and taxation reform; launched scenario-based services of cash management and actively customized school, project management and other solutions, so as to meet scenario-based financial needs; developed and put into operation, the notes pool business system, so as to meet the needs of corporate financial asset management, intelligently managed corporate notes, activated notes and assets, and reduced costs of enterprises.

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Fourthly, comprehensive services, cost control and reduction. The Group provided customers with financing services including loan, trade finance, investment and asset management, and supporting services including fund supervision and settlement management, and increased settlement funds, thus effectively increasing the scale of deposits and reducing the cost of deposits.

Fifthly, customer classification and differentiated management. The Bank comprehensively managed customers by classification, and implemented a customer service plan of providing special service for strategic customers, improving key customer businesses and having measures for basic customers, so as to tap into the potential of customers for deposits, with differentiated services.

Corporate Loans

Under the orientation of finance serving the real economy, the Group focused on providing credit loans in regional competitive industries according to the regional characteristics of Chongqing, Sichuan, Guizhou and Shaanxi, so as to support high-quality manufacturing industries and private enterprises in the regions, and carried out targeted marketing of projects that complied with Chengdu-Chongqing economic circle, green credit and other national policies.

Firstly, full efforts for serving the real economy. The Group actively responded to the national call, supported the manufacturing industry and private enterprises, continuously promoted the Bank's unique products including "You You Dai (優優貸)" and "Credit Loan for Business Entities" in the market, so as to meet the long-term capital needs of enterprises and settled the financing problem of insufficient collaterals of enterprises, served high-quality enterprises and expanded the customer base.

Secondarily, full efforts for implementing major strategies. The Group actively participated in the development of the Chengdu-Chongqing economic circle, published special plans, formed 40 working measures, cooperated with Sichuan-Chongqing cooperation function platforms and model parks, and participated in the construction of major projects in the Chengdu-Chongqing region, with the credit growth rate in the Chengdu-Chongqing region higher than the average credit growth rate in the Bank, which strongly supported the asset growth of the Bank.

Thirdly, full efforts for serving customers at the front line. Based on the specific needs of customers in regions, the Group, financial lease companies and brokers in the industry formed a joint publicity group and carried out the "Financial Services Presentation 2.0" activity at the front line, providing a comprehensive package of financial services to enterprises on the site, which helped the organizations make a breakthrough in key parks and projects.

Fourthly, full efforts for building cooperation platforms. The Group established a business cooperation platform with bureaus, commissions and offices of Chongqing government, so as to obtain information on key projects, enterprises and accounts, and carried out active marketing. The Group actively marketed the key project of development of the Chengdu-Chongqing economic circle, Chongqing urban renewal project, green project for peaking of carbon emissions and carbon neutrality, etc.

5.6.2 Small and Micro Enterprise Banking Business

As of 30 June 2021, according to the national statistic standards, the balance of our small and micro enterprise loans amounted to RMB87.02 billion, representing an increase of RMB3.7 billion or 4.4% as compared with the end of the previous year. The number of customers was 74,861, increasing by 9,202 or 14.0% as compared with the end of the previous year. The small and micro enterprise loans with an individual lending amount of below RMB10 million² recorded a balance of RMB37.61 billion, representing an increase of RMB3.36 billion or 9.8% as compared with the end of the previous year. The number of loan customers was 57,550, increasing by 10,582 or 22.5% as compared with the end of the previous year. The weighted average interest rate of loans issued in the current year was 5.76%, down by 0.12 percentage point as compared with last year. The non-performing loan rate was 3.34%.

In addition to the establishment of a small business credit center for small and micro enterprises, the Bank has set up special small and micro business departments in the subordinate institutions of 4 branch institutions and 43 independent accounting sub-branches in Chongqing to vigorously promote the development of small and micro business. During the Reporting Period, the Bank made full use of the monetary, fiscal and taxation policies and took various measures to support the financing needs of small and micro enterprises the steady development of small and micro business.

Firstly, brand promotion project. The Group officially launched the “Huiyu Financial Service of Bank of Chongqing (重慶銀行鑄渝金服)” brand, organically integrated “brand” with “products” and “services” and promoted them as a whole, reshaped the business systems of 3 categories of products, launched 9 characteristic marks of customer services, and further promoted the standardization and brand-based development of small and micro enterprise banking business.

Secondarily, management improvement project. The Bank established a mechanism for supervising the reporting and approval work of branches, tracking the customer churn and monitoring the marketing by customer managers, and conducted customer manager empowerment training with 1,200 participants, to further promote refined and standardized management of small and micro enterprise banking business.

Thirdly, product improvement project. The Group entered into a strategic cooperation agreement with Chongqing Economy and Information Commission, and launched the “Specialized, Refined, Special and Novel Credit Loan (專精特新信用貸)” to support the development of the manufacturing industry; “Haoqizhichan Loan (好企知產貸)”, an online credit product of big data of intellectual property rights, while the growth of “Hao Qi Dai” series of loans hit a record high; a “rural revitalization loan (鄉村振興貸)” in respect of which the Group cooperated with district and county finance and guarantee institutions to support the construction of agricultural infrastructure; “Rongyi Loan (融易貸)” to support private enterprises, “Technology Growth Loan (科技成長貸)” for technology-based enterprises, “Government Procurement Loan (政採貸)” for supply chain enterprises and other batch models; the first “Direct Access for New Agricultural Business Entities (新農信貸直通車)” loan in the city; “Hog Mortgage (生豬活體抵押)” loan for the new mortgage method; and promoted the inclusion of “Two Mountains, Informatization and Industrialization, Haoqi Agricultural Support Loan (兩山兩化 • 好企助農貸)” in the demonstration project for rural revitalization empowered by financial technology in Chongqing.

² In accordance with CBIRC’s regulatory requirements in relation to “two increases and two controls”, the Bank adjusted the manner in which it measured the balance of loans, the number of loan customers and other indicators relating to small and micro enterprises with an individual lending amount of RMB10 million or below, such that discounts of bank acceptance bills are no longer taken into account.

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Fourthly, marketing improvement project. The Group worked with Chongqing Economy and Information Technology Commission, Chongqing Municipal Culture and Tourism Development Committee, Chongqing Agriculture and Rural Committee and other functional departments, district and county governments to reach high-quality enterprises through “Cultural Tourism Summit”, “Government-Bank-Enterprise Financing Meeting” and other advantageous platforms, and cooperated with Chongqing Municipality Agricultural Guarantee Co., Ltd., Chongqing Small & Micro Business Financing Guarantee Co., Ltd. and other guarantee institutions, to build a direct connection system of bank guarantee data, so as to further expand customer acquisition channels and improve service efficiency.

5.6.3 Retail Banking Business

As of 30 June 2021, balance of the Group’s personal consumer (including personal consumer loans, personal mortgage loans and credit card advances) was RMB83,420 million, increasing by RMB6,836 million or 8.9% as compared with the end of the previous year; the balance of personal deposits was RMB134,282 million, representing an increase of RMB12,456 million or 10.2% as compared with the end of last year, and continued to maintain steady growth, with the local market share hitting a new record high.

Personal Deposits

The Bank actively practiced the “customer-focused” development philosophy and was deeply engaged in the retail markets in “one city and three provinces”, with the continuous increase in the share of the savings deposit market in Chongqing for many years, and a further increase in the savings deposits in branches in other cities as a percentage of the savings deposits in the Bank.

In terms of customer base, the Group adhered to the principle of “refine high-end customer business, improve middle-end customer business and develop general customer business”, and actively deepened the hierarchical management of retail customers. The Group actively carried out targeted marketing projects for customers of payment services, continuously made greater efforts to retain key customer groups including customers of allowance and subsidy payment services, and steadily improved the service capability.

In terms of products, the Group continuously promoted and marketed special time deposit products including Xing Fu Cun (幸福存) and Meng Xiang Cun (夢想存), and was committed to becoming “a wealth management expert for citizens”, forming four wealth management products series, namely “Juhui, Jinhui, Caihui, and Xianghui”, thus continuously enriching its product systems.

In terms of scenarios, the Group actively built the online “life circle” on the “Yulehui (渝樂惠)” e-mall to extend the service reach; and successively carried out various themed marketing activities including “Happy Year of the Ox (幸福犇牛年)”, “Happiness Everywhere (幸福相隨)”, “RMB9 for Movie-watching (9元觀影)”, “Scholarly Campus (書香進校園)”, and “Warm Spring in Chongqing, Bringing Love to Home (春暖重慶送愛回家)”, thus effectively improving customer activity and enhancing customer stickiness.

Personal Loans

The Bank actively responded to the regulatory policies in relation to the implementation of the new regulations on Internet loans, adjusted its product strategy in a timely manner, optimized and promoted the “Jie e Dai (捷e貸)” series of products, prudently carried out cooperative loan business, carried out the business of mortgage loans to retail customers in an orderly manner, persisted in strong internal control and externally promoted development, and facilitated the high-quality development of personal consumption loan business.

First, the Group accelerated the construction, marketing and promotion of “Jie e Dai (捷e貸)”, a self-operated Internet consumption loan. The Group completed the research and development of subproducts including “Kaiyuan Loan (凱源貸)” and “Online Mortgage Loan (線上抵押貸)”, and “Jie e Dai (捷e貸)” was officially made available to all customers holding cards issued by the Bank. The Group continuously strengthened the marketing and promotion of “Jie e Dai (捷e貸)” APP, and built a channel for customer managers to carry out businesses through QR codes, and empowered the marketing by branches, thus effectively enhancing customer stickiness.

Secondarily, the Group continuously improved its risk control strategy, optimize its risk control rules and iterative risk control models, accelerated the construction of the underlying data of risk control, strengthened its risk control infrastructure, consolidated its online loan collection system, and effectively supported the high-quality development of online consumption loans.

Bank Cards

The Bank continued to innovate the bank card products, upgrade technology and create a sound card use environment by focusing on the aspects of rich functions, multiple scenarios, improved channels and safety performance. As a result, our bank card business has developed healthily and the number of cards issued has increased steadily. As of 30 June 2021, the total number of issued debit cards increased by 173,100 to 4,471,300 as compared with the end of the previous year, and the transaction volume during the reporting period amounted to RMB8.71 billion. The total number of credit cards issued increased by 21,500 to 298,400 as compared with the end of the previous year. Balance of credit card advances increased by 28.2% as compared with the beginning of the year to RMB12.423 billion.

In terms of technological upgrade, through technological empowerment, the Group focused on improving the construction of technological systems. Through the establishment of agile teams and the introduction of intelligent robotic process automation and the mini program of Wuji information submission, the period from the date of application for credit cards to the date of use of loan proceeds was shortened to one day, which effectively improved customer experience and the processing efficiency. In terms of construction of the environment for use of cards, the Bank’s debit cards integrated the access to characteristic services of mobile phone Quick Pass and Cloud Quick Pass APP, collection and payment agency service, quick payment, account verification and other payment functions, thus effectively improving the customer’s mobile payment experience; meanwhile, according to the distribution of credit card customers, spending behaviors and habits, the Bank focused on advertisement placement and a series of promotions for use of cards, thus promoting the increase in the volume of mobile payment transactions. In terms of marketing and promotion, the Bank actively explored the QR code-based hierarchical promotion model, expanded the channel of driving traffic from credit card customers, and gradually established the promotion model of “universal marketing”.

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5.6.4 Financial market business

In the first half of 2021, the Bank paid close attention to the macroeconomic development situation, continuously strengthened market analysis, deepened inter-bank cooperation and exchange, actively learnt from the advanced business models and development experience in the inter-bank financial market, thereby innovating the business model, broadening the inter-bank cooperation space, channels and strengthen the linkage of financial market in the Chengdu-Chongqing Economic Circles. As a result, we maintained steady growth in business volume of various financial markets, and constantly optimized the structure of investment securities products.

In terms of money market trading, firstly, we expanded the capital trading volume and enhanced the market image. During the Reporting Period, the Bank actively participated in the money market trading, increased the total trading volume in the money market and enriched the variety of money market capital trading. In the first half of the year, the inter-bank market capital trading volume representing a YoY increase of 134%. Secondly, we expanded the channels of fund and improved the efficiency of fund utilization to reduce financing costs. Obtaining the qualification of the main participating institution for the online migration of interbank deposits of the National Interbank Funding Center and expand the channels of online migration of interbank funds.

In terms of investment business, firstly, we closely tracked market changes and actively allocated high-quality assets. We actively adjusted bond investment structure, increase the high liquid assets and support the construction of Chengdu and Chongqing double-city economic circle. Secondly, we continued to optimize the investment structure of the interbank, improved the proportion of standardized assets, and constantly improved the efficiency in and benefits from the use of funds. Thirdly, we continuously strengthened investment research, post-investment management and enhanced risk predictions, improve the system construction, implemented dead-cycle management and penetration management before and after investment, and realized real-time early warning of risks by using external big data, so as to improve the risk management and control capability of investment business.

5.6.5 Asset management business

In the first half of 2021, the Bank promoted the net value-based transformation of the wealth management business in an orderly and steady manner, continuously optimized its business structure and comprehensively improved its management level.

Firstly, comprehensive acceleration of rectification and transformation. The Group continuously strengthened the construction of investment, research, policy, human resources, system and other infrastructures, and made efforts to ensure the net value-based transformation. During the Reporting Period, according to the Bank's rectification plan, the Group accelerated the rectification and disposal of existing assets, and the issuance of new compliant products, and fully achieved the expected rectification goals. The Group planned to complete the rectification in advance during the transition period.

Secondarily, continuous change in the business structure. In terms of product structure, the Group gradually reduced the scale of inter-bank wealth management products and short-term closed-end wealth management products, and increased the scale of personal wealth management products. As of the end of the Reporting Period, the proportion of the balance of personal wealth management products further increased, and the customer structure was further optimized. In terms of asset structure, the proportion of non-standard assets decreased significantly, while the proportions of interest rate bonds and high-grade credit bonds increased steadily; the asset liquidity was continuously improved, and asset allocation was more diversified.

Thirdly, comprehensive improvement in the management level. The Group gradually enriched the strength of investment and research, expanded trading channels, and enhanced its initiative in investment and transactions. The Group strengthened comprehensive risk management, immediately monitored credit, concentration, interest rate, liquidity and operational risks. The Group complied with rules, strictly carried out the “three-list” management, so as to ensure the standard operation of products.

5.6.6 Investment Banking Business

In the first half of 2021, the Bank continuously strengthened the linkage between branches and sub-branches, and gave full play to the linkage advantage of “commercial bank + investment bank”, to accelerate the contracting, undertaking and underwriting of debt financing instruments of non-financial enterprises, and provided customers with comprehensive financial service solutions, so as to practically promote the development of regional economy and enterprises. Firstly, the Group actively promoted the development of bond underwriting business, so as to provide financial support for enterprise development. During the Reporting Period, the underwriting business volume of non-financial corporate debt financing instruments in the inter-bank market increased steadily, and the influence of bond underwriting business in the regional market increased significantly. Secondly, the Group strengthened inter-bank cooperation, participated in national strategies, actively enhanced its cooperation with banking institutions and non-banking institutions in Sichuan Province, promoted the development of the Chengdu-Chongqing economic circle, and provided direct financing services for enterprises in the Chengdu-Chongqing economic circle.

5.6.7 Trade Finance Business

During the Reporting Period, with the goal of expanding its customer base and improving revenue, the Group actively promoted business transformation and development, explored new directions of innovative business, and promoted the high-quality development of trade finance business.

Firstly, two breakthroughs in agency services for foreign exchange derivatives. During the Reporting Period, the Bank successively obtained the inter-bank RMB foreign exchange option, foreign currency pairs option and RMB interest rate swap membership from the Foreign Exchange Trade System, and became the local corporate bank with the most complete range of exchange rate and interest rate derivatives in Chongqing, and successfully developed the agency service for foreign exchange options and futures, thus making “two breakthroughs” in agency services for derivatives. During the Reporting Period, the Bank’s trading volume of derivatives reached RMB37,770 million, representing a year-on-year increase of 6.9%.

Secondarily, Efforts to secure foreign exchange licenses for all branches and sub-branches. As of the end of the Reporting Period, 55 branches and subbranches of the Bank obtained foreign exchange licenses, and therefore almost all branches and subbranches had foreign exchange licenses. The foreign exchange business volume of many newly licensed branches rapidly exceeded zero, which helped establish a good market image and competitive advantages in local areas. During the Reporting Period, the international settlement volume of the Bank was US\$1,706 million.

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Thirdly, further improvement in the management of foreign currency assets and liabilities. In terms of assets, during the Reporting Period, the Bank invested in foreign currency bonds of US\$265 million in total, with a weighted average rate of return of 4.49% under the circumstance of limited external investment targets and a decline in the overall rate of return in the market. In terms of liabilities, the weighted average interest rate of one-year foreign currency time deposits during the Reporting Period was 1.00%, representing a decrease of approximately 132bp as compared with the beginning of the year, and the net interest spread of foreign currency effectively increased.

Fourthly, breakthroughs in the digital transformation of trade finance business. During the Reporting Period, the Bank made efforts to promote research and development of online products. The supply chain finance cloud platform and cross-border online finance credit loan products were under system development and were expected to be launched in the second half of the year; in addition, the Bank continuously improved quality and efficiency, promoted the optimization of system functions, provided online exchange settlement of foreign exchange business, receipt printing and other functions of corporate online banking, and commenced the development of the electronic letter of credit system and the personal foreign exchange settlement and sales functions of mobile banking, so as to provide customers with more comprehensive online financial services.

5.6.8 Financial technology

The Bank attached great importance to the development strategy of financial technology. In accordance with the PBOC's "Financial Technology Development Plan (2019-2021)" and the Bank's "technology-leading and innovation driven" guidelines, we focused on innovative development, technological services, data governance and digitization operation, continuously consolidated the technical foundation of financial technology, and actively deployed the financial technology capability platform, so as to provide the impetus for the Bank's digitization transformation. In the first half of 2021, the Bank continued to promote a series of financial technology innovation projects.

Firstly, construction of a basic financial technology capability platform. Based on results of financial application and research of new technologies in the early stage, the Bank built and optimized blockchain, artificial intelligence, RPA robot, remote banking, big data and other capability platforms: the Bank completed the technical pre-research and commenced the construction of the C-chain financial cloud service platform; the Bank promoted the use of RPA robots in 56 business scenarios including credit card, operation and risk control, and used RPA robots in 25 scenarios; the Bank commenced the construction of an artificial intelligence project group, on-line face recognition and anti-hacker functions, intelligent OCR recognition for notes information of on-line centralized operation, promoted human-computer interaction, AI system construction, OCR (phase II), intelligent recognition platform (phase II), intelligent voice recognition platform and other projects; the Bank explored and expanded the application of remote banking business, and developed new scenarios including remote signing of agreements for credit card "Aijia Wallet" and remote signing of agreements for the small enterprise loan center; with the data management and control platform, the Bank optimized and supported the implementation of data standard, data quality and metadata management mechanisms; the Bank created a new data integration platform and explored a high-performance data warehouse based on domestic databases; the Bank commenced the construction of 5G message platforms, which incorporated 5G technology, so as to improve the comprehensive Internet marketing capability of the Bank.

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Secondarily, completion of the project establishment for the science and technology innovation center. In order to ensure the continuous motivation for financial technology innovation in the future, the Bank officially commenced and completed the preparatory work for the science and technology innovation center including preliminary investigation, feasibility demonstration and overall planning. In May in the year, such project was reviewed and approved by the general meeting of the Bank and was under preparation.

Thirdly, rapid increase in the scale of digital credit. As of 30 June 2021, the scale of “Hao Qi Dai” series of products significantly increased by 70.5% compared with the same period of last year, with approximately 30,000 small and micro customers, and a total credit of approximately RMB21,800 million. The product system was continuously improved. “Haoqizhichan Loan (好企知產貸)” helped achieve the direct connection between the digital credit system and the system of state-owned guarantee companies, and immediate approval, with customized services. The Bank developed a corporate risk control and marketing support APP “Hao Qi Kan Kan (好企看看)”, which provides front-line customer managers with immediate access to background data of the head office, enabling them to carry out operations including customer evaluation, risk warning and marketing opportunity seizure for the traditional offline credit business immediately.

Fourthly, preliminary achievement in life cycle management of retail customers. With the marketing service capability of the middle office of Internet operation, and based on the newly launched mobile banking 5.0 and Bashi digital & smart bank, and through customer profiling and behavior analysis, the Bank accurately matched products, customers and marketing resources, to support the marketing under the principle of “different pages for different customers” at the front line of business, and accelerate business transformation and asset appreciation. During the Reporting Period, the volume of transactions through corporate online banking and corporate mobile banking APP significantly increased by 51.4% year on year.

Fifthly, accelerated expansion of depth and breadth of application of digital risk control. The “Wind Chime Intelligent Review” platform for corporate customer profiling, which is based on knowledge map and artificial intelligence technology, provided “Industrial Huilian (產業慧鏈)”, in addition to “Correlation Huicha (關聯慧查)” model which was widely praised. The Bank focused on the current economic hotspots and major policy arrangements, including Chengdu-Chongqing economic circle, “dual-carbon” economy, and urban development investment, and carried out scenario-based analysis and application in a targeted manner, promoted the targeted marketing at the front line of business and optimized the credit structure.

Sixthly, the increasingly prominent role of data asset management in business empowerment. The Bank further promoted the construction of large and medium-sized projects including customer master data, data management (phase II), external big data management platform, retail data mart and “Mofang Zhihui (魔方智繪)” customer tag platform, which further enhanced the Bank’s data management and control capabilities. Meanwhile, various digital application projects for business support and empowerment were carried out one after another. Cases at the practical use level were made for digital marketing oriented towards retail.

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5.6.9 Channel construction

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

Physical Outlets

As of 30 June 2021, the Bank operated its business and marketed its banking products and services through 148 sub-units, including the business department of its Head Office, its small enterprise loan center, four primary branches, 162 self-service banking centers, 287 intelligent teller machines, and through its extensive distribution channels, such as telephone banking, mobile banking, online banking and WeChat banking, which cover all 38 districts and counties of Chongqing as well as three provinces in western China namely Sichuan Province, Shaanxi Province and Guizhou Province.

Mobile Banking

As of 30 June 2021, the Bank had 1,316.1 thousand mobile banking personal customers, representing an increase of 157.4 thousand or 13.6% as compared with the end of the previous year; the total number of transactions by mobile banking personal customers was 3,222.2 thousand, representing an increase of 716.7 thousand or 28.6% as compared with the same period of the previous year; the total transaction amount was RMB118.27 billion, representing an increase of RMB18.27 billion or 18.3% as compared with the same period of the previous year. During the Reporting Period, the Bank’s mobile banking to 5.0 version officially put into on-line operation, with the replacement rate of more than 95% for online businesses mainly focusing on transfer, payment, wealth management sales and other high-frequency transactions.

Online banking

As of 30 June 2021, the Bank had 31.4 thousand online banking corporate customers, representing an increase of 1.5 thousand or 5.1% as compared with the end of the previous year; the total number of transactions was 1,604.7 thousand, representing an increase of 482.9 thousand or 43.0% as compared with the same period of the previous year; the total transaction amount was RMB268.31 billion, representing an increase of RMB91.14 billion or 51.4% as compared with the same period of the previous year. The Bank had 1,305.4 thousand personal online banking customers, representing an increase of 153.8 thousand or 13.4% as compared with the end of the previous year; the total number of transactions was 242.5 thousand, representing an increase of 2.6 thousand or 1.1% as compared with the same period of the previous year; the total transaction amount was RMB20.62 billion, representing an increase of RMB2.78 billion or 15.5% as compared with the same period of the previous year.

Online payment

During the Reporting Period, the online payment business of the Bank developed rapidly. The Bank has cooperated continuously with mainstream online payment platforms including Alipay, Tenpay and JD. The first half of the year, there were a total of 30,509.6 thousand transactions, representing an increase of 6,712.1 thousand or 28.2% as compared with the same period of the previous year; the total transaction amount was RMB30.31 billion, representing an increase of RMB6.18 billion or 25.6% as compared with the same period of the previous year.

5.6.10 Service improvement

The Bank paid attention to empowerment by technological innovation, and made efforts to improve business processing efficiency, so as to improve customer experience. Firstly, focus on elderly-friendly and convenient services. The Bank provided elderly-friendly intelligent teller machines and ATMs, with larger font sizes and highlighted key information, for easy use by the elderly. The Bank optimized the service processes for special people such as the elderly, provided door-to-door services, and promoted the construction of “Chongyin Yijia (重銀驛家)” service outlets for the convenience of residents. Secondly, the establishment of a service mechanism based on customer experience. The Bank established a lobby linkage mechanism to develop a linkage between “teller and lobby manager”, made full use of the replacement function of intelligent teller machines, rationally allocated tellers to carry out guidance and referral work in the lobby, so as to improve customer experience. The Bank established a bank-wide self-service machine inspection mechanism, and carried out monitoring through self-service machine management platforms. Branches carried out daily inspection, so as to identify and solve machine failures and operational problems of customers in a timely manner. Thirdly, continuous optimization of account services. The Bank provided a fast track for small and micro enterprises, which gave them priority in terms of account opening and approval, and provided simplified account services to meet the urgent needs of enterprises for opening accounts. In the first half of the year, the Bank provided account opening services for many small and micro enterprises through simplified account opening procedures, thus solving urgent account opening and fund transfer issues of small and micro enterprises, in a timely manner.

5.6.11 Majority-owned Subsidiaries and Major Investee Companies

5.6.11.1 Majority-owned Subsidiaries

Chongqing Xinyu Financial Leasing Co., Ltd.

Xinyu Financial Leasing was established in March 2017, with the registered capital of RMB3 billion and the Bank as the main promoter holding 51.0% of its shares. Xinyu Financial Leasing is mainly engaged in finance lease, transfer and acceptance of finance lease assets, fixed-income securities investment, acceptance of the lessee's lease deposit, taking of fixed-term deposits of non-bank shareholders with a term of more than 3 months (inclusive), interbank borrowing, borrowing from financial institutions, overseas borrowing, sales and disposal of leased properties, and economic consulting, and other businesses.

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

As of the end of the Reporting Period, Xinyu Financial Leasing recorded the total assets of RMB30.28 billion, the total liabilities of RMB26.55 billion, and the total owner's equity of RMB3.73 billion. Its net profit was RMB191 million for the Reporting Period.

Xingyi Wanfeng Village Bank Co., Ltd.

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

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As of the end of the Reporting Period, Xingyi Wanfeng recorded the total assets of RMB0.92 billion, the total liabilities of RMB783 million, and the total owner's equity of RMB140 million. Its net profit was RMB4.06 million for the Reporting Period.

5.6.11.2 Major Investee Companies

Mashang Consumer Finance Co., Ltd.

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

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

Chongqing Three Gorges Bank Co., Ltd.

Three Gorges Bank was established in 2008, with the registered capital of RMB5.57 billion, and 4.97% of its shares held by the Bank. The main businesses of Three Gorges Bank include taking public deposits; issuing short-term, medium-term and long-term loans; domestic settlement; note discounting; issuing financial bonds; agency service for issuing, redeeming and underwriting government bonds; interbank lending; foreign exchange deposits, foreign exchange loans, international settlement, interbank foreign exchange lending, acceptance and discounting of foreign exchange instruments, foreign exchange borrowing, foreign exchange guarantee, proprietary foreign exchange trading (limited to spot foreign exchange trading) or agency services for foreign exchange trading, credit investigation, consultation and witness service; providing guarantees; agency service for collection and payment, and for insurance businesses; providing safe deposit box services.

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

5.6.12 Structured Entity Controlled

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

For more details, see the “Notes to the Financial Statements”.

5.7 Risk Management

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

5.7.1 Credit risk management

Credit risk refers to the risk of losses resulting from the defaults, rating downgrade, or decline in repayment ability of a borrower or counterparty. By determining the credit risk appetite, improving the organization and management system, optimizing the risk management process and cultivating the risk management culture, the Bank has continuously improved its core competence of credit risk management to controlled credit risk within an acceptable range.

During the Reporting Period, the Bank continuously improved its credit risk policies and procedures, and strengthened risk monitoring and prevention. Firstly, formulation of credit policies to adapt to the market environment. With a focus on the “14th Five-Year” Plan of the Bank, the Bank adapted to the new landscape of “dual circulation”, fully researched the internal and external economic, financial and regulatory situations, and formulated 28 credit policies in 7 major aspects. The Bank focused on supporting the manufacturing industry, technology enterprises, green finance and other fields in the real economy as well as small and micro enterprises, properly carried out work in respect of inclusive finance and consumer finance, and strictly controlled projects with excess capacity. Secondly, implementation of special management measures for post-loan management. The Bank focused on prominent and typical problems in post-loan management, as well as businesses and fields that were exposed to risks. With an orientation towards the settlement of problems, the Bank carried out specific and comprehensive improvement, and improved its working mechanism, optimized its process practices, tackled its weaknesses in a targeted manner, firmly established the philosophy of “monitoring credit risks in the whole process”, and optimized the post-loan management mechanism in the long term. Thirdly, strengthening the management of non-performing assets plans. The Bank formulated management targets and plans for non-performing assets, and established and followed up the dynamic records on the progress in the collection of non-performing assets and assets written off. The Bank specified contact persons for special work of plan management, and promoted the principle of one policy for one category, on the basis of one policy for one account. For enterprises in difficulty, the Bank actively explored pre-reorganization, promoted the establishment of a mechanism linking out-of-court mergers and acquisitions, and in-court bankruptcy procedures, so as to improve the efficiency in addressing risks. Fourthly, accelerated expansion of application of digital risk control. With the “Wind Chime Intelligent Review” platform for corporate customer profiling, which is based on knowledge map and artificial intelligence technology, the Bank launched “Correlation Huicha (關聯慧查)” and “Industrial Huilian (產業慧鏈)”, and carried out scenario-based analysis and application in a targeted manner, promoted the targeted marketing at the front line of business, supported the risk middle offices in making risk-related decisions, and consolidated the basic capability of digital risk control.

Management Discussions and Analysis

5.7.2 Management on operational risk

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

During the Reporting Period, the Bank continuously improved its operational risk management system and deepened the application of operational risk management tools. Firstly, the Bank completed the annual re-inspection of operational risk management tools and optimized the operational risk management system; secondarily, the Bank continuously strengthened operational risk prevention and control in key areas, took special management measures for employee behavior management and post-loan management, and established a long-term risk prevention and control mechanism; thirdly, the Bank continuously maintained high pressure in case prevention, strengthened risk identification, and ensured the effective implementation of various risk control measures; fourthly, the Bank continuously improved business continuity management, fully identified its key products and services, formulated scientific and effective business continuity plans, and practically carried out business continuity emergency drills at all levels, so as to enhance the Bank's emergency response capability in an emergency.

5.7.3 Market risk management

5.7.3.1 Interest rate risk

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

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

In the first half of 2021, the monetary policy remained stable, and the terminal interest rate with fluctuations in a narrow range and declined. The Group paid close attention to changes in the interest rate environment in the external market, strengthened market research and judgment, and continuously improved the management of interest rate pricing and the interest rate risk in the banking book. It effectively guided the adjustment of repricing term structure through the rational use of tools such as interest rate pricing and internal fund transfer pricing (FTP), and improved its initiative and foresight in terms of bank account book interest rate risk management, to ensure the overall stability and acceptability of interest rate risk.

Management Discussions and Analysis

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

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
30 June 2021							
Total financial assets	112,213,095	34,450,612	160,320,651	235,532,117	44,129,180	10,288,585	596,934,240
Total financial liabilities	(137,155,423)	(52,628,022)	(194,958,136)	(154,548,974)	(8,395,794)	(9,555,300)	(557,241,649)
Total interest rate sensitivity gap	(24,942,328)	(18,177,410)	(34,637,485)	80,983,143	35,733,386	733,285	39,692,591
31 December 2020							
Total financial assets	111,858,547	26,535,401	106,154,985	260,046,629	33,480,535	14,337,546	552,413,643
Total financial liabilities	(132,243,198)	(49,503,134)	(189,158,812)	(124,110,387)	(14,089,818)	(8,067,705)	(517,173,054)
Total interest rate sensitivity gap	(20,384,651)	(22,967,733)	(83,003,827)	135,936,242	19,390,717	6,269,841	35,240,589

As at the end of June 2021, the Group's accumulated gap for all maturities amounted to RMB39,693 million, representing an increase of RMB4,452 million or 12.6% as compared to the end of the previous year.

5.7.3.2 Exchange rate risk

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

5.7.4 Liquidity risk management

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

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

Management Discussions and Analysis

During the Reporting Period, The Group continued to improve liquidity risk management framework by streamlining the policy system for liquidity risk management, and upgraded our liquidity risk management capability and improved our capability in liquidity risk measurement and forecast by continuously implementing the coordination meeting mechanism for assets and liabilities, position management, quota management for liquidity indexes, duration mismatch management, management of liquidity reserve assets, dynamic management of liquidity risk. Meanwhile, the Group also promoted the accuracy and automation in liquidity risk monitoring and measurement by continuously improving the ability to apply information system of liquidity management through system construction and active application of scientific and technological means. The Group had liquidity risk measurement and monitoring mechanisms in place to conduct periodic audits over the Group's overall money-market balance, liquidity reserves, liquidity exposure and related supervisory indicators. At the same time, the Group's assets and liabilities were managed in accordance with factors such as liquidity exposure, liquidity reserves, money market balances, market conditions, and relevant monitoring targets. By means of quota management, internal funds transfer pricing and other management methods, proactive adjustments to the assets and liabilities maturity structure can be achieved, which provide security against liquidity risk. In addition, the Group continuously carried out liquidity risk stress tests (at least once a quarter) so that it can discover the weak links in liquidity risk management in advance through such stress tests and adopt relevant measures to constantly improve the liquidity risk management and control capability of the Bank. The results of the stress tests in the first two quarters of 2021 indicated that the liquidity risks remained within a controllable range even under stressful conditions. As at the end of the Reporting Period, all of the major regulatory indicators reflecting the Group's liquidity position met the regulatory requirements.

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

(All amounts expressed in thousands of RMB unless otherwise stated)									
	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	In perpetuity	Overdue	Total
30 June 2021	(92,000,720)	30,378,741	(24,281,092)	(88,148,646)	137,320,071	135,576,253	30,985,717	9,093,037	138,923,361
31 December 2020	(88,661,738)	18,373,305	(23,104,005)	(76,044,259)	130,647,533	88,057,396	29,632,363	7,771,389	86,671,984

As of 30 June 2021, the Group's cumulative gap for all maturities was RMB138,923 million, representing an increase of RMB52,251 million as compared to the end of the previous year. Although there was a shortfall in on-demand repayment of RMB92,001 million, the Group had an extensive and solid deposit customer basis. Current deposit settlement rates were relatively high and funding sources were stable, so the impact of the shortfall on the Group's real liquidity was not significant.

Liquidity coverage ratio

The Group measures its liquidity coverage ratio according to the latest Administrative Measures for Liquidity Risk Management of Commercial Banks of the CBIRC which was issued on 23 May 2018. As of 30 June 2021, the Group's liquidity coverage ratio was 220.73%, which was in compliance with the regulatory requirements of the CBIRC.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021	31 December 2020
Qualified high-quality liquid assets	55,675,540	38,740,874
Net cash outflow in the next 30 days	25,223,430	18,889,865
Liquidity coverage ratio (%)	220.73	205.09

Net stable funding ratio

The net stable funding ratio supervision index is introduced to ensure that commercial banks have sufficient and stable funding to meet the requirements of various assets and off-balance sheet risk exposures for stable funding. According to the Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks, which was implemented on 1 July 2018, the net stable funding ratio shall be no less than 100%.

As of 30 June 2021, available and stable funds and required stable funds of the Group amounted to RMB351,701 million and RMB337,880 million, which meet the regulatory requirement with the net stable funding ratio standing at 104.09%.

5.7.5 Large-sum risk exposure management

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

5.7.6 Reputational risk management

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

During the Reporting Period, the Bank incorporated reputational risk into the comprehensive risk management system, which cover all business lines as well as all branches and holding subsidiaries. The Bank put reputation risk prevention first, arranged for special employees to carry out 24-hour public opinion monitoring, analysis and judgment, and special identification of reputation risk on a quarterly basis, and strengthened positive publicity and guidance during important and sensitive periods, so as to eliminate potential reputation risks in a timely manner, and further improved reputation risk awareness and management in the Bank.

Management Discussions and Analysis

5.7.7 Compliance risk management

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

During the Reporting Period, the Bank positively adapted to the new regulatory requirements on “strong supervision and strict supervision”, correctly grasped the direction of compliance, ensured the proper transmission of regulatory requirements, and further improved the long-term compliance management mechanism. The Bank mainly took the following compliance management measures: Firstly, the Bank revised, printed and issued the Compliance Management Policy of Bank of Chongqing to improve the top-level design of its compliance management in terms of structure optimization, specification of philosophy, highlighting of key points, measure enrichment, guarantee enhancement, etc., so as to promote the continuous improvement in the compliance management standards of the Bank. Secondly, the Bank formulated, printed and issued the Operation Rules of Bank of Chongqing on the Implementation of Regulatory Opinions and Rectification, so as to institutionalize, standardize and standardize the implementation process of regulatory opinions and rectification, and promote the effective interaction between the Bank’s compliance and external supervision. Thirdly, after repeated investigation and demonstration, the Bank carried out exploration and established a compliance risk monitoring indicator system and monitoring system which comply with regulatory requirements and the requirements of compliance management development of the Bank, by technical means. Fourthly, the Bank comprehensively and deeply sorted out and evaluated existing systems in terms of compliance, prudence, validity, comprehensiveness, feasibility and uniformity, so as to ensure that the rules and systems of the Bank were continuously and dynamically updated. Fifthly, with an orientation towards “risk control and value creation by compliance”, the Bank strengthened compliance review, and effectively incorporated compliance work in all of its business processes and operating activities, so that compliance becomes important support and solid guarantee for business development and management. Sixthly, by strengthening the implementation of key regulatory tasks, the Bank took measures including risk identification, for important businesses and key areas, and strengthened compliance risk management to effectively prevent and control compliance risks.

5.7.8 Anti-money laundering management

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

During the Reporting Period, the bank actively fulfilled its anti-money laundering obligations and took a number of measures to enhance its anti-money laundering compliance and effectiveness. Firstly, we further improve our internal control system of anti-money laundering in accordance with relevant regulatory documents such as the Guidelines for Money Laundering and Terrorist Financing Risk Management of Financial Institutions (Trial Implementation), the Administrative Measures for Anti-Money Laundering and Anti-Terrorist Financing of Financial Institutions in the Banking Industry and the Guidelines for the Self-Assessment of Money Laundering and Terrorist Financing Risk of Financial Institutions. Secondly, we strengthened the money laundering risk assessment on our businesses and products and the anti-money laundering compliance review of our business system, shared the money laundering risk rating data of customers, and integrated anti-money laundering compliance requirements into our business system and processing procedure. Thirdly, we consolidated the results of the reform of the centralized identification model of suspicious transactions, and continuously improved the quality of suspicious transaction reports. Fourthly, we actively promoted the application of AI and other financial technologies in the anti-money laundering field, accurately and efficiently completed the collection and processing of anti-money laundering investigation information with the help of robot process automation (RPA) technology, and automatically launched system tasks to re-evaluate and investigate the risk status of the customer's money laundering. Fifthly, we carried out in-depth risk review and case investigation activities to effectively prevent all kinds of money laundering risks. Sixthly, we carried out the identification of beneficiaries, control of suspicious transaction reports and subsequent risks, and management of high-risk customers in accordance with the Notice of the People's Bank of China on Strengthening the Identification of Anti-Money Laundering Customers and other regulatory requirements. Seventhly, in order to improve our anti-money laundering efficiency, we continued to optimize the anti-money laundering list monitoring function, transaction monitoring model and other system functions, and optimize customer information quality management reports.

5.8 Capital Management

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

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

Management Discussions and Analysis

5.8.1 Capital adequacy ratio

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021		31 December 2020	
	The Group	The Bank	The Group	The Bank
Net capital:				
Core Tier I Capital, net	41,055,256	37,825,545	35,902,191	32,937,291
Tier I Capital, net	46,115,153	42,734,852	40,934,037	37,846,598
Net capital	57,769,442	53,718,559	53,672,813	50,048,091
Capital adequacy ratio (%) :				
Core Tier I Capital adequacy ratio	8.97	8.86	8.39	8.17
Tier I Capital adequacy ratio	10.07	10.01	9.57	9.39
Capital adequacy ratio	12.62	12.59	12.54	12.42

Management Discussions and Analysis

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

	30 June 2021	31 December 2020
(All amounts expressed in thousands of RMB unless otherwise stated)		
Core capital:		
Share capital	3,474,505	3,127,055
Counted part of capital surplus	8,482,340	5,246,195
Surplus reserve and general risk reserves	10,338,726	9,753,867
Counted part of retained earnings	17,880,224	17,101,676
Eligible portion of minority interests	1,129,426	919,041
Core Tier I Capital deductibles items:		
Full deductibles items	(249,965)	(245,643)
Threshold deduction items	–	–
Core Tier I Capital, net	41,055,256	35,902,191
Other Tier I Capital, net	5,059,897	5,031,846
Tier II Capital, net	11,654,289	12,738,776
Net capital	57,769,442	53,672,813
On-balance sheet risk-weighted assets	425,750,204	397,595,492
Off-balance sheet risk-weighted assets	7,839,224	6,893,744
Risk-weighted assets for exposure to counterparty credit risk	12,400	345
Total credit risk-weighted assets	433,601,828	404,489,581
Total market risk-weighted assets	1,975,296	954,344
Total operational risk-weighted assets	22,266,513	22,502,901
Total risk-weighted assets before applying capital base	457,813,637	427,946,826
Total risk-weighted assets after applying capital base	457,813,637	427,946,826
Core Tier I Capital adequacy ratio (%)	8.97	8.39
Tier I Capital adequacy ratio (%)	10.07	9.57
Capital adequacy ratio (%)	12.62	12.54

Management Discussions and Analysis

As of 30 June 2021, the Group's capital adequacy ratio was 12.62%, representing an increase of 0.08 percentage point as compared to the end of the previous year. Tier I Capital adequacy ratio was 10.07%, representing an increase of 0.50 percentage point as compared to the end of the previous year. Core Tier I Capital adequacy ratio was 8.97%, representing an increase of 0.58 percentage point as compared to the end of the previous year. The main factors affecting the change in the capital adequacy ratio of the Group are as follows: (1) The net proceeds of RMB3,705 million from A share IPO; (2) net profit attributable to shareholders of the Bank for the Reporting Period was RMB2,659 million; (3) during the Reporting Period, the general meeting resolved to pay a dividend of RMB1,296 million for 2020; (4) redemption of tier II capital bonds of RMB1,500 million during the Reporting Period.

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

5.8.2 Leverage ratio

As of 30 June 2021, the Group's leverage ratio was 7.11%, falling within regulatory requirements of the CBIRC.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2021	31 December 2020
Leverage ratio (%)	7.11	6.84
Tier I Capital	46,365,118	41,179,679
Deductions from Tier I Capital	249,965	245,642
Tier I Capital, net	46,115,153	40,934,037
On-balance sheet assets after adjustment	606,831,246	562,213,707
Off-balance sheet assets after adjustment	41,746,706	36,389,776
On- and off-balance sheet assets after adjustment	648,577,952	598,603,483

5.8.3 Capital financing management

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

In March 2017, the Bank issued RMB6 billion Tier II capital bonds within the domestic inter-bank bond market of China. Such Tier II capital bonds have a maturity of 10 years, with a fixed coupon rate of 4.8% per annum before maturity. Subject to the applicable laws and the approvals by relevant the regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital.

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

5.8.4 Economic capital allocation and management

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

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

5.9 Environment and Outlook

In the first half of 2021, with the spread of COVID-19 across the world, the imbalance and instability of global economic recovery became increasingly evident, and the overflow effect of loose monetary policies gradually manifested. Despite the severe and complicated external environment, China's overall planned epidemic prevention and control, economic and social development achievements were continuously consolidated, and China's economy recovered steadily with a consolidated foundation and a good momentum of growth. In the first half of 2021, China recorded a year-on-year growth of 12.7% in gross domestic product (GDP), and saw continuous enhancement of driving force for economic development, gradual pick-up in industrial production, further recovery of the consumer market, continuous recovery of fixed asset investment, stable foreign trade import and export with movement in a positive direction, and an increase in the number of positive factors in the economy. Under the macro environment of stability with movement in a positive direction, the banking industry remained stable, with steady growth in assets and major businesses in the industry, continuous improvement in quality and efficiency of serving the real economy, effective prevention and control of risks in key areas, and significantly enhanced robustness of development.

Management Discussions and Analysis

In terms of macroeconomic policies, at the meeting of the Political Bureau of the CPC Central Committee, it was pointed out that efforts should be made to properly carry out cross-cycle adjustment to macro policies, so as to maintain the continuity, stability and sustainability of macro policies, and make overall plans for the transition between macro policies for the year and next year, and keep the economic operation within a reasonable range. Under an active fiscal policy, efforts should be made to improve the role of policies, protect the three priorities of people's basic wellbeing, payment of salaries, and normal government functioning, reasonably manage budgetary investment and the progress of bond issuance of local governments, and promote the determination of actual workload at the end of the year and early next year. Under a prudent monetary policy, efforts should make to maintain reasonable and sufficient liquidity to support the continuous recovery of middle and small-sized enterprises and industries in difficulty. The active fiscal policy and the prudent monetary policy provides a good external environment for the development of the banking industry, while the policy orientation of supporting the recovery of small and medium-sized enterprises and industries in difficulty also indicates the direction and provides kinetic energy for the subsequent development of the banking industry.

From the perspective of regional economic, as China's largest municipality, the most developed metropolitan area in Western China and the largest central port city in the upper reaches of the Yangtze River, Chongqing enjoyed great location advantages. At the same time, the construction of the Chengdu-Chongqing Economic Rim has become a national strategy, bringing new opportunities for the development of Chongqing. Relevant data show that in the first half of 2021, Sichuan-Chongqing cooperation was arranged to carry out 67 major infrastructure projects, and as of the end of June, 58 projects were commenced, with an annual investment of RMB41,460 million. Benefited from the implementation of various regional policies, financial institutions in the region will also obtain new development opportunities.

The Group will use this as an opportunity to fully respond to the regional development strategy, and will deeply participate in Sichuan-Chongqing cooperation especially through supporting the development of the Chengdu-Chongqing economic circle, continuously improve the financial service level and business coverage, and make efforts to seize opportunities for its high-quality development, in the implementation of national strategies.

Significant Events

6.1 Performance of Undertakings

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

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Road & Bridge Co., Ltd., both of which are domestic shareholders, holding more than 5% of the shares of the Bank before the offering of A shares	Chongqing Yufu Capital Operation Group Co., Ltd. and Chongqing Road & Bridge Co., Ltd. undertake as follows: “1. Within 36 months following the date of listing on the stock exchange of A shares issued in the initial public offering of Bank of Chongqing, the company will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A shares of Bank of Chongqing which are held by the company. The company undertakes that it will comply with relevant laws, regulations and normative documents (including the relevant 2. If the closing price of A shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by the company will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 1 of the Letter of Undertaking.	February 5, 2021	36 months subject to extension as appropriate	Yes

Significant Events

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

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Real Estate Group Co., Ltd. ³ , Lifan Technology (Group) Co., Ltd. ⁴ , Peking University Founder Group Co., Ltd., Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) ⁵ , Chongqing Expressway Co., Ltd. and Minsheng Industrial (Group) Co., Ltd., all of which are shareholders of the Bank	7 shareholders, namely the Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Land Group, Lifan Technology (Group) Co., Ltd., Peking University Founder Group Co., Ltd., Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司), Chongqing Expressway Co., Ltd. and Minsheng Industrial (Group) Co., Ltd., undertake as follows: “Within 36 months following the date of listing on the stock exchange of A shares issued in the initial public offering of Bank of Chongqing, the company will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A shares of Bank of Chongqing which are directly or indirectly held by the company. Upon expiry of the lock-up period, relevant regulations of relevant regulatory authorities shall apply.”	February 5, 2021	36 months	Yes

³ The shares held by Chongqing Land Group in the Bank were transferred to Chongqing Real Estate Group Co., Ltd. free of charge, and Chongqing Real Estate Group Co., Ltd. made a corresponding commitment on sales restriction.

⁴ Formerly known as Lifan Industrial (Group) Co., Ltd., which was renamed as Lifan Technology (Group) Co., Ltd. on March 3, 2021, and the legal representative, registered capital and business scope were changed.

⁵ Formerly known as Chongqing Transport and Travel Investment Group Co., Ltd, which was renamed as Chongqing Development and Real Estate Management Co., Ltd. on April 30, 2020, and the investor, registered capital and business scope were changed.

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Directors, supervisors and senior management holding shares of the Bank	<p>RAN Hailing, LIU Jianhua, YANG Yusong, YANG Shiyin, ZHOU Guohua and HUANG Ning, who serve as the directors and senior management members of the Bank and hold shares of the Bank, undertake as follows:</p> <p>“1. I will comply with the Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies published by China Securities Regulatory Commission.</p> <p>2. Within 36 months following the date of listing on the stock exchange of A shares issued in the initial public offering of Bank of Chongqing, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A shares of Bank of Chongqing which are held by me.</p> <p>3. If the closing price of A shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by me will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 2 of the Letter of Undertaking. During the extension period, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A shares of Bank of Chongqing which are held by me.</p>	February 5, 2021	36 months subject to extension as appropriate	Yes

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

Significant Events

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

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

Significant Events

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

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	The Bank	<p>With regard to the prospectus, the Bank undertakes as follows:</p> <p>“1. If there are false representations, misleading statements or material omissions in the prospectus of the Bank, which have a significant and substantial impact on the determination of whether the Bank meets the offering conditions specified by law, the Bank will, within 5 trading days after CSRC, the people’s court and other competent authorities make a final determination or effective judgment on the existence of the violation of the issuer, commence the share repurchase-related procedures to repurchase all new A shares issued by the Bank in the public offering, and the specific share repurchase plan will be subject to the internal approval procedures of the Bank and external approval procedures, in accordance with applicable laws, regulations, normative documents and the Articles of Association. The repurchase price shall not be lower than the offering price of the shares of the Bank plus the interest on bank demand deposits for the period from the share offering date to the repurchase date. In case of profit distribution, bonus issue, placement of shares, conversion of capital reserve into share capital and other ex-right matters of Bank of Chongqing after the offering and listing of shares of the Bank, the shares repurchased include all new A shares issued in the public offering and their derivative shares, and the offering price of the above shares will be subject to ex-right and ex-dividend adjustment accordingly.</p> <p>2. If there are false representations, misleading statements or material omissions in the prospectus of the Bank, which causes any losses to investors in securities transaction, the Bank will compensate the investors for the losses in full and in a timely manner, according to the final decision or effective judgment made by CSRC, the people’s court and other competent authorities.</p>	February 5, 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			3. The Bank will, in accordance with the provisions of relevant laws, regulations and normative documents and the requirements of regulatory authorities, be liable for its failure to perform the above undertakings."			
Undertaking in relation to the initial public offering	Others	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	<p>With regard to the prospectus of the Bank, Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>"1. There are no false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, and it accepts responsibility for the authenticity, accuracy and completeness of the prospectus in accordance with law.</p> <p>2. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which have a significant and substantial impact on the determination of whether Bank of Chongqing meets the offering conditions specified by law, the company will urge Bank of Chongqing to repurchase all the new shares issued in the offering and their derivative shares (in case of profit distribution, bonus issue, placement of shares, conversion of capital reserve into share capital and other ex-right matters of Bank of Chongqing after the offering and listing of shares of Bank of Chongqing).</p> <p>3. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which causes any losses to investors in securities transaction, the company will compensate the investors for the losses by law.</p> <p>The company provides as the security for the performance of the above undertakings, the dividend to which the company is entitled under the profit distribution plan for the year in which A shares of Bank of Chongqing are listed and subsequent years, and the shares held by the company in Bank of Chongqing shall not be transferred after the incurrence of relevant obligations in the above undertakings of the company and prior to the performance of the obligations."</p>	February 5, 2021	Long term	Yes

Significant Events

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

Significant Events

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

Significant Events

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

Significant Events

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

Significant Events

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

Significant Events

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

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective		Is It Performed Strictly in a Timely Manner
				Date of the Undertaking	Term of the Undertaking	
			<p>3. If the Bank adopts the share repurchase plan, the share repurchase proposal will include but not limited to the number of shares to be repurchased, the repurchase price range, the source of funds for the repurchase, the impact of repurchase on the share price and the operation of the Bank. The Bank shall implement the share repurchase plan after completing the internal approval procedures of the Bank and other relevant procedures in accordance with applicable laws, regulations, normative documents, the Articles of Association of the Bank and other provisions, and obtaining required approvals, for the share repurchase plan. The Bank shall repurchase its shares through call auction, offer and/or other legal means on a securities exchange. The total funds used by the Bank to repurchase shares shall not be less than 5% of the net profit attributable to shareholders of the Bank in the previous year but shall not exceed the net proceeds from the public offering of shares of the Bank.</p> <p>4. If the Bank adopts other share price stabilization plans that comply with relevant laws, regulations and other normative documents (including the rules of the place where the shares of the Bank is listed), the plans shall be implemented after the Bank completes corresponding approval and/or filing procedures in accordance with applicable laws, regulations, normative documents (including the rules of the place where the shares of the Bank is listed) and the Articles of Association of the Bank.</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>5. In implementing the share price stabilization plan, the Bank may suspend the plan if: (1) the closing price of A shares of the Bank exceeds the latest audited net assets per share of the Bank for 10 consecutive trading days; (2) continued repurchase of shares causes the Bank to fail to satisfy the statutory listing conditions; or (3) the number of repurchased shares reaches 2% of the total number of A shares of the Bank existing before the repurchase. The Bank shall continue to implement the above share price stabilization plan if after the Bank suspends the share price stabilization plan, the closing price of A shares of the Bank remains below the latest audited net assets per share of the Bank for 20 consecutive trading days within 12 months following the date of triggering the above obligation to stabilize the share price.</p> <p>6. The Bank shall continue to implement the above share price stabilization plan if after the Bank suspends the share price stabilization plan, the closing price of A shares of the Bank remains below the latest audited net assets per share of the Bank for 20 consecutive trading days within 12 months following the date of triggering the above obligation to stabilize the share price.</p> <p>7. The repurchase, information disclosure and disposal of shares after repurchase by the Bank shall comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, other relevant laws, administrative regulations and the Articles of Association of the Bank.</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective		Is It Performed Strictly in a Timely Manner
				Date of the Undertaking	Term of the Undertaking	
			(II) Restraints against the failure to perform the obligation to increase shareholdings or repurchase shares			
			<p>1. If the Bank fails to formulate and announce its share price stabilization plan within 10 trading days following the date of triggering the obligation of the Bank to stabilize its share price as indicated in the share price stabilization plan, or fails to act according to the plan announced, the Bank will, within 5 trading days, automatically freeze funds equal to 10% of the net profit attributable to its shareholders in the previous year, so as to perform the above undertakings to stabilize the share price. The Bank will, in accordance with law, compensate investors for losses arising out of its failure to perform the obligation to stabilize the share price.</p> <p>2. If the directors and senior management of the Bank fail to propose a specific plan of increasing the shareholdings or act according to the disclosed plan within 10 trading days following the date of triggering the obligation to increase the shareholding, the Bank shall deduct 15% of the monthly salary of the parties concerned, as well as cash dividends (if any), from the month in which the agreed obligation is not performed, until the total amount of deductions reaches 15% of the total salary (after tax) obtained from the Company in the previous accounting year in which the obligation to stabilize the share price shall be performed, and the deductions shall remain with the Bank.</p> <p>III. In performing the above obligation, the Bank shall perform corresponding information disclosure obligations in accordance with the listing rules of the place where the shares of the Bank are listed and other applicable regulatory requirements, and shall comply with relevant regulations including those on the regulation of commercial banks."</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A shares of the Bank, Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>“I. The company will actively take the following measure to stabilize the share price of Bank of Chongqing according to the specific share price stabilization plan in the Plan for Stabilization of A Share Price Within Three Years Following Initial Public Offering and Listing of Bank of Chongqing Co., Ltd. if the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing (the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of Bank of Chongqing after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the initial public offering and listing of A Shares of Bank of Chongqing, other than due to force majeure factors.</p> <p>II. If the closing price of A shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days, and the share price stabilization plan is not announced by the Board of Bank of Chongqing as scheduled, or approved by competent authorities or departments, the obligation of the company to increase its shareholding in Bank of Chongqing is triggered, and the company will take the following measures:</p>	February 5, 2021	36 months	Yes

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective		Is It Performed Strictly in a Timely Manner
				Date of the Undertaking	Term of the Undertaking	
			<ol style="list-style-type: none"> 1. The company will, within 15 trading days following the date of triggering, submit to Bank of Chongqing, the plan of increasing its shareholding in Bank of Chongqing, which will be announced by Bank of Chongqing. The notice of acquisition of additional shares shall indicate the number of additional shares to be acquired, the price, period, target for and other information on the acquisition. 2. Within 6 months following the date of triggering the obligation to stabilize the share price, the company will increase its shareholding in the Bank, for a total consideration not less than 15% of the cash dividend of Bank of Chongqing in the latest year to which it is entitled upon the announcement of the plan of increasing its shareholding in Bank of Chongqing. 3. The company may suspend the plan of increasing its shareholding if the closing price of A shares of Bank of Chongqing exceeds the latest audited net assets per share of Bank of Chongqing for 10 consecutive trading days in implementing the plan. The company will continue to implement the above plan of increasing its shareholding if after the plan is suspended, the closing price of shares of Bank of Chongqing remains below the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days within 12 months following the date of triggering the above obligation to increase the shareholding. 4. Within six months following the completion of the plan of increasing its shareholding, the company will not dispose of the additional shares acquired by it; and after the company increases its shareholding, the distribution of equity interests in Bank of Chongqing shall comply with the listing conditions, and the increase in the shareholding shall comply with relevant laws, regulations and normative documents. 			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>III. If the company fails to propose a specific plan of increasing the shareholding, within 15 trading days from the date of triggering the obligation to increase the shareholding, or fails to act according to the disclosed plan of increasing the shareholding, Chongqing Bank has the right to own the cash dividends payable to the company in the year and subsequent years which are equal to the amount paid by the company for the performance of such obligation, until the company performs such obligation; the company will, in accordance with law, compensate Bank of Chongqing and investors for any losses arising out of its failure to perform such obligation."</p>			
Undertaking in relation to the initial public offering	Others	Directors and senior management	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A shares of the Bank, directors (excluding independent directors, and directors who do not receive remuneration from the Bank) and senior management of the Bank undertake as follows:</p> <p>"I. Condition for taking the share price stabilization measures</p> <p>I will actively take the following measure to stabilize the share price of Bank of Chongqing according to the specific share price stabilization plan in the Plan for Stabilization of A Share Price if the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing (the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of Bank of Chongqing after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the initial public offering and listing of A Shares of Bank of Chongqing, other than due to force majeure factors.</p>	February 5, 2021	36 months	Yes

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

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>4. In implementing the above plan of increasing the shareholding, I may suspend the plan if (1) the closing price of A shares of Bank of Chongqing exceeds the latest audited net assets per share of Bank of Chongqing for 10 consecutive trading days, after increasing the shareholding in Bank of Chongqing; or (2) continued increase in the shareholding causes Bank of Chongqing to fail to satisfy the statutory listing conditions; or (3) continued increase in the shareholding will lead to the obligation to offer to acquire while it has no plan to offer to acquire; or (4) the funds used to increase the shareholding reach 15% of the total salary receiving from Bank of Chongqing in the previous year.</p> <p>5. I will continue to implement the above plan of increasing my shareholding if after the plan is suspended, the closing price of shares of Bank of Chongqing remains below the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days within 12 months following the date of triggering the above obligation to increase the shareholding.</p> <p>III. Restraints against the failure to perform the obligation to increase shareholdings or repurchase shares</p> <p>If I fail to propose a specific plan of increasing the shareholdings or act according to the disclosed plan within 10 trading days following the date of triggering the obligation to increase the shareholding, Bank of Chongqing shall deduct 15% of my monthly salary, as well as cash dividends (if any), from the month in which the agreed obligation is not performed, until the total amount of deductions reaches 15% of the total salary (after tax) obtained from Bank of Chongqing in the previous accounting year in which the obligation to stabilize the share price shall be performed, and the deductions shall remain with Bank of Chongqing; I will, in accordance with law, compensate Bank of Chongqing and investors for any losses arising out of my failure to perform such obligation.</p>			

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			IV. In performing the above obligation, I shall perform corresponding information disclosure obligations in accordance with the listing rules of the place where the shares of the Bank are listed and other applicable regulatory requirements, and shall comply with relevant regulations including those on the regulation of commercial banks."			

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

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

Significant Events

6.3 Material Related Party Transaction

6.3.1 Related Party Transaction in Relation to Daily Operation

During the Reporting Period, the Bank carried out related party transactions with fair prices and in the interests of the Bank and its shareholders as a whole, in strict accordance with domestic and overseas supervision systems including the Measures for the Administration of Connected Transactions between Commercial Banks and Insiders and Shareholders, the Interim Measures for Management of Equity Interests of Commercial Banks, the Rules Governing Listing of Stocks on the Shanghai Stock Exchange, the Implementation Guideline for Connected Transactions of Companies Listed on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Management Measures for Related Party Transactions of Bank of Chongqing Co., Ltd.

At the 2020 Annual General Meeting held on 20 May 2021, the Bank considered and approved the Proposal on the Estimated Annual Cap for Daily Connected Transactions for 2021. Information on the Bank's daily related party transactions during the Reporting Period is as follows:

Unit: RMB100 million

S.N.	Name of Related Party	Type of Transaction	Proposed Annual Caps for Related Party Transactions in 2021	As of June 30, 2021
1	Chongqing Yufu Holding Group Co., Ltd. and its associates	Credit	38.55	19.98
2	Chongqing Real Estate Group Co., Ltd. and its associates	Credit	50	29.7
3	Lifan Technology (Group) Co., Ltd.	Credit	11.85	2.88
4	Chongqing Road & Bridge Co., Ltd.	Credit	5	0
5	Chongqing Lifan Holdings Co., Ltd.	Credit	13.51	0
6	Chongqing Foreign Trade (Group) Co., Ltd. and its associates	Credit	25.45	16.45
7	Chongqing Shangshe (Group) Co., Ltd. and its associates	Credit	46.6	4.43
8	Southwest Securities Company, Ltd	Credit	3	3
9	Chongqing Yukang Asset Management Co., Ltd.	Credit	10	1.2
10	Mashang Consumer Finance Co., Ltd.	Credit	20	0
11	Chongqing Three Gorges Bank Co., Ltd.	Credit	15	3.3
		Non-credit	15	7.5
12	Chongqing Rural Commercial Bank Co., Ltd.	Credit	30	3
		Non-credit	20	13.5
13	Chongqing Boe Display Technology Co., Ltd. (重慶京東方顯示技術有限公司)	Credit	4.25	0
14	Chongqing Xingnong Financing Guarantee Group Co., Ltd.	Non-credit	26.7	7.38
15	Chongqing Sanxia Financing Guarantee Group Corporation	Non-credit	30	4.65
16	Chongqing Jiaotong Financing Guarantee Co., Ltd.	Non-credit	6	2.24
17	Chongqing Financing Re-guarantee Co., Ltd.	Non-credit	5	1.64
18	Chongqing Export-Import Financing Guarantee Co., Ltd.	Non-credit	6	0
19	Connected natural persons	Credit	3.3	1.34

During the Reporting Period, the 28th meeting of the sixth session of the Board of the Bank considered and approved the Resolution on Material Connected Transactions Involved in Granting Credit to Chongqing Xinyu Financial Leasing Co., Ltd., agreeing to grant a maximum credit line of RMB4,000 million to Chongqing Xinyu Financial Leasing Co., Ltd. As of the end of the Reporting Period, the credit balance of related parties was RMB500 million. Pursuant to the Measures for the Administration of Connected Transactions between Commercial Banks and Insiders and Shareholders published by CBIRC, Chongqing Xinyu Financial Leasing Co., Ltd. is a related party of the Bank.

6.3.2 Connected Transactions Relating to Assets or Equity Interest Acquisition and Disposal

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

6.3.3 Connected Transactions Relating to Joint External Investments

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

6.3.4 Claims and Liabilities among the Connected Transactions

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

6.3.5 Other Material Connected Transactions

During the Reporting Period, there was no other material connected transactions by the Bank.

6.4 Material Contracts and Their Performance

Material Custody, Contracting and Lease

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

Material Guarantee

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

6.5 Material Litigation and Arbitration

In the course of daily operation, the Bank involved several legal proceedings, most of which were initiated to recover non-performing loans. The Bank has 37 outstanding legal claims (including the Bank as a third party) of RMB334 million as of June 30, 2021. The Bank believes that the above legal proceedings and arbitrations would not have a material adverse impact on the financial position or operation results of the Bank.

6.6 Punishment and Rectification

During the Reporting Period, the Bank and all directors, supervisors and senior management of the Bank were not subject to investigation by law for suspected crimes, coercive measures or criminal punishment, investigation or administrative punishment by China Securities Regulatory Commission for suspected violations of laws and regulations, material administrative punishment by other competent agencies, detention by discipline inspection and supervision agencies for suspected serious violations of discipline or official criminality, which affects their performance of duty, coercive measures by other competent authorities for suspected violations of laws and regulations, which affects their performance of duty, administrative supervision measures by China Securities Regulatory Commission, or disciplinary punishments by stock exchanges.

Significant Events

6.7 Integrity

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

6.8 Statement on Changes in Accounting Policies

During the Reporting Period, there was no changes in accounting policies by the Bank.

6.9 Change of Accounting Firms

During the Reporting Period, the 24th meeting of the sixth session of the Board of the Bank considered and approved the Proposal of Bank of Chongqing Co., Ltd. on the Appointment and Remuneration of External Auditor for 2021, intending to engage Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young as the domestic auditors and international auditors of the Bank in 2021 respectively. The proposal has been submitted to the 2020 Annual General Meeting of the Bank for consideration and approval.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers had provided audit services for the Bank for eight consecutive years from 2013 to 2020. The Administrative Measures for the Selection and Engagement of Accounting Firms by State-owned Financial Enterprises published by the Ministry of Finance (Caijin [2020] No. 6) specifies that a state-owned financial enterprise shall not engage an accounting firm for a term of over 8 years. During the Reporting Period, the Bank changed its accounting firm.

6.10 Major Asset Purchases, Sales and Mergers

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

6.11 Review of the Interim Financial Statements

The Bank has engaged Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young respectively as external auditors to review the interim financial statements of the Bank prepared under the PRC GAAP (China Accounting Standards) and the IFRSs. The Board of Directors of the Bank and the Board Audit Committee have reviewed and agreed the 2021 interim Report of the Bank.

6.12 Publication of Interim Report

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

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

6.13 Others

Pursuant to paragraph 40 of Appendix 16 to the Listing Rules headed “Disclosure of Financial Information”, save as disclosed herein, the Bank confirms that there is no significant difference between its existing information in relation to the matters set out in paragraph 32 of Appendix 16 and those disclosed in the Bank’s 2020 Annual Report.

Change in Share Capital and Shareholders

7.1 Changes in the Ordinary Shares

7.1.1 General situation of the Ordinary Shares

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

	December 31, 2020		Increase/decrease (+, -)					30 June 2021	
	Number	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number	Percentage (%)
1. Shares with selling restrictions	1,548,033,993	49.50	-	-	-	-	-	1,548,033,993	44.55
1. Shareholding of the State	5,529,998	0.18	-	-	-	-5,529,998	-5,529,998	-	-
2. Shareholding of state-owned legal persons	1,018,216,524	32.56	-	-	-	2,258,725	2,258,725	1,020,475,249	29.37
3. Other Domestic Shares	524,287,471	16.77	-	-	-	3,271,273	3,271,273	527,558,744	15.18
Of which: Shareholding of domestic non-state-owned legal persons	466,751,232	14.93	-	-	-	4,088,347	4,088,347	470,839,579	13.55
Shareholding of domestic natural persons	57,536,239	1.84	-	-	-	-817,074	-817,074	56,719,165	1.63
4. Foreign shares	-	-	-	-	-	-	-	-	-
Of which: Shareholding of offshore legal persons	-	-	-	-	-	-	-	-	-
Shareholding of offshore natural persons	-	-	-	-	-	-	-	-	-
2. Outstanding shares without selling restrictions	1,579,020,812	50.50	347,450,534	-	-	-	347,450,534	1,926,471,346	55.45
1. RMB ordinary shares	-	-	347,450,534	-	-	-	347,450,534	347,450,534	10.00
2. Foreign shares listed domestically	-	-	-	-	-	-	-	-	-
3. Foreign shares listed overseas	1,579,020,812	50.50	-	-	-	-	-	1,579,020,812	45.45
4. Others	-	-	-	-	-	-	-	-	-
3. Total number of ordinary shares	3,127,054,805	100.00	347,450,534	-	-	-	347,450,534	3,474,505,339	100.00

Note:

- (1) Among the shares subject to selling restrictions, changes in the number of shares held by state-owned legal persons, domestic non-state-owned legal persons and domestic natural persons are due to changes in the nature of the account of the securities holders, and the shares in the special account of newly-recognized shareholders and unrecognized shares custody being incorporated into domestic non-state-owned legal persons.
- (2) As at the end of the Report Period, pledged shares of the Bank amounted 340,036,213, representing 9.79% of the Bank's total share capital; Frozen shares amounted to 532,655, representing 0.02% of the Bank's total share capital.

Change in Share Capital and Shareholders

7.1.2 Statement on Changes in Ordinary Shares

On December 18, 2020, the Bank received the “Approval from the CSRC concerning the Initial Public Offering of Shares by Bank of Chongqing Co., Ltd.” (Zheng Jian Xu Ke [2020] No. 3511), pursuant to which, the CSRC approved the Bank’s issuance of up to 347,450,534 new shares. On February 5, 2021, the A Shares of the Bank were listed on the Shanghai Stock Exchange. As at the end of the Reporting Period, the total number of the Bank’s ordinary shares issued amounted to 3,474,505,339.

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

In February 2021, the Bank conducted an initial public offering of A shares at an issue price of RMB10.83 per share and issued 347,450,534 ordinary shares, thus changing the total share capital from 3,127,054,805 shares to 3,474,505,339 shares. As at 30 June 2021, the basic earnings per share of the Bank was RMB0.79 and the net assets per share attributable to ordinary shareholders of the parent company was RMB11.58. If calculated based on the pre-issue share capital, the basic earnings per share of the Bank was RMB0.85 and the net assets per share attributable to ordinary shareholders of the parent company was RMB12.86.

7.1.4 Changes in Shares With Selling Restrictions

Due to IPO and listing of A shares during the Reporting Period, the original 1,548,033,993 Domestic Shares were recorded as outstanding shares with selling restrictions, with the lock-up period of 12 months or 36 months from the listing date; during the Reporting Period, the outstanding shares with selling restrictions were not released, as the release date was beyond the Reporting Period. As of the end of the Reporting Period, the number of shares with selling restrictions was 1,548,033,993.

7.2 Particulars of Shareholders and Actual Controllers

7.2.1 Total Number of Shareholders

As at the end of the Reporting Period, the Bank had a total of 97,972 ordinary shareholders, of which, 96,828 are A-share shareholders and 1,144 are H-share shareholders.

Change in Share Capital and Shareholders

7.2.2 Top ten shareholders and top ten shareholders holding outstanding shares (or shareholders without selling restrictions) as at the end of the Reporting Period *Particulars of Shareholdings of the Top Ten Shareholders*

S.N.	Name of shareholder	Nature of shareholder	Total number of shares held at the end of the Period (shares)	Shareholding percentage (%)	Type of share	Increase or decrease during the Reporting Period (shares)	Number of shares with selling restrictions (shares)	Pledged or frozen (shares)
1	HKSCC Nominees Limited	Offshore legal person	1,118,730,819	32.20	H Shares	-22,000	–	–
2	Chongqing Yufu Capital Operation Co., Ltd.	State-owned legal person	462,179,748	13.30	A Shares + H Shares	–	407,929,748	–
3	Dah Sing Bank, Limited	Offshore legal person	458,574,853	13.20	H Shares	–	–	–
4	Lifan Technology (Group) Co., Ltd.	Private legal person	294,818,932	8.49	A Shares + H Shares	–	129,564,932	252,064,932
5	SAIC Motor Corporation Limited	State-owned legal person	240,463,650	6.92	H Shares	–	–	–
6	Funde Sino Life Insurance Co., Ltd.	Private legal person	217,570,150	6.26	H Shares	–	–	–
7	Chongqing Road & Bridge Co., Ltd.	Private legal person	171,339,698	4.93	A Shares	–	171,339,698	–
8	Chongqing Real Estate Group Co., Ltd.	State-owned legal person	159,926,519	4.60	A Shares	20,087,844	139,838,675	–
9	Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned legal person	139,838,675	4.02	A Shares	–	139,838,675	–
10	Peking University Founder Group Co., Ltd.	State-owned legal person	94,506,878	2.72	A Shares	–	94,506,878	–

Shareholdings of Top Ten Ordinary Shares Shareholders without Selling Restrictions

S.N.	Name of shareholder	Class and Number of Shares		
		Number of Circulating Shares Held without Selling Restrictions (shares)	Class	Number (shares)
1	HKSCC Nominees Limited	1,118,730,819	H Shares	1,118,730,819
2	Chongqing Real Estate Group Co., Ltd.	20,087,844	A Shares	20,087,844
3	Hong Kong Securities Clearing Company Limited	2,151,224	A Shares	2,151,224
4	PAN Xuekang (潘雪康)	1,051,500	A Shares	1,051,500
5	LIU Shuhong (劉淑紅)	1,004,300	A Shares	1,004,300
6	JIANG Longxin (蔣龍新)	914,400	A Shares	914,400
7	XI Zhifeng (奚之鋒)	820,400	A Shares	820,400
8	WANG Yuzhong (王玉忠)	820,000	A Shares	820,000
9	CHEN Chulian (陳楚連)	801,599	A Shares	801,599
10	SONG Yier (宋醫爾)	790,000	A Shares	790,000

Information on special repurchase accounts of top ten shareholders: N/A

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

Information on the related-party relationship or concerted action of the above shareholders: HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Apart from this, the Bank was not aware of any related-party relationship between the above shareholders or whether they are parties acting in concert.

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

Change in Share Capital and Shareholders

Note:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of shares in the shareholders of H shares' account of the Bank in the trading system represented by HKSCC Nominees Limited.
- (2) Chongqing Yufu Capital Operation Co., Ltd. directly held 407,929,748 A Shares and held 54,250,000 H Shares through its subsidiary Chongqing Yufu (Hong Kong) Limited. Related parties Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Chuanyi Instrument Microcircuit Co., Ltd. (重慶川儀微電路有限責任公司), Chongqing Silian Investment and Management Co., Ltd. (重慶四聯投資管理有限公司), Southwest Securities Company, Ltd. (西南證券股份有限公司), Chongqing Hotel Co., Ltd. (重慶賓館有限公司), Chongqing Rural Commercial Bank Co., Ltd. (重慶農村商業銀行股份有限公司), Chongqing Union Property Right Exchange Co., Ltd. (重慶聯合產權交易所集團股份有限公司) and YANG Yusong held 31,173,547 A shares of the Bank, totaling 493,353,295 shares of the Bank, accounting for 14.20% of the total number of shares of the Bank.
- (3) Lifan Technology (Group) Co., Ltd. held 129,564,932 A Shares and held 165,254,000 H Shares through its subsidiary Lifan International (Holdings) Limited. Lifan Technology (Group) Co., Ltd., together with persons acting in concert with it, held an aggregate of 294,818,932 Shares, representing 8.49% of the Bank's total share capital.
- (4) SAIC Motor Corporation Limited held 240,463,650 H Shares through its subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total share capital.
- (5) Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares and held 67,570,150 H Shares through its subsidiary Fund Resources Investment Holding Group Company Limited. Funde Sino Life Insurance Co., Ltd., together with persons acting in concert with it, held an aggregate of 217,570,150 H Shares, representing 6.26% of the Bank's total share capital.
- (6) Chongqing Road & Bridge Co., Ltd. directly held 171,339,698 A Shares, and its related party Chongqing International Trust Co., Ltd., held 195,102 shares of the Bank's A Shares. Chongqing Road & Bridge Co., Ltd., together with persons acting in concert with it, held an aggregate of 171,534,800 shares of the Bank's A Shares, representing 4.94% of the Bank's total shares.
- (7) The shares held by Chongqing Real Estate Group Co., Ltd. with selling restrictions were transferred by Chongqing Land Group free of charge. Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly held 159,926,519 A shares in the Bank, and its related parties, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Institute of Urban Pest Control (重慶市城市害蟲防治研究所), Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司), Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司), Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 3,673,494 A shares in the Bank, totalling 163,600,013 A shares, accounting for 4.71% of the total number of shares of the Bank.

Change in Share Capital and Shareholders

Number of Shares Held by and Selling Restriction of the Top Ten Shareholders with Selling Restrictions

S.N.	Name of shareholder with selling restrictions	Number of shares held with selling restrictions (shares)	Details of approved tradable shares with selling restrictions	
			Time available for trading	Additional number of approved tradable shares Selling restrictions
1	Chongqing Yufu Capital Operation Co., Ltd.	407,929,748	February 2024	0 36 months from the date of the Bank's listing
2	Chongqing Road & Bridge Co., Ltd.	171,339,698	February 2024	0 36 months from the date of the Bank's listing
3	Chongqing Water Conservancy Investment Group Co., Ltd.	139,838,675	February 2024	0 36 months from the date of the Bank's listing
4	Chongqing Real Estate Group Co., Ltd.	139,838,675	February 2024	0 36 months from the date of the Bank's listing
5	Lifan Technology (Group) Co., Ltd.	129,564,932	February 2024	0 36 months from the date of the Bank's listing
6	Peking University Founder Group Co., Ltd.	94,506,878	February 2024	0 36 months from the date of the Bank's listing
7	Chongqing South Group Limited	68,602,362	February 2022	0 12 months from the date of the Bank's listing
8	Chongqing Development and Real Estate Management Co., Ltd.	37,456,522	February 2024	0 36 months from the date of the Bank's listing
9	Chongqing Expressway Co., Ltd.	29,942,325	February 2024	0 36 months from the date of the Bank's listing
10	CECEP Chongqing Industry Co., Ltd. ⁶	24,901,099	February 2022	0 12 months from the date of the Bank's listing

Statement on the connected relations and concerted actions between the above shareholders: The Bank is not aware of connected relations or concerted actions exist between the above shareholders.

⁶ As at the end of the Reporting Period, CECEP Chongqing Industry Co., Ltd. held 24,901,099 shares with selling restrictions of the Bank due to the merger of Chongqing Min'an Industry Development Co., Ltd.

Change in Share Capital and Shareholders

7.2.3 Particulars of Controlling Shareholders and De facto Controllers

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

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

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

Chongqing Yufu Capital Operation Co., Ltd.

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

As at the end of the Reporting Period, Chongqing Yufu directly held 407,929,748 A Shares and held 54,250,000 H Shares through its subsidiary Chongqing Yufu (Hong Kong) Limited. Related parties Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Chuanyi Instrument Microcircuit Co., Ltd. (重慶川儀微電路有限責任公司), Chongqing Silian Investment and Management Co., Ltd. (重慶四聯投資管理有限公司), Southwest Securities Company, Ltd. (西南證券股份有限公司), Chongqing Hotel Co., Ltd. (重慶賓館有限公司), Chongqing Rural Commercial Bank Co., Ltd. (重慶農村商業銀行股份有限公司), Chongqing Union Property Right Exchange Co., Ltd. (重慶聯合產權交易所集團股份有限公司) and YANG Yusong held 31,173,547 A shares of the Bank, totaling 493,353,295 shares of the Bank, accounting for 14.20% of the total number of shares of the Bank.

Change in Share Capital and Shareholders

Dah Sing Bank, Limited

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

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

Lifan Technology (Group) Co., Ltd.

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

As at the end of the Reporting Period, Lifan Technology (Group) Co., Ltd. held 129,564,932 A Shares and held 165,254,000 H Shares through its wholly-owned subsidiary Lifan International (Holdings) Limited. Lifan Group, together with persons acting in concert with it, held an aggregate of 294,818,932 Shares, representing 8.49% of the Bank's total share capital. 129,564,932 Domestic Shares held by Lifan Technology (Group) Co., Ltd. were pledged, and 122,500,000 H Shares held by it were pledged.

Change in Share Capital and Shareholders

SAIC Motor Corporation Limited

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

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

Funde Sino Life Insurance Co., Ltd

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

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

7.2.5 Other Major Shareholders under Regulations

Chongqing Road & Bridge Co., Ltd.

Tsinghua Tongfang Guoxin Investment Holding Co., Ltd. is the controlling shareholder of Chongqing Road & Bridge Co., Ltd.. Chongqing Road & Bridge Co., Ltd. was established on June 13, 1997 with registered capital of RMB1.329 billion. It was listed on the Shanghai Stock Exchange since June 1997. Its legal representative is Jiang Jin, and its registered address is located at Room 10-1, No. 9 Heping Road, Yuzhong District, Chongqing. Its business scope includes general items: the operation and maintenance of Jialing River Shimen Bridge and Jiahua Jialing River Bridge (the above scope of business excludes those as prohibited by laws and administrative regulations; those as restricted by laws and administrative regulations shall be operated after obtaining the relevant permits), general contracting of municipal public works and construction (Grade I), housing and building works (Grade II); and sales of building materials and decorative materials (excluding hazardous chemicals), hardware, metal materials (excluding rare and precious metals), wood, and construction machinery. (Any item that requires to be approved by law can only be carried out after approval by relevant authorities).

Change in Share Capital and Shareholders

As at the end of the Reporting Period, Chongqing Road & Bridge Co., Ltd. directly held 171,339,698 A Shares, and Chongqing International Trust Co., Ltd., acting in concert with Chongqing Road & Bridge Co., Ltd., held 195,102 A Shares. Chongqing Road & Bridge Co., Ltd., together with Chongqing International Trust Co., Ltd., held an aggregate of 171,534,800 Domestic Shares, representing 4.94% of the Bank's total share capital. Pursuant to the requirements of the CBIRC, Chongqing Road & Bridge Co., Ltd. has assigned Directors to the Bank. Therefore, it is a substantial shareholder of the Bank.

Chongqing Real Estate Group Co., Ltd.

Chongqing State-owned Assets Supervision and Administration Commission is the controlling shareholder of Chongqing Land Group. Chongqing Real Estate Group Co., Ltd. was established on September 12, 2006 with the registered capital of RMB5 billion. Its legal representative is Li Shichuan, and its registered address is located at No. 2 Jiayuan Road, Yubei District, Chongqing. Its business scope includes general items: investment activities with free funds, land remediation services, and engineering management services (except for items that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As of the end of the Reporting Period, Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) held 159,926,519 A shares in the Bank, and its related parties, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Institute of Urban Pest Control (重慶市城市害蟲防治研究所), Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司), Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司), Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 3,673,494 A shares in the Bank, totalling 163,600,013 A shares, accounting for 4.71% of the total number of shares of the Bank. In accordance with regulations of CBIRC, Chongqing Real Estate Group Co., Ltd. assigned supervisors to the Bank, and therefore, it is a major shareholder of the Bank.

Chongqing Beiheng Investment & Development Limited

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

As at the end of the Reporting Period, Chongqing Beiheng Investment & Development Limited held 84,823,500 H Shares, representing 2.44% of the Bank's total share capital. Pursuant to the requirements of the CBIRC, Chongqing Beiheng Investment & Development Limited has assigned Supervisors to the Bank. Therefore, it is a substantial shareholder of the Bank.

Change in Share Capital and Shareholders

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

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

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of Shares held	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Financial Holdings Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Banking Group Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Bank, Limited ⁽¹⁾	H Share	Long position	Beneficial owner	458,574,853	29.04	13.20
David Shou-Yeh WONG ⁽¹⁾	H Share	Long position	Settlor of a discretionary trust/interest of the beneficiary of a trust	458,574,853	29.04	13.20
Christine Yen WONG ⁽¹⁾	H Share	Long position	Interest of spouse	458,574,853	29.04	13.20
Harold Tsu-Hing WONG ⁽¹⁾	H Share	Long position	Deemed interest	458,574,853	29.04	13.20
HSBC International Trustee Limited ⁽²⁾	H Share	Long position	Interest of a trustee	458,574,853	29.04	13.20
Chongqing Yufu Holding Group Co., Ltd.	A Share	Long position	Interest of a controlled corporation	407,929,748	21.52	11.74
	H Share	Long position	Interest of a controlled corporation	54,250,000	3.44	1.56
Chongqing Yufu Capital Operation Co., Ltd.	A Share	Long position	Beneficial owner	407,929,748	21.52	11.74
	H Share	Long position	Interest of a controlled corporation	54,250,000	3.44	1.56

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of Shares held	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Chongqing Yufu (Hong Kong) Limited	H Share	Long position	Beneficial owner	54,250,000	3.44	1.56
SAIC Motor Corporation Limited ⁽⁴⁾	H Share	Long position	Interest of a controlled corporation	240,463,650	15.23	6.92
SAIC Motor HK Investment Limited ⁽⁴⁾	H Share	Long position	Beneficial owner	240,463,650	15.23	6.92
Lifan Technology (Group) Co., Ltd. ⁽⁵⁾	A Share	Long position	Beneficial owner	129,564,932	6.84	3.73
	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
	H Share	Short position	Interest of a controlled corporation	122,500,000	7.76	3.53
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽⁵⁾	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
	H Share	Short position	Interest of a controlled corporation	122,500,000	7.76	3.53
Lifan International (Holdings) Limited ⁽⁵⁾	H Share	Long position	Beneficial owner	165,254,000	10.47	4.76
	H Share	Short position	Beneficial owner	122,500,000	7.76	3.53
Funde Sino Life Insurance Co., Ltd. ⁽⁶⁾	H Share	Long position	Beneficial owner	150,000,000	9.50	4.32
	H Share	Long position	Interest of a controlled corporation	67,570,150	4.28	1.94
Fund Resources Investment Holding Group Company Limited ⁽⁶⁾	H Share	Long position	Beneficial owner	67,570,150	4.28	1.94
Chongqing Real Estate Group Co., Ltd. ⁽⁷⁾	A Share	Long position	Beneficial owner	159,926,519	8.44	4.60
	A Share	Long position	Interest of a controlled corporation	3,673,494	0.19	0.11

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of Shares held	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Chongqing Kangju Real Estate Development Co., Ltd. ⁽⁷⁾	A Share	Long position	Beneficial owner	1,659,547	0.09	0.05
Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	914,351	0.05	0.03
Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	720,142	0.04	0.02
Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) ⁽⁷⁾	A Share	Long position	Beneficial owner	288,020	0.02	0.01
Chongqing Institute of Pest Control	A Share	Long position	Beneficial owner	91,434	0.00	0.00
Chongqing Water Conservancy Investment Group Co., Ltd.	A Share	Long position	Beneficial owner	139,838,675	7.38	4.02
DBS Group Holdings Ltd. ⁽⁸⁾	H Share	Long position	Interest of a controlled corporation	97,284,098	6.16	2.80
	H Share	Short position	Interest of a controlled corporation	97,284,098	6.16	2.80
DBS Bank Ltd. ⁽⁸⁾	H Share	Long position	Beneficial owner	97,284,098	6.16	2.80
	H Share	Short position	Beneficial owner	97,284,098	6.16	2.80
CITIC Securities Company Limited ⁽⁹⁾	H Share	Long position	Interest of a controlled corporation	96,197,125	6.09	2.77
	H Share	Short position	Interest of a controlled corporation	56,341,442	3.57	1.62

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of Shares held	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
CITIC Securities International Company Limited ⁽⁹⁾	H Share	Long position	Interest of a controlled corporation	96,197,125	6.09	2.77
	H Share	Short position	Interest of a controlled corporation	56,341,442	3.57	1.62
CLSA B.V. ⁽⁹⁾	H Share	Long position	Interest of a controlled corporation	96,197,125	6.09	2.77
	H Share	Short position	Interest of a controlled corporation	56,341,442	3.57	1.62
CITIC CLSA Global Markets Holdings Limited ⁽⁹⁾	H Share	Long position	Interest of a controlled corporation	96,197,125	6.09	2.77
	H Share	Short position	Interest of a controlled corporation	56,341,442	3.57	1.62
CSI Capital Management Limited ⁽⁹⁾	H Share	Long position	Beneficial owner	96,197,125	6.09	2.77
CSI Financial Products Limited ⁽⁹⁾	H Share	Short position	Beneficial owner	56,341,442	3.57	1.62
Chongqing Beiheng Investment & Development Limited	H Share	Long position	Beneficial owner	84,823,500	5.37	2.44

Notes:

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

Change in Share Capital and Shareholders

- (3) Chongqing Yufu Capital Operation Group Co., Ltd. directly held 407,929,748 A shares in the Bank, while Chongqing Yufu (HongKong) Limited held 54,250,000 H Shares in the Bank. Chongqing Yufu (HongKong) is wholly owned by Chongqing Yufu Capital Operation Group Co., Ltd., which is wholly owned by Chongqing Yufu Holding Group Co., Ltd. For the purpose of the Securities and Futures Ordinance, Chongqing Yufu Capital Operation Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu (HongKong) Limited in the Bank, while Chongqing Yufu Holding Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu Capital Operation Group Co., Ltd. in the Bank.
- (4) SAIC Motor HK Investment Limited directly held 240,463,650 H Shares. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the Securities and Futures Ordinance, SAIC Motor Corporation Limited is deemed to be interested in the shares held by SAIC Motor HK Investment Limited in the Bank.
- (5) Lifan Technology (Group) Co, Ltd. directly held 129,564,932 A Shares of the Bank. Lifan International (Holdings) Limited directly held 165,254,000 H Shares (long position) of the Bank and 122,500,000 H Shares (short position). Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Technology (Group) Co., Ltd. For the purpose of the SFO, Lifan Technology (Group) Co., Ltd. and Chongqing Lifan Industry (Group) Import and Export Co., Ltd. are deemed to be interested in the Shares of the Bank held by Lifan International (Holdings) Limited.
- (6) Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares in the Bank, while Fund Resources Investment Holding Group Company Limited directly held 67,570,150 H Shares in the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the Securities and Futures Ordinance, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares held by Fund Resources Investment Holding Group Company Limited in the Bank.
- (7) Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly held 159,926,519 A shares in the Bank, and Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Qing'an Property Management Co., Ltd. (重慶慶安物業管理有限公司), Chongqing Key Engineering Development Co., Ltd. (重慶市重點工程開發有限公司), Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) and Chongqing Institute of Urban Pest Control Co., Ltd. (重慶市城市害蟲防治研究所有限公司) held 1,659,547, 914,351, 720,142, 288,020 and 91,434 A shares in the Bank respectively. For the purpose of the Securities and Futures Ordinance, Chongqing Real Estate Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Kangju Property Development Co., Ltd., Chongqing Fangzong Real Estate Co., Ltd., Chongqing Key Engineering Development Co., Ltd., Chongqing Qing'an Property Management Co., Ltd. and Chongqing Institute of Urban Pest Control Co., Ltd. in the Bank. Chongqing Real Estate Group Co., Ltd. directly held a 100% equity interest in Chongqing Institute of Urban Pest Control Co., Ltd., and Chongqing Real Estate Group Co., Ltd. indirectly held a 100% equity interest in Chongqing Qing'an Property Management Co., Ltd., Chongqing Key Engineering Development Co., Ltd., Chongqing Fangzong Real Estate Co., Ltd. and Chongqing Kangju Property Development Co., Ltd. through its subsidiaries.
- (8) DBS Bank Ltd. directly held 97,284,098 H Shares (long position) and 97,284,098 H Shares (short position) in the Bank, and is wholly owned by DBS Group Holdings Ltd. For the purpose of the Securities and Futures Ordinance, DBS Group Holdings Ltd. is deemed to be interested in the shares held by DBS Bank Ltd. in the Bank. The 97,284,098 H Shares (long position) and 97,284,098 H Shares (short position) held by DBS Bank Ltd. involve derivatives in the classes below:

97,284,098 H Shares (long position) and 97,284,098 H Shares (short position)	– Listed derivatives (convertible instruments)
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Change in Share Capital and Shareholders

- (9) CSI Capital Management Limited directly held 96,197,125 H Shares (short position) in the Bank. CSI Financial Products Limited directly held 56,341,442 H Shares (short position) in the Bank. CSI Capital Management Limited and CSI Financial Products Limited are wholly owned by CITIC CLSA Global Markets Holdings Limited. CITIC CLSA Global Markets Holdings Limited is wholly owned by CLSA B.V., which is wholly owned by CITIC Securities International Co., Ltd., while CITIC Securities International Co., Ltd. is wholly owned by CITIC Securities Co., Ltd. For the purpose of the Securities and Futures Ordinance, CITIC Securities Co., Ltd., CITIC Securities International Co., Ltd., CLSA B.V. and CITIC CLSA Global Markets Holdings Limited are deemed to be interested in the shares held by CSI Capital Management Limited and CSI Financial Products Limited in the Bank. 96,197,124 H Shares (long position) and 56,341,442 H Shares (short position) held by CSI Capital Management Limited and CSI Financial Products Limited involve derivatives in the classes below:

82,451,443 H Shares (long position)	– Listed derivatives (convertible instruments)
13,745,681 H Shares (long position) and 56,341,442 H Shares (short position)	– Unlisted derivatives (settled in cash)

7.3 Preference Shares

Issuance and Listing of Preference Shares in the Last Three Years

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

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

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

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

Change in Share Capital and Shareholders

Number of Holders and Shareholding of the Preference Shares

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

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

Notes:

- (1) All shares held by the above shareholder are unconditional shares of the Bank.
- (2) The shareholding of preferred shareholders is based on the information contained in the register of preferred shareholders of the Bank.
- (3) As the issuance is a non-public offer, the information contained in the register of preferred shareholders refers to the proxies of allocated persons.
- (4) The Bank is not aware that there are any relationships or concerted actions among the above preferred shareholders and Top 10 ordinary shareholders.
- (5) "Shareholding" means the proportion of offshore preference shares held by preferred shareholders to the total number of offshore preference shares.

Dividend Distribution of Preference Shares

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

Redemption or Conversion of Preference Shares

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

Restoration of Voting Rights of Preference Shares

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

Accounting Policy Adopted for Preference Shares and its Reasons

Pursuant to the requirements of International Accounting Standard 39 – Financial Instruments: Recognition and Measurement and International Accounting Standard 32 – Financial Instruments: Presentation formulated by the International Accounting Standards Board, the terms of the preference shares issued by the Bank and outstanding conform to the accounting requirements for equity instruments, and are accounted for as equity instruments.

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

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

Securities Issuance and Listing

8.1 Issuance and Listing of Ordinary Shares

On 18 December 2020, the Bank received the Reply on the Approval for Initial Public Offering of Shares of Bank of Chongqing Co., Ltd. (ZJXK [2020] No. 3511) from the China Securities Regulatory Commission, which approved the public offering of up to 347,450,534 new shares by the Bank. On 27 January 2021, the Bank allotted and issued 347,450,534 A Shares to certain qualified investors and other investors who were members of the general public at an offer price of RMB10.83 per Share. Net proceeds of RMB3,705 million raised after deducting issuance costs including but not limited to underwriting and sponsor fees have been fully applied towards replenishing the core Tier-1 capital of the Bank. On 5 February 2021, A shares of the Bank were officially listed on the Shanghai Stock Exchange. For details, please see the Announcement on Initial Public Offering of A Shares of Bank of Chongqing Co., Ltd. published by the Bank on the website of the Shanghai Stock Exchange on 4 February 2021.

As of the end of the Reporting Period, the total number of ordinary shares issued by the Bank was 3,474,505,339 shares, including 1,895,484,527 A shares listed on the Shanghai Stock Exchange and 1,579,020,812 H Shares listed on the Hong Kong Stock Exchange.

8.2 Issuance and Listing of Preference Shares

For details of the issuance and listing of preference shares of the Bank, please see the section headed “Change in Share Capital and Shareholders – Preference Shares.”

8.3 Debt Securities Issued

8.3.1 Debt Securities Issued During the Reporting Period

Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Special Financial Bonds for small and micro business loans (Yu Yin Bao Jian Fu [2020] No. 205) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion special financial bonds for small and micro business loans, within the domestic inter-bank bond market of China on 22 January 2021; such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.5%, per annum before maturity, payable annually. The proceeds from this issue would be used for loans to small and micro enterprises.

Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Green Financial Bonds (Yu Yin Bao Jian Fu [2020] No. 202) by the CBIRC Chongqing Bureau on 15 September 2020, the Bank issued RMB2 billion first phase of green financial bonds within the domestic inter-bank bond market of China on 16 March 2021 with a fixed coupon rate of 3.57%, per annum before maturity; such subordinated bonds have a maturity of 3 years, payable annually. The proceeds from this issue would be used to support the green industry project specified in the Green Bond Support Project Catalogue compiled by the Green Finance Specialized Committee of the China Financial Association.

As considered and approved by the extraordinary general meeting held on 27 December 2019 and as approved by the Reply on the Issuance of Financial Bonds by Xinyu Financial Leasing (YYJF[2020] No. 175) from CBRC Chongqing Bureau on 27 August 2020, Xinyu Financial Leasing issued financial bonds of RMB1,200 million on a consolidated basis on 23 June 2021, for a term of 3 years, The bonds bear interest at a fixed rate per annum payable annually, with the annual coupon rate of 3.95%.

Securities Issuance and Listing

8.3.2 Bonds as of the End of Reporting Period

For details of bonds as of the end of Reporting Period, please see the section headed “Notes to the Financial Report.”

8.4 Issuance of Convertible Corporate Bonds

The Board of the Bank considered and approved 7 proposals in relation to the issuance of A share convertible corporate bonds, including the Proposal on the Plan for the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd. on 30 March 2021; and the Proposal on the Report regarding the Use of Proceeds Previously Raised of Bank of Chongqing Co., Ltd. on 12 April 2021. The Bank intends to issue up to RMB13 billion (inclusive) of corporate bonds convertible into A shares of the Bank.

On 20 May 2021, the general meeting, the A shareholders’ class meeting and the H shareholders’ class meeting of the Bank considered and approved the above proposals on the issuance of corporate bonds convertible into A shares of the Bank. The matters are subject to the approval of CBRC Chongqing Bureau, and China Securities Regulatory Commission, and shall be as indicated in the proposals approved. For details, please see the announcements published by the Bank on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1 Basic Information of Directors, Supervisors and Senior Management

9.1.1 Directors

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)
LIN Jun	Female	August 1963	Secretary to the Party Committee	Since June 2017	–	–
			Chairman	Since March 2018		
			Executive Director	Since March 2018		
RAN Hailing	Male	May 1963	Deputy Secretary of the Party Committee	Since December 2013	45,374	45,374
			Executive Director	Since February 2011		
			President	Since April 2013		
LIU Jianhua	Male	December 1965	Member of the Party Committee	Since February 2013	167,975	167,975
			Executive Director	Since August 2016		
			Vice President	Since October 2014		
WONG Wah Sing	Male	July 1960	Executive Director	Since September 2016	–	–
			Chief Risk Officer	Since September 2016		
			Chief Anti-money Laundering Officer	Since December 2019		
WONG Hon Hing	Male	August 1952	Vice Chairman	Since July 2007	–	–
			Non-executive Director			
YANG Yusong	Male	June 1972	Non-executive Director	Since December 2018	1,033	1,033
WU Heng	Male	August 1976	Non-executive Director	Since April 2019	–	–
LIU Ying	Female	June 1974	Non-executive Director	Since March 2020	–	–
LIU Xing	Male	September 1956	Independent	Since March 2020	–	–
			Non-executive Director			
WANG Rong	Male	March 1956	Independent	Since March 2020	–	–
			Non-executive Director			
ZOU Hong	Male	October 1969	Independent	Since March 2020	–	–
			Non-executive Director			
FUNG Don Hau	Male	December 1952	Independent	Since March 2020	–	–
			Non-executive Director			
YUAN Xiaobin	Male	August 1969	Independent		–	–
			Non-executive Director	Since May 2020		
Outgoing Directors During The Reporting Period						
DENG Yong	Male	January 1960	Non-executive Director	February 2013 to February 2021	–	–
TANG Xiaodong	Male	April 1970	Non-executive Director	December 2018 to March 2021	–	1,000

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.2 Supervisors

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares) ⁷
YANG Xiaotao	Male	August 1963	Member of the Party Committee Chairperson of the Board of Supervisors Employee Supervisor	Since March 2015	–	–
HUANG Changsheng	Male	February 1964	Deputy Secretary of the Party Committee Employee Supervisor Chairman of the Labor Union	Since April 2013	123,451	123,451
YIN Jun	Male	September 1979	Employee Supervisor	Since May 2019	–	–
WU Ping	Male	October 1967	Employee Supervisor	Since December 2019	65,625	65,625
ZENG Xiangming	Male	October 1974	Shareholder Supervisor	Since August 2019	–	–
QI Jun	Male	December 1978	Shareholder Supervisor	Since December 2019	–	–
CHEN Zhong	Male	April 1956	External Supervisor	Since June 2016	–	–
PENG Daihui	Male	October 1954	External Supervisor	Since May 2018	–	–
HOU Guoyue	Male	May 1974	External Supervisor	Since December 2019	–	–

9.1.3 Senior Management

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)
RAN Hailing	Male	May 1963	Deputy Secretary of the Party Committee Executive Director President	Since December 2013 Since February 2011 Since April 2013	45,374	45,374
SUI Jun	Male	January 1968	Member of the Party Committee Vice President	Since April 2016 Since June 2017	–	–
LIU Jianhua	Male	December 1965	Member of the Party Committee Executive Director Vice President	Since February 2013 Since August 2016 Since October 2014	167,975	167,975

⁷ As of the end of the Reporting Period, the spouse of Mr. HUANG Changsheng held 60,647 A Shares of the Bank.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)
YANG Shiyin	Female	September 1965	Member of the Party Committee	Since February 2013	134,947	134,947
ZHOU Guohua	Male	December 1965	Vice President Member of the Party Committee	Since October 2014 Since February 2013	68,723	68,723
PENG Yanxi	Female	June 1976	Vice President Member of the Party Committee	Since October 2014 Since October 2015	–	–
HUANG Ning	Male	June 1974	Vice President Secretary to the Board Member of the Party Committee	Since March 2016 Since August 2018 Since October 2014	62,162	62,162
WONG Wah Sing	Male	July 1960	Vice President Executive Director Chief Risk Officer Chief Anti-money Laundering Officer	Since March 2016 Since September 2016 Since September 2016 Since December 2019	–	–

9.2 Changes in Directors, Supervisors and Senior Management

On 22 February 2021, Mr. DENG Yong voluntarily resigned as a non-executive Director of the Bank and a member of the Risk Management Committee and the Audit Committee of the Board due to his retirement. On 12 March 2021, Mr. TANG Xiaodong voluntarily resigned as a non-executive Director of the Bank due to a change in work commitments. For details, please see relevant announcements of the Bank published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank.

On 30 March 2021, the 24th meeting of the sixth session of the Board of the Bank considered and approved the Resolution on Election of Ms. ZHONG Xian as Non-executive Director of Bank of Chongqing, which was considered and approved by the 2020 general meeting of the Bank on 20 May 2021. The qualification of Ms. ZHONG Xian is subject to the approval of CBRC Chongqing Bureau. For details, please see relevant announcements of the Bank published on the websites of the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

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

As of 30 June 2021, the interests of the Directors, supervisors and chief executive of the Bank and their respective associates in the shares, underlying shares or debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO to be entered into the register maintained or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Bank and the Hong Kong Stock Exchange are as follows:

Name	Position	Class of Shares	Long/Short Position	Capacity	Number of Shares Held	Percentage of the Total Number of Issued Shares in Relevant Class (%)	Percentage of the total share capital of the Bank (%)
RAN Hailing	Deputy Secretary of the Party Committee Executive Director President	A shares	Long position	Beneficial owner	45,374	0.00239	0.00131
LIU Jianhua	Member of the Party Committee Executive Director Vice President	A shares	Long position	Beneficial owner	167,975	0.00886	0.00483
YANG Yusong	Non-executive Directors	A shares	Long position	Beneficial owner	1,033	0.00005	0.00003
HUANG Changsheng	Deputy Secretary of the Party Committee	A shares	Long position	Beneficial owner	123,451	0.00651	0.00355
	Employee Supervisor Chairman of the Labor Union	A shares	Long position	Interest of spouse	60,647	0.00320	0.00175
WU Ping	Employee Supervisor	A shares	Long position	Beneficial owner	65,625	0.00346	0.00189

Save as disclosed above, none of the Directors, Supervisors, or chief executives of the Bank or their associates held any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations as at 30 June 2021.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.4 Securities Transactions by Directors, Supervisors and Relevant Employees

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

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

9.5 Details of employees

As of June 30, 2021, the Bank had a total of 4,560 regular employees, 4,203 of whom held bachelor's degree or above, representing 92.17% of all the Bank's regular employees. In addition, the Bank had 232 dispatch workers, 62 internally retired employees and 247 retired employees. Furthermore, our controlled subsidiaries had 145 employees, including 78 employees in Xinyu Financial Leasing and 67 employees in Xingyi Wanfeng.

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

Item	Number of employees	Percentage (%)
<i>Composition of professions</i>		
Supporting	670	14.69
Risk control	367	8.05
Operation	844	18.51
Business development	1,383	30.33
Information technology	133	2.92
Management	1,163	25.50
<i>Educational background</i>		
Master's degree or above	672	14.74
Bachelor's degree	3,531	77.43
College's degree or below	357	7.83
<i>Range of ages</i>		
30 and below	1,047	22.96
31-40	2,414	52.94
41-50	863	18.93
51 and above	236	5.17
Total	4,560	100.00

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.6 Details of branch outlets

Item	Number of branches	Number of employees	Asset scale (RMB100 million)	Business address
Head Office	–	1,017	3,093.93	No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Liangjiang Branch	8	221	261.23	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing
Other branches in Chongqing Region:	113	2,301	2,015.42	Please refer to Chapter XVI “List of Branch Outlets” for details.
Chengdu Branch	12	412	213.69	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu, Sichuan
Xi’an Branch	9	319	267.77	1/F to 3/F, Building 2, Yinhe Xinzubiao Building, No. 25 Tangyan Road, Xi’an, Shaanxi
Guiyang Branch	6	290	213.49	1/F to 3/F, Building II, Shengshi Huating, No. 51 Jiefang Road, Nanming District, Guiyang, Guizhou
Total	148	4,560	6,065.53	–

Social Responsibility

10.1 Consumer Protection

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

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

At the Organizational and Operation Guarantee level, the Bank established a special department for consumer protection at the head office in 2016. The special department is responsible for the planning, management, organization and coordination of consumer protection work, and sets up a leading work group for consumer protection at the operation and management level according to internal duties. The leading work group consists members from 19 relevant departments and offices, and comprises five professional teams including information disclosure coordination, knowledge publicity and education, consumer information protection, product design coordination and consumer protection complaints coordination, so as to protect the legitimate rights and interests of consumers through more effective coordination and mobilization of the Bank's resources.

In terms of strategy formulation and implementation measures, according to the annual work plan for consumer rights protection, and with a focus on "external benchmark and continuous internal improvement", the Bank stayed true to its original vision and continued to make progress. Through "implementation in three aspects" and "improvement in three aspects", the Bank made efforts to achieve high-quality development, with sound systems and mechanisms, proper ex ante management and control, effective supervision and inspection, efficient treatment of complaints, and effective publicity. Firstly, benchmarking and implementation of regulatory requirements. According to the latest policies issued by regulatory authorities and the actual situation of the Bank, the Bank thoroughly sorted out its existing consumer rights protection systems, tackled the weaknesses, and gradually established a consumer rights protection system with compliant product design, standardized marketing and publicity, adequate information disclosure, effective assessment and evaluation, and accountability. Secondly, prevention first and ex ante management and control. Under the working principle of "prevention first", the Bank took the lead in further improving the ex ante coordination and control mechanism, took preventive measures against risks, and implemented the internal rules and regulatory requirements of consumer rights protection in design and development of products and services, pricing management, agreement formulation, approval and access. Thirdly, efforts for implementation of supervision and inspection. The Bank established the holistic view for consumer rights protection, made concerted efforts for management, gave full play to synergy, continued to carry out supervision and inspection on key areas that were exposed to risks, including employee sales behavior and customer information protection, and carried out inspection instead of training, so as to improve the awareness and ability of front-line employees in relation to consumer rights protection. Fourthly, enhancement of training of

Social Responsibility

employees and the professionalism of the team. The Bank further strengthened the special training in consumer rights protection at all levels, and enhanced the awareness and ability of all employees in relation to consumer rights protection. The Bank made efforts to strengthen the policy application ability and working competence of the special team, and enhance the professionalism and authority of the team. Fifthly, enhancement of publicity and education to improve brand awareness. The Bank persisted in the combination of themed education and daily education, the integration of online and offline education, taking into account the principles of public benefits, effectiveness, serviceability and sustainability, and carried out well-arranged and characteristic financial knowledge publicity and education. Sixthly, enhancement of complaint treatment to improve customer satisfaction. The Bank attached great importance to customer opinions and suggestions, continuously improved its diversified customer complaint handling and response mechanisms, had strict requirements on the process and time limit for complaint acceptance and handling, analyzed and classified customer complaints, strengthened traceability and rectification, and promoted the application of complaint analysis results.

102 Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization

The Bank comprehensively promoted the rural revitalization strategy, practically advanced the use of financial resources in “mountainous areas, countries, villages and households”, and made great efforts to ensure the consolidation of the poverty alleviation achievements and support proper commencement of rural revitalization work. As of the end of the Reporting Period, the balance of agriculture-related loans of the Bank was RMB47,403 million, representing an increase of RMB6,097 million or 14.8% as compared with the end of the previous year; the balance of inclusive agriculture-related loans was RMB9,158 million, representing an increase of RMB501 million or 5.8% as compared with the end of the previous year.

Firstly, focus on the revitalization of rural industries. In terms of integrated development of agricultural industries, the Bank launched the “Two Mountains, Informatization and Industrialization, Haoqi Agricultural Support Loan (兩山兩化 • 好企助農貸)” under the O2O online and offline integration model with the process of “online application-offline review-online approval-online disbursement”, and developed and provided the function of “renewal of loans without repayment of the principal”. In transformation and upgrade of agricultural industries, the Bank supported the transformation and upgrade of traditional industries including agriculture, forestry, animal husbandry and fishery, and manufacturing of agricultural means of production with a focus on food security, shopping basket program, seed industry improvement, agricultural technology, etc. With regard to the development of high-efficiency and characteristic agriculture, among Fuling mustard, Zhongxian citrus, Yongchuan tea, Fengdu beef cattle and other industries, the Bank focused on supporting the hog industry, and launched “Hog Support Loan (豬保貸)”, a credit loan product under the model of “bank + insurance + Internet of Things”, and “Hog Farmer Loan (豬農貸)”, a financial product with reliance on the industry chain of core enterprises, and carried out pilot projects for “Hog Mortgage Loan (生豬活體抵押貸)”, so as to promote stable production and ensure the supply in the hog industry. In the construction of agricultural operation system, the Bank promoted the “Direct Access for New Agricultural Business Entities (新農信貸直通車)” loan, with a focus on the family farm development plan, quality improvement of farmers’ cooperatives, development of leading agricultural enterprises and other fields, so as to support the development of agricultural business entities.

Secondarily, focus on the development of the county economy. In terms of credit support, the Bank promoted products including the “Specialized, Refined, Special and Novel Credit Loan (專精特新信用貸)”, “Knowledge Value Credit Loan (知識價值信用貸)” and “Real Economy Credit Loan (實體經濟信用貸).” Through cooperation with Chongqing Economy and Information Commission, Chongqing Development and Reform Commission, Chongqing Agriculture Rural Commission, Chongqing Rural Revitalization Bureau, local governments and other banks and governments, the Bank supported the construction of key projects and important areas in counties. With a focus on municipal entrepreneurship parks for returning migrant workers and advantageous and characteristic industries in counties, the Bank launched “Chuangxiang Loan (創想貸)”, “Ruyi Loan (如意貸)” and other models to support the entrepreneurship of migrant workers, college graduates, veterans, urban youth and other returning groups, so as to promote the coordinated development of urban and rural industries.

Thirdly, focus on rural construction. In terms of infrastructure construction, the Bank actively served the new urbanization construction, and launched “Road Guarantee Loan (路保貸)”, “Xiaoshuidian Loan (小水電貸)” and other models, to support rural road construction projects and environmentally friendly utilization of hydroelectric resources, and helped tackle the shortcomings of agricultural and rural infrastructure. With regard to the building of beautiful countryside, the Bank developed models including “Beautiful Countryside Credit Loan (美麗鄉村誠信貸)” and “Travel Assistance Loan (助旅貸)”, to support the construction of credit-based towns and villages, and rural cultural tourism projects, and established branches with cultural tourism characteristics to provide financial services with cultural tourism characteristics.

Fourthly, focus on agricultural and rural reform. In terms of the “three rights” reform for rural areas, the Bank launched the “Rural Land Contracting and Operation Right Mortgage Loan (農村土地承包經營權抵押貸)” to expand the scope of collaterals from agricultural business entities. In terms of the “three changes” reform for rural areas, the Bank launched the “Three-Changes Reform Loan (三變改革貸)” to support farmers in developing with leading enterprises of agricultural industrialization, with a capital contribution in the form of land use rights. The Bank launched the “Rural Revitalization Policy Loan (鄉村振興政策貸)” and provided the loan in Liangping District, so as to support the construction of rural projects included in the list for incentive and subsidies funded by fiscal funds. With regard to the integration of “three cooperatives” in rural areas, the Bank intended to launch the “Government-bank Integration Loan (政銀擔融合貸)” to support the integrated development of rural grass-roots supply and marketing cooperatives and farmers’ cooperatives.

Fifthly, focus on consolidation of poverty alleviation achievements. The Bank strictly implemented the “four-noes” requirements, and kept existing assistance policies and support stable during the transition period, so as to make the poverty alleviation foundation more stable and the achievement more sustainable. In terms of credit-based assistance, the Bank formulated the management measures of “Small Credit for People Being Lifted out of Poverty (脫貧人口小額信貸)” in detail, and properly carried out work for such loan during the transition period, and developed the function of renewal of loans without repayment of the principal for the “Small Credit for Poverty Alleviation (扶貧小額信貸)”. The Bank properly carried out risk prevention and loan renewal work for “Small Credit for Poverty Alleviation”, so as to support the development and production activities of people being lifted out of poverty. The Bank met the reasonable demand of qualified farmers, people being lifted out of poverty and other customer groups for personal consumption loans.

Social Responsibility

10.3 Environmental Protection

Promotion of Green Finance

The Bank attached great importance to the development of green finance. On 2 February 2021, the Bank formally adopted the Equator Principles, took the initiative to meet international standards, and actively took various measures to promote the development of green finance business. The Bank continuously defined the development path of green finance from the aspects of system construction, assessment mechanism, products and services, and stayed the course of giving priority to ecological conservation, and green development.

The Bank incorporated green finance into its “14th Five-Year” strategic plan, and formulated the Guiding Opinions of Bank of Chongqing on Promoting Green Finance Development and the Implementation Plan of Bank of Chongqing for Building a “Green Ark” to Accelerate Green Finance Development”, so as to promote the development of green finance of the Bank. The Bank formed a four-level organizational structure to provide organizational guarantee for promoting the high-quality development of green finance. The Bank formulated assessment and incentive policies, and reduced the internal fund transfer pricing of green business and improved endogenous power, starting with internal incentive. The Bank gave full play to the advantages of Bank of Chongqing and provided comprehensive green financial services for green enterprises and projects by using services including “green credit + green bonds + green leasing”.

During the Reporting Period, the Bank actively helped establish a green finance reform and innovation pilot area in Chongqing, actively studied the EU sustainability classification standards, and carried out preliminary exploration in the industry. Meanwhile, the Bank innovated and developed green financial products, explored new green credit products with environmental rights and interests including carbon emissions rights as subject matters of pledge and mortgage, so as to promote green and low-carbon development of the city.

As of 30 June 2021, the balance of green credit of the Bank was RMB17,607 million, representing an increase of 22.2% as compared with the end of last year.

Green Operation

The Bank made efforts to promote the philosophy of low-carbon and green office, and thus the philosophy of energy saving and environmental protection took root in its employees. In 2018, the Bank formulated the Management Measures for Bank of Chongqing Building to regulate the energy consumption and environmental management of office buildings. The lighting system of the office building is an intelligent system, with intelligent control switches to strengthen the energy-saving management of the office area and rationally use air conditioners according to the temperature changes.

The Bank gave full play to the advantages of online office, further promoted paperless office, advocated the use of both sides of paper, and reduced the use of disposable articles including paper cups, so as to minimize paper consumption. The Bank carried out the “clean plate” campaign, practiced austerity, cherished food and refused to waste food.

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

In purchase management, the Bank publicized and practiced the green and environmental protection philosophy. The Bank had strict requirements on admission of suppliers in terms of environmental protection, energy conservation and emission reduction, and took as important considerations for purchase, environmental protection qualification and energy conservation performance of suppliers of electrical appliances, cash self-service machines and other products.

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

Corporate Governance Report

11.1 Corporate Governance Overview

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

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

During the Reporting Period, the Bank strictly complied with the code provisions in the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules, and adopted the recommended best practices as specified therein where appropriate. The Bank also strictly complied with the provisions of relevant laws and regulations and the Listing Rules governing management of insider information.

11.2 Convocation of Meeting

11.2.1 General Meeting

During the Reporting Period, in accordance with the Listing Rules of Shanghai and Hong Kong and the Articles of Association, the Bank held the 2020 Annual general meeting, the 2021 first A shareholders' class meeting and the 2021 first H shareholders' class meeting on 20 May 2021.

The meeting considered and approved 8 proposals, namely the Proposal on the Plan for the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., the Proposal on Fulfilling the Conditions for the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., the Proposal on the Feasibility Report of the Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., the Proposal on the Report regarding the Use of Proceeds Previously Raised of Bank of Chongqing Co., Ltd., the Proposal on the Dilution of Immediate Returns and Remedial Measures to the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., the Proposal on the Authorization to be Granted by the General Meeting to Manage Matters Related to the Public Issuance of A Share Convertible Corporate Bonds, the Proposal on Preliminary Proposal for the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., and the Proposal on the Rules of A Share Convertible Corporate Bondholders' Meeting of Bank of Chongqing Co., Ltd., by way of a special resolution; and 13 proposals, namely the Proposal on the Work Report of the Board of Directors for 2020, the Proposal on the Work Report of the Board of Supervisors for 2020, the Proposal on the Final Budget Report for 2020, the Proposal on the Profit Distribution Plan for 2020, the Proposal on the Financial Budget Plan for 2021, the Proposal on the 2020 Annual Report and Highlights thereof, the Proposal on the Appointment and Remuneration of External Auditor for 2021, the Proposal on Election of Ms. ZHONG Xian as a Non-executive Director of Bank of Chongqing Co., Ltd., the Proposal on Liability Insurance of Directors, Supervisors and Senior Management, the Proposal on the Estimated Annual Cap for Daily Connected Transactions for 2021, the Proposal on the Investment Plan of Bank of Chongqing for 2021, the Proposal on Funding the Establishment of Technology Innovation Center and the Proposal on Amending the Administrative Measures for Connected Transactions of Bank of Chongqing Co., Ltd., by way of an ordinary resolution.

For details of the meetings, please see the announcements published by the Bank on the website of the Shanghai Stock Exchange (www.sse.com.cn), the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Bank (www.cqcbank.com) on 20 May 2021.

11.2.2 The Board of Directors

During the Reporting Period, in accordance with the Listing Rules of Shanghai and Hong Kong and the Articles of Association, the Board of the Bank held a total of 8 meetings, which considered and approved 61 proposals, including the Proposal on the Financial Budget Plan of Bank of Chongqing for 2021, the Proposal on Adjustment of Name and Responsibilities of the Strategic Committee of the Board, the Proposal on the Profit Distribution Plan for 2020, the Proposal on the 2020 Annual Report and Highlights thereof, the Proposal on the Work Report of the Board of Directors for 2020, the Proposal on the Plan for the Public Issuance of A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd., the Proposal on the Appointment and Remuneration of External Auditor for 2021, the Proposal on the Estimated Annual Cap for Daily Connected Transactions for 2021, the Proposal on the Report regarding the Use of Proceeds Previously Raised of Bank of Chongqing Co., Ltd., the Proposal on the First Quarterly Report for 2021, the Proposal on Amendments to the Working Rules for the Risk Management Committee of the Board of Bank of Chongqing Co., Ltd., and submitted such proposals to the general meeting for consideration, or reported relevant proposals to the general meeting, in accordance with the Articles of Association.

During the Reporting Period, the Board heard 29 reports, including the 2020 Compliance Management Report, 2020 Risk Monitoring Report, 2020 Profitability Analysis Report, 2020 External Investment Management Report, 2020 Consumer Rights Protection Work Report, 2020 Report on the Implementation of Management Policy for the Group's Consolidated Financial Statements, the Special Report on Provision for Asset Impairment in 2020, the 2020 Asset and Liability Management Analysis Report, the Report on Operation, Development and Management of Branches of Bank of Chongqing Outside the Province in 2020, so as to fully understand the Bank's business management, risk management, internal control compliance, consumer rights protection, etc.

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

Corporate Governance Report

11.2.3 Board of Supervisors

During the Reporting Period, in accordance with the Listing Rules of Shanghai and Hong Kong and the Articles of Association, the Board of Supervisors held a total of 4 meetings, which considered and approved 13 proposals including proposals on the 2020 Annual Report, the Profit Distribution Plan for 2020, the Work Report of the Board of Supervisors for 2020, the 2021 First Quarterly Report, the Report of the Board of Supervisors on Evaluation of Performance of Duties by Supervisors, and the Report of the Board of Supervisors on Evaluation of Performance of Duties by Outgoing Directors, and actively performed its duties of supervision.

During the Reporting Period, the Board of Supervisors heard 7 reports, including the Special Audit Report on Remuneration Management, the Update Report on Related Parties, and the 2020 Report on Operation, Development and Management of Branches of Bank of Chongqing Outside the City, and deeply understood the Bank's operation and management, and expressed opinions and suggestions on material matters.

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

11.3 Profits and Dividends

The Bank's revenue for the six months ended 30 June 2021 and the Bank's financial position as at the same date are set out in the section headed "Financial Report".

As considered and approved at the 2020 general meeting held on 20 May 2021, the Bank paid all shareholders a final dividend of RMB0.373 (inclusive of tax) per share for the year ended 31 December 2020 ("**2020 Final Dividend**"), amounting to RMB1,295,990,491.447 (inclusive of tax) in aggregate. The 2020 Final Dividend was paid to A shareholders and H shareholders of the Bank on 9 July 2021.

The Group will not declare an interim dividend for 2021 or convert any capital reserve into share capital.

Financial Report

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Report on Review of Interim Financial Information

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

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Bank of Chongqing Co., Ltd. (the “Bank”) and its subsidiaries (together, the “Group”), which comprises the interim condensed consolidated statement of financial position as at 30 June 2021 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board.

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

Scope of Review

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

Conclusion

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

Certified Public Accountants
Hong Kong

30 August 2021

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

English translation for reference only

	Notes	For the six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Interest income		13,310,644	12,203,094
Interest expense		(7,715,029)	(6,866,929)
Net interest income	4	5,595,615	5,336,165
Fee and commission income		491,537	564,240
Fee and commission expense		(63,011)	(42,046)
Net fee and commission income	5	428,526	522,194
Net trading gains	6	303,090	45,989
Net gains on investment securities	7	755,739	593,054
Other operating income	8	86,840	13,910
Operating income		7,169,810	6,511,312
Operating expenses	9	(1,531,821)	(1,242,510)
Asset impairment losses	11	(2,285,268)	(1,990,161)
Operating profit		3,352,721	3,278,641
Share of profits of associates	20	108,589	29,839
Profit before income tax		3,461,310	3,308,480
Income tax	12	(707,000)	(688,312)
Net profit for the period		2,754,310	2,620,168
Net profit attributable to:			
Shareholders of the Bank		2,659,397	2,545,620
Non-controlling interests		94,913	74,548
		2,754,310	2,620,168
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)			
Basic and diluted	13	0.79	0.81

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

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

English translation for reference only

	Notes	For the six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains on debt investments at fair value through other comprehensive income		17,660	3,818
Less: Relevant income tax effect		(4,380)	(954)
Subtotal		13,280	2,864
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net losses on equity securities at fair value through other comprehensive income		(164,680)	–
Less: Relevant income tax effect		41,170	–
Remeasurement of retirement benefits/(losses)		3,077	(2,380)
Less: Relevant income tax effect		(769)	595
Subtotal		(121,202)	(1,785)
Total other comprehensive income, net of tax	37	(107,922)	1,079
Total comprehensive income for the period		2,646,388	2,621,247
Net comprehensive income attributable to:			
Shareholders of the Bank		2,551,475	2,546,699
Non-controlling interests		94,913	74,548
		2,646,388	2,621,247

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

Interim Condensed Consolidated Statement of Financial Position

30 June 2021

English translation for reference only

	Notes	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
ASSETS			
Cash and balances with the central bank	14	34,529,426	35,305,289
Due from and placements with banks and other financial institutions	15	64,680,504	52,659,497
Financial assets at fair value through profit or loss ("FVPL")	16	21,053,463	31,208,753
Loans and advances to customers	18	299,867,341	272,259,348
Investment securities	19		
– Fair value through other comprehensive income ("FVOCI")		53,774,507	45,881,180
– Amortised cost		121,429,543	113,700,026
Investments in associates	20	2,040,925	1,945,081
Property, plant and equipment	21	3,155,556	3,233,280
Deferred tax assets	27	3,681,597	3,353,016
Other assets	22	2,340,079	2,095,927
Total assets		606,552,941	561,641,397
LIABILITIES			
Due to and placements from banks and other financial institutions	23	89,229,421	97,411,900
Financial liabilities at fair value through profit or loss	17	6,840	6,904
Customer deposits	24	339,823,749	314,500,257
Current tax liabilities		526,364	405,461
Debt securities issued	25	123,238,692	101,040,342
Other liabilities	26	6,722,075	6,282,319
Total liabilities		559,547,141	519,647,183
EQUITY			
Share capital	29	3,474,505	3,127,055
Preference shares	30	4,909,307	4,909,307
Capital surplus	31	8,038,476	4,680,638
Other reserves	32	10,833,258	10,356,321
Retained earnings		17,880,224	17,101,676
Equity attributable to shareholders of the Bank		45,135,770	40,174,997
Non-controlling interests		1,870,030	1,819,217
Total equity		47,005,800	41,994,214
Total liabilities and equity		606,552,941	561,641,397

LIN JUN
CHAIRMAN

RAN HAILING
PRESIDENT

YANG SHIYIN
VICE PRESIDENT

YANG KUN
HEAD OF FINANCE
DEPARTMENT

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

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

English translation for reference only

	Equity attributable to shareholders of the Bank									Total
	Share	Preference	Capital	Surplus	General	Revaluation	Remeasurement	Retained	Non-	
	capital	shares	surplus	reserve	reserve	reserve for	of retirement	earnings	controlling	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	FVOCI	benefits	RMB'000	interests	
	Note 29	Note 30	Note 31	Note 32	Note 32	Note 32	Note 32			
Balance at 31 December 2020	3,127,055	4,909,307	4,680,638	3,458,521	6,295,346	607,806	(5,352)	17,101,676	1,819,217	41,994,214
Issue of share capital	347,450	-	3,357,838	-	-	-	-	-	-	3,705,288
Net profit for the period	-	-	-	-	-	-	-	2,659,397	94,913	2,754,310
Other comprehensive income (Note 37)	-	-	-	-	-	(110,230)	2,308	-	-	(107,922)
Total comprehensive income	-	-	-	-	-	(110,230)	2,308	2,659,397	94,913	2,646,388
Dividends (Note 33)	-	-	-	-	-	-	-	(1,295,990)	(44,100)	(1,340,090)
Appropriation reserve	-	-	-	-	584,859	-	-	(584,859)	-	-
Balance at 30 June 2021 (Unaudited)	3,474,505	4,909,307	8,038,476	3,458,521	6,880,205	497,576	(3,044)	17,880,224	1,870,030	47,005,800
Balance at 31 December 2019	3,127,055	4,909,307	4,680,638	3,026,522	5,516,685	760,808	(5,245)	14,933,659	1,664,240	38,613,669
Net profit for the year	-	-	-	-	-	-	-	2,545,620	74,548	2,620,168
Other comprehensive income (Note 37)	-	-	-	-	-	2,864	(1,785)	-	-	1,079
Total comprehensive income	-	-	-	-	-	2,864	(1,785)	2,545,620	74,548	2,621,247
Dividends (Note 33)	-	-	-	-	-	-	-	(737,985)	(27,930)	(765,915)
Appropriation reserve	-	-	-	-	715,325	-	-	(715,325)	-	-
Balance at 30 June 2020 (Unaudited)	3,127,055	4,909,307	4,680,638	3,026,522	6,232,010	763,672	(7,030)	16,025,969	1,710,858	40,469,001

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

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

English translation for reference only

	For the six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Cash flows from operating activities:		
Profit before income tax	3,461,310	3,308,480
Adjustments for:		
Depreciation and amortisation	168,995	149,003
Impairment losses on loans	2,197,233	2,145,312
(Reversal of)/provision for impairment losses on other assets	88,035	(155,151)
Net gains on disposal of property, plant and equipment and other long-term assets	(560)	(3,759)
(Gains)/losses on changes in fair value	(283,232)	219,666
Net gains arising from financial investments	(822,888)	(763,028)
Share of profits of associates	(108,589)	(29,839)
Interest income arising from investment securities	(4,289,370)	(3,837,577)
Interest expense arising from financing activities	1,699,535	1,629,591
Changes in operating assets:		
Net increase in restricted deposit balances with the central bank	(1,423,893)	(857,476)
Net decrease in due from and placements with banks and other financial institutions	1,343,866	3,480,810
Net increase in financial assets held under resale agreements	(8,179,780)	(581,729)
Net increase in loans and advances to customers	(30,262,517)	(19,207,931)
Net decrease/(increase) in financial assets held for trading purposes	26,050	(158,592)
Net decrease in other operating assets	(113,722)	(646,362)
Changes in operating liabilities:		
Net increase/(decrease) in borrowings from the central bank	4,119,856	(3,091,138)
Net (decrease)/increase in due to and placements from banks and other financial institutions	(6,865,517)	1,950,866
Net (decrease)/increase in financial assets sold under repurchase agreements	(5,436,818)	6,158,665
Net increase in customer deposits	25,323,492	21,801,689
Net (decrease)/increase in other operating liabilities	(803,230)	229,246
Income tax paid	(877,888)	(1,014,489)
Net cash (used in)/from operating activities	(21,039,632)	10,726,257

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

English translation for reference only

	For the six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Cash flows from investing activities:		
Proceeds from sale and redemption of investments	30,405,907	27,574,515
Return on investments	4,381,306	3,932,794
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	40,594	11,595
Purchase of property, plant and equipment, intangible assets and other long-term assets	(124,189)	(127,224)
Purchase of investment securities	(34,799,965)	(40,872,118)
Net cash used in investing activities	(96,347)	(9,480,438)
Cash flows from financing activities:		
Proceeds from issuance of shares	3,705,288	–
Proceeds from issuance of debt securities	70,979,602	60,776,578
Cash paid to redeem debt securities issued	(49,990,000)	(59,560,000)
Cash paid for lease liabilities	(18,195)	(16,035)
Interest paid on debt securities	(489,002)	(485,500)
Dividends paid to shareholders	(21,425)	(750,667)
Net cash from/(used in) financing activities	24,166,268	(35,624)
Impact from exchange rate changes on cash and cash equivalents	(42,953)	40,713
Net increase in cash and cash equivalents	2,987,336	1,250,908
Cash and cash equivalents at the beginning of the period	11,524,221	9,958,679
Cash and cash equivalents at the end of the period (Note 38)	14,511,557	11,209,587

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

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

English translation for reference only

1 GENERAL INFORMATION

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

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

As at 30 June 2021, the Bank operated its business through 148 sub-branches including a business department at its headquarter, a small enterprise credit centre, and 4 primary branches covering all 38 districts and counties of Chongqing as well as three provinces in western China, namely Sichuan province, Shaanxi province and Guizhou province.

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

The interim condensed consolidated financial statements were authorised for issuance by the Bank’s Board of Directors on 30 August 2021.

2 BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

(a) Basis of presentation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*. The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

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

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

English translation for reference only

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

(b) Significant accounting policies

Except as described below, the Group's accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those policies applied in preparing the financial statements for the year ended 31 December 2020.

Standards and amendments effective since 1 January 2021 adopted by the Group

Amendments to IFRS 9, IAS 39, IFRS 7, Interest Rate Benchmark Reform: Phase 2

IFRS 4 and IFRS 16

Amendments to IFRS 16

COVID-19-Related Rent Concessions beyond 30 June 2021

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

Standards and amendments that are issued but not yet effective and have not been adopted by the Group

		Effective for annual period beginning on or after
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	Effective date has now been deferred indefinitely
Annual Improvements to IFRSs 2018-2020 Cycle		1 January 2022

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

English translation for reference only

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

(b) Significant accounting policies (Continued)

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

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

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

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020. Please refer to the financial statements for the year ended 31 December 2020 for details.

3 SUBSIDIARIES

As at 30 June 2021, details of the Bank's subsidiaries are set out below:

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

	Assets	Liabilities	Revenue	Net profit
Chongqing Xinyu Financial Leasing Co., Ltd.	30,279,069	26,548,799	463,005	190,939
Xingyi Wanfeng Village Bank Co., Ltd.	923,913	783,477	12,347	4,065

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

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

English translation for reference only

4 NET INTEREST INCOME

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Interest income		
Balances with the central bank	241,810	226,719
Due from and placements with banks and other financial institutions	556,675	443,625
Loans and advances to customers	8,222,789	7,695,173
Investment securities	4,289,370	3,837,577
	13,310,644	12,203,094
Interest expense		
Due to and placements from banks and other financial institutions	(1,407,347)	(911,016)
Customer deposits	(4,608,147)	(4,326,322)
Debt securities issued	(1,697,750)	(1,627,689)
Other liabilities	(1,785)	(1,902)
	(7,715,029)	(6,866,929)
Net interest income	5,595,615	5,336,165

5 NET FEE AND COMMISSION INCOME

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Fee and commission income		
Wealth management agency services	294,300	406,940
Bank card services	34,018	12,767
Custodian services	40,268	53,553
Guarantees and credit commitments	47,839	50,437
Settlement and agency services	53,461	33,968
Financial advisory and consulting services	21,651	6,575
	491,537	564,240
Fee and commission expense		
Settlement and agency services	(36,404)	(33,334)
Bank card services	(9,926)	(6,136)
Others	(16,681)	(2,576)
	(63,011)	(42,046)
Net fee and commission income	428,526	522,194

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

English translation for reference only

6 NET TRADING GAINS

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Foreign exchange gains	(57,201)	88,878
Bond and fund investments	85,890	40,442
Equity investments	279,025	(81,375)
Derivatives	(4,624)	(1,956)
	303,090	45,989

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

7 NET GAINS ON INVESTMENT SECURITIES

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Net gains arising from financial assets at FVPL	755,739	593,054

8 OTHER OPERATING INCOME

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Government grants ^(a)	59,750	784
Rental income ^(b)	22,215	6,307
Gains on disposal of property, plant and equipment and other long-term assets	655	3,885
Compensation on breach of contract	544	593
Other miscellaneous income ^(c)	3,676	2,341
	86,840	13,910

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

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

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

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

English translation for reference only

9 OPERATING EXPENSES

	Notes	For the six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Staff costs	10	957,901	755,289
General and administrative expenses		274,643	214,043
Depreciation of property, plant and equipment	21	101,400	84,055
Tax and surcharges		85,437	74,865
Operating lease expenses		4,100	4,695
Professional fees		37,103	30,190
Amortisation of intangible assets	22(b)	40,455	34,859
Amortisation of long-term prepaid expenses		6,964	4,647
Depreciation of right-of-use assets	22(f)	20,068	25,406
Donations		1,200	12,800
Depreciation of investment properties	22(e)	108	36
Others		2,442	1,625
		1,531,821	1,242,510

10 STAFF COSTS

	Notes	For the six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Salaries and bonuses		712,048	567,662
Pension expenses	28	91,866	63,941
Housing benefits and subsidies		53,666	48,015
Labour union and staff education funds		15,124	11,800
Other social security and benefit costs		85,197	63,871
		957,901	755,289

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11 ASSET IMPAIRMENT LOSSES

	Notes	For the six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Loans and advances to customers carried at amortised cost	18(b)	2,195,762	2,145,807
Loans and advances to customers at FVOCI	18(b)	1,471	(495)
Investment securities – amortised cost	19	(149,617)	(90,887)
Investment securities – FVOCI	19	290,120	1,350
Loan commitments and financial guarantee contracts		(155,101)	(161,524)
Due from and placements with banks and other financial institutions		1,999	93,024
Other credit impairment losses		92,718	458
Subtotal of credit impairment losses		2,277,352	1,987,733
Other asset impairment losses		7,916	2,428
		2,285,268	1,990,161

12 INCOME TAX EXPENSE

	Notes	For the six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Current income tax		998,791	1,114,839
Deferred income tax	27	(291,791)	(426,527)
		707,000	688,312

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

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12 INCOME TAX EXPENSE (Continued)

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

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Profit before income tax	3,461,310	3,308,480
Tax calculated at enacted tax rate	865,328	827,120
Effect of a different tax rate of a subsidiary ^(a)	(22,550)	–
Tax effect arising from non-taxable income ^(b)	(200,245)	(93,578)
Tax effect of expenses that are not deductible for tax purposes ^(c)	55,921	46,968
Effect of deductible losses	(1,064)	–
Income tax adjustment for prior years	9,610	(92,198)
Income tax expense	707,000	688,312

(a) In accordance with related provisions of the Notice on the Continuation of the Corporate Income Tax Policy of the Western Development Strategy (Cai Shui Fa [2020] No. 23) and the latest Industrial Structure Adjustment Guidance Catalog released in 2019, the income tax rate of Chongqing Xinyu Financial Leasing Co., Ltd., a subsidiary of the has been adjusted to 15%.

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

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

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For the six months ended 30 June 2021

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13 BASIC AND DILUTED EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Net profit attributable to shareholders of the Bank	2,659,397	2,545,620
Net profit attributable to ordinary shareholders of the Bank	2,659,397	2,545,620
Weighted average number of ordinary shares issued (in thousands)	3,358,688	3,127,055
Basic and diluted earnings per share (in RMB yuan)	0.79	0.81

The Bank issued non-cumulative preference shares on 20 December 2017 under the terms and conditions as detailed in Note 30. When calculating the basic earnings per share of the ordinary shares, the preference share dividends declared for the current period shall be deducted from the net profit attributable to the ordinary shareholders. For the six months ended 30 June 2021, no preference share dividends were declared by the Bank. The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur before 30 June 2021 and therefore the conversion feature of preference shares had no effect on the calculation of basic and diluted earnings per share as at 30 June 2021 (for the six months ended 30 June 2020: same).

14 CASH AND BALANCES WITH THE CENTRAL BANK

	30 June 2021 RMB'000	31 December 2020 RMB'000
Cash	732,391	649,036
Mandatory reserve deposits with the central bank	29,726,355	28,310,077
Surplus reserve deposits with the central bank	3,922,424	6,205,535
Fiscal deposits	134,632	126,221
Total	34,515,802	35,290,869
Accrued interest	13,624	14,420
	34,529,426	35,305,289

The Group is required to place mandatory reserve deposits with the central bank. The deposits are calculated based on the amount of customer deposits placed with the Group by its customers. As at 30 June 2021, the mandatory reserve rate of the Bank for deposits denominated in RMB was 9.0% (as at 31 December 2020: 9.0%). As at 30 June 2021, the mandatory reserve rate of the Bank for deposits denominated in foreign currencies was 7.0% (as at 31 December 2020: 5.0%). The mandatory reserve deposit rate of the subsidiaries of the Bank was consistent with the requirements of the central bank.

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

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15 DUE FROM AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2021 RMB'000	31 December 2020 RMB'000
Due from banks and other financial institutions	8,617,068	4,316,522
Bills purchased under resale agreements	24,786,900	24,975,897
Securities purchased under resale agreements	29,061,850	20,684,900
Placements with banks and other financial institutions	2,384,501	2,828,434
Total	64,850,319	52,805,753
Accrued interest	20,138	41,698
Less: ECL allowance	(189,953)	(187,954)
	64,680,504	52,659,497

As at 30 June 2021, the gross principal balance of the Group's due from and placements with banks and other financial institutions classified within Stage 3 was RMB224,920 thousand, and was accrued ECL allowance by RMB175,170 thousand. The rest were all in Stage 1. As at 31 December 2020, the gross principal balance of the Group's due from and placements with banks and other financial institutions classified within Stage 3 was RMB224,943 thousand, of which the accrued ECL allowance amounted to RMB175,193 thousand. The rest were all in Stage 1.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 RMB'000	31 December 2020 RMB'000
Financial Assets at FVPL		
– Listed outside Hong Kong	706,630	453,568
– Unlisted	20,334,915	30,750,642
	21,041,545	31,204,210
Derivative financial instruments (<i>Note 17</i>)	11,918	4,543
	21,053,463	31,208,753

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16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Unlisted financial assets measured at FVPL are set out below:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Unlisted financial assets at FVPL		
– Trust investments ^(a)	5,654,820	5,178,637
– Asset management plans ^(b)	9,910,044	10,297,886
– Wealth management products purchased from financial institutions	1,213,686	7,800,943
– Fund investments	2,026,753	5,904,445
– Commercial bank bonds	822,088	862,250
– Government bonds	603,373	600,098
– Equity investments	104,151	106,383
	20,334,915	30,750,642

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

(a) Trust investments

	30 June 2021 RMB'000	31 December 2020 RMB'000
Trust investments purchased from trust companies		
– Guaranteed by third-party companies	5,177,294	5,173,923
– Unsecured	477,526	4,714
	5,654,820	5,178,637

(b) Asset management plans

	30 June 2021 RMB'000	31 December 2020 RMB'000
Asset management plans purchased from securities companies		
– Guaranteed by third-party companies	9,910,044	10,297,886

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16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Financial assets at FVPL		
– Commercial banks	2,035,774	8,663,193
– Securities companies	9,910,044	10,297,886
– Fund companies	2,026,753	5,904,445
– Trust companies	5,654,820	5,178,637
– Corporations	–	28,195
– Governments	603,373	600,098
– Equity investments	810,781	531,756
	21,041,545	31,204,210

17 DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2021	Nominal amount RMB'000	Fair value	
		Assets RMB'000	Liabilities RMB'000
Foreign exchange swap	960,775	7,243	(551)
Option contract	19,263	132	(132)
Interest rate swap	39,806,015	4,543	(6,157)
	40,786,053	11,918	(6,840)

31 December 2020	Nominal amount RMB'000	Fair value	
		Assets RMB'000	Liabilities RMB'000
Interest rate swap	29,855,200	4,543	(6,904)

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18 LOANS AND ADVANCES TO CUSTOMERS

	30 June 2021 RMB'000	31 December 2020 RMB'000
Loans and advances to customers		
– Amortised cost	291,480,094	261,187,156
– FVOCI	16,643,455	20,032,920
Total	308,123,549	281,220,076
Accrued interest	1,992,222	2,006,479
Less: ECL allowance	(10,248,430)	(10,967,207)
	299,867,341	272,259,348

(a) Analysis of loans and advances to customers

	30 June 2021 RMB'000	31 December 2020 RMB'000
Loans and advances to corporate entities – amortised cost		
– Corporate loans and advances	185,312,098	164,660,672
Loans and advances to corporate entities – FVOCI		
– Discounted bills	16,643,455	20,032,920
Subtotal	201,955,553	184,693,592
Loans and advances to individuals – amortised cost		
– Mortgage loans	42,784,304	35,530,566
– Individual consumption loans	28,212,890	31,366,897
– Credit card advances	12,422,635	9,686,740
– Individual business loans	22,748,167	19,942,281
Subtotal	106,167,996	96,526,484
Total	308,123,549	281,220,076
Accrued interest	1,992,222	2,006,479
Gross amount of loans and advances to customers	310,115,771	283,226,555
Less: ECL allowance	(10,248,430)	(10,967,207)
Carrying amount of loans and advances to customers	299,867,341	272,259,348

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Loans and advances to corporate entities	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020	2,246,170	3,539,127	3,035,014	8,820,311
New financial assets originated or purchased	918,121	–	–	918,121
Remeasurement	(415,341)	509,009	1,492,419	1,586,087
Repayments	(311,563)	(146,132)	(131,411)	(589,106)
Write-off and disposal	–	–	(2,617,934)	(2,617,934)
Transfers:				
Transfer from Stage 1 to Stage 2	(105,288)	105,288	–	–
Transfer from Stage 1 to Stage 3	(2,655)	–	2,655	–
Transfer from Stage 2 to Stage 1	149,179	(149,179)	–	–
Transfer from Stage 2 to Stage 3	–	(1,556,887)	1,556,887	–
Recoveries of loans and advances written off in previous years	–	–	49,171	49,171
Unwinding impact of discount	–	–	(75,235)	(75,235)
As at 30 June 2021	2,478,623	2,301,226	3,311,566	8,091,415

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Retail loans	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020	1,091,030	403,554	652,312	2,146,896
New financial assets originated or purchased	408,372	–	–	408,372
Remeasurement	61,067	230,673	146,688	438,428
Repayments	(352,575)	(185,963)	(27,602)	(566,140)
Write-off and disposal	–	–	(303,816)	(303,816)
Transfers:				
Transfer from Stage 1 to Stage 2	(52,192)	52,192	–	–
Transfer from Stage 1 to Stage 3	(18,966)	–	18,966	–
Transfer from Stage 2 to Stage 1	62,253	(62,253)	–	–
Transfer from Stage 2 to Stage 3	–	(64,154)	64,154	–
Transfer from Stage 3 to Stage 2	–	11,295	(11,295)	–
Transfer from Stage 3 to Stage 1	19,607	–	(19,607)	–
Recoveries of loans and advances written off in previous years	–	–	76,036	76,036
Unwinding impact of discount	–	–	(42,761)	(42,761)
As at 30 June 2021	1,218,596	385,344	553,075	2,157,015

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Loans and advances to corporate entities				
As at 31 December 2019	1,662,368	3,707,187	1,681,872	7,051,427
New financial assets originated or purchased	1,366,047	–	–	1,366,047
Remeasurement	(167,794)	1,815,264	1,780,671	3,428,141
Repayments	(601,336)	(664,275)	(337,569)	(1,603,180)
Write-off and disposal	–	–	(1,500,085)	(1,500,085)
Transfers:				
Transfer from Stage 1 to Stage 2	(122,826)	122,826	–	–
Transfer from Stage 1 to Stage 3	(11,203)	–	11,203	–
Transfer from Stage 2 to Stage 1	120,914	(120,914)	–	–
Transfer from Stage 2 to Stage 3	–	(1,376,427)	1,376,427	–
Transfer from Stage 3 to Stage 2	–	55,466	(55,466)	–
Recoveries of loans and advances written off in previous years	–	–	210,531	210,531
Unwinding impact of discount	–	–	(132,570)	(132,570)
As at 31 December 2020	2,246,170	3,539,127	3,035,014	8,820,311

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Retail loans	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2019	752,811	357,178	560,488	1,670,477
New financial assets originated or purchased	693,793	–	–	693,793
Remeasurement	174,667	308,645	658,750	1,142,062
Repayments	(419,750)	(150,898)	(201,490)	(772,138)
Write-off and disposal	–	–	(656,530)	(656,530)
Transfers:				
Transfer from Stage 1 to Stage 2	(58,024)	58,024	–	–
Transfer from Stage 1 to Stage 3	(66,781)	–	66,781	–
Transfer from Stage 2 to Stage 1	10,699	(10,699)	–	–
Transfer from Stage 2 to Stage 3	–	(163,824)	163,824	–
Transfer from Stage 3 to Stage 2	–	5,128	(5,128)	–
Transfer from Stage 3 to Stage 1	3,615	–	(3,615)	–
Recoveries of loans and advances written off in previous years	–	–	89,673	89,673
Unwinding impact of discount	–	–	(20,441)	(20,441)
As at 31 December 2020	1,091,030	403,554	652,312	2,146,896

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Discounted bills	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020	49,196	1	–	49,197
New financial assets originated or purchased	46,184	–	–	46,184
Repayment	(44,712)	(1)	–	(44,713)
As at 30 June 2021	50,668	–	–	50,668

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Discounted bills	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2019	39,111	1	–	39,112
New financial assets originated or purchased	49,197	–	–	49,197
Repayments	(39,111)	(1)	–	(39,112)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1)	1	–	–
As at 31 December 2020	49,196	1	–	49,197

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Loans and advances to corporate entities	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020	142,210,652	17,244,193	5,205,827	164,660,672
New financial assets originated or purchased	56,000,517	–	–	56,000,517
Proceeds received	(29,923,647)	(2,544,475)	(142,757)	(32,610,879)
Financial assets derecognised other than write-offs	–	–	(120,278)	(120,278)
Write-off	–	–	(2,617,934)	(2,617,934)
Transfers:				
Transfer from Stage 1 to Stage 2	(5,911,259)	5,911,259	–	–
Transfer from Stage 1 to Stage 3	(172,465)	–	172,465	–
Transfer from Stage 2 to Stage 1	2,399,507	(2,399,507)	–	–
Transfer from Stage 2 to Stage 3	–	(3,519,584)	3,519,584	–
As at 30 June 2021	164,603,305	14,691,886	6,016,907	185,312,098

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Retail loans	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020	93,962,228	1,600,249	964,007	96,526,484
New financial assets originated or purchased	33,428,083	–	–	33,428,083
Proceeds received	(22,770,766)	(639,222)	(73,517)	(23,483,505)
Financial assets derecognised other than write-offs	–	–	750	750
Write-off	–	–	(303,816)	(303,816)
Transfers:				
Transfer from Stage 1 to Stage 2	(2,424,722)	2,424,722	–	–
Transfer from Stage 1 to Stage 3	(491,728)	–	491,728	–
Transfer from Stage 2 to Stage 1	517,168	(517,168)	–	–
Transfer from Stage 2 to Stage 3	–	(203,229)	203,229	–
Transfer from Stage 3 to Stage 2	–	23,899	(23,899)	–
Transfer from Stage 3 to Stage 1	44,371	–	(44,371)	–
As at 30 June 2021	102,264,634	2,689,251	1,214,111	106,167,996

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Loans and advances to corporate entities				
As at 31 December 2019	118,943,528	19,589,885	2,246,797	140,780,210
New financial assets originated or purchased	76,821,220	–	–	76,821,220
Proceeds received	(45,687,591)	(5,102,413)	(635,963)	(51,425,967)
Financial assets derecognised other than write-offs	–	–	(106,930)	(106,930)
Write-off	–	–	(1,500,085)	(1,500,085)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(8,861,664)	8,861,664	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(673,400)	–	673,400	–
<i>Transfer from Stage 2 to Stage 1</i>	1,576,335	(1,576,335)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(4,592,910)	4,592,910	–
<i>Transfer from Stage 3 to Stage 2</i>	–	64,302	(64,302)	–
Business combination involving enterprises not under common control	92,224	–	–	92,224
As at 31 December 2020	142,210,652	17,244,193	5,205,827	164,660,672

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Retail loans	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2019	88,560,210	1,325,409	894,244	90,779,863
New financial assets originated or purchased	52,480,769	–	–	52,480,769
Proceeds received	(45,476,343)	(793,759)	(284,545)	(46,554,647)
Write-off	–	–	(656,530)	(656,530)
Transfers:				
Transfer from Stage 1 to Stage 2	(1,611,886)	1,611,886	–	–
Transfer from Stage 1 to Stage 3	(555,463)	–	555,463	–
Transfer from Stage 2 to Stage 1	76,932	(76,932)	–	–
Transfer from Stage 2 to Stage 3	–	(479,488)	479,488	–
Transfer from Stage 3 to Stage 2	–	13,133	(13,133)	–
Transfer from Stage 3 to Stage 1	10,980	–	(10,980)	–
Business combination involving enterprises not under common control	477,029	–	–	477,029
As at 31 December 2020	93,962,228	1,600,249	964,007	96,526,484

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Discounted bills	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020	20,032,718	202	–	20,032,920
New financial assets originated or purchased	13,678,052	–	–	13,678,052
Proceeds received	(17,047,974)	(202)	–	(17,048,176)
Changes in fair value	(19,341)	–	–	(19,341)
As at 30 June 2021	16,643,455	–	–	16,643,455

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL	Lifetime ECL	Total
Discounted bills	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2019	14,270,608	912	–	14,271,520
New financial assets originated or purchased	19,695,990	–	–	19,695,990
Proceeds received	(14,270,608)	(912)	–	(14,271,520)
Transfers:				
Transfer from Stage 1 to Stage 2	(200)	200	–	–
Fair value measurement	336,928	2	–	336,930
As at 31 December 2020	20,032,718	202	–	20,032,920

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	30 June 2021		31 December 2020	
	Amount RMB'000	%	Amount RMB'000	%
Corporate loans – amortised cost				
Leasing and commercial services	43,655,547	21.63	35,458,997	19.20
Water conservation, environment and public facility administration	50,048,602	24.78	35,349,761	19.13
Manufacturing	20,851,509	10.32	23,232,705	12.58
Construction	20,803,444	10.30	17,680,813	9.57
Real estate	12,908,849	6.39	14,556,043	7.88
Wholesale and retail	13,068,673	6.47	14,095,203	7.63
Electricity, heat, gas and water production and supply	6,303,473	3.12	6,845,137	3.71
Transportation, storage and postal service	3,483,984	1.73	3,910,638	2.12
Agriculture, forestry, animal husbandry and fishery	2,788,141	1.38	2,506,763	1.36
Health and social welfare	2,033,937	1.01	2,102,213	1.14
Mining	1,643,722	0.81	1,756,136	0.95
Scientific research and technology services	1,967,082	0.97	1,630,880	0.88
Accommodation and catering	1,469,343	0.73	1,454,567	0.79
Information transmission, software and information technology services	1,216,951	0.60	1,231,397	0.67
Culture, sports and entertainment	951,043	0.47	953,156	0.52
Education	942,413	0.47	903,269	0.49
Financing	891,873	0.44	725,257	0.39
Household services, repairing and other services	283,512	0.14	267,737	0.14
Corporate loans – FVOCI				
Discounted bills	16,643,455	8.24	20,032,920	10.85
Total corporate loans	201,955,553	100.00	184,693,592	100.00
Retail loans – amortised cost				
Mortgage loans	42,784,304	40.30	35,530,566	36.80
Personal consumption loans	28,212,890	26.57	31,366,897	32.50
Personal business loans	22,748,167	21.43	19,942,281	20.66
Credit card advances	12,422,635	11.70	9,686,740	10.04
Total retail loans	106,167,996	100.00	96,526,484	100.00
Accrued interest	1,992,222		2,006,479	
Gross amount of loans and advances to customers	310,115,771		283,226,555	

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

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18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Collateralised loans	91,093,928	86,550,044
Guaranteed loans	144,145,166	123,129,602
Pledged loans	29,246,068	31,342,120
Unsecured loans	43,638,387	40,198,310
Accrued interest	1,992,222	2,006,479
Total	310,115,771	283,226,555

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

	30 June 2021				
	Overdue within 90 days (inclusive) RMB'000	Overdue for 90 days - 1 year (inclusive) RMB'000	Overdue for 1-3 years (inclusive) RMB'000	Overdue for more than 3 years RMB'000	Total RMB'000
Unsecured loans	297,083	186,531	87,451	26,563	597,628
Guaranteed loans	1,800,078	1,205,117	529,017	31,092	3,565,304
Collateralised loans	1,029,798	707,613	487,798	235,806	2,461,015
Pledged loans	255,114	–	130,761	–	385,875
Total	3,382,073	2,099,261	1,235,027	293,461	7,009,822

	31 December 2020				
	Overdue within 90 days (inclusive) RMB'000	Overdue for 90 days - 1 year (inclusive) RMB'000	Overdue for 1-3 years (inclusive) RMB'000	Overdue for more than 3 years RMB'000	Total RMB'000
Unsecured loans	264,479	264,774	84,329	20,010	633,592
Guaranteed loans	1,556,961	476,492	623,883	20,329	2,677,665
Collateralised loans	1,955,775	447,974	740,499	51,995	3,196,243
Pledged loans	21,400	27,765	112,912	–	162,077
Total	3,798,615	1,217,005	1,561,623	92,334	6,669,577

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19 INVESTMENT SECURITIES

	30 June 2021 RMB'000	31 December 2020 RMB'000
Investment securities – FVOCI		
Debt securities – measured at fair value		
– Listed outside Hong Kong	15,303,140	8,402,710
– Listed in Hong Kong	5,961,635	5,828,833
– Unlisted	30,877,204	30,409,525
Total	52,141,979	44,641,068
Accrued interest	1,520,194	963,098
	53,662,173	45,604,166
Equity securities – measured at fair value		
– Unlisted	112,320	277,000
Others	14	14
	53,774,507	45,881,180

Unlisted investment securities measured at FVOCI are set out below:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Debt securities – measured at fair value (unlisted)		
– Corporations	28,873,632	28,094,726
– Policy banks	1,096,006	1,092,775
– Commercial banks	710,106	1,025,161
– Governments	197,460	196,863
	30,877,204	30,409,525
Equity securities- measured at fair value (unlisted)		
– Equity investments	112,320	277,000
	30,989,524	30,686,525

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For the six months ended 30 June 2021

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19 INVESTMENT SECURITIES (Continued)

	30 June 2021 RMB'000	31 December 2020 RMB'000
Investment securities – amortised cost		
Debt securities – measured at amortised cost		
– Listed outside Hong Kong	9,923,568	10,240,510
– Unlisted	110,150,896	102,306,942
Total	120,074,464	112,547,452
Accrued interest	2,531,964	2,479,076
Less: ECL allowance	(1,176,885)	(1,326,502)
	121,429,543	113,700,026

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Debt securities – measured at amortised cost (unlisted)		
– Trust investments ^(a)	11,078,734	12,957,883
– Asset management plans ^(b)	42,322,000	44,754,000
– Bonds	43,996,162	31,281,059
– Debt financing plans	12,754,000	13,314,000
	110,150,896	102,306,942

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19 INVESTMENT SECURITIES (Continued)

(a) Trust investments

	30 June 2021 RMB'000	31 December 2020 RMB'000
Trust investments purchased from trust companies		
– Collateralised by properties	5,391,553	6,079,676
– Guaranteed by the third-party companies	4,121,800	5,057,800
– Unsecured	1,565,381	1,820,407
	11,078,734	12,957,883

(b) Asset management plans

	30 June 2021 RMB'000	31 December 2020 RMB'000
Asset management plans purchased from securities companies		
– Guaranteed by third-party companies	1,359,000	1,422,000
– Collateralised by properties	788,000	797,000
– Unsecured	800,000	800,000
	2,947,000	3,019,000
Asset management plans purchased from asset management companies		
– Unsecured	32,170,000	34,000,000
– Guaranteed by third-party companies	7,205,000	7,735,000
	39,375,000	41,735,000
Total	42,322,000	44,754,000

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For the six months ended 30 June 2021

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19 INVESTMENT SECURITIES (Continued)

Movements of impairment allowance for investment securities are summarised below:

	Investment securities – FVOCI			Total
	Stage 1	Stage 2	Stage 3	
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	RMB'000
As at 31 December 2020	177,824	–	–	177,824
New financial assets originated or purchased	57,645	94,900	–	152,545
Remeasurement	16,228	–	130,100	146,328
Repayments	(8,753)	–	–	(8,753)
Transfers:				
<i>Transfer from Stage 2 to Stage 3</i>	–	(94,900)	94,900	–
As at 30 June 2021	242,944	–	225,000	467,944

	Investment securities – amortised cost			Total
	Stage 1	Stage 2	Stage 3	
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	RMB'000
As at 31 December 2020	847,319	43,871	435,312	1,326,502
New financial assets originated or purchased	34,736	–	–	34,736
Remeasurement	(39,862)	2,814	(20,937)	(57,985)
Repayments	(56,319)	(70)	(69,979)	(126,368)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(3,658)	3,658	–	–
<i>Transfer from Stage 2 to Stage 1</i>	43,871	(43,871)	–	–
As at 30 June 2021	826,087	6,402	344,396	1,176,885

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19 INVESTMENT SECURITIES (Continued)

	Investment securities – FVOCI	Investment securities – amortised cost			Total
	Stage 1 12M ECL RMB'000	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	RMB'000
As at 31 December 2019	104,299	853,589	262,547	286,168	1,506,603
New financial assets originated or purchased	89,060	375,529	–	–	464,589
Remeasurement	19,459	(136,769)	(5,038)	(41,017)	(163,365)
Repayments	(34,994)	(212,702)	(44,186)	(11,619)	(303,501)
Transfers:					
Transfer from Stage 1 to Stage 2	–	(48,910)	48,910	–	–
Transfer from Stage 2 to Stage 1	–	16,582	(16,582)	–	–
Transfer from Stage 2 to Stage 3	–	–	(201,780)	201,780	–
As at 31 December 2020	177,824	847,319	43,871	435,312	1,504,326

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19 INVESTMENT SECURITIES (Continued)

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

For the six months ended 30 June 2021, debt securities of RMB500,000 thousand at fair value through other comprehensive income of the Group were in stage 3, and the ECL allowance on the above-mentioned debt instruments amounted to RMB225,000 thousand. Other debt securities at fair value through other comprehensive income were in stage 1, and the Group's corresponding ECL allowance amounted to RMB242,944 thousand (for the year ended 31 December 2020: all in stage 1).

	Investment securities – amortised cost			Total
	Stage 1	Stage 2	Stage 3	
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	RMB'000
As at 31 December 2020	110,238,369	1,200,000	1,109,083	112,547,452
New financial assets originated or purchased	15,250,192	–	–	15,250,192
Proceeds received	(7,523,046)	(5,000)	(195,134)	(7,723,180)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(260,000)	260,000	–	–
<i>Transfer from Stage 2 to Stage 1</i>	1,200,000	(1,200,000)	–	–
As at 30 June 2021	118,905,515	255,000	913,949	120,074,464

	Investment securities – amortised cost			Total
	Stage 1	Stage 2	Stage 3	
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	RMB'000
As at 31 December 2019	93,010,807	2,191,644	657,022	95,859,473
New financial assets originated or purchased	39,303,562	–	–	39,303,562
Proceeds received	(21,153,350)	(1,450,614)	(11,619)	(22,615,583)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1,222,650)	1,222,650	–	–
<i>Transfer from Stage 2 to Stage 1</i>	300,000	(300,000)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(463,680)	463,680	–
As at 31 December 2020	110,238,369	1,200,000	1,109,083	112,547,452

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For the six months ended 30 June 2021

English translation for reference only

19 INVESTMENT SECURITIES (Continued)

Analysis of investment securities by issuer is as follows:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Investment securities – FVOCI		
– Corporations	50,131,989	42,306,711
– Policy banks	1,096,006	1,092,775
– Commercial banks	716,524	1,044,719
– Equity investments at fair value	112,320	277,000
– Governments	197,460	196,863
– Others	14	14
Total	52,254,313	44,918,082
Accrued interest	1,520,194	963,098
	53,774,507	45,881,180
Investment securities – amortised cost		
– Trust companies	11,078,734	12,957,883
– Governments	51,314,826	38,545,306
– Securities companies	2,947,000	3,019,000
– Asset management companies	39,375,000	41,735,000
– Corporations	12,784,000	13,344,000
– Policy banks	2,454,904	2,826,263
– Commercial banks	120,000	120,000
Total	120,074,464	112,547,452
Accrued interest	2,531,964	2,479,076
Less: ECL allowance	(1,176,885)	(1,326,502)
	121,429,543	113,700,026

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20 INVESTMENTS IN ASSOCIATES

	30 June 2021 RMB'000	31 December 2020 RMB'000
Balance at the beginning of the period/year	1,945,081	1,801,573
Share of profits of associates	108,589	162,903
Declared cash dividends	(12,745)	(19,395)
Balance at the end of the period/year	2,040,925	1,945,081

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

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

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21 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Assets under operating leases	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost							
As at 31 December 2020	3,058,596	9,851	552,564	143,723	178,975	516,935	4,460,644
Additions	5,793	–	25,904	1,030	–	32,865	65,592
Transfer from construction in progress	34,611	–	–	2,357	–	(36,968)	–
Disposals	–	–	(3,534)	(5,906)	–	(40,307)	(49,747)
Transfer to investment properties	(1,525)	–	–	–	–	–	(1,525)
As at 30 June 2021	3,097,475	9,851	574,934	141,204	178,975	472,525	4,474,964
Accumulated depreciation							
As at 31 December 2020	(730,333)	(8,835)	(367,540)	(105,712)	(13,444)	–	(1,225,864)
Charge for the period (<i>Note 9</i>)	(50,671)	(176)	(30,508)	(5,913)	(14,132)	–	(101,400)
Disposals	–	–	3,505	5,552	–	–	9,057
Transfer to investment properties	299	–	–	–	–	–	299
As at 30 June 2021	(780,705)	(9,011)	(394,543)	(106,073)	(27,576)	–	(1,317,908)
Impairment allowance	–	–	–	–	–	(1,500)	(1,500)
Net book value							
As at 30 June 2021	2,316,770	840	180,391	35,131	151,399	471,025	3,155,556

As at 30 June 2021, the cost of motor vehicles and machinery equipment leased out by the Group under operating lease arrangements was RMB178,975 thousand (31 December 2020: RMB178,975 thousand). The depreciation charged for the reporting period amounted to RMB14,132 thousand (for the six months ended 30 June 2020: RMB2,129 thousand). There were no clauses regarding the residual value guarantee under the lease contracts signed by the Group as a lessor.

As at 30 June 2021, the net value of the buildings whose registration procedures have not been completed was RMB94,691 thousand (31 December 2020: RMB109,229 thousand). The registration process has little impact on the Group's right to own the property, plant and equipment.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

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21 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Assets under operating leases	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost							
As at 31 December 2019	2,983,027	8,876	537,585	137,584	48,663	448,156	4,163,891
Additions	8,456	1,452	55,050	19,772	130,312	127,135	342,177
Transfer from construction in progress	58,021	–	2	333	–	(58,356)	–
Transfer from held-for-sale assets	19,570	–	–	–	–	–	19,570
Disposals	(10,478)	(477)	(40,073)	(13,966)	–	–	(64,994)
As at 31 December 2020	3,058,596	9,851	552,564	143,723	178,975	516,935	4,460,644
Accumulated depreciation							
As at 31 December 2019	(629,271)	(8,560)	(346,346)	(108,105)	(1,598)	–	(1,093,880)
Charge for the year	(98,047)	(277)	(56,586)	(10,595)	(11,846)	–	(177,351)
Other additions	–	(461)	(4,558)	(732)	–	–	(5,751)
Transfer from held-for-sale assets	(9,606)	–	–	–	–	–	(9,606)
Disposals	6,591	463	39,950	13,720	–	–	60,724
As at 31 December 2020	(730,333)	(8,835)	(367,540)	(105,712)	(13,444)	–	(1,225,864)
Impairment allowance	–	–	–	–	–	(1,500)	(1,500)
Net book value							
As at 31 December 2020	2,328,263	1,016	185,024	38,011	165,531	515,435	3,233,280

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22 OTHER ASSETS

	30 June 2021 RMB'000	31 December 2020 RMB'000
Interest receivable	272,566	108,606
Fee and commission receivable	770,582	665,365
Other receivables ^(a)	538,843	634,190
Less: Impairment allowance ^(a)	(82,330)	(173,022)
Leasehold improvements	36,921	29,571
Intangible assets ^(b)	249,471	245,643
Foreclosed assets ^(c)	64,577	68,321
Prepaid rental expenses ^(d)	6,228	20,035
Investment properties ^(e)	3,693	2,575
Right-of-use assets ^(f)	245,318	264,402
Continuing involvement in transferred assets	229,494	229,482
Others	4,716	759
	2,340,079	2,095,927

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22 OTHER ASSETS (Continued)

(a) Other receivables

Movements of impairment allowance for other receivables:

	Other receivables			
	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2020	1,093	69,370	102,559	173,022
New financial assets originated or purchased	3,998	–	–	3,998
Remeasurement	552	(3,189)	11,264	8,627
Write-off and disposal	–	–	(86,060)	(86,060)
Repayments	(109)	(14,941)	(2,207)	(17,257)
Transfers:				
Transfer from Stage 1 to Stage 2	(200)	200	–	–
Transfer from Stage 1 to Stage 3	(121)	–	121	–
Transfer from Stage 2 to Stage 3	–	(733)	733	–
Transfer from Stage 3 to Stage 2	–	26	(26)	–
As at 30 June 2021	5,213	50,733	26,384	82,330

	Other receivables			
	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2019	1,370	142,621	12,843	156,834
New financial assets originated or purchased	600	–	–	600
Remeasurement	(839)	28,095	43,944	71,200
Repayments	(18)	(53,301)	(2,293)	(55,612)
Transfers:				
Transfer from Stage 1 to Stage 2	(151)	151	–	–
Transfer from Stage 1 to Stage 3	(110)	–	110	–
Transfer from Stage 2 to Stage 1	173	(173)	–	–
Transfer from Stage 2 to Stage 3	–	(48,025)	48,025	–
Transfer from Stage 3 to Stage 2	–	2	(2)	–
Transfer from Stage 3 to Stage 1	68	–	(68)	–
As at 31 December 2020	1,093	69,370	102,559	173,022

Notes to the Unaudited Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

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22 OTHER ASSETS (Continued)

(a) Other receivables (Continued)

Movements of gross amount of other receivables:

	Other receivables			
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
As at 31 December 2020	170,187	312,321	151,682	634,190
New financial assets originated or purchased	114,281	–	–	114,281
Write-off and disposal	–	–	(122,684)	(122,684)
Proceeds received	(16,417)	(67,260)	(3,267)	(86,944)
Transfers:				
Transfer from Stage 1 to Stage 2	(29,708)	29,708	–	–
Transfer from Stage 1 to Stage 3	(18,001)	–	18,001	–
Transfer from Stage 2 to Stage 1	1	(1)	–	–
Transfer from Stage 2 to Stage 3	–	(3,302)	3,302	–
Transfer from Stage 3 to Stage 2	–	38	(38)	–
As at 30 June 2021	220,343	271,504	46,996	538,843

	Other receivables			
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
As at 31 December 2019	145,336	656,763	22,334	824,433
New financial assets originated or purchased	62,702	–	–	62,702
Proceeds received	(1,433)	(247,675)	(3,837)	(252,945)
Transfers:				
Transfer from Stage 1 to Stage 2	(29,490)	29,490	–	–
Transfer from Stage 1 to Stage 3	(8,015)	–	8,015	–
Transfer from Stage 2 to Stage 1	976	(976)	–	–
Transfer from Stage 2 to Stage 3	–	(125,284)	125,284	–
Transfer from Stage 3 to Stage 2	–	3	(3)	–
Transfer from Stage 3 to Stage 1	111	–	(111)	–
As at 31 December 2020	170,187	312,321	151,682	634,190

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22 OTHER ASSETS (Continued)

(b) Intangible assets

	For the six months ended 30 June 2021 RMB'000	For the year ended 31 December 2020 RMB'000
Cost		
Balance at the beginning of the period/year	538,642	424,910
Additions	44,283	113,790
Disposals	–	(58)
Balance at the end of the period/year	582,925	538,642
Accumulated amortisation		
Balance at the beginning of the period/year	(292,999)	(218,351)
Amortisation for the period/year (Note 9)	(40,455)	(74,706)
Disposals	–	58
Balance at the end of the period/year	(333,454)	(292,999)
Net book value		
Balance at the end of the period/year	249,471	245,643

(c) Foreclosed assets

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Business properties	64,166	67,910
Residential properties	411	411
	64,577	68,321

For the six months ended 30 June 2021, the original cost of foreclosed assets disposed of by the Group amounted to RMB5,024 thousand (for the year ended 31 December 2020: RMB9,409 thousand). The Group intends to dispose of foreclosed assets through various methods including auction, competitive bidding and transfer.

(d) Prepaid rental expenses

Prepaid rental expenses are generated from the rental expenses prepaid for leases exempted from recognition of right-of-use assets and lease liabilities, which resulted from a lease term of 12 months or less or an underlying asset of low value based on the value of the asset when it is new.

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22 OTHER ASSETS (Continued)

(e) Investment properties

	For the six months ended 30 June 2021 RMB'000	For the year ended 31 December 2020 RMB'000
Cost		
Balance at the beginning of the period/year	5,949	8,125
Transfer from property, plant and equipment	1,525	–
Disposals	–	(2,176)
Balance at the end of the period/year	7,474	5,949
Accumulated depreciation		
Balance at the beginning of the period/year	(3,374)	(4,560)
Transfer from property, plant and equipment	(299)	–
Depreciation charged for the period/year (<i>Note 9</i>)	(108)	(241)
Disposals	–	1,427
Balance at the end of the period/year	(3,781)	(3,374)
Net book value		
Balance at the end of the period/year	3,693	2,575

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22 OTHER ASSETS (Continued)

(f) Right-of-use assets

	Buildings RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Land use rights RMB'000	Total RMB'000
Cost					
As at 31 December 2020	208,232	12,745	66	186,905	407,948
Add: Additions	31,546	–	–	–	31,546
Less: Deductions	(67,984)	(8,625)	(66)	–	(76,675)
As at 30 June 2021	171,794	4,120	–	186,905	362,819
Accumulated depreciation					
As at 31 December 2020	(79,850)	(10,527)	(2)	(53,167)	(143,546)
Add: Depreciation charged for the period (Note 9)	(16,409)	(1,320)	–	(2,339)	(20,068)
Less: Deductions	37,676	8,435	2	–	46,113
As at 30 June 2021	(58,583)	(3,412)	–	(55,506)	(117,501)
Net book value					
As at 30 June 2021	113,211	708	–	131,399	245,318

	Buildings RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Land use rights RMB'000	Total RMB'000
Cost					
As at 31 December 2019	157,667	12,693	474	186,905	357,739
Add: Additions	50,565	52	–	–	50,617
Less: Deductions	–	–	(408)	–	(408)
As at 31 December 2020	208,232	12,745	66	186,905	407,948
Accumulated depreciation					
As at 31 December 2019	(36,117)	(5,195)	(238)	(48,492)	(90,042)
Add: Depreciation charged for the year	(43,733)	(5,332)	(116)	(4,675)	(53,856)
Less: Reversal	–	–	352	–	352
As at 31 December 2020	(79,850)	(10,527)	(2)	(53,167)	(143,546)
Net book value					
As at 31 December 2020	128,382	2,218	64	133,738	264,402

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23 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30 June 2021 RMB'000	31 December 2020 RMB'000
Loans from the central bank	31,439,140	27,599,225
Deposits from banks	13,213,890	25,936,877
Deposits from other financial institutions	5,658,264	5,826,627
Placements from banks and other financial institutions	28,017,907	22,072,275
Bills sold under repurchase agreements	4,424,332	6,925,527
Securities sold under repurchase agreements	5,489,900	8,424,400
Total	88,243,433	96,784,931
Accrued interest	985,988	626,969
	89,229,421	97,411,900

24 CUSTOMER DEPOSITS

	30 June 2021 RMB'000	31 December 2020 RMB'000
Corporate demand deposits	79,529,779	74,291,268
Corporate time deposits	107,063,859	104,368,093
Individual demand deposits	16,905,014	16,011,350
Individual time deposits	117,376,994	105,814,582
Other deposits	15,567,385	11,077,135
Total	336,443,031	311,562,428
Accrued interest	3,380,718	2,937,829
	339,823,749	314,500,257

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25 DEBT SECURITIES ISSUED

	30 June 2021 RMB'000	31 December 2020 RMB'000
Subordinated bonds		
Fixed rate Tier II capital bond – 2026 ^(a)	–	1,497,618
Fixed rate Tier II capital bond – 2027 ^(b)	5,997,767	5,998,079
Financial bonds		
Fixed rate financial bond – 2021 ^(c)	–	2,999,282
Fixed rate green financial bond – 2021 ^(d)	5,999,562	5,998,982
Fixed rate small and micro business debt – 2023 ^(e)	2,000,000	2,000,000
Fixed rate small and micro business debt – 2024 ^(f)	1,999,655	–
Fixed rate green financial bond – 2024 ^(g)	1,999,811	–
Fixed rate financial bond – 2024 ^(h)	1,200,000	–
Inter-bank certificates of deposit ⁽ⁱ⁾	103,709,406	82,138,185
Total	122,906,201	100,632,146
Accrued interest	332,491	408,196
	123,238,692	101,040,342

(a) Pursuant to a resolution at the general meeting passed on 16 May 2014 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Yin Jian Fu [2015] No. 107) by the CBIRC Chongqing Bureau on 21 September 2015, the Bank issued RMB1.5 billion Tier II capital bonds in the domestic inter-bank bond market of China on 19 February 2016. Such Tier II bonds have a maturity of 10 years, with a fixed coupon rate of 4.4% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 22 February 2021 and the Bank exercised the redemption right on 22 February 2021.

(b) Pursuant to a resolution at the general meeting passed on 17 June 2016 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Yin Jian Fu [2016] No. 162) by the CBIRC Chongqing Bureau on 30 November 2016, the Bank issued RMB6 billion Tier II capital bonds in the domestic inter-bank bond market of China on 20 March 2017. Such Tier II bonds have a maturity of 10 years, with a fixed coupon rate of 4.8% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 21 March 2022.

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

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25 DEBT SECURITIES ISSUED (Continued)

- (c) Pursuant to a resolution at the general meeting passed on 21 July 2017 and the Approval for Bank of Chongqing Co., Ltd. to Issue Financial Bonds (Yu Yin Jian Fu [2017] No. 156) by the CBIRC Chongqing Bureau on 3 November 2017, the Bank issued RMB3 billion Innovation-and-entrepreneurship-themed bonds in the domestic inter-bank bond market of China on 8 June 2018. Such bonds have a maturity of 3 years, with a fixed coupon rate of 4.50% per annum before maturity, payable annually. All proceeds raised are used for loans to innovation-and-entrepreneurship-themed enterprises. The bank redeemed the bond at maturity in June 2021.
- (d) Pursuant to a resolution at the general meeting passed on 21 July 2017 and the Approval for Bank of Chongqing Co., Ltd. to Issue Green Financial Bonds (Yu Yin Jian Fu [2017] No. 157) by the CBIRC Chongqing Bureau on 2 November 2017, the Bank issued RMB3 billion first phase of green financial bonds in the domestic inter-bank bond market of China on 5 November 2018 with a fixed coupon rate of 4.05% per annum before maturity, payable annually, and then issued RMB3 billion second phase of green financial bonds in the domestic inter-bank bond market of China on 21 November 2018 with a fixed coupon rate of 3.88% per annum before maturity, payable annually; such subordinated bonds have a maturity of 3 years. The proceeds from this issue will be used to support the green industry project specified in the Green Bond Support Project Catalogue compiled by the Green Finance Specialized Committee of the China Financial Association.
- (e) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Special Financial Bonds for small and micro business loans (Yu Yin Bao Jian Fu [2020] No. 205) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 2 November 2020. Such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.73% per annum before maturity, payable annually. The proceeds from this issue would be used for loans to small and micro enterprises.
- (f) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Special Financial Bonds for small and micro business loans (Yu Yin Bao Jian Fu [2020] No. 205) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 22 January 2021. Such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.5% per annum before maturity, payable annually. The proceeds from this issue would be used for loans to small and micro enterprises.
- (g) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the Approval for Bank of Chongqing Co., Ltd. to Issue Green Financial Bonds (Yu Yin Jian Fu [2020] No. 202) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion first phase of green financial bonds in the domestic inter-bank bond market of China on 16 March 2021. Such bonds have a maturity of 3 years, with a fixed coupon rate of 3.57% per annum before maturity, payable annually. The proceeds from this issue will be used to support the green industry project specified in the Green Bond Support Project Catalogue compiled by the Green Finance Specialized Committee of the China Financial Association.
- (h) Pursuant to a resolution at the general meeting passed on 27 December 2019 and the Approval for Chongqing Xinyu Financial Leasing Co., Ltd. to Issue Financial Bonds (Yu Yin Jian Fu [2020] No. 175) by the CBIRC Chongqing Bureau on 27 August 2020, Chongqing Xinyu Financial Leasing Co., Ltd. issued RMB1.5 billion Innovation-and-entrepreneurship-themed bonds in the domestic inter-bank bond market of China on 23 June 2021. Such subordinated bonds have a maturity of 3 years, with a fixed coupon rate of 3.95% per annum before maturity, payable annually. All proceeds raised are used for the launch of financial leasing projects. As at 30 June 2021, the outstanding balance of the bond of the Group was RMB1.2 billion.

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25 DEBT SECURITIES ISSUED (Continued)

- (i) For the six months ended 30 June 2021, the Group issued 88 inter-bank certificates of deposit at discounts with maturities from one month to one year (for the year ended 31 December 2020: 185 inter-bank certificates of deposit at discounts with maturities from one month to one year). As at 30 June 2021, 135 items of them were not yet due with a total par value of RMB105.34 billion (31 December 2020: 125 items of them were not yet due with a total par value of RMB83.29 billion).

For the six months ended 30 June 2021, there were no defaults of principal and interest or other breaches with respect to these bonds since their issuance (for the year ended 31 December 2020: nil).

26 OTHER LIABILITIES

	30 June 2021 RMB'000	31 December 2020 RMB'000
Clearing funds for unsecured wealth management products	1,341,831	2,470,425
Dividends payable	1,386,019	67,354
Lease deposit	1,498,125	1,159,566
Other payables	470,420	350,373
Employee benefits payable	574,367	707,531
Value-added tax and other taxes payable	300,720	328,983
Deferred income	462,400	396,392
Continuing involvement in transferred liabilities	229,494	229,482
Provisions	235,301	390,402
Lease liabilities	93,684	125,844
Others	129,714	55,967
	6,722,075	6,282,319

27 DEFERRED INCOME TAXES

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

	For the six months ended 30 June 2021 RMB'000	For the year ended 31 December 2020 RMB'000
Balance at beginning of the period/year	3,353,016	2,479,531
Charge to profit or loss (Note 12)	291,791	749,372
Changes in fair value of financial assets at FVOCI	109,687	71,903
Changes in ECL allowance of financial assets at FVOCI	(72,897)	(20,902)
Business combination involving enterprises not under common control	–	73,112
Balance at end of the period/year	3,681,597	3,353,016

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27 DEFERRED INCOME TAXES (Continued)

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Deferred tax assets		
Asset impairment allowances	3,699,966	3,353,059
Losses on changes in fair value of financial assets at FVPL	–	41,040
Others	272,699	295,390
	3,972,665	3,689,489
Deferred tax liabilities		
Gains on changes in fair value of financial assets at FVPL	(64,282)	–
Gains on changes in fair value of financial assets at FVOCI	(36,101)	(145,788)
Share of profits from associates under the equity method	(144,067)	(144,067)
Others	(46,618)	(46,618)
	(291,068)	(336,473)
	3,681,597	3,353,016

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

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

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Asset impairment allowances	419,803	429,776
Changes in fair value of financial assets at FVPL	(105,322)	26,791
Others	(22,690)	(30,040)
	291,791	426,527

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28 RETIREMENT BENEFIT OBLIGATIONS

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

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

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Expenses incurred for retirement benefit plan	63,316	38,605
Expenses incurred for supplementary retirement benefits	585	(42)
Expenses incurred for corporate annuity plan	27,965	25,378
Total (Note 10)	91,866	63,941

Supplementary retirement benefits

	30 June 2021 RMB'000	31 December 2020 RMB'000
Liabilities listed in consolidated statement of financial position:		
– Retirement benefits	17,307	20,563

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Expenses charged in consolidated statement of profit or loss:		
– Retirement benefits	585	(42)

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28 RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Present value of unfunded obligations	17,307	20,563
Unrecognised past service cost	–	–
Net amount of liabilities in the consolidated statement of financial position	17,307	20,563

29 SHARE CAPITAL

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

	31 December 2020	Additions for the period	Deductions for the period	30 June 2021
Quantity in shares	3,127,055	347,450	–	3,474,505
Carrying amount in RMB (in thousands)	3,127,055	347,450	–	3,474,505

On 5 February 2021, the Bank was listed on the Shanghai Stock Exchange, the share capital of the Bank increasing by RMB347,450 thousand and its capital surplus increasing by RMB3,357,838 thousand.

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30 PREFERENCE SHARES

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

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

(b) Movement of preference shares

	31 December 2020	Additions for the period	Deductions for the period	30 June 2021
Quantity in shares	37,500,000	–	–	37,500,000
Carrying amount in RMB (in thousands)	4,909,307	–	–	4,909,307

	31 December 2019	Additions for the year	Deductions for the year	31 December 2020
Quantity in shares	37,500,000	–	–	37,500,000
Carrying amount in RMB (in thousands)	4,909,307	–	–	4,909,307

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30 PREFERENCE SHARES (Continued)

(c) Main clauses

(1) Dividend rate

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

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

(2) Conditions to distribution of dividends

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

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

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

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

30 PREFERENCE SHARES (Continued)

(c) Main clauses (Continued)

(3) Conversion

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

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

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

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

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30 PREFERENCE SHARES (Continued)

(c) Main clauses (Continued)

(4) Order of distribution and liquidation method

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

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

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

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

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

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

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30 PREFERENCE SHARES (Continued)

(c) Main clauses (Continued)

(5) Redemption

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

31 CAPITAL SURPLUS

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

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

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

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

As at 30 June 2021 and 31 December 2020, the Group's capital surplus was set out below:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Share premium	8,037,676	4,679,838
Donations received from shareholders	800	800
	8,038,476	4,680,638

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32 OTHER RESERVES

	Surplus reserve ^(a) RMB'000	General reserve ^(b) RMB'000	Revaluation reserve of equity instruments at FVOCI RMB'000	Revaluation reserve of debt instruments at FVOCI RMB'000	Impairment allowance for financial assets at FVOCI RMB'000	Revaluation of retirement benefit plan RMB'000	Total RMB'000
Balance at 31 December 2020	3,458,521	6,295,346	201,300	236,242	170,264	(5,352)	10,356,321
Other comprehensive income	-	-	(123,510)	(205,414)	218,694	2,308	(107,922)
Appropriation reserve	-	584,859	-	-	-	-	584,859
Balance at 30 June 2021	3,458,521	6,880,205	77,790	30,828	388,958	(3,044)	10,833,258
Balance at 31 December 2019	3,026,522	5,516,685	201,300	451,951	107,557	(5,245)	9,298,770
Other comprehensive income	-	-	-	(215,709)	62,707	(107)	(153,109)
Appropriation reserve	431,999	778,661	-	-	-	-	1,210,660
Balance at 31 December 2020	3,458,521	6,295,346	201,300	236,242	170,264	(5,352)	10,356,321

(a) Surplus reserve

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

The Group's statutory surplus reserve as at 30 June 2021 amounted to RMB3,458,521 thousand (31 December 2020: RMB3,458,521 thousand).

(b) General reserve

The Bank and its subsidiaries appropriated general reserves according to Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance (MOF) on 30 March 2012. In principle, the balance of general reserve shall not be less than 1.5% of the ending balance of risk assets. This document also stipulates that if the balance of general risk reserve for a financial enterprise can hardly reach 1.5% of the aggregate amount of all risk assets, the reserve may be appropriated to 1.5% during certain years, which shall not exceed 5 years in principle. This principle has been in effect since 1 July 2012.

A general reserve of RMB584,859 thousand was appropriated based on 1.5% of the ending balance of risk assets for the year ended 31 December 2020, which has been approved at the Annual General Meeting of Shareholders on 20 May 2021. For the six months ended 30 June 2021, the Bank appropriated a general reserve of RMB584,859 thousand from retained earnings (for the six months ended 30 June 2020: RMB715,325 thousand). As at 30 June 2021, the ending balance of general reserve was RMB6,880,205 thousand (31 December 2020: RMB6,295,346 thousand).

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33 DIVIDENDS

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Dividends declared during the period	1,295,990	737,985
Dividend per share (in RMB yuan)	0.373	0.236

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

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

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

A dividend of RMB0.373 per share in respect of profit for the year ended 31 December 2020 (2019: RMB0.236 per share), amounting to a total dividend of RMB1,295,990 thousand based on the number of shares issued as at 31 December 2020, was approved at the Annual General Meeting on 20 May 2021.

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34 STRUCTURED ENTITIES

(a) Consolidated structured entities

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

As at 30 June 2021, the structured entities consolidated by the Group amounted to RMB1,213,686 thousand (31 December 2020: RMB7,800,943 thousand).

(b) Unconsolidated structured entities

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

The unconsolidated structured entities managed by the Group were mainly unsecured wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential targeted clients, the Group designed and sold capital investment and management plan to specific targeted clients, and the raised funds were then put into related financial markets or invested in related financial products according to the product contracts. Gains would be allocated to investors after the Group obtained the gains from investments. The Group received the corresponding wealth management commission fee income as the asset manager. The Group has recognised net commission income from unsecured wealth management products with the amount of RMB294,300 thousand for the six months ended 30 June 2021 (for the six months ended 30 June 2020: RMB406,940 thousand). The Group expects that the variable return it enjoys is insignificant as to the structured entities. As at 30 June 2021, the maximum risk exposure of the unconsolidated structured entities was zero (31 December 2020: nil). For the six months ended 30 June 2021, the Group has not provided any liquidity support to the wealth management products during the year (for the six months ended 30 June 2020: nil).

As at 30 June 2021, asset investments from the unsecured wealth management products issued and managed by the Group which were unconsolidated structured entities amounted to RMB49,959,689 thousand (31 December 2020: RMB49,018,236 thousand). The balance of unconsolidated wealth management products issued and managed by the Group amounted to RMB51,301,520 thousand (31 December 2020: RMB51,488,661 thousand).

In July 2020, the regulatory authorities declared the extension of the transition period of the Guiding Opinions on Regulating the Asset Management Business of Financial Institutions to the end of 2021, encouraging the orderly disposal of stock assets in a variety of ways such as new product acquisition, market-based transfer, and return to financial statements. For the six months ended 30 June 2021, the Group included part of the stock assets of unsecured wealth management products issued in investment securities. In accordance with regulatory requirements, the Group is pragmatically, efficiently, actively and orderly promoting the adoption of net value management for products, accelerating the disposal of stock assets, and striving to achieve a smooth transition and steady development of wealth management business.

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34 STRUCTURED ENTITIES (Continued)

(b) Unconsolidated structured entities (Continued)

(ii) Unconsolidated structured entities invested by the Group

In order to make a better use of the capital for profit-making, the unconsolidated structured entities invested by the Group for the six months ended 30 June 2021 mainly included trust schemes, asset management plans and fund investments. The Group classified the unconsolidated structured entities as financial assets at FVPL or amortised cost (for the six months ended 30 June 2020: same).

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

30 June 2021	Carrying amount RMB'000	Maximum risk exposure to loss RMB'000
Financial assets at FVPL	17,591,617	17,591,617
Investment securities – amortised cost	52,335,935	52,335,935
	69,927,552	69,927,552

31 December 2020	Carrying amount RMB'000	Maximum risk exposure to loss RMB'000
Financial assets at FVPL	21,380,968	21,380,968
Investment securities – amortised cost	56,569,611	56,569,611
	77,950,579	77,950,579

For the six months ended 30 June 2021 and 30 June 2020, interest income, net gains on investment securities, and fee and commission income from the above unconsolidated structured entities were:

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Interest income	2,232,396	2,194,083
Net gains on investment securities	803,919	728,822
Fee and commission Income	294,300	460,493
	3,330,615	3,383,398

For the six months ended 30 June 2021, the Group had no plans to provide any financial or other support to the unconsolidated structured entities (for the six months ended 30 June 2020: nil).

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

Financial guarantees and other credit related commitments

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Acceptances	32,450,908	28,354,591
Letters of credit	10,217,572	7,482,028
Guarantees	4,627,849	4,342,096
Other commitments with an original maturity of		
– Within 1 year	5,477,747	4,929,402
	52,774,076	45,108,117

Capital expenditure commitments

	30 June 2021 RMB'000	31 December 2020 RMB'000
Contracted but not provided for		
– Capital expenditure commitments for buildings	50,120	71,883
– Acquisition of IT system	109,191	274,635
	159,311	346,518

External investment commitments

As at 30 June 2021, the Group had no external investment commitments (31 December 2020: nil).

Legal proceedings

Legal proceedings are initiated by third parties against the Group as defendant. As at 30 June 2021, the Group had 37 outstanding legal claims amounting to RMB334,022 thousand (31 December 2020: the Group had 25 outstanding legal claims amounting to RMB314,615 thousand). After consulting legal professionals, management of the Group believes that at the current stage these legal proceedings and arbitrations will not have a material impact on the financial position or operation results of the Group.

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36 COLLATERAL

(a) Assets pledged

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Bonds	5,848,853	8,424,400
Discounted bills	4,449,021	6,925,527
Total	10,297,874	15,349,927

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Loans	5,773,844	8,095,531
Bonds	28,685,634	26,378,797
Total	34,459,478	34,474,328

As at 30 June 2021, the Group's repurchase agreements and refinance agreements were primarily due within 12 months from the effective dates of these agreements (31 December 2020:same).

(b) Collateral accepted

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

As at 30 June 2021, the Group has accepted collateral that can be resold or re-pledged with fair value of RMB55,719,301 thousand (31 December 2020: RMB45,660,797 thousand). The Group has no re-pledged collateral which has to be returned upon maturity as at 30 June 2021 (31 December 2020: nil).

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37 OTHER COMPREHENSIVE INCOME

	Before tax amount RMB'000	Income tax RMB'000	Net of tax amount RMB'000
For the six months ended 30 June 2021			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of debt investments measured at FVOCI	(273,931)	68,517	(205,414)
Credit loss provision for financial assets measured at FVOCI	291,591	(72,897)	218,694
<i>Items that will not be reclassified to profit or loss:</i>			
Net losses on valuation of equity securities measured at FVOCI	(164,680)	41,170	(123,510)
Revaluation of retirement benefit plans	3,077	(769)	2,308
Other comprehensive income for the period	(143,943)	36,021	(107,922)
For the six months ended 30 June 2020			
<i>Items that may be reclassified to profit or loss:</i>			
Net gains on valuation of financial assets measured at FVOCI	2,963	(741)	2,222
Credit loss provision for financial assets measured at FVOCI	855	(213)	642
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of retirement benefit plans	(2,380)	595	(1,785)
Other comprehensive income for the period	1,438	(359)	1,079

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38 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Cash and balances with the central bank	4,654,815	6,854,571
Due from banks and other financial institutions	8,593,421	4,292,876
Placements with banks	1,263,321	376,774
	14,511,557	11,524,221

(b) Cash outflows relating to leases

For the six months ended 30 June 2021, total cash outflows paid by the Group as a lessee amounted to RMB22,295 thousand (for the six months ended 30 June 2020: RMB20,729 thousand), of which cash payments for the principal portion and interest portion of the lease liabilities as cash flows from financing activities amounted to RMB18,195 thousand (for the six months ended 30 June 2020: RMB16,035 thousand), and the rest, generated from the rental expenses prepaid for lease exempted from recognition of right-of-use assets and lease liabilities, which resulted from a lease term of 12 months or less or an underlying asset of low value based on the value of the asset when it is new, was included in operating activities.

39 FINANCIAL ASSETS TRANSFER

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

(a) Disposal of loans and advances

For the six months ended 30 June 2021, the Group disposed of loans to the third parties with a gross amount of RMB121,028 thousand and collected a total amount of RMB121,028 thousand. As at 30 June 2021, the remaining balance amounting to RMB56,000 thousand has not been collected yet and will be collected in four years by installment without default. The Group derecognised these loans accordingly.

For the year ended 31 December 2020, the Group disposed of loans to the third parties with a gross amount of RMB113,656 thousand and collected a total amount of RMB106,930 thousand. As at 31 December 2020, the remaining balance amounting to RMB43,000 thousand has not been collected yet and will be collected in two years by installment without default. The Group derecognised these loans accordingly. As at 30 June 2021, the uncollected balance amounted to RMB32,000 thousand without default.

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39 FINANCIAL ASSETS TRANSFER (Continued)

(b) Asset securitisation

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

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

As at 30 June 2021, assets continuously recognised by the Group amounting to RMB229,494 thousand have been securitised by the Group under arrangements in which the Group retained a continuing involvement in such assets in the form of holding subordinated tranches (31 December 2020: RMB229,482 thousand).

As at 30 June 2021, the gross amount and carrying amount of unmatured securitised credit assets was RMB2,340,962 thousand and RMB2,340,962 thousand respectively (31 December 2020: RMB5,203,226 thousand and RMB3,543,475 thousand respectively). Among them, the gross amount of non-performing credit assets was RMB0 (31 December 2020: RMB2,862,264 thousand). The Group derecognised these assets accordingly.

40 RELATED PARTY TRANSACTIONS

(a) Related parties of the Group

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

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40 RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions and balances

	30 June 2021 RMB'000	31 December 2020 RMB'000
Loans and advances to customers	4,994,203	4,929,543
Customer deposits	10,590,794	8,695,324
Due to and placements from banks and other financial institutions	800,064	1,608,478
Due from banks and other financial institutions	2,740	–
Financial assets held under resale agreements	–	618,973
Other receivables	88,803	86,513
Investment securities at amortised cost	500,000	500,000
Investment securities at FVOCI	1,030,000	1,370,000
Bank acceptance bill	311,917	11,777

	30 June 2021	31 December 2020
Loans and advances to customers	3.19%-8.33%	2.05%-7.50%
Customer deposits	0.01%-5.40%	0.05%-4.26%
Due to and placements from banks and other financial institutions	0.39%-3.33%	0.39%-3.33%
Financial assets held under resale agreements	1.70%-2.12%	2.70%-3.00%
Investment securities at amortised cost	6.52%	6.52%
Investment securities at FVOCI	3.30%-5.6%	3.30%-6.3%
Due from banks and other financial institutions	0.35%	–

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Interest income from loans and advances to customers	89,180	63,272
Interest income from investment securities	35,264	33,176
Interest expense for customer deposits	40,104	11,329
Fee and commission income	2,491	89
Interest income from financial assets held under resale agreements	199	474

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40 RELATED PARTY TRANSACTIONS (Continued)

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

	30 June 2021 RMB'000	31 December 2020 RMB'000
Chongqing Xingnong Financing Guarantee Co., Ltd.	737,744	381,108
Chongqing Sanxia Financing Guarantee Group Corporation	464,971	316,320
Chongqing Education Guarantee Co., Ltd.	42,944	42,994
Chongqing Yutai Guarantee Co., Ltd.	28,440	31,440
Chongqing Small & Micro Business Financing Guarantee Co., Ltd.	–	24,340
Chongqing Jiaotong Financing Guarantee Co., Ltd.	223,575	374,869
Chongqing Financing Re-guarantee Co., Ltd.	N/A	121,627
	1,497,674	1,292,698

(d) Transactions between the Bank and its subsidiaries

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

The prices of the transactions are determined on the basis of SHIBOR.

Transactions and balances are as follows:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Due to and placements from banks and other financial institutions	959,897	392,311
Investment securities at FVOCI	300,195	–

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Interest income	204	2,587
Interest expense	4,777	2,409
Fee and commission income	–	29

40 RELATED PARTY TRANSACTIONS (Continued)

(e) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and senior management. The Group enters into banking transactions with key management personnel in the normal course of business. For the six months ended 30 June 2021, there was no material transaction and balance with key management personnel on an individual basis (for the six months ended 30 June 2020: same).

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

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

41 SEGMENT ANALYSIS

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

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

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

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

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

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41 SEGMENT ANALYSIS (Continued)

	For the six months ended 30 June 2021				
	Corporate banking RMB'000	Retail banking RMB'000	Treasury RMB'000	Unallocated RMB'000	Total RMB'000
Net Interest income from external customers	3,189,637	282,228	2,123,750	–	5,595,615
Inter-segment net interest income/(expense)	948,673	1,225,007	(2,173,680)	–	–
Net interest income	4,138,310	1,507,235	(49,930)	–	5,595,615
Net fee and commission income	77,986	15,972	334,568	–	428,526
Net trading gains/(losses)	(10,840)	–	313,930	–	303,090
Net gains on investment securities	–	–	755,739	–	755,739
Share of profits of associates	–	–	108,589	–	108,589
Other operating income	21,976	544	–	64,320	86,840
Asset impairment losses	(2,023,233)	(223,811)	(35,923)	(2,301)	(2,285,268)
Operating expenses	(793,455)	(540,434)	(186,457)	(11,475)	(1,531,821)
– Depreciation and amortisation	(116,199)	(44,811)	(7,985)	–	(168,995)
– Others	(677,256)	(495,623)	(178,472)	(11,475)	(1,362,826)
Profit before income tax	1,410,744	759,506	1,240,516	50,544	3,461,310
	30 June 2021				
Capital expenditure	42,432	16,994	63,997	766	124,189
Segment assets	207,238,461	83,001,802	312,570,677	3,742,001	606,552,941
Segment liabilities	(239,510,157)	(136,326,747)	(183,709,160)	(1,077)	(559,547,141)

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41 SEGMENT ANALYSIS (Continued)

	For the six months ended 30 June 2020				
	Corporate banking RMB'000	Retail banking RMB'000	Treasury RMB'000	Unallocated RMB'000	Total RMB'000
Net Interest income from external customers	2,741,422	576,418	2,018,325	–	5,336,165
Inter-segment net interest income/(expense)	779,718	970,643	(1,750,361)	–	–
Net interest income/(expense)	3,521,140	1,547,061	267,964	–	5,336,165
Net fee and commission income	55,615	6,086	460,493	–	522,194
Net trading gains	88,878	–	(42,889)	–	45,989
Net gains on investment securities	–	–	593,054	–	593,054
Share of profits of associates	–	–	29,839	–	29,839
Other operating income	–	593	–	13,317	13,910
Asset impairment losses	(1,295,620)	(688,559)	(3,097)	(2,885)	(1,990,161)
Operating expenses	(619,370)	(437,413)	(162,795)	(22,932)	(1,242,510)
– Depreciation and amortisation	(74,275)	(52,455)	(19,523)	(2,750)	(149,003)
– Others	(545,095)	(384,958)	(143,272)	(20,182)	(1,093,507)
Profit before income tax	1,750,643	427,768	1,142,569	(12,500)	3,308,480
	30 June 2020				
Capital expenditure	46,720	20,567	59,236	701	127,224
Segment assets	195,448,891	86,036,861	247,803,542	2,932,421	532,221,715
Segment liabilities	(204,474,160)	(113,543,151)	(173,734,570)	(833)	(491,752,714)

42 FIDUCIARY ACTIVITIES

The Group acts in fiduciary activities as a manager, a custodian or an agent for customers. As the Group does not assume the risk and rewards of the entrusted loans and the corresponding entrusted funds, the entrusted loans and funds are not recorded on the statement of financial position.

As at 30 June 2021, the Group's entrusted loans amounted to RMB7,213,909 thousand (31 December 2020: RMB8,190,410 thousand).

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43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

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

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

	30 June 2021				
	Carrying Amount RMB'000	Fair Value			
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets					
Investment securities					
– Amortised cost	121,429,543	–	55,008,053	68,031,081	123,039,134
Financial liabilities					
Debt securities issued	123,238,692	–	123,443,772	–	123,443,772

	31 December 2020				
	Carrying Amount RMB'000	Fair Value			
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets					
Investment securities					
– Amortised cost	113,700,026	–	41,741,818	72,144,202	113,886,020
Financial liabilities					
Debt securities issued	101,040,342	–	101,440,380	–	101,440,380

Investment securities

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

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

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

Debt securities issued

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

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

(b) Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable. Observable inputs reflect market data obtained from independent sources; and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments traded in the interbank market. The sources of input parameters like bond yield curve or counterparty credit risk are China Bond and Bloomberg.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and structured financial instruments.

The Group uses valuation techniques to determine the fair value of financial instruments when unable to obtain the open market quotation in active markets.

The main parameters used in valuation techniques for financial instruments held by the Group include bond prices, interest rates, foreign exchange rates, equity and stock prices, volatilities, correlations, early repayment rates, counterparty credit spreads and others, which are all observable and obtainable from open market.

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43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

For asset-backed securities and unlisted equity (private equity) securities held by the Group, the fair value of these financial instruments may be based on unobservable inputs which may have significant impact on the valuation of these financial instruments. Instruments which have been valued using unobservable inputs have been classified by the Group as level 3. Management determines the fair value of the Group's level 3 financial instruments using a variety of techniques, including examining correlations of these fair values with macro-economic factors, engaging external values, and using valuation models that incorporate unobservable inputs such as loss coverage ratios.

Assets and liabilities measured at fair value

30 June 2021	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Loans and advances to customers				
– Discounted bills	–	16,643,455	–	16,643,455
Financial assets at FVPL				
– Debt securities	–	1,425,461	–	1,425,461
– Fund investments	2,026,753	–	–	2,026,753
– Trust investments	–	–	5,654,820	5,654,820
– Wealth management products purchased from financial institutions	–	–	1,213,686	1,213,686
– Asset management plans	–	–	9,910,044	9,910,044
– Equity investments at fair value	706,630	–	104,151	810,781
– Derivative financial assets	–	11,918	–	11,918
	2,733,383	1,437,379	16,882,701	21,053,463
Investment securities at FVOCI				
– Debt securities	–	53,662,187	–	53,662,187
– Equity investments	–	–	112,320	112,320
	–	53,662,187	112,320	53,774,507
Total	2,733,383	71,743,021	16,995,021	91,471,425

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43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

Assets and liabilities measured at fair value (Continued)

31 December 2020	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Loans and advances to customers				
– Discounted bills	–	20,032,920	–	20,032,920
Financial assets at FVPL				
– Debt securities	–	1,490,543	–	1,490,543
– Fund investments	5,904,445	–	–	5,904,445
– Trust investments	–	–	5,178,637	5,178,637
– Wealth management products purchased from financial institutions	–	–	7,800,943	7,800,943
– Asset management plans	–	–	10,297,886	10,297,886
– Equity investments at fair value	425,373	–	106,383	531,756
– Derivative financial assets	–	4,543	–	4,543
	6,329,818	1,495,086	23,383,849	31,208,753
Financial investments at FVOCI				
– Debt securities	–	45,604,180	–	45,604,180
– Equity investments	–	–	277,000	277,000
	–	45,604,180	277,000	45,881,180
Total	6,329,818	67,132,186	23,660,849	97,122,853

The Group takes the date of the event that causes the transfers between hierarchies as the timing of recognising the transfers between hierarchies. There were no significant transfers within the fair value hierarchy of the Group for the six months ended 30 June 2021 and 2020.

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

Specific valuation techniques used to value financial instruments include:

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

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43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

Changes in level 3 financial assets are analysed below:

	Financial assets at FVPL RMB'000	Financial assets at FVOCI RMB'000
Balance at 31 December 2020	23,383,849	277,000
Total gains or losses		
– Current profits or losses	864,661	–
– Other comprehensive income	–	(164,680)
Purchase	2,476,046	–
Sale and Settlement	(9,841,855)	–
Balance at 30 June 2021	16,882,701	112,320
Total unrealised gains for the period included in profit or loss for financial assets held as at 30 June 2021	128,680	–
	Financial assets at FVPL RMB'000	Financial assets at FVOCI RMB'000
Balance at 31 December 2019	25,198,130	277,000
Total gains or losses		
– Current profits and losses	(120,664)	–
– Other comprehensive income	–	–
Purchase	7,700,000	–
Settlement	(9,393,617)	–
Balance at 31 December 2020	23,383,849	277,000
Total unrealised gains for the year included in profit or loss for financial assets held as at 31 December 2020	189,462	–

44 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks, primarily including credit risk, market risk (including foreign exchange risk and interest rate risk), and liquidity risk. Those activities involve analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Managing risks is core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risks and returns and minimise potential adverse effects on the Group's financial performance.

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

The Board of Directors is the highest authority for the Group's overall risk management. It examines and approves strategy and measures for risk management and monitors risk management and internal control system. It assesses overall risk based on monitoring information and the risk report of senior management. The risk management committee of the Bank is in charge of the Group's overall risk management structure, policies and tools, and monitors the risk management, including the preparation and implementation of risk management policies and procedures, and written policies covering specific areas, such as credit risk, interest rate risk, liquidity risk and foreign exchange risk. The assets and liabilities management department of the Bank is primarily in charge of managing the Group's liquidity risk and the banking book's interest rate risk.

44.1 Credit risk

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

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

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(1) Credit risk management

(a) Credit business

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

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

Pass: The borrower can fulfil the contracts, and there is insufficient reason to suspect that the principal and interest of loans cannot be repaid in full on time.

Special mention: The borrower has the ability to make current payments, but there may be some potential issues that could have adverse impact on the future payments.

Substandard: The borrower's repayment ability has been impaired and their normal income cannot repay the loan principal and interest in full. Even with execution of guarantee, there may be certain level of loss.

Doubtful: The borrower cannot repay the principal plus the interest in full. Even with the execution of guarantee, there will be a significant loss.

Loss: After taking into consideration all possible recovery actions or all necessary legal proceedings, the future outcome of recovery is likely to be little or no recovery.

Risk management department coordinates the classification of loans. The classification of loans is performed monthly and adjusted timely. Risk management department summarises the reclassification information justified by asset preservation department, internet finance department and personal banking department, etc. monthly and reports to risk management and internal control committee for approval. The classification of loans is monitored through credit risk management system.

(b) Treasury business

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

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(2) *Risk limit control and mitigation policies*

(a) *Credit business*

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

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

The Group takes actions to strengthen controls over credit risk in relation to group customers and related party customers. The Group places limits to the concentration of group customers to control credit risk. The committee of related party transactions is set up under the Board to manage controls over related party transactions.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is accepting collateral, which is a common practice.

Except for a few customers with excellent quality, the Group requires the borrowers to provide collateral for loans. The type of collateral mainly includes mortgage, pledge and guarantee. The Group employs property appraisal companies with certificates to evaluate the collateral. The detailed collateral type and amount are determined by credit risk of counterparty or customers. Please refer to Note 44.1(5)(c) for specific guidelines on collateral and guarantees.

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(2) Risk limit control and mitigation policies (Continued)

(b) Treasury business

Financial inter-bank division centralises control over the treasury business with hierarchical authorisation from department heads to the President for different business types such as subscription, distribution, buying, selling and repurchase of bonds.

The Group invests in bonds with hierarchical authorisation under the guidelines of asset and liability management committee. The Group sets stop-loss point accordingly for different maturity periods and evaluates risk and loss of trading bonds. The Group places limits for interbank borrowing and lending. The Group manages the credit risk exposures of interbank borrowing and lending strictly within the limit of regulation and credit authorisation.

For bonds, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments, par value of single bond purchase, and selling price. RMB bond investments require a rating of AA- or above. Among foreign currency bonds investment, financial institution bonds refer to those issued by a financial institution with an external credit rating of BBB or above (by Standard & Poor's, Moody's or equivalent agencies).

The bond traders regularly review and monitor the changes of market interest and report the market value of bonds to the financial market department and the asset and liability management department, and conduct risk prevention measures based on guidance. If there is any violation of interest rate in the market or any significant credit risk encountered to debtors, the business department responsible for bond investments will ask for holding extraordinary asset and liability management meetings to conclude an emergency plan. The bond traders will react according to the plan.

The Group invests in trust schemes and asset management plans which are mainly guaranteed by third party banks or guarantee companies, or secured by collateral. The Group sets credit risk limit to the counterparty banks and third party companies to mitigate the risk associated therewith.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(3) Credit risk assessment

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD").

In order to assess the exposure of corporate client risk, the Group uses internal credit risk gradings to reflect its assessment of the PD of individual counterparties, while using various internal rating models to various categories of counterparty. Borrower and loan specific information collected at the time of application (such as key financial ratios, turnover and industry type of corporate borrowers) is fed into this rating model. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model. The rating is determined at the borrower level. A relationship manager will incorporate any updated or new information/credit assessments into the credit system on an ongoing basis. In addition, the relationship manager will also update information about the creditworthiness of the borrower every year from sources such as public financial statements. This will determine the updated internal credit rating and PD.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between A and A- rating grade is lower than the difference in the PD between BB and B rating grade.

For bond investments and interbank businesses, the Group uses external credit risk gradings to reflect its PD of individual counterparties, which is the prediction base of future PD. External rating agency credit grades are used. These published grades are continuously monitored and updated. The PD associated with each grade is determined based on realised default rates over the prior 12 months, as published by the rating agency.

In order to assess the exposure of individual client risk, the Group uses historical data to estimate the historical default data, which is the prediction base of the future PD, under various overdue periods and aging. After the date of initial recognition, the payment behaviour of the borrower, such as previous delinquency history, is monitored on a periodic basis. This score is mapped to a PD.

The internal rating system of the Group includes 15 non-default grades (AAA+ to C) and 1 default grade (D). The main scale table matches the PD of a specific range for each rating category and stays stable for a certain period of time. The Group conducts annual verification and recalibration of the rating method to enable it to reflect all actual observable default situations.

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement

IFRS 9 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in “Stage 1” and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk (“SICR”) since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. Please refer to note 44.1(4)(a) for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”. Please refer to Note 44.1(4)(b) for a description of how the Group determines when a significant increase in credit risk has occurred.
- The method of provision for impairment allowance at different stages is as follows: Financial instruments in Stage 1 have their ECL allowance measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL allowance measured based on expected credit losses on a lifetime basis. Please refer to Note 44.1(4)(c) for a decryption of inputs, assumptions and estimation techniques used in measuring the ECL allowance.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that forward-looking information should be considered. Note 44.1(4)(d) includes an explanation of how the Group has incorporated this in its ECL models.
- POCI financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

(a) Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:

The remaining Lifetime PD at the reporting date of corporate loans and investment securities assessed by internal gradings has increased by over 100%, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised, and the default rate is greater than 2%.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) *Expected credit loss measurement (Continued)*

(a) *Significant increase in credit risk (SICR) (Continued)*

Quantitative criteria: (Continued)

To illustrate the application of these thresholds, an enterprise loan which at initial recognition had a Lifetime PD of 1.31% is taken as an example. If at the current reporting date the Lifetime PD is actually 2.74% and this exceeds the expected PD by more than the threshold stated above, then a SICR has occurred.

Based on the assessment of how the PD changes over the lifetime of the instrument before default, the Group has determined the corresponding thresholds for corporate loans and investments assessed by internal gradings.

The financial instrument is considered to have experienced a SICR if it is more than 30 days past due on its contractual payments.

Qualitative criteria:

- 1) Borrower of loan-related financial instrument on the Watchlist (the Watchlist is used to monitor and assess credit risk at the counterparty level, and risk assessment is conducted regularly);
- 2) The instrument is classified between Special-mention I to Special-mention III; or
- 3) The credit card is overdue or classified as concerned debt status under internal management.

(b) *Definition of default and credit-impaired assets*

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The financial instrument is more than 90 days past due on its contractual payments.

Qualitative criteria:

- 1) Borrower of loan-related financial instrument on the Monitoring list (the Monitoring list is used to monitor and assess credit risk at the counterparty level, and risk assessment is conducted regularly);
- 2) The instrument is classified between Substandard I to Loss; or
- 3) Credit card is classified as outsourced collection or sued and interest accrual stopped status under internal management.

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(b) Definition of default and credit-impaired assets (Continued)

Qualitative criteria: (Continued)

When the following circumstances occur, the borrower meets the criteria of “unlikeliness to pay”, indicating that the borrower is in significant financial difficulty.

- The borrower is in long-term forbearance;
- The borrower has passed away;
- The borrower is insolvent;
- The borrower is in breach of financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower’s financial difficulty;
- It is becoming probable that the borrower will enter bankruptcy;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group’s expected loss calculation.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), as defined below:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For the definition of default, refer to Note 44.1(4)(b).
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by availability of collateral and other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(c) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

The 12M and Lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For instalment repayment and bullet payment loans, this is based on the contractual repayments owed by the borrower over a 12M or lifetime basis.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default.

The 12M and Lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product types. For secured products, this is primarily based on collateral types.

Forward-looking economic information is also included in determining the 12M and Lifetime PDs, EADs, and LGDs. These assumptions vary by product types. Refer to Note 44.1(4)(d) for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs and how collateral value change, etc., are monitored and reviewed regularly.

Except for forward-looking information, there have been no significant changes in estimation techniques or significant assumptions made for the six months ended 30 June 2021 (for the year ended 31 December 2020: nil).

44 FINANCIAL RISK MANAGEMENT (Continued)**44.1 Credit risk (Continued)***(4) Expected credit loss measurement (Continued)**(d) Forward-looking information incorporated in the ECL models*

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting changes in credit risk and expected credit losses for each portfolio. The key economic variables include the accumulated year-on-year growth rate of gross domestic product ("GDP"), the accumulated year-on-year growth rate of consumer price index ("CPI"), etc. The Group evaluates and forecasts these economic indicators at least annually, and regularly checks the evaluation results. When considering forward-looking information, the Group comprehensively considers internal and external data, expert forecasting, and statistical analysis to determine the relationship between these economic indicators and PD, LGD, and EAD. On the basis of fully considering the impact of COVID-19 on the future macroeconomics, the input value of the model has been smoothly adjusted.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instruments. Expert judgment and external data have also been applied in this process. Forecasts of these economic variables (the "base/central economic scenario") are provided by the Group and provide the best estimate view of the economy over the next three years and in each scenario. After three years, to project the economic variables out for the full remaining lifetime of each instrument, the Group considers that economic variables tend to either a long run average rate or a long run average growth rate over a period of years. The impact of these economic variables on the PD has been determined by performing Merton-type model and statistical regression analysis to understand the impact changes in these variables that have had historically on default rates and on the PD.

The Group also provides other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. Among them, the central scenario is defined as one most likely to happen in the future, and serves as the basis for comparison with other scenarios. Upside and downside are two scenarios that are better or worse and more likely to happen than the central scenario. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes that each chosen scenario is representative of. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12M or Lifetime ECLs should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12M ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As at 30 June 2020, the weights assigned to various economic scenarios were: "central" 70%, "upside" 10%, and "downside" 20% (31 December 2020: same).

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(d) Forward-looking information incorporated in the ECL models (Continued)

The ECL calculated for the above three scenarios and the weighted average ECL of the Group are as follows:

	30 June 2021		
	Loans and advances to corporate entities RMB'000	Retail loans RMB'000	Investment securities RMB'000
Weighted average	8,091,415	2,157,015	1,644,829
Central	7,945,787	1,771,841	1,698,414
Upside	7,206,677	1,449,077	1,025,312
Downside	9,043,479	3,859,095	1,767,037

	31 December 2020		
	Loans and advances to corporate entities RMB'000	Retail loans RMB'000	Investment securities RMB'000
Weighted average	8,820,311	2,146,896	1,504,326
Central	8,687,648	1,775,027	1,421,288
Upside	7,988,461	1,429,771	1,063,119
Downside	9,700,558	3,806,999	2,015,563

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

As with any economic forecasts, the projections and likelihood of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and the chosen scenarios are appropriately representative of the range of possible scenarios.

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) Expected credit loss measurement (Continued)

(d) Forward-looking information incorporated in the ECL models (Continued)

The following table illustrates the change of ECL and provisions in the consolidated statement of financial position, in the case that all the financial assets and credit related commitments and financial guarantee in Stage 2 are transferred to Stage 1:

	30 June 2021 RMB'000
Gross amount of ECL and provisions assuming all the financial assets and credit related commitments and financial guarantee in Stage 2 are transferred to Stage 1	2,461,019
Gross amount of ECL and provisions in the consolidated statement of financial position	2,693,055
Difference – amount	(232,036)
Difference – percentage	-9%
	31 December 2020 RMB'000
Gross amount of ECL and provisions assuming all the financial assets and credit related commitments and financial guarantee in Stage 2 are transferred to Stage 1	3,151,153
Gross amount of ECL and provisions in the consolidated statement of financial position	3,986,686
Difference – amount	(835,533)
Difference – percentage	-21%

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure

(a) Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	30 June 2021 Carrying amount RMB'000	31 December 2020 Carrying amount RMB'000
On-balance-sheet items		
Balances with the central bank (Stage 1)	33,797,035	34,656,253
Due from and placements with banks and other financial institutions	64,680,504	52,659,497
Stage 1	64,610,616	52,568,049
Stage 3	49,750	49,750
Accrued interest	20,138	41,698
Loans and advances to customers		
– Carried at amortised cost	283,223,886	252,226,428
Stage 1	263,170,720	232,835,680
Stage 2	14,694,567	14,901,761
Stage 3	3,366,377	2,482,508
Accrued interest	1,992,222	2,006,479
– FVOCI	16,643,455	20,032,920
Stage 1	16,643,455	20,032,718
Stage 2	–	202
Investment securities – amortised cost	121,429,543	113,700,026
Stage 1	118,079,428	109,391,050
Stage 2	248,598	1,156,129
Stage 3	569,553	673,771
Accrued interest	2,531,964	2,479,076
Investment securities – FVOCI	53,662,187	45,604,166
Stage 1	53,431,416	45,604,166
Stage 3	230,771	–
Other receivables	456,513	461,168
Stage 1	215,130	169,094
Stage 2	220,771	242,951
Stage 3	20,612	49,123
On-balance-sheet total	573,893,123	519,340,458
Off-balance-sheet total	52,572,275	44,751,215
Total	626,465,398	564,091,673

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For the six months ended 30 June 2021

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The Group internally ranks the asset risk characteristics based on the quality of the assets. The credit grade of the financial assets used in the expected credit loss is classified as “low risk”, “medium risk” and “high risk” according to internal rating. It is used by the Group for internal credit risk management purposes. “Low risk” means that the assets are of good quality, of which the possibility of future default is low, and it is less affected by external unfavorable factors; “medium risk” refers to the assets with certain solvency, but persistent major instability and poor commercial, financial or economic conditions may reduce its solvency; “high risk” refers to the assets with high risk of default or those meet the definition of default by the Group, and there exist unfavorable factors that have a greater impact on solvency.

The following tables illustrates the maximum credit risk exposure of loans and advances to customers classified by credit grade:

	ECL Stage			
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
30 June 2021				
Credit Rating				
Low Risk	218,427,148	–	–	218,427,148
Medium Risk	48,440,791	13,754,418	–	62,195,209
High Risk	–	3,626,719	7,231,018	10,857,737
Gross principal balance	266,867,939	17,381,137	7,231,018	291,480,094
Impairment allowance	(3,697,219)	(2,686,570)	(3,864,641)	(10,248,430)
Total	263,170,720	14,694,567	3,366,377	281,231,664

	ECL Stage			
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
31 December 2020				
Credit Rating				
Low Risk	165,880,096	133,592	–	166,013,688
Medium Risk	70,292,784	13,765,608	–	84,058,392
High Risk	–	4,945,242	6,169,834	11,115,076
Gross principal balance	236,172,880	18,844,442	6,169,834	261,187,156
Impairment allowance	(3,337,200)	(3,942,681)	(3,687,326)	(10,967,207)
Total	232,835,680	14,901,761	2,482,508	250,219,949

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For the six months ended 30 June 2021

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The following tables illustrates the maximum credit risk exposure of financial investments – amortised cost classified by credit grade:

	ECL Stage			
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
30 June 2021				
Credit Rating				
Low Risk	101,773,301	–	–	101,773,301
Medium Risk	17,132,214	255,000	–	17,387,214
High Risk	–	–	913,949	913,949
Gross principal balance	118,905,515	255,000	913,949	120,074,464
Impairment allowance	(826,087)	(6,402)	(344,396)	(1,176,885)
Total	118,079,428	248,598	569,553	118,897,579

	ECL Stage			
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	Total RMB'000
31 December 2020				
Credit Rating				
Low Risk	92,431,369	–	–	92,431,369
Medium Risk	17,807,000	1,200,000	–	19,007,000
High Risk	–	–	1,109,083	1,109,083
Gross principal balance	110,238,369	1,200,000	1,109,083	112,547,452
Impairment allowance	(847,319)	(43,871)	(435,312)	(1,326,502)
Total	109,391,050	1,156,129	673,771	111,220,950

44 FINANCIAL RISK MANAGEMENT (Continued)**44.1 Credit risk (Continued)***(5) Credit risk exposure (Continued)**(b) Maximum exposure to credit risk – Financial instruments not subject to impairment*

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVPL):

	Maximum exposure to credit risk	
	30 June 2021	31 December 2020
	RMB'000	RMB'000
Financial assets at FVPL		
Bond investments	1,425,461	1,490,543
Trust investments	5,654,820	5,178,637
Asset management plans	9,910,044	10,297,886
Wealth management products purchased from financial institutions	1,213,686	7,800,943
Fund investments	2,026,753	5,904,445
Total	20,230,764	30,672,454

(c) Collateral and other credit enhancements

The Group has a range of policies and practices intended to mitigate credit risk. The most useful practice is to accept collateral. The Group implements guidelines on the acceptability of specific classes of collateral. The principal types of collateral for loans are:

- Residential properties;
- Business assets such as premises, inventories and accounts receivable;
- Financial instruments such as stocks.

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For the six months ended 30 June 2021

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(c) Collateral and other credit enhancements (Continued)

The value of collateral at the time of loan origination is determined by risk assessment department and the amount of the loans granted is subject to loan-to-value ratio limits based on collateral types. The principal types of collateral for corporate loans and individual loans are as follows:

Type of collateral	Maximum loan-to-value ratio
Bank note and bank acceptance bill	90%
Warehouse receipt and accounts receivable	70%
Construction in progress	50%
Publicly traded stocks	60%
Property	70%
Land use rights	70%
Motor vehicles	40%

Mortgage loans to retail customers are generally collateralised by residential properties. Other loans are collateralised dependent on the nature of the loan.

For loans guaranteed by a third-party guarantor, the Group will assess the guarantor's financial condition, credit history and ability to meet obligations.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Bonds, treasury and other eligible bills are generally unsecured, with the exception of certain asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Collateral is also held as part of reverse repurchase agreements. Details of collateral accepted and which the Group is obligated to return are disclosed in Note 36.

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For the six months ended 30 June 2021

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(c) Collateral and other credit enhancements (Continued)

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
30 June 2021	RMB'000	RMB'000	RMB'000	RMB'000
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	6,016,907	(3,311,566)	2,705,341	3,135,069
– Retail loans	1,214,111	(553,075)	661,036	745,559
Investment securities measured at amortised cost	913,949	(344,396)	569,553	569,553
Investment securities measured at FVOCI	500,000	(225,000)	230,771	230,771
Gross amount of credit-impaired assets	8,644,967	(4,434,037)	4,166,701	4,680,952
31 December 2020	RMB'000	RMB'000	RMB'000	RMB'000
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	5,205,827	(3,035,014)	2,170,813	976,150
– Retail loans	964,007	(652,312)	311,695	231,095
Investment securities measured at amortised cost	1,109,083	(435,312)	673,771	673,771
Gross amount of credit-impaired assets	7,278,917	(4,122,638)	3,156,279	1,881,016

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For the six months ended 30 June 2021

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(6) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12M and Lifetime ECL;
- Additional allowances for new financial instruments recognised for the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs for the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Loans and advances to customers derecognised for the period and write-offs of allowances related to loans and advances to customers that were written off during the period.

The impact of the above factors on the loss allowance for loans and advances to customers made from the beginning to the end of this period is set out in Note 18(b). The impact of the above factors on the investment securities measured at FVOCI made from the beginning to the end of this period is set out in Note 19. The impact of the above factors on the investment securities measured at amortised cost made from the beginning to the end of this period is set out in Note 19.

(7) Write-off policy

In the case of meeting the provisions of the relevant documents issued by the Ministry of Finance for the write-off of bad debts, the Group writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that show no reasonable expectation of recovery include (i) collection or enforcement activity has been in place for a necessary period and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is not expected to recover the principal and interest in full.

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amount of such assets written off for the six months ended 30 June 2021 was RMB2,200,963 thousand (for the year ended 31 December 2020: RMB2,156,615 thousand).

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For the six months ended 30 June 2021

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(8) Investment securities

Bonds invested by the Group are rated by Zhongchengxin International Credit Rating Co. Ltd., China Lianhe Credit Rating Co., Ltd., Shanghai Far East Credit Rating Co., Ltd., Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., Pengyuan Credit Rating Co., Ltd. and Golden Credit Rating International Co., Ltd..

	Financial assets at FVPL RMB'000	Investment securities at FVOCI RMB'000	Investment securities at amortised cost RMB'000	Total RMB'000
30 June 2021				
Medium and long-term bonds:				
AAA	822,088	6,317,904	149,789	7,289,781
AA- to AA+	–	22,911,539	–	22,911,539
A+ and below	–	–	–	–
Unrated ⁽ⁱ⁾ :	19,408,676	22,912,550	118,747,790	161,069,016
Accrued interest	–	1,520,194	2,531,964	4,052,158
	20,230,764	53,662,187	121,429,543	195,322,494
	Financial assets at FVPL RMB'000	Investment securities at FVOCI RMB'000	Investment securities at amortised cost RMB'000	Total RMB'000
31 December 2020				
Medium and long-term bonds:				
AAA	613,345	6,174,056	149,813	6,937,214
AA- to AA+	227,752	19,267,317	–	19,495,069
A+ and below	49,348	–	–	49,348
Unrated ⁽ⁱ⁾ :	29,782,009	19,199,695	111,071,137	160,052,841
Accrued interest	–	963,098	2,479,076	3,442,174
	30,672,454	45,604,166	113,700,026	189,976,646

Notes to the Unaudited Interim Condensed Consolidated Financial Information

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44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(8) Investment securities (Continued)

- (i) These mainly represent debt securities at FVPL, debt securities at FVOCI and debt securities at amortised cost issued by the Ministry of Finance, the central bank, policy banks and other overseas financial institutions who are creditworthy issuers in the market, but are not rated by independent rating agencies. In addition, debt securities at FVPL and debt securities at amortised cost mainly include non-principal-guaranteed wealth management products issued by other banks, and the beneficiary rights of trust schemes and asset management plans, whose principal and income are guaranteed or collateralised. As at 30 June 2021, the impairment allowance for debt securities at FVOCI amounted to RMB467,944 thousand and the impairment allowance for debt securities at amortised cost amounted to RMB1,176,885 thousand (31 December 2020: RMB177,824 thousand and RMB1,326,502 thousand).

Trust investments/asset management plans classified by underlying assets are summarised as follows:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Financial assets at FVPL		
– Credit assets	15,564,864	15,476,523
Financial investments at amortised cost		
– Credit assets	13,235,734	15,216,883
– Bond assets	40,165,000	42,495,000
	53,400,734	57,711,883

Notes to the Unaudited Interim Condensed Consolidated Financial Information

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45 OPERATING LEASE PAYMENTS TO BE RECEIVED SUBSEQUENT TO THE BALANCE SHEET DATE

As a lessor, the undiscounted cash flow of lease payments to be received subsequent to the reporting date is summarised as below:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Within 1 year	40,119	38,163
1 year to 2 years	26,060	20,400
2 years to 3 years	25,404	20,400
3 years to 4 years	16,375	17,350
4 years to 5 years	10,358	7,300
Over 5 years	3,869	–
	122,185	103,613

46 SUBSEQUENT EVENTS

Up to the date of this report, the Group has no material events for disclosure after the reporting date.

47 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to confirm with the presentation and disclosures in the current period.

Unaudited Supplementary Financial Information

11.3.1 Cross-border Claims

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

Cross-border claims include amounts due from other banks and other financial institutions.

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

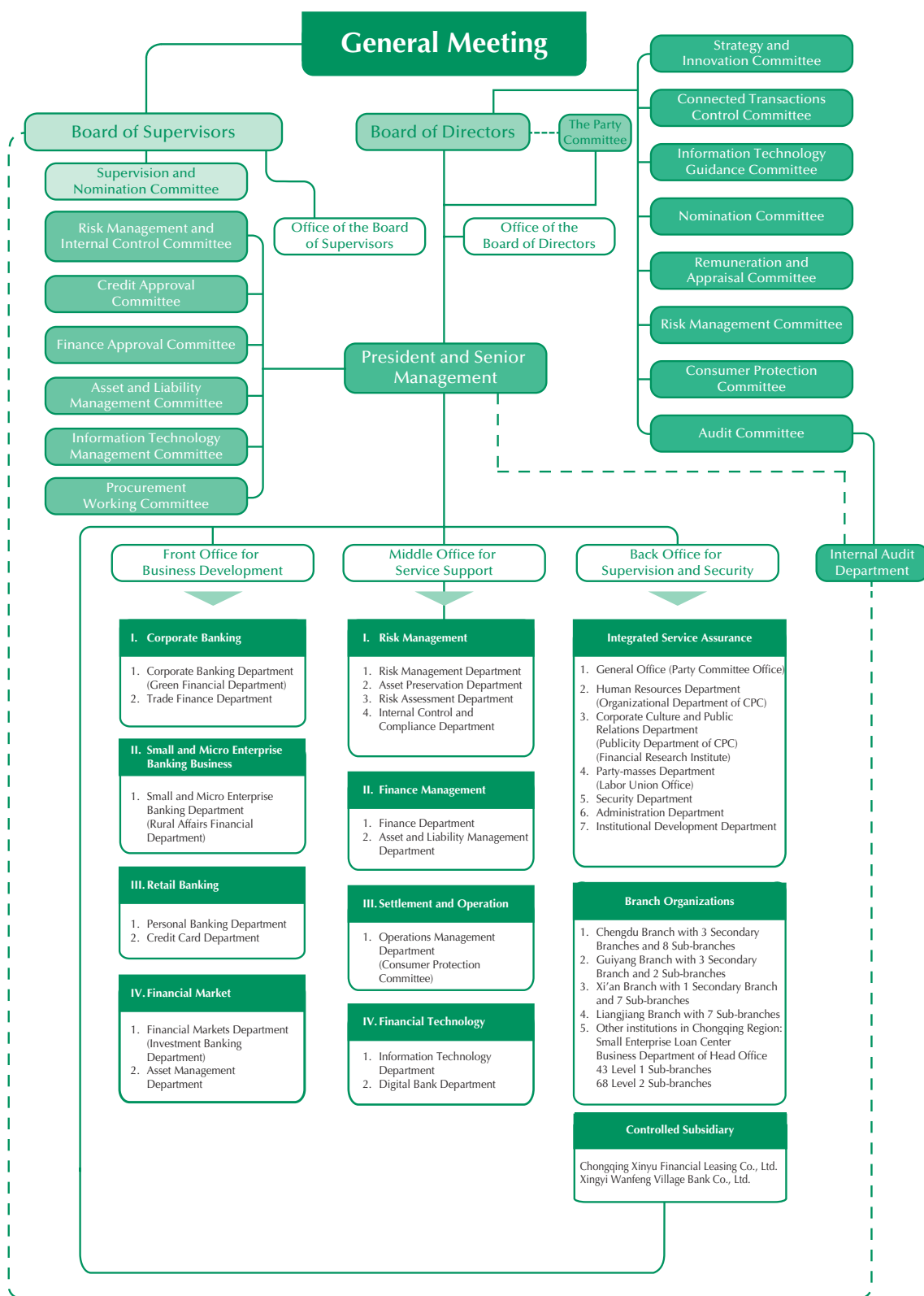
(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2021	As at December 31, 2020
Asia Pacific excluding Mainland China	850,200	33,067
– of which attributed to Hong Kong	834,421	20,863
Europe	1,965	8,523
North America	1,019,615	526,535
Oceania	–	–
Total	2,706,201	568,125

11.3.2 Currency Concentrations

(All amounts expressed in thousands of RMB unless otherwise stated)	US Dollar	Equivalent in RMB		Total
		HK Dollar	Others	
As at June 30, 2021				
Spot assets	13,130,693	508,488	1,012,684	14,651,865
Spot liabilities	12,607,753	508,500	1,013,036	14,129,288
Net long/(short) position	522,940	(11)	(351)	522,577

(All amounts expressed in thousands of RMB unless otherwise stated)	US Dollar	Equivalent in RMB		Total
		HK Dollar	Others	
As at December 31, 2020				
Spot assets	9,815,041	3,524	71,725	9,890,290
Spot liabilities	9,361,169	3,541	72,782	9,437,492
Net long/(short) position	453,871	(17)	(1,058)	452,796

Organizational Chart



List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
1	Business Department of Bank of Chongqing Co., Ltd.	Lot A04-1/03, Outline Zoning A, Jiangbeicheng, Jiangbei District, Chongqing	400020
2	Small Enterprise Loan Centre of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	401147
3	Liangjiang Branch of Bank of Chongqing Co., Ltd.	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	401121
4	Chengdu Branch of Bank of Chongqing Co., Ltd.	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu, Sichuan	610059
5	Guiyang Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F, Building II, Shengshi Huating, No. 51 Jiefang Road, Nanming District, Guiyang, Guizhou	550002
6	Xi'an Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F, Building 2, Yinhe Xinzubiao Building, No. 25 Tangyan Road, Xi'an, Shaanxi	710075
7	Guang'an Secondary Branch of Bank of Chongqing Co., Ltd.	1/F and 15/F, Guang'an Power Administration, Building, No. 9 Siyuan Avenue, Guang'an District, Guang'an, Sichuan	638000
8	Leshan Secondary Branch of Bank of Chongqing Co., Ltd.	(Even No.) No. 438-454 Baiyang Middle Road and (Even No.) No. 206-214 Jiaxing Road, Central District, Leshan, Sichuan	614001
9	Bijie Secondary Branch of Bank of Chongqing Co., Ltd.	1-4/F, Block 5, Qizhong Aolai International Plaza, Qixingguan District, Bijie, Guizhou	551700
10	Yan'an Secondary Branch of Bank of Chongqing Co., Ltd.	1st and 4th floors, Building A, Yan'an Mintou Financial Town, southwest corner of Zichang Road & Xuanyuan Avenue, New District, Baota District, Yan'an, Shaanxi	716000
11	Liupanshui Secondary Branch of Bank of Chongqing Co., Ltd.	1st to 3rd Floor, Longcheng Plaza, No. 81 Zhongshan Middle Road, Zhongshan District, Liupanshui, Guizhou	553000
12	Zunyi Secondary Branch of Bank of Chongqing Co., Ltd.	No. 1-1 Building 1, Jinxucheng Shangcheng Community, Nanjing Road, Huichuan District, Zunyi, Guizhou	563000
13	Luzhou Secondary Branch of Bank of Chongqing Co., Ltd.	No. 1001 and 1002, 10/F, No. 12-5, Building 1, No. 12, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou City, Sichuan	646099
14	Wenhua Gong Sub-branch of Bank of Chongqing Co., Ltd.	No. 139 Zhongshan San Road, Yuzhong District, Chongqing	400014
15	Qixinggang Sub-branch of Bank of Chongqing Co., Ltd.	No. 148 Zhongshan Yi Road, Yuzhong District, Chongqing	400013
16	Bayi Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 258 Bayi Road, Yuzhong District, Chongqing	400010
17	Baixiang Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 407-3, 4, and 6 Jiefang East Road, Yuzhong District, Chongqing	400015

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
18	Renhe Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 89 Renhe Street, Yuzhong District, Chongqing	400015
19	Shangqingsi Sub-branch of Bank of Chongqing Co., Ltd.	No. 38-4, 5, 6, and 7 Zhongshan Si Road, Yuzhong District, Chongqing	400015
20	Jiefangbei Sub-branch of Bank of Chongqing Co., Ltd.	No. 101 Minzu Road, Yuzhong District, Chongqing	400010
21	Minsheng Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 153 Zourong Road, Yuzhong District, Chongqing	400010
22	Dayanggou Sub-branch of Bank of Chongqing Co., Ltd.	(street frontage), Oupeng Building, No. 216 Xinhua Road, Yuzhong District, Chongqing	400010
23	Chaotianmen Sub-branch of Bank of Chongqing Co., Ltd.	No. 7 Datong Street, Yuzhong District, Chongqing	400011
24	Zongbucheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 44 and 46 Huxie Road, Yuzhong District, Chongqing	400011
25	Hualongqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 162 and 164 Ruitian Road, Yuzhong District, Chongqing	400043
26	Renmin Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 129 Renmin Road, Yuzhong District, Chongqing	400015
27	Shidai Tian Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 16-2-35 and 16-2-36 Shidai Tian Street, Yuzhong District, Chongqing	400014
28	Daping Sub-branch of Bank of Chongqing Co., Ltd.	No. 121 Daping Changjiang Er Road, Yuzhong District, Chongqing	400042
29	Sanxia Plaza Sub-branch of Bank of Chongqing Co., Ltd.	No. 339-3, Xiaolongkan Zheng Street, Shapingba District, Chongqing	400030
30	Shazheng Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-6 Shazheng Street, Shapingba District, Chongqing	400030
31	Xiaolongkan Sub-branch of Bank of Chongqing Co., Ltd.	No. 40-6-1 Xiaolongkan New Street, Shapingba District, Chongqing	400030
32	Tianxingqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 40-28 Tianxingqiao Zheng Street, Shapingba District, Chongqing	400030
33	Xiyong Weidianyuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 17-21 and 63-67, No. 26, Xishuang Avenue, Shapingba District, Chongqing	401332
34	Chongda Sub-branch of Bank of Chongqing Co., Ltd.	No. 83 Shabei Street, Shapingba District, Chongqing	400044
35	University City Sub-branch of Bank of Chongqing Co., Ltd.	No. 125-127 and 149-152, No. 17 University City West Road, Huxi Town, Shapingba District, Chongqing	400044
36	Dadukou Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-18 Cuibai Road, Chunhui Road Subdistrict, Dadukou District, Chongqing	400084
37	Ganghua Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 1 Shuangshan Road, Dadukou District, Chongqing	400084
38	Jiulong Square Sub-branch of Bank of Chongqing Co., Ltd.	No. 36 Yangjiaping Xijiao Road, Jiulongpo District, Chongqing	400050

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
39	Gaoxin Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-3, 4, 5, and 6, Unit 1, Building 1, No 23 Bai Xin Road, Baishiyei Town, Jiulongpo District, Chongqing	401329
40	Jiulongpo Sub-branch of Bank of Chongqing Co., Ltd.	No. 1409 Jingwei Avenue, Jiulongpo District, Chongqing	400039
41	Yangjiaping Sub-branch of Bank of Chongqing Co., Ltd.	(Jianye Building) Yangjiaping Labour Village 3, Jiulongpo District, Chongqing	400050
42	Yuzhou Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 18-1 Yuzhou Road, Jiulongpo District, Chongqing	400039
43	Huayan Sub-branch of Bank of Chongqing Co., Ltd.	No.1-4 and 18, No. 8, Jinhong Er Road, Jiulongpo District, Chongqing	400052
44	Nanping Sub-branch of Bank of Chongqing Co., Ltd.	2-2, 1/F, No. 199 Nancheng Avenue, Nanping Subdistrict, Nan'an District, Chongqing	400060
45	Chayuan New District Sub-branch of Bank of Chongqing Co., Ltd.	No. 101-8 Tongjiang Avenue, Chayuan New District, Nan'an District, Chongqing	401336
46	Danzishi Sub-branch of Bank of Chongqing Co., Ltd.	No. 52 Danzishi New Street, Nan'an District, Chongqing	400061
47	Huilongwan Sub-branch of Bank of Chongqing Co., Ltd.	No. 37, 1/F, No. 29, Nanhu Road, Nan'an District, Chongqing	400060
48	Banan Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 13-20, Shop-2 9-14, Shop-3 6-12, No. 40, Longzhou Avenue, Banan District, Chongqing	401320
49	Yudong Sub-branch of Bank of Chongqing Co., Ltd.	No. 60-1 Xinshi Street, Banan District, Chongqing	401320
50	Jieshi Sub-branch of Bank of Chongqing Co., Ltd.	No. 137, 139, 141 and 143 Jiemei Road, Jieshi Town, Banan District, Chongqing	401346
51	Lijiatuo Sub-branch of Bank of Chongqing Co., Ltd.	Shop 5 No. 5, Mawangping Zheng Street, Lijiatuo, Banan District, Chongqing	400054
52	Beibei Sub-branch of Bank of Chongqing Co., Ltd.	No. 453, 455 and 457 Yunqing Road, Beibei District, Chongqing	400700
53	Beibeichaoyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 73 Zhongshan Road, Beibei District, Chongqing	400700
54	Southwest University Sub-branch of Bank of Chongqing Co., Ltd.	No. 18 Shigang Village, Beibei District, Chongqing	400700
55	Tianshengqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 85-3 Huangshu Village, Beibei District, Chongqing	400716
56	Beibei District Shuitu Sub-branch of Bank of Chongqing Co., Ltd.	No. 98-27 Fangzheng Avenue, Beibei District, Chongqing	400700
57	Jianxin North Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-4 Jianxin North Road, Jiangbei District, Chongqing	400020
58	Ranjiaba Sub-branch of Bank of Chongqing Co., Ltd.	No. 433 and 435 Longshan Road, Nanqiao Temple, Yubei District, Chongqing	400020
59	Wulidian Sub-branch of Bank of Chongqing Co., Ltd.	No. 292 Jianxin East Road, Jiangbei District, Chongqing	400023

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No.	Name of Banking Institution	Address	Postal Code
60	Jianxin East Road Sub-branch of Bank of Chongqing Co., Ltd.	Baiyexing Building, No. 3-1 Jianxin East Road, Jiangbei District, Chongqing	400020
61	Dashiba Sub-branch of Bank of Chongqing Co., Ltd.	No. 23 and 25 Hongsheng Road, Jiangbei District, Chongqing	400025
62	Longtousi Sub-branch of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	401147
63	Jinkai Sub-branch of Bank of Chongqing Co., Ltd.	No. 11-1 Jintong Road, Beibu New District, Chongqing	401122
64	Yanghe Sub-branch of Bank of Chongqing Co., Ltd.	No. 383 Honghuang Road, Longxi Sub-district, Yubei District, Chongqing	401147
65	Yuanyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 119, Building G8, No. 1122 Jinkai Avenue, Beibu New District, Chongqing	401147
66	Liangjiang New District Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-3 Xingguang Avenue, Gaoxin Park, Beibu New District, Chongqing	401121
67	Fenglinxiushui Sub-branch of Bank of Chongqing Co., Ltd.	No. 52, 54, 56 and 58 Xihu Road, Yubei District, Chongqing	401120
68	Songshuqiao Sub-branch of Bank of Chongqing Co., Ltd.	District A, Shanghai Building, No. 71 Wuling Road, Longxi Sub-district, Yubei District, Chongqing	401147
69	Renhe Sub-branch of Bank of Chongqing Co., Ltd.	No. 50 Renhe Jile Avenue, Yubei District, Chongqing	401121
70	Jiazhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 115 Jiazhou Road, Yubei District, Chongqing	401147
71	Yuzui Sub-branch of Bank of Chongqing Co., Ltd.	No. 14, 15 and 16, 1/F, Building B2, Tuoxin · Liangjiang Qibocheng, No. 47 Yonghe Road, Yuzui, Liangjiang New District, Chongqing	401133
72	Red Star Plaza Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-1, 1-2, and 1-3, Building 4, No. 42 Golden State Avenue, Beibu New District, Chongqing	401120
73	Yubei Sub-branch of Bank of Chongqing Co., Ltd.	Shops 1-1 and 2-1 of Integrated Commercial Complex of Shengjing Tianxia, No. 9 Baiguo Road, Shuanglonghu Sub-district, Yubei District, Chongqing	401120
74	Lianglu Sub-branch of Bank of Chongqing Co., Ltd.	No. 86 Shuanglong Avenue, Shuanglonghu Sub-district, Yubei District, Chongqing	401120
75	Fuling Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-2, 2-2, 3-1, 3-4, Basement, Block 2, Xiangjiang Garden, No. 8-1 Zhongshan Road, Fuling District, Chongqing	408000
76	Fuling Stadium Sub-branch of Bank of Chongqing Co., Ltd.	Xinghua Middle Road (Stadium South Road), Fuling District, Chongqing	408000
77	Lidu Sub-branch of Bank of Chongqing Co., Ltd.	Shop 17, 18, 19, 20, Building S2-1, Panhua International Plaza, No. 29-20, 21, 22, 23, Taibai Avenue, Fuling District, Chongqing	408100

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No.	Name of Banking Institution	Address	Postal Code
78	Changshou Sub-branch of Bank of Chongqing Co., Ltd.	No. 10 Taoyuan West Road, Changshou District, Chongqing	401220
79	Yanjia Sub-branch of Bank of Chongqing Co., Ltd.	No. 33 Yucai Road, Yanjia Sub-district, Changshou District, Chongqing	401221
80	Fengcheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 2 Xiangyang Road, Changshou District, Chongqing	401220
81	Hechuan Sub-branch of Bank of Chongqing Co., Ltd.	1-2, 2-1, No. 402, 400 Jiangcheng Avenue, South Office, Hechuan District, Chongqing	401520
82	Hechuan District Zhaojia Sub-branch of Bank of Chongqing Co., Ltd.	No. 47, 49, 51 Jiaotong Street and No. 210, 212, 214, 216 Zuofu Road, Joint Office, Hechuan District, Chongqing	401520
83	Wanzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 193 Baiyan Road, Wanzhou District, Chongqing	404000
84	Wanzhou District Wuqiao Sub-branch of Bank of Chongqing Co., Ltd.	1/F, Building A, Shanghai Grand World, No. 55 Shanghai Avenue, (Wuqiao) Wanzhou District, Chongqing	404020
85	Wanzhou District Tiancheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 792 Tiancheng Avenue, Wanzhou District, Chongqing	404047
86	Qianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 555 Xinhua Avenue (West Section), Chengxi Sub-district, Qianjiang District	409000
87	Dashizi Sub-branch of Bank of Chongqing Co., Ltd.	No. 120 Jiefang Road, Chengdong Sub-district, Qianjiang District, Chongqing	409000
88	Jiangjin Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-2 and 2-1, Building 1, Xiangrui Building, No. 518 Dingshan Avenue, Dingshan Sub-district, Jiangjin District, Chongqing	402260
89	Jiangjin District Shuangfu Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-1, 1-2 and 1-3, Basement, Block 1, Meifang Mansion, Shui Basement, No. 95, 93 and 91 Shuangfu Avenue, Shuangfu Sub-district, Jiangjin District, Chongqing	402260
90	Jiangjin District Zongbao Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-8, Block Commercial, Century Huacheng, No. 23 Luohuang Industrial Park Avenue, Luohuang Town, Jiangjin District, Chongqing	402283
91	Tongliang Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 2, No. 2 Jiefang East Road, Bachuan Sub-district, Tongliang District, Chongqing	402560
92	Tongliang District Xincheng Sub-branch of Bank of Chongqing Co., Ltd.	(Even No.) No. 198-206 and 206-1-8 Zhongxing East Road, Dongcheng Sub-district, Tongliang District, Chongqing	402560
93	Yongchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78 Renmin South Road, Yongchuan District, Chongqing	402160
94	Yongchuan District Yuxi Square Sub-branch of Bank of Chongqing Co., Ltd.	No. 101-1-5 and 101-10 Xuanhua Road, Yongchuan District, Chongqing	402160

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No.	Name of Banking Institution	Address	Postal Code
95	Liangping Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-21 to 1-25, 1-96 to 1-101, 2-19 to 2-25, Building 2, No. 5, Jingui Road, Shuanggui Street, Liangping District, Chongqing	405200
96	Liangping Sanxiafeng Sub-branch of Bank of Chongqing Co., Ltd.	No. 2, 4 and 8 Shuncheng Street, Liangshan Town, Liangping County, Chongqing	405200
97	Nanchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-12 and No. 2-14, Block 1 (Chamber of Commerce Building), No. 12 Longhua Avenue, Xi Cheng Sub-district, Nanchuan District, Chongqing	408400
98	Nanchuan District Heping Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 29 Heping Road, No. 2 West Street, Xi Cheng Sub-district, Nanchuan District, Chongqing	408400
99	Rongchang Sub-branch of Bank of Chongqing Co., Ltd.	1-3 and 2-3, No. 43-2 Changlong Avenue, Changzhou Sub-district, Rongchang County, Chongqing	402460
100	Rongchang County Changyuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 199-205 Binhe Middle Road, Changyuan Town, Rongchang County, Chongqing	402460
101	Zhong County Sub-branch of Bank of Chongqing Co., Ltd.	No. 3-1 Zhongbo Avenue, Zhongzhou Town, Zhong County, Chongqing	404300
102	Zhong County Huancheng Road Sub-branch of Bank of Chongqing Co., Ltd.	Shops 45-Shops 23 and Certain Properties of Shops 26 Huancheng Road, Zhongzhou Town, Zhong County, Chongqing	404300
103	Bishan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78, No. 80, No. 82, No. 84, No. 86, Shuangxing Avenue, Biquan Street, Bishan District, Chongqing	402760
104	Qinggang Sub-branch of Bank of Chongqing Co., Ltd.	No. 190, 192 and 194 Zhong Street, Qinggang Sub-district, Bishan County, Chongqing	402760
105	Bishan Jinjian Sub-branch of Bank of Chongqing Co., Ltd.	No. 205 (3 to 5) Jinjian Road, Bishan County, Chongqing	402760
106	Qijiang Sub-branch of Bank of Chongqing Co., Ltd.	Sub No. 1-40 and Sub No. 2-225 to 229, Podium Building, Rongrun Kaixuan Mingcheng, No. 47 Jiulong Avenue, Wenlong Sub-district, Qijiang District, Chongqing	401420
107	Wansheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-1 Wansheng Avenue, Wansheng District, Chongqing	400800
108	Xiushan Sub-branch of Bank of Chongqing Co., Ltd.	1-4, 1-5, 2-4 and 2-5, No. 70-1, Fengxiang Road, Zhonghe Street, Xiushan County, Chongqing	409900
109	Xiushan County Wuyue Plaza Sub-branch of Bank of Chongqing Co., Ltd.	1-4, 1-5 and 1-6, Unit 1, Building 1, No. 3 Baisha Avenue (North Section), Zhonghe Street, Xiushan County, Chongqing	409900
110	Kaizhou Sub-branch of Bank of Chongqing Co., Ltd.	Market Square, Kaizhou Avenue (Middle Section), Kaizhou County, Chongqing	405400

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No.	Name of Banking Institution	Address	Postal Code
111	Kaizhou County Pingqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 500 Kaizhou Avenue West, Yunfeng Street, Kaizhou County, Chongqing	405499
112	Dazu Sub-branch of Bank of Chongqing Co., Ltd.	No. 335 Shengji West Road, Tangxiang Avenue, Dazu District, Chongqing	402360
113	Shuangqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 10-39 Xihu Avenue, Shuangqiao District, Chongqing	400900
114	Dazu County Wuxing Avenue Sub-branch of Bank of Chongqing Co., Ltd.	No. 257 Wuxing Avenue, Tangxiang Sub-district, Dazu County, Chongqing	402368
115	Tongnan Sub-branch of Bank of Chongqing Co., Ltd.	No. 2, 1/F, No. 86-92 Xingtong Avenue, Guilin Sub-district, Tongnan District, Chongqing	402660
116	Tongnan Waitan Sub-branch of Bank of Chongqing Co., Ltd.	Shops 9, 10, 11, 27 and 28, 1/F, Building 4, No. 3 Waitan West Road, Zitong Sub-district, Tongnan District, Chongqing	402660
117	Fengdu Sub-branch of Bank of Chongqing Co., Ltd.	No. 184 and 186 Pingdu Avenue (West Section), Sanhe Town, Fengdu County, Chongqing	408200
118	Shizhu Sub-branch of Bank of Chongqing Co., Ltd.	No. 35-26-30, Dudu Avenue, Wan'an Street, Shizhu County, Chongqing	409100
119	Shizhu Wanshou Sub-branch of Bank of Chongqing Co., Ltd.	No.100-9, Wanshou Avenue, Wan'an Street, Shizhu County, Chongqing	409100
120	Dianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 9-32 Nanyang West Road, Guiyang Sub-district, Dianjiang County, Chongqing	408300
121	Dianjiang County Fengshan Sub-branch of Bank of Chongqing Co., Ltd.	Unit 1-1, Building B51 Fengshan West Road, Guixi Town, Dianjiang County, Chongqing	408300
122	Yunyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1299 Yunjiang Avenue, Qinglong Street, Yunyang County, Chongqing	404500
123	Wuxi Sub-branch of Bank of Chongqing Co., Ltd.	Entertainment and Sports Building, Chunshen Avenue, Chengxiang Town, Wuxi County, Chongqing	405800
124	Wulong Sub-branch of Bank of Chongqing Co., Ltd.	No. 117 Furong West Road, Xiangkou Town, Wulong County, Chongqing	408500
125	Wulong County Nancheng Sub-branch of Bank of Chongqing Co., Ltd.	Unit 8-11, No.2 Jianshe Middle Road, Xiangkou Town, Wulong County, Chongqing	408500
126	Youyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-14, 1-15, 2-1, Building 9, Huisheng Square, No. 10 Middle Road, Taohuayuan Avenue, Youyang County, Chongqing	409800
127	Youyang Taohuayuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 17 Chengbei New District, Zhongduo Town, Youyang County, Chongqing	409800
128	Pengshui Sub-branch of Bank of Chongqing Co., Ltd.	G/F (street frontage) Binjiang Community, Hanjia Town, Pengshui County, Chongqing	409699
129	Wushan Sub-branch of Bank of Chongqing Co., Ltd.	Complex Building 1-1, No. 329 Guangdong East Road, Gaotang Sub-district, Wushan County, Chongqing	404700

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No.	Name of Banking Institution	Address	Postal Code
130	Chengkou Sub-branch of Bank of Chongqing Co., Ltd.	Commercial Building One, Block 1, Chongyang·Yicheng International Commercial Podium, No.18 Dongda Street, Gecheng Sub-district, Chengkou County, Chongqing	405900
131	Fengjie Sub-branch of Bank of Chongqing Co., Ltd.	No. 4 Qiaomu Street, Yong'an Town, Fengjie County, Chongqing	404600
132	Chengdu Chongzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 353-367 Yangci Street and No. 79 South Section 1, Binhe Road, Chongyang Town, Chongzhou, Sichuan	611230
133	Chengdu Binjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 65 Shangchi Zheng Street, Qingyang District, Chengdu, Sichuan	610015
134	Chengdu Wuhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 17 South Section 4, Yihuan Road Gaosheng Bridge, Wuhou District, Chengdu, Sichuan	610000
135	Chengdu Economic Development Zone Sub-branch of Bank of Chongqing Co., Ltd.	(Even No.) 620-626 Beiquan Road, and (Odd No.) 1-19 Yiju Road, Longquanyi District, Chengdu, Sichuan	610100
136	Chengdu Jinsha Sub-branch of Bank of Chongqing Co., Ltd.	No. 246 Shuhui Road, and No. 171 Jinze Road, Qingyang District, Chengdu, Sichuan	610074
137	Chengdu Kehua Sub-branch of Bank of Chongqing Co., Ltd.	Libao Building, No. 62 Kehua North Road, Wuhou District, Chengdu, Sichuan	610040
138	Chengdu Jinjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 79-93, 79-95 and 79-97 Section 1, Jinhua Road, Jinjiang District, Chengdu, Sichuan	610023
139	Chengdu Xindu Sub-branch of Bank of Chongqing Co., Ltd.	No. 470, 472 and 474 Yuying Road, Chengdu, Sichuan	610599
140	Guiyang Chengdong Sub-branch of Bank of Chongqing Co., Ltd.	No. 116 Baoshan North Road, Yunyan District, Guiyang, Guizhou	550001
141	Guiyang Guanshanhu Sub-branch of Bank of Chongqing Co., Ltd.	No. 3, 1st Floor, North Zone of Financial Business District (4), Zone B, Zhongtian·Exhibition City, Changling North Road, Guanshanhu District, Guiyang, Guizhou	550081
142	Xi'an Economic & Technological Development Zone Sub-branch of Bank of Chongqing Co., Ltd.	1st Floor, Huadi Golden Block, No. 369, Middle Section of North Second Ring Road, Weiyang District, Xi'an, Shaanxi	710015
143	Xi'an Qujiang New District Sub-branch of Bank of Chongqing Co., Ltd.	1/F and 2/F, No. 6, Building No. 1, Longmai South Zone Tianlunyu Cheng, Second South Ring Road (East Section), Xi'an, Shaanxi	710018
144	Xi'an International Trade and Logistics Park Sub-branch of Bank of Chongqing Co., Ltd.	1/F, Qihang Garden Commercial Street, No. 6 Port Avenue, Xi'an International Trade and Logistics Park, Xi'an, Shaanxi	710026
145	Xi'an Fengdong Sub-branch of Bank of Chongqing Co., Ltd.	1/F 10101, 2/F 10201, Block 2, Wanxiangcheng Phase 1, Fengdong New City, Xixian New District, Xi'an, Shaanxi	710116

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No.	Name of Banking Institution	Address	Postal Code
146	Xi'an Yanta South Road Sub-branch of Bank of Chongqing Co., Ltd.	10108 Building 1 No. 396 Yanta South Road, Qujiang New District, Xi'an, Shaanxi	710061
147	Xi'an Aerospace City Sub-branch of Bank of Chongqing Co., Ltd.	1st floor, Shaanxi Zhengheng Financial Investment Service Headquarter Base, No. 391, Yanta South Road, Xi'an Aerospace Economic Technology Development Zone, Shaanxi	710100
148	Yan'an Nanshi Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 1 Nanshi Street, Baota District, Yan'an, Shaanxi	716000