



重庆银行

BANK OF CHONGQING

BANK OF CHONGQING CO., LTD.*

重慶銀行股份有限公司*

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

(Stock Code : 1963)



2024 INTERIM REPORT

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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 95th meeting of the sixth session of the Board of the Bank was held on 30 August 2024 in the form of onsite (video) conference. 14 Directors were eligible to attend the meeting, among which 12 Directors attended the meeting in person. Chairman YANG Xiuming and YOU Lili, Non-executive Director, due to other work arrangements, designated Mr. GAO Song, President of the Bank and Executive Director, in writing as his proxy to attend the meeting and vote on his behalf. Supervisors and members of senior management of the Bank also attended the meeting. The convening of the meeting complied with relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of Bank of Chongqing Co., Ltd.
3. The Bank will not make any profit distribution or convert any capital reserve into share capital for the half year of 2024.
4. The Bank's 2024 interim financial report is unaudited.
5. Unless otherwise stated, all monetary sums stated in this report are expressed in RMB.
6. YANG Xiuming (Chairman of the Bank), Mr. GAO Song (President of the Bank), YANG Shiyin (Vice President in charge of Finance) and YANG Kun (Head of Finance Department) warrant that the financial report in the half-year report is true, accurate and complete.
7. No funds of the Bank were tied up by controlling shareholders and other related parties for non-operating purposes.
8. The Bank did not violate stipulated decisionmaking procedures in issuing guarantees.
9. This report may contain forward-looking statements about matters such as future plans of the Bank. These statements are made on the basis of current plans, estimates and forecasts. The Group believes that the expectations reflected in these forward-looking statements are reasonable, but the Group cannot guarantee that these expectations can be realized or will be proved to be correct, so they shall not constitute substantive commitments of the Group. Investors shall not overly rely on such statements and shall maintain sufficient risk awareness in this regard. Please be aware that these forward-looking statements are related to future events or the Group's future financial, business or other performance and are subject to numerous uncertainties that may lead to significant differences in the actual results.
10. Warning of material risks: For the material risks to which the Group are exposed and proposed measures, please see the section headed "Management Discussions and Analysis – Risk Management" in this report.

Definitions

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

“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
“CBIRC”	former China Banking and Insurance Regulatory Commission (原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)
“Chongqing NFRA”	Chongqing Bureau of National Financial Regulatory Administration
“Chongqing CBIRC”	former China Banking and Insurance Regulatory Commission Chongqing Bureau (原中國銀行保險監督管理委員會重慶監管局)
“Chongqing Yufu”	Chongqing Yufu Capital Operation Group Co., Ltd. (重慶渝富資本運營集團有限公司)
“Dah Sing Bank”	Dah Sing Bank, Limited (大新銀行有限公司)
“Xinyu Financial Leasing”	Chongqing Xinyu Financial Leasing Co., Ltd. (重慶鈞渝金融租賃股份有限公司)
“Xingyi Wanfeng”	Xingyi Wanfeng Village Bank Co., Ltd. (興義萬豐村鎮銀行有限責任公司)
“Mashang Consumer”	Mashang Consumer Finance Co., Ltd. (馬上消費金融股份有限公司)
“Three Gorges Bank”	Chongqing Three Gorges Bank Co., Ltd. (重慶三峽銀行股份有限公司)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS(s)”	International Financial Reporting Standard(s)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC” or “Central Bank”	People’s Bank of China (中國人民銀行)
“Reporting Period”	the half year ended 30 June 2024
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

Company Profile

3.1 Business Summary

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

With the strategic vision of building a national first-class listed commercial bank with “adherence to the origin, distinctive characteristics, robust operation, and superior value”, the Bank will implement three key tasks of “service improvement, digital transformation, and characteristic development”, establish three major systems of “technology empowerment, talent empowerment, and management empowerment”, form a new layout of “1-3-3” strategic development and thus promote the realization of high-quality development across the Bank. As of 30 June 2024, the Bank operated 194 business outlets, covering “one municipality and three provinces”, including all districts and counties in Chongqing as well as provinces such as Sichuan, Guizhou and Shaanxi, and controlled its subsidiaries Chongqing Xinyu Financial Leasing Co., Ltd. and Xingyi Wanfeng Village Bank Co., Ltd. The Group recorded total assets of RMB805,968 million, total deposits of RMB450,000 million, and total loans of RMB419,897 million, with the non-performing loan ratio of 1.25% and the allowance coverage ratio of 249.59%. Major business indicators have met regulatory requirements.

In line with the market positioning of “local bank, bank for small and micro enterprises, and bank for citizens”, the Bank adhered to the original intention of serving local economy, serving small and micro enterprises and serving urban and rural residents, and continued to optimize and enhance its financial service capabilities by promoting reform, restructuring, transformation and quality development. During the Reporting Period, the Bank focused on major strategies and key industries, proactively served the real economy, and intensified credit support for such areas as the Chengdu-Chongqing Economic Circle, the new land-sea channel in western China, and the “33618” modern manufacturing industry cluster of Chongqing, with a total credit of over RMB100 billion for supporting the industrial development of the Chengdu-Chongqing Economic Circle. The Bank focused on inclusive finance and rural revitalization, and continued to meet the financial service needs of small and micro enterprises, individual businesses, agricultural households and new citizens. The loans under the “Two Increases” policy increased by RMB7.130 billion as compared with the end of the previous year, and the agriculture-related loans increased by RMB4.181 billion as compared with the end of the previous year. The Bank focused on consumption credit and service improvement, gave full play to its advantages in product systems, and took immediate action in developing self-operated online consumer products. The balance of “Jie E Dai” (捷e贷) increased by 39.04% as compared with the end of the previous year. The Bank focused on digital transformation and technology empowerment, and became the first corporate bank in China whose innovative applications have been selected into the PBOC Pilot Program of Supervision over Financial Technology Innovation for five consecutive years. Moreover, the Bank focused on building brands and enhancing image. The Bank was ranked among the top 300 in the “Top 1000 World Banks” in *The Banker*, a UK magazine, for nine consecutive years, ranking 209th this year, up eight places from the previous year. It was selected as one of the “Double Hundred Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council for three consecutive years, with rating as excellent for two consecutive years; and it was rated by the Standard & Poor’s as international investment rating, with rating outlook as “stable” for seven consecutive years.

3.2 Corporate Information

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

3.2.2 Legal Representative: YANG Xiuming
Authorized Representatives: YANG Xiuming
WONG Wah Sing

Contact Details of Secretary to the Board:

Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Postal Code: 400024
Tel: +86(23)63367688
Fax: +86(23)63799024
E-mail: ir@cqcbank.com

Company Secretary: HO Wing Tsz Wendy
Securities Affairs Representative: WANG Yu

3.2.3 Registered Address and Office Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Historical Change of Registered Address: Registered address was changed from “No. 153 Zourong Road, Yuzhong District, Chongqing” to “No. 6 Yongpingmen Street, Jiangbei District, Chongqing” in February 2020
Principal Place of Business in Hong Kong: 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
Historical Change of Principal Place of Business in Hong Kong: Principal Place of Business in Hong Kong was changed from “Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong” to “5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong” in August 2022
Website: <http://www.cqcbank.com>
Customer Service Hotline: 956023

3.2.4 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

Company Profile

- 3.2.5** Domestic Auditor: Ernst & Young Hua Ming LLP (Special General Partnership)
Office Address: Room 01-12, 17/F, EYHM Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing
International Auditor: Ernst & Young (Registered Public Interest Entity Auditor)
Office Address: 27th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
- 3.2.6** Legal Advisor as to PRC Laws: JunHe LLP
Legal Advisor as to Hong Kong Laws: DLA Piper Hong Kong
- 3.2.7** A Share Registrar: China Securities Depository and Clearing Corporation Limited Shanghai Branch
Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai
H Share Registrar: Computershare Hong Kong Investor Services Limited
Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- 3.2.8** Newspapers and Websites Designated for Information Disclosure:
Mainland China: China Securities Journal (www.cs.com.cn)
Shanghai Securities News (www.cnstock.com)
Securities Times (www.stcn.com)
Securities Daily (www.zqrb.cn)
Website of the Shanghai Stock Exchange (www.sse.com.cn)
Website of the Bank (www.cqcbank.com)
Hong Kong: Website of the Hong Kong Stock Exchange (www.hkexnews.hk)
Website of the Bank (www.cqcbank.com)
Place for Preparation of the Interim Report: Office of the Board of the Bank
- 3.2.9** Domestic Sponsor Institution for Continuous Supervision and Guidance: China Merchants Securities Co., Ltd.
Office Address: No. 111, 1st Fuhua Road, Futian Street, Futian District, Shenzhen
Sponsor Representative: Wang Xiao (王曉), Hu Yijia (扈益嘉)
Period of Continuous Supervision and Guidance: As the BCQ Convertible Bonds have not been fully converted into Shares, it will be extended until all BCQ Convertible Bonds have been converted into Shares
- 3.2.10** Registration Information:
Date of Initial Incorporation: 2 September 1996
Registration Authority: Administration for Market Regulation of Chongqing (formerly known as Administration for Industry and Commerce of Chongqing)
Unified Social Credit Code: 91500000202869177Y
Financial License Registration Number: the Bank holds a financial licence number B0206H250000001 approved by the regulatory authority of the banking industry of the PRC

Financial Highlights

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

4.1 Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change	For the six months ended 30 June 2022
OPERATING RESULTS			Change in percentage (%)	
Interest income	14,401,847	14,085,252	2.25	13,656,304
Interest expense	(9,177,803)	(8,698,825)	5.51	(8,301,765)
Net interest income	5,224,044	5,386,427	(3.01)	5,354,539
Net fee and commission income	510,994	196,546	159.99	412,466
Net trading gains, net gains on investment securities and other operating income	1,218,944	1,148,478	6.14	878,551
Operating income	6,953,982	6,731,451	3.31	6,645,556
Operating expenses	(1,834,649)	(1,789,148)	2.54	(1,650,058)
Credit impairment losses	(1,621,884)	(1,760,922)	(7.90)	(1,648,792)
Operating profit	3,494,477	3,180,103	9.89	3,346,706
Share of profit of associates	206,130	246,464	(16.37)	125,361
Profit before income tax	3,700,607	3,426,567	8.00	3,472,067
Income tax	(490,340)	(374,237)	31.02	(575,097)
Net profit	3,210,267	3,052,330	5.17	2,896,970
Net profit attributable to shareholders of the Bank	3,026,280	2,906,469	4.12	2,784,631
Net cash flows generated from operating activities	(37,914,423)	(6,797,202)	457.79	(4,240,012)
Calculated on a per share basis (RMB)			Change in percentage (%)	
Basic earnings per share	0.87	0.84	3.57	0.80
Diluted earnings per share	0.68	0.66	3.03	0.71

Financial Highlights

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2024	As at 31 December 2023	Change	As at 31 December 2022
Scale indicators			Change in percentage (%)	
Total assets	805,967,923	759,883,870	6.06	684,712,563
Total loans and advances to customers	419,896,747	392,934,966	6.86	352,573,462
– Corporate loans	292,380,040	250,398,073	16.77	208,737,958
– Retail loans	95,517,292	94,949,928	0.60	94,527,953
– Discounted bills	29,118,903	44,852,396	(35.08)	47,285,310
– Interests due from loans and advances to customers	2,880,512	2,734,569	5.34	2,022,241
Impairment allowances for loans	12,988,214	12,139,426	6.99	10,127,171
Total liabilities	744,141,290	700,584,443	6.22	633,217,086
Customer deposits	449,999,935	414,812,696	8.48	382,594,480
– Corporate demand deposits	55,979,969	64,096,964	(12.66)	60,481,461
– Corporate time deposits	137,992,350	129,718,412	6.38	132,906,633
– Individual demand deposit	19,970,569	20,686,248	(3.46)	19,752,513
– Individual time deposits	211,897,872	180,278,653	17.54	147,470,703
– Other deposits	13,930,134	11,471,728	21.43	16,491,983
– Interest payable on customer deposits	10,229,041	8,560,691	19.49	5,491,187
Share capital	3,474,565	3,474,562	–	3,474,540
Equity attributable to shareholders of the Bank	59,352,093	56,917,734	4.28	49,336,512
Total equity	61,826,633	59,299,427	4.26	51,495,477
Core Tier I Capital, net	52,832,793	51,003,470	3.59	45,694,215
Tier I Capital, net	60,044,448	58,208,408	3.15	50,375,870
Net total capital	71,588,827	69,708,993	2.70	61,032,503
Risk-weighted assets	519,767,203	521,578,017	(0.36)	479,755,986
Calculated on a per share basis (RMB)			Change in percentage (%)	
Net assets per share attributable to shareholders of the Bank	15.07	14.37	4.87	12.90

4.2 Financial Indicators

(All amounts expressed in percentage unless otherwise stated)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change	For the six months ended 30 June 2022
Profitability indicators (%)				
Annualized return on average total assets ⁽¹⁾	0.82	0.87	(0.05)	0.91
Annualized weighted average return on net asset ⁽²⁾	11.77	12.56	(0.79)	12.57
Net interest spread ⁽³⁾	1.27	1.51	(0.24)	1.62
Net interest margin ⁽³⁾	1.42	1.63	(0.21)	1.78
Net fee and commission income to operating income	7.35	2.92	4.43	6.21
Cost-to-income ratio ⁽⁴⁾	24.98	25.34	(0.36)	23.61

(All amounts expressed in percentage unless otherwise stated)	As at 30 June 2024	As at 31 December 2023	Change	As at 31 December 2022
Asset quality indicators (%)				
Non-performing loan ratio ⁽⁵⁾	1.25	1.34	(0.09)	1.38
Allowance coverage ratio ⁽⁶⁾	249.59	234.18	15.41	211.19
Loan allowance ratio ⁽⁷⁾	3.12	3.13	(0.01)	2.91
Indicators of capital adequacy ratio (%)				
Core tier I capital adequacy ratio ⁽⁸⁾	10.16	9.78	0.38	9.52
Tier I capital adequacy ratio ⁽⁸⁾	11.55	11.16	0.39	10.50
Capital adequacy ratio ⁽⁸⁾	13.77	13.37	0.40	12.72
Total equity to total assets	7.67	7.80	(0.13)	7.52
Other indicators (%)				
Liquidity ratio ⁽⁹⁾	170.07	154.89	15.18	128.95
Percentage of loans to the single largest customer ⁽¹⁰⁾	2.77	2.98	(0.21)	3.85
Percentage of loans to the top ten customers ⁽¹¹⁾	23.68	21.53	2.15	22.12
Loan to deposit ratio	93.31	94.73	(1.42)	92.15

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) *It is calculated 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).*
- (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 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 140%.*
- (7) *Calculated by dividing balance of impairment allowances on loans by total principal of loans and advances to customers. Pursuant to regulatory requirements, the regulatory standard of such indicator of the Bank is 2.1%.*
- (8) *The capital adequacy ratios at all levels as at 30 June 2024 were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks promulgated by the National Financial Regulatory Administration (NFRA), and the capital adequacy ratios at all levels as at 31 December 2023 and 31 December 2022 were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial).*
- (9) *Liquidity ratio is calculated in accordance with the formula promulgated by the NFRA.*
- (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 2024 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Management Discussions and Analysis

5.1 Overview

5.1.1 Industry Development

In the first half of 2024, although new challenges were brought about by significant rise in the complexity, severity and uncertainty of the external environment and the continuous deepening of domestic structural adjustment, new support was also formed by the continued release of macro policy effects, the pick-up in external demand, and the accelerated development of new-quality productivity. On the whole, the economy continued its positive trend of recovery, with new steps towards high-quality development. According to the statistics of National Bureau of Statistics, in the first half of 2024, China's GDP amounted to RMB61.68 trillion, representing a period-on-period increase of 5.0%, and its overall national economy remained stable while making progress. The added value of industrial enterprises above the designated size in China increased by 6.0% year on year, showcasing the rapid growth of industrial production. The added value of the service industry grew by 4.6% year on year, of which the modern service industry developed well, and the business activity index of the monetary and financial service industry was in the higher boom range of 55.0% or more. Investment in fixed assets (excluding rural households) increased by 3.9% year on year, and investment in high-tech industries grew rapidly. Total retail sales of consumer goods increased by 3.7% year on year, with sound growth trend of service consumption. Total imports and exports of goods grew by 6.1% year on year, and the trade structure continued to be optimised.

Banking financial institutions adhered to the basic tone of seeking progress while maintaining stability, implemented the spirit of the Central Financial Work Conference, strengthened quality financial services for major strategies, key areas and weak links, and proactively supported scientific and technological innovation, advanced manufacturing, green development and small and medium-sized micro-enterprises, so as to improve technology finance, green finance, inclusive finance, pension finance and digital finance, so called "Five Major Articles". According to data of the NFRA, as of the end of June 2024, the total assets of China's banking financial institutions amounted to RMB425.10 trillion, representing an increase of 6.6% as compared with the end of the previous year, which maintained steady growth; the non-performing loan ratio of commercial banks was 1.56%, representing a decrease of 0.03 percentage point over the end of the previous year, with stable quality of overall credit assets. The allowance coverage ratio of commercial banks was 209.32%, representing an increase of 4.18 percentage points over the end of the previous year, with sufficient capability of overall risk prevention and compensation.

5.1.2 Overall Development of the Bank

In the first half of 2024, the Group closely focused on the goals of "three stabilizations", "three advancements", "three optimizations", "three enhancements" and "three upgrades", and earnestly implemented the deployment requirements of the municipal Party committee, the municipal government and the regulatory authorities. Based on the actual situation and by keeping abreast of the market, pioneering and innovating, the Group delivered half-year results of pushing forward with determination and dedication, unveiling a fresh landscape of high-quality development of the Bank of Chongqing with a new attitude and new actions.

Fully implementing major strategies, and achieving breakthroughs in the scale of operation. As of 30 June 2024, the Group's total assets amounted to RMB805,968 million, representing an increase of 6.06% over the end of the previous year; total loans and advances to customers amounted to RMB419,897 million, representing an increase of 6.86% over the end of the previous year; total liabilities amounted to RMB744,141 million, representing an increase of 6.22% over the end of the previous year; total customer deposits amounted to RMB450,000 million, representing an increase of 8.48% over the end of the previous year.

Management Discussions and Analysis

Making solid progress in increasing income and reducing costs, and making steady improvement in operating efficiency.

For the six months ended 30 June 2024, the operating income of the Group amounted to RMB6,954 million, representing an increase of 3.31% as compared to the same period in the previous year; the net profit amounted to RMB3,210 million, representing an increase of 5.17% as compared to the same period in the previous year, which maintained the sound trend of steady growth; the net profit attributable to shareholders of the Bank amounted to RMB3,026 million, representing an increase of 4.12% as compared to the same period in the previous year.

Systematically advancing in-depth reforms, and realizing constant optimization of the operating structure.

As of 30 June 2024, the Group's customer loans and advances to customers as a percentage of the total assets were 52.10%, representing an increase of 0.39 percentage point over the end of the previous year, and the customer deposits as a percentage of the total liabilities were 60.47%, representing an increase of 1.26 percentage points over the end of the previous year.

Stepping up efforts in risk prevention and control, and steadily improving asset quality.

As of 30 June 2024, the non-performing loan ratio of the Group was 1.25%, representing a decrease of 0.09 percentage point over the end of the previous year, and the proportion of loans under special mention category and overdue loans also declined from the beginning of the year; the allowance coverage ratio was 249.59%, representing an increase of 15.41 percentage points over the end of the previous year.

Coordinated implementation of capital management, and maintaining a stable capital strength.

As of 30 June 2024, the core tier I capital adequacy ratio, the tier I capital adequacy ratio and the capital adequacy ratio of the Group were 10.16%, 11.55% and 13.77% respectively, representing an increase of 0.38, 0.39 and 0.40 percentage point over the end of the previous year respectively.

5.2 Analysis of the Financial Statements

5.2.1 Analysis of the Income Statement

In the first half of 2024, the net interest income of the Group amounted to RMB5,224 million, representing a decrease of RMB162 million or 3.01% as compared to the same period in the previous year; net fee and commission income amounted to RMB511 million, representing an increase of RMB314 million or 155.99% as compared to the same period in the previous year; operating expenses amounted to RMB1,835 million, representing an increase of RMB46 million or 2.54% as compared to the same period in the previous year; and credit impairment losses amounted to RMB1,622 million, representing a decrease of RMB139 million or 7.90% as compared to the same period in the previous year. As a result of the foregoing factors, in the first half of 2024, the Group achieved a net profit of RMB3,210 million, representing an increase of RMB158 million or 5.17% as compared to the same period in the previous year.

Management Discussions and Analysis

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Net interest income	5,224,044	5,386,427	(162,383)	(3.01)
Net non-interest income	1,729,938	1,345,024	384,914	28.62
Including: Net fee and commission income	510,994	196,546	314,448	159.99
Net trading gains	82,370	160,965	(78,595)	(48.83)
Net gains on investment securities	1,084,420	838,034	246,386	29.40
Other operating income	52,154	149,479	(97,325)	(65.11)
Operating income	6,953,982	6,731,451	222,531	3.31
Less: Operating expenses	1,834,649	1,789,148	45,501	2.54
Less: Credit impairment losses	1,621,884	1,760,922	(139,038)	(7.90)
Less: Other assets impairment losses	2,972	1,278	1,694	132.55
Operating profit	3,494,477	3,180,103	314,374	9.89
Share of profit of associates	206,130	246,464	(40,334)	(16.37)
Profit before income tax	3,700,607	3,426,567	274,040	8.00
Less: Income tax	490,340	374,237	116,103	31.02
Net profit	3,210,267	3,052,330	157,937	5.17
Attributable to shareholders of the Bank	3,026,280	2,906,469	119,811	4.12
Attributable to non-controlling interests	183,987	145,861	38,126	26.14

5.2.1.1 Operating income

In the first half of 2024, the Group achieved the operating income of RMB6,954 million, representing an increase of RMB223 million or 3.31% as compared to the same period in the previous year, with the net interest income accounting for 75.12% and the net non-interest income accounting for 24.88%.

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 2024		For the six months ended 30 June 2023		Change in amount	Change in percentage (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Net interest income	5,224,044	75.12	5,386,427	80.02	(162,383)	(3.01)
Net fee and commission income	510,994	7.35	196,546	2.92	314,448	159.99
Other net non-interest income	1,218,944	17.53	1,148,478	17.06	70,466	6.14
Operating income	6,953,982	100.00	6,731,451	100.00	222,531	3.31

Management Discussions and Analysis

5.2.1.2 Net interest income

In the first half of 2024, the net interest income of the Group amounted to RMB5,224 million, representing a decrease of RMB162 million or 3.01% as compared to the same period in the previous year.

Interest income, interest expense and net interest income

In the first half of 2024, the interest income of the Group amounted to RMB14,402 million, representing an increase of RMB317 million or 2.25% as compared to the same period in the previous year; the interest expense amounted to RMB9,178 million, representing an increase of RMB479 million or 5.51% 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 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Interest income	14,401,847	14,085,252	316,595	2.25
Interest expense	(9,177,803)	(8,698,825)	(478,978)	5.51
Net interest income	5,224,044	5,386,427	(162,383)	(3.01)

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

In the first half of 2024, the average balance of interest-earning assets of the Group amounted to RMB738,596 million, representing an increase of RMB72,053 million or 10.81% as compared to the same period in the previous year. The average yield on interest-earning assets decreased by 34 basis points to 3.92% as compared to the same period in the previous year.

In the first half of 2024, the average balance of interest-bearing liabilities of the Group amounted to RMB696,490 million, representing an increase of RMB59,329 million or 9.31% as compared to the same period in the previous year. The average cost ratio of interest-bearing liabilities decreased by 10 basis points to 2.65% 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 24 basis points to 1.27% as compared to the same period in the previous year, while the net interest margin decreased by 21 basis points to 1.42% as compared to the same period in the previous year.

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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 2024			For the six months ended 30 June 2023		
	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	405,139,923	9,153,429	4.54	364,290,209	8,777,090	4.86
Investment securities	230,155,192	4,330,045	3.78	227,379,793	4,685,390	4.16
Balances with central bank	32,616,720	236,662	1.46	32,866,573	238,179	1.46
Due from and placements with banks and other financial institutions	70,683,958	681,711	1.94	42,005,991	384,593	1.85
Total interest-earning assets	738,595,793	14,401,847	3.92	666,542,566	14,085,252	4.26
LIABILITIES						
Customer deposits	426,778,383	5,595,765	2.64	389,016,861	5,454,255	2.83
Due to and placements from banks and other financial institutions and lease liabilities	118,404,400	1,582,296	2.69	109,519,759	1,434,956	2.64
Debt securities payable	151,307,653	1,999,742	2.66	138,624,916	1,809,614	2.63
Total interest-bearing liabilities	696,490,436	9,177,803	2.65	637,161,536	8,698,825	2.75
Net interest income		5,224,044			5,386,427	
Net interest spread			1.27			1.51
Net interest margin			1.42			1.63

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 2024.

(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	947,307	(570,968)	376,339
Investment securities	65,229	(420,574)	(355,345)
Cash and balances with central bank	(1,151)	(366)	(1,517)
Due from and placements with banks and other financial institutions	277,653	19,465	297,118
Change in interest income	1,289,038	(972,443)	316,595
LIABILITIES			
Customer deposits	510,265	(368,755)	141,510
Due to and placements from banks and other financial institutions and lease liabilities	122,715	24,625	147,340
Debt securities payable	172,646	17,482	190,128
Change in interest expense	805,626	(326,648)	478,978
Change in net interest income	483,412	(645,795)	(162,383)

5.2.1.3 Interest income

In the first half of 2024, the Group realised interest income of RMB14,402 million, representing an increase of RMB317 million or 2.25% as compared to the same period in the previous year.

Interest income from loans and advances to customers

In the first half of 2024, the Group's interest income from loans and advances to customers amounted to RMB9,153 million, representing an increase of RMB376 million or 4.29% 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 11.21% as compared to the same period in the previous year.

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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 2024			For the six months ended 30 June 2023		
	Average balance	Interest income	Average annualized yield ratio (%)	Average balance	Interest income	Average annualized yield ratio (%)
Short-term loans	87,102,154	1,282,751	2.96	89,168,274	1,295,530	2.93
Medium – and long – term loans	318,037,769	7,870,678	4.98	275,121,935	7,481,560	5.48
Total	405,139,923	9,153,429	4.54	364,290,209	8,777,090	4.86

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 2024			For the six months ended 30 June 2023		
	Average balance	Interest income	Average annualized yield ratio (%)	Average balance	Interest income	Average annualized yield ratio (%)
Corporate loans	271,265,236	6,732,397	4.99	223,506,511	5,937,605	5.36
Retail loans	95,334,309	2,183,446	4.61	93,340,885	2,477,130	5.35
Discounted bills	38,540,378	237,586	1.24	47,442,813	362,355	1.54
Total	405,139,923	9,153,429	4.54	364,290,209	8,777,090	4.86

Interest income from investment securities

In the first half of 2024, the Group's interest income from investment securities amounted to RMB4,330 million, representing a decrease of RMB355 million or 7.58% as compared to the same period in the previous year, average balance on investment securities increased by 1.22% as compared to the same period in the previous year, and average annualized yield ratio decreased by 38 basis points as compared to the same period in the previous year.

Interest income from balances with central bank

In the first half of 2024, the Group's interest income from balances with central bank amounted to RMB237 million, representing a decrease of RMB1 million or 0.64% as compared to the same period in the previous year, primarily due to the decrease of 0.76% in average balance on balances with central bank as compared to the same period in the previous year and no significant change in average annualized yield ratio as compared to the same period in the previous year.

Management Discussions and Analysis

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

In the first half of 2024, the total interest income from the Group's amounts due from and placements with other banks and financial institutions amounted to RMB682 million, representing an increase of RMB297 million or 77.26% as compared to the same period in the previous year, primarily due to the average balance of amounts due from and placements with other banks and financial institutions increased by 68.27% 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 2024, the Group's interest expense on customer deposits was RMB5,596 million, representing an increase of RMB142 million or 2.59% as compared to the same period in the previous year, primarily due to the increase in average balance of customer deposits by 9.71% as compared to the same period in the previous year and the decrease in average interest rate by 19 basis points as compared to the same period in the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Corporate deposits						
Demand	61,298,866	311,552	1.02	60,518,262	367,950	1.23
Time	131,921,765	1,915,974	2.92	129,542,288	1,990,059	3.10
Subtotal	193,220,631	2,227,526	2.32	190,060,550	2,358,009	2.50
Individual deposits						
Demand	20,259,030	20,420	0.20	19,531,252	26,912	0.28
Time	200,599,477	3,229,032	3.24	162,343,936	2,884,230	3.58
Subtotal	220,858,507	3,249,452	2.96	181,875,188	2,911,142	3.23
Other deposits	12,699,245	118,787	1.88	17,081,123	185,104	2.19
Total	426,778,383	5,595,765	2.64	389,016,861	5,454,255	2.83

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

In the first half of 2024, the Group's total interest expense on amounts due to and placements from banks and other financial institutions and lease liabilities was RMB1,582 million, representing an increase of RMB147 million or 10.27% as compared to the same period in the previous year.

Management Discussions and Analysis

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Due to and placements from other banks	46,920,171	757,679	3.25	44,444,550	696,370	3.16
Borrowings from central bank	60,770,928	721,755	2.39	37,204,189	461,180	2.50
Financial assets sold under repurchase agreements	10,527,375	100,099	1.91	27,706,424	275,091	2.00
Lease liabilities	185,926	2,763	2.99	164,596	2,315	2.84
Total	118,404,400	1,582,296	2.69	109,519,759	1,434,956	2.64

Interest expense on issuance of debt securities

In the first half of 2024, the Group's interest expense on issuance of debts securities amounted to RMB2,000 million, representing an increase of RMB190 million or 10.51% as compared to the same period in the previous year, primarily due to the increase in average balance on debt securities payable by 9.15% 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 2024			For the six months ended 30 June 2023		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Subordinated debts	4,999,528	93,025	3.74	4,999,469	92,513	3.73
Financial debts for small and micro enterprises	4,873,444	67,735	2.80	3,999,890	71,772	3.62
Inter-bank certificates of deposits	125,495,510	1,529,820	2.45	113,747,921	1,336,536	2.37
Financial debts	3,115,366	54,851	3.54	3,499,541	64,994	3.75
Convertible bonds	12,823,805	254,311	3.99	12,378,095	243,799	3.97
Total	151,307,653	1,999,742	2.66	138,624,916	1,809,614	2.63

Management Discussions and Analysis

5.2.1.5 Non-interest income

Net fee and commission income

In the first half of 2024, the Group's net fee and commission income amounted to RMB511 million, representing an increase of RMB314 million or 159.99% as compared to the same period in the previous year. Among them, income from wealth management agency services increased by RMB298 million as compared to the same period in the previous year, primarily due to the management fee and excess return of wealth management products in the current period increased 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 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Fee and commission income	626,910	299,175	327,735	109.55
Wealth management agency services	413,072	115,199	297,873	258.57
Custodian services	17,266	17,918	(652)	(3.64)
Bank card services and annual fee	50,704	49,829	875	1.76
Guarantees and credit commitments	38,331	22,206	16,125	72.62
Settlement and agency services	107,537	94,023	13,514	14.37
Fee and commission expense	(115,916)	(102,629)	(13,287)	12.95
Net fee and commission income	510,994	196,546	314,448	159.99

Other non-interest income

In the first half of 2024, the Group's other non-interest income amounted to RMB1,219 million, representing an increase of RMB70 million or 6.14% as compared with the same period in the previous year, among which the Group's net trading gains amounted to RMB82 million, representing a decrease of RMB79 million or 48.83% as compared with the same period in the previous year; the net gains on investment securities amounted to RMB1,084 million, representing an increase of RMB246 million or 29.40% as compared with the same period in the previous year; and other operating income amounted to RMB52 million, representing a decrease of RMB97 million or 65.11% as compared with the same period in previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Net trading gains	82,370	160,965	(78,595)	(48.83)
Net gains on investment securities	1,084,420	838,034	246,386	29.40
Other operating income	52,154	149,479	(97,325)	(65.11)
Total	1,218,944	1,148,478	70,466	6.14

5.2.1.6 Operating expenses

In the first half of 2024, the Group's operating expenses were RMB1,835 million, representing an increase of RMB46 million or 2.54% as compared to the same period in the previous year, which was mainly attributable to general and administrative expenses increased by 3.41% on a period-on-period basis; tax and surcharges increased by 16.73% on a period-on-period basis; amortisation of intangible assets increased by 25.18% on a period-on-period 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 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Staff costs	1,054,495	1,062,708	(8,213)	(0.77)
General and administrative expense	383,044	370,430	12,614	3.41
Tax and surcharges	97,370	83,412	13,958	16.73
Depreciation of property, plant and equipment	111,296	110,679	617	0.56
Amortisation of intangible assets	79,264	63,318	15,946	25.18
Depreciation of right-of-use assets	35,887	31,804	4,083	12.84
Depreciation of investment properties	224	155	69	44.52
Amortisation of long-term prepaid expenses	15,410	11,963	3,447	28.81
Rental expenses	366	1,231	(865)	(70.27)
Professional fees	53,329	47,263	6,066	12.83
Donations	200	200	–	0.00
Others	3,764	5,985	(2,221)	(37.11)
Operating expenses	1,834,649	1,789,148	45,501	2.54

Management Discussions and Analysis

5.2.1.7 Credit impairment losses

In the first half of 2024, the credit impairment losses of the Group were RMB1,622 million, representing a period-on-period decrease of RMB139 million or 7.90%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Loans and advances to customers	1,898,801	1,450,984	447,817	30.86
Investment securities	(261,717)	326,277	(587,994)	(180.21)
Due from and placements with banks and other financial institutions	889	30,419	(29,530)	(97.08)
Off-balance sheet losses on expected credit impairment	637	(19,776)	20,413	(103.22)
Other credit impairment losses	(16,726)	(26,982)	10,256	(38.01)
Credit impairment losses	1,621,884	1,760,922	(139,038)	(7.90)

5.2.1.8 Income tax

In the first half of 2024, the Group's income tax expenses amounted to RMB490 million, representing an increase of RMB116 million or 31.02% as compared with the same period of the previous year, with the effective tax rate of 13.25%.

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 2024	For the six months ended 30 June 2023	Change in amount	Change in percentage (%)
Profit before income tax	3,700,607	3,426,567	274,040	8.00
Tax at the enacted tax rate of 25%	925,152	856,642	68,510	8.00
Effect of different tax rates of subsidiaries	(43,965)	(35,233)	(8,732)	24.78
Tax effect arising from non-taxable income	(513,995)	(483,280)	(30,715)	6.36
Tax effect of expenses that are not deductible for tax purposes	122,610	34,897	87,713	251.35
Income tax adjustment for prior years	538	1,211	(673)	(55.57)
Income tax	490,340	374,237	116,103	31.02

5.2.2 Balance sheet analysis

5.2.2.1 Total assets

As of 30 June 2024, the Group's total assets amounted to RMB805,968 million, representing an increase of RMB46,084 million or 6.06% over the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	419,896,747	52.10	392,934,966	51.71
Of which: Total principal of loans and advances to customers	417,016,235	51.74	390,200,397	51.35
Interests due from loans and advances to customers	2,880,512	0.36	2,734,569	0.36
Total impairment allowances for the expected credit	(12,988,214)	(1.61)	(12,139,426)	(1.60)
Net loans and advances to customers	406,908,533	50.49	380,795,540	50.11
Investment securities	228,893,902	28.40	253,645,157	33.38
Investments in associates	2,973,043	0.37	2,818,162	0.37
Cash and balances with central bank	36,324,738	4.51	40,026,407	5.27
Due from banks and other financial institutions	92,523,361	11.48	46,286,128	6.09
Financial assets at fair value through profit or loss	28,973,452	3.59	27,090,566	3.57
Derivative financial assets	23,620	0.00	89,981	0.01
Fixed assets	2,871,948	0.36	2,963,711	0.39
Deferred income tax assets	4,364,814	0.54	4,426,083	0.58
Other assets	2,110,512	0.26	1,742,135	0.23
Total assets	805,967,923	100.00	759,883,870	100.00

5.2.2.2 Loans and advances to customers

As of 30 June 2024, the Group's total loans and advances to customers amounted to RMB419,897 million, representing an increase of RMB26,962 million or 6.86% as compared with the end of the previous year. This was mainly because the Group actively implemented the decisions and arrangements of the CPC Chongqing Municipal Committee and Chongqing municipal government, proactively participated in the construction of the "Chengdu-Chongqing Economic Circle" and the new land-sea channel in western China, and continuously enhanced its ability to serve the real economy, which promoted the steady growth in its major businesses during the Reporting Period.

As of 30 June 2024, the Group's total principal of corporate loans was RMB292,380 million, representing an increase of RMB41,982 million or 16.77% as compared with the end of the previous year; the total principal of retail loans was RMB95,517 million, representing an increase of RMB567 million or 0.60% as compared with the end of the previous year.

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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 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate loans	292,380,040	70.11	250,398,073	64.17
Discounted bills	29,118,903	6.98	44,852,396	11.49
Retail loans	95,517,292	22.91	94,949,928	24.34
Total	417,016,235	100.00	390,200,397	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 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Short-term corporate loans	27,918,841	9.55	26,986,238	10.78
Medium-and-long-term corporate loans	264,461,199	90.45	223,411,835	89.22
Total	292,380,040	100.00	250,398,073	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 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Personal mortgage loans	39,997,079	41.87	40,321,906	42.47
Personal consumer loans	10,657,059	11.16	9,774,856	10.29
Personal business loans	22,167,328	23.21	22,528,071	23.73
Credit card advances	22,695,826	23.76	22,325,095	23.51
Total	95,517,292	100.00	94,949,928	100.00

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

5.2.2.3 Financial investments

As of 30 June 2024, the Group's financial investments amounted to RMB257,867 million, representing a decrease of RMB22,868 million or 8.15% as compared with the end of the previous year. Among them, financial investments at amortized cost amounted to RMB146,835 million, representing a decrease of RMB12,634 million or 7.92% as compared with the end of the previous year; financial investments at fair value through other comprehensive income amounted to RMB82,059 million, representing a decrease of RMB12,117 million or 12.87% as compared with the end of the previous year; financial assets at fair value through profit or loss amounted to RMB28,973 million, representing an increase of RMB1,883 million or 6.95% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bond investments	201,700,063	78.22	226,807,782	80.79
Trust investments	7,540,775	2.92	8,580,884	3.06
Assets management plans	28,165,400	10.92	30,921,643	11.01
Debt financing plans	2,370,000	0.92	4,680,000	1.67
Fund investments	12,921,359	5.01	4,303,474	1.53
Equity investments	1,065,256	0.41	1,162,101	0.41
Inter-bank certificates of deposits	1,097,531	0.43	984,859	0.35
Others	14	0.00	14	0.00
Accrued interest	4,048,179	1.57	4,684,056	1.67
Provision for impairment	(1,041,223)	(0.40)	(1,389,090)	(0.49)
Total financial investments	257,867,354	100.00	280,735,723	100.00

As of 30 June 2024, balance of the Group's financial investments with remaining term of less than a year was RMB68,387 million, representing an increase of RMB16,055 million or 30.68% 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 RMB187,946 million, representing a decrease of RMB38,650 million or 17.06% as compared with the end of the previous year.

Management Discussions and Analysis

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Up to 3 months	30,191,562	11.71	12,768,821	4.55
3 to 12 months	38,195,284	14.81	39,562,904	14.09
1 to 5 years	153,338,003	59.46	189,373,857	67.46
Over 5 years	34,608,483	13.42	37,222,522	13.26
In perpetuity	1,065,256	0.41	1,162,101	0.41
Overdue	468,766	0.19	645,518	0.23
Total financial investments	257,867,354	100.00	280,735,723	100.00

As of 30 June 2024, the Group's balance of financial investments at fair value through profit or loss amounted to RMB28,973 million, representing an increase of RMB1,883 million or 6.95% as compared with the end of the previous year; the balance of financial investments at fair value through other comprehensive income amounted to RMB82,059 million, representing a decrease of RMB12,117 million or 12.87% as compared with the end of the previous year; the balance of financial investments measured at amortised cost amounted to RMB146,835 million, representing a decrease of RMB12,634 million or 7.92% 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 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit or loss	28,973,452	11.24	27,090,566	9.65
Financial investments at fair value through other comprehensive income	82,058,587	31.82	94,175,349	33.55
Financial investments measured at amortised cost	146,835,315	56.94	159,469,808	56.80
Total financial investments	257,867,354	100.00	280,735,723	100.00

As of 30 June 2024, the Group's treasury bond investments amounted to RMB103,667 million, representing a decrease of RMB2,032 million or 1.92% as compared with the end of the previous year, with its proportion in bond investments increasing by 4.80 percentage points to 51.40%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Treasury bonds	103,667,965	51.40	105,700,113	46.60
Local government bonds	25,852,128	12.82	38,954,600	17.17
Bonds of financial institutions	8,885,754	4.40	13,372,326	5.90
Corporate bonds	63,294,216	31.38	68,780,743	30.33
Total bond investments	201,700,063	100.00	226,807,782	100.00

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

Name of bonds	Face value (thousands of RMB)	Annual interest rate (%)	Maturity date	Provision for Impairment (thousands of RMB)
Policy bank bonds	400,000	2.47	2034/4/2	422
Commercial bank bonds	300,000	2.55	2025/8/24	321
Commercial bank bonds	300,000	2.50	2025/8/5	321
Commercial bank bonds	300,000	2.65	2026/9/13	321
Commercial bank bonds	300,000	2.28	2027/4/29	316
Commercial bank bonds	300,000	2.56	2026/8/28	321
Commercial bank bonds	300,000	2.10	2027/6/20	315
Commercial bank bonds	300,000	2.70	2026/11/27	319
Commercial bank bonds	300,000	2.23	2027/5/24	315
Commercial bank bonds	300,000	2.70	2026/11/23	319

Note: The above provision for impairment is calculated on the basis of the expected loss model in accordance with IFRS 9 – Financial Instruments. 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.

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5.2.2.4 Investment in associates

As of 30 June 2024, the Group's investment in associates was RMB2,973 million, representing an increase of RMB155 million or 5.50% as compared with the end of the previous year, mainly due to the Bank's share of profit of associates.

The following table sets forth the changes in the Group's investment in associates for the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024	2023
Balance at the beginning of the period	2,818,162	2,500,712
Net profit or loss adjusted by equity method	206,130	372,352
Cash dividends declared	(51,249)	(54,902)
Balance at the end of the period	2,973,043	2,818,162

5.2.2.5 Total liabilities

As of 30 June 2024, the total liabilities of the Group amounted to RMB744,141 million, representing an increase of RMB43,557 million or 6.22% as compared to the end of the previous year.

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 2024		As at 31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Customer deposits	449,999,935	60.47	414,812,696	59.21
Debt securities issued	155,788,681	20.94	153,373,831	21.89
Due to and placements from banks and other financial institutions	130,628,922	17.55	126,599,915	18.07
Derivative financial liabilities	6,754	0.00	54,608	0.01
Tax payable	379,352	0.05	148,268	0.02
Other liabilities	7,337,646	0.99	5,595,125	0.80
Total liabilities	744,141,290	100.00	700,584,443	100.00

5.2.2.6 Customer deposits

In the first half of 2024, 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 2024, the total customer deposits of the Bank amounted to RMB450,000 million, representing an increase of RMB35,187 million or 8.48% 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 2024, balance of the Group's individual deposits was RMB231,868 million, representing an increase of RMB30,904 million or 15.38% as compared with the end of the previous year, accounting for 51.53% of the total customer deposits; balance of the Group's corporate deposits was RMB193,972 million, representing an increase of RMB157 million or 0.08% as compared with the end of the previous year, accounting for 43.10% of the total customer deposits.

In terms of term structure, the scale of the Group's time deposits has steadily expanded, while the ratio of demand deposits declined as compared with the end of the previous year, among which the balance of demand deposits was RMB75,951 million, representing a decrease of RMB8,833 million or 10.42% as compared with the end of the previous year; and balance of the Group's time deposits was RMB349,890 million, representing an increase of RMB39,893 million or 12.87% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate demand deposits	55,979,969	12.44	64,096,964	15.45
Corporate time deposits	137,992,350	30.66	129,718,412	31.27
Individual demand deposits	19,970,569	4.44	20,686,248	4.99
Individual time deposits	211,897,872	47.09	180,278,653	43.46
Other deposits	13,930,134	3.10	11,471,728	2.77
Interest payable on customer deposits	10,229,041	2.27	8,560,691	2.06
Total customer deposits	449,999,935	100.00	414,812,696	100.00

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5.2.2.7 Shareholders' equity

As of 30 June 2024, the total equity of the Group amounted to RMB61,827 million, representing an increase of RMB2,527 million or 4.26% as compared to the end of the previous year; the equity attributable to shareholders of the Bank amounted to RMB59,352 million, representing an increase of RMB2,434 million or 4.28% as compared to the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	3,474,565	5.62	3,474,562	5.86
Other equity instruments	8,071,261	13.05	8,071,264	13.61
Capital surplus	7,735,039	12.51	7,734,979	13.04
Other reserves	15,419,067	24.94	13,874,724	23.40
Retained earnings	24,652,161	39.88	23,762,205	40.07
Total equity attributable to shareholders of the Bank	59,352,093	96.00	56,917,734	95.98
Minority interests	2,474,540	4.00	2,381,693	4.02
Total equity	61,826,633	100.00	59,299,427	100.00

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

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

5.3 Loan Quality Analysis

5.3.1 Distribution of loans by the five-category classification

During the Reporting Period, the Group accelerated the construction of a comprehensive risk management system, continued to strengthen the prevention and control of credit risk and strengthen the risk investigation, early risk warning, tracking and post-lending monitoring management and stepped up efforts in risk management, which consolidated the foundation of asset quality, and ensured that the quality of the Group's credit assets was relatively good compared to other banks. As of 30 June 2024, the balance of non-performing loans was RMB5,215 million, representing an increase of RMB3 million as compared to the end of the previous year; non-performing loan ratio was 1.25%, representing a decrease of 0.09 percentage point as compared to the end of the previous year. The amount of loans under special mention category accounted for 3.10% of total loans, representing a decrease of 0.26 percentage point as compared to that of the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Pass	398,893,553	95.65	371,858,413	95.30
Special mention	12,907,642	3.10	13,130,200	3.36
Substandard	2,064,853	0.50	2,376,421	0.62
Doubtful	811,311	0.19	718,794	0.18
Loss	2,338,876	0.56	2,116,569	0.54
Total principals of loans and advances to customers	417,016,235	100.00	390,200,397	100.00
Amount of non-performing loans	5,215,040	1.25	5,211,784	1.34

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

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

As of 30 June 2024, the non-performing rate of the Group's retail loans was 2.44%, representing an increase of 0.46 percentage point over the end of the previous year; the non-performing ratio of the corporate loans was 0.99%, representing a decrease of 0.34 percentage point over the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024				31 December 2023			
	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	292,380,040	70.11	2,883,796	0.99	250,398,073	64.18	3,335,457	1.33
Short-term loans	27,918,841	6.69	557,959	2.00	26,986,238	6.92	661,196	2.45
Medium-and-long-term loans	264,461,199	63.42	2,325,837	0.88	223,411,835	57.26	2,674,261	1.20
Discounted bills	29,118,903	6.98	-	-	44,852,396	11.49	-	-
Retail loans	95,517,292	22.91	2,331,244	2.44	94,949,928	24.33	1,876,327	1.98
Personal mortgage loans	39,997,079	9.59	431,710	1.08	40,321,906	10.33	308,546	0.77
Personal consumer loans	10,657,059	2.56	150,992	1.42	9,774,856	2.51	128,515	1.31
Personal business loans	22,167,328	5.32	1,190,301	5.37	22,528,071	5.77	995,324	4.42
Credit card advances	22,695,826	5.44	558,241	2.46	22,325,095	5.72	443,942	1.99
Total	417,016,235	100.00	5,215,040	1.25	390,200,397	100.00	5,211,784	1.34

5.3.3 Distribution of loans and non-performing loans by industry

In the first half of 2024, the Group closely responded to the national major strategies, actively participated in major strategic opportunities such as the development of "Chengdu-Chongqing Economic Circle", the construction of the new land-sea channel in China's western region, formulated credit policies, strengthened customer access, deepened the adjustment of the credit portfolio, and actively marketed to high-quality customers in the "new infrastructure", green development, new energy, advanced manufacturing industry and other key industries. We also dynamically adjusted the credit strategies for key industries such as real estate and constrained exit industries and strengthened risk prevention and control, and disposal and mitigation in key areas based on the national macro policies orientation and market changes.

As of the end of the Reporting Period, the Group's non-performing loan ratio decreased by 0.09 percentage point as compared with the end of the previous year. Among them, the non-performing loan ratios in financing, mining, wholesale and retail and other industries decreased as compared with the end of the previous year, while the non-performing loan ratios in household services, maintenance and other services, construction and accommodation and catering and other industries increased as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024				31 December 2023			
	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	29,326,070	7.03	922,111	3.14	27,598,449	7.07	857,770	3.11
Wholesale and retail	25,249,304	6.05	648,558	2.57	21,555,067	5.52	1,118,277	5.19
Construction	25,226,457	6.05	325,520	1.29	25,893,709	6.64	125,177	0.48
Real estate	9,773,651	2.34	564,891	5.78	9,569,930	2.45	619,755	6.48
Leasing and commercial services	97,337,622	23.34	127,933	0.13	78,195,749	20.05	41,560	0.05
Water conservation, environment and public facility administration	77,008,924	18.47	20,115	0.03	63,081,708	16.17	62,715	0.10
Transportation, warehousing and postal service	5,210,913	1.25	68,071	1.31	4,181,646	1.07	55,451	1.33
Mining	1,397,642	0.34	26,000	1.86	1,359,909	0.35	101,250	7.45
Electricity, heat, gas and water production and supply	5,639,636	1.35	21,287	0.38	4,217,532	1.08	21,387	0.51
Agriculture, forestry, animal husbandry and fishery	4,245,959	1.02	54,140	1.28	3,724,983	0.95	80,201	2.15
Household services, maintenance and other services	561,145	0.13	9,781	1.74	566,006	0.15	3,711	0.66
Education	611,063	0.15	2,900	0.47	532,019	0.14	2,987	0.56
Financing	1,021,663	0.24	-	-	860,399	0.22	147,899	17.19
Scientific research and technology services	1,703,073	0.41	33,928	1.99	1,299,292	0.33	20,738	1.60
Information transmission, software and information technology services	2,003,512	0.48	15,831	0.79	1,932,494	0.50	29,444	1.52
Accommodation and catering	1,689,564	0.41	26,702	1.58	1,550,386	0.40	12,807	0.83
Culture, sports and entertainment	2,582,183	0.62	13,578	0.53	2,492,654	0.64	13,578	0.54
Health and social welfare	1,782,659	0.43	2,450	0.14	1,772,915	0.45	20,750	1.17
Public administration, social security and social organisations	9,000	0.01	-	-	13,226	0.00	-	-
Loans to corporate entities – measured at fair value through other comprehensive income								
Discounted bills	29,118,903	6.98	-	-	44,852,396	11.49	-	-
Retail loans – measured at amortised cost								
Retail loans	95,517,292	22.90	2,331,244	2.44	94,949,928	24.33	1,876,327	1.98
Total	417,016,235	100.00	5,215,040	1.25	390,200,397	100.00	5,211,784	1.34

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.

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

As at 30 June 2024, balance of the Group's collateralized and pledged loans decreased by RMB12,612 million or 8.24%, balance of the guaranteed loans increased by RMB31,108 million or 18.84%, and balance of the unsecured loans increased by RMB8,319 million or 11.53% as compared with the end of the previous year. The non-performing ratios of pledged loans and guaranteed loans decreased by 0.22 and 0.30 percentage point respectively, and those of collateralized loans, unsecured loans increased by 0.24 and 0.14 percentage point respectively as compared with the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024				31 December 2023			
	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	94,584,429	22.68	3,273,599	3.46	91,788,054	23.52	2,956,274	3.22
Pledged loans	45,800,208	10.98	74,270	0.16	61,208,098	15.69	233,755	0.38
Guaranteed loans	196,188,654	47.05	772,104	0.39	165,080,731	42.31	1,144,489	0.69
Unsecured loans	80,442,944	19.29	1,095,067	1.36	72,123,514	18.48	877,266	1.22
Total	417,016,235	100.00	5,215,040	1.25	390,200,397	100.00	5,211,784	1.34

5.3.5 Distribution of loans and non-performing loans by region

As at 30 June 2024, the Group's non-performance loan ratio in Chongqing area and other areas' branches was 1.42% and 0.74%, respectively.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024				31 December 2023			
	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	315,863,449	75.74	4,469,822	1.42	302,355,279	77.49	4,401,921	1.46
Other areas	101,152,786	24.26	745,218	0.74	87,845,118	22.51	809,863	0.92
Total	417,016,235	100.00	5,215,040	1.25	390,200,397	100.00	5,211,784	1.34

5.3.6 Loans to top ten single borrowers

As of 30 June 2024, the Group's total loans to its largest single borrower amounted to RMB1,980 million and accounted for 2.77% of its net capital, while total loans to its top ten customers amounted to RMB16,946 million and accounted for 23.68% of its net capital, which were in compliance with regulatory requirements. As of 30 June 2024, all of the Group's loans to top ten single borrowers were loans in the pass category.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	Industry	30 June 2024		
		Loan amount	Percentage of net capital (%)	Percentage of total loans (%)
Customer A	Leasing and commercial services	1,980,000	2.77	0.47
Customer B	Water conservation, environment and public facility administration	1,894,475	2.65	0.45
Customer C	Construction	1,881,860	2.63	0.45
Customer D	Leasing and commercial services	1,794,000	2.51	0.43
Customer E	Water conservation, environment and public facility administration	1,763,690	2.46	0.42
Customer F	Leasing and commercial services	1,638,000	2.29	0.39
Customer G	Leasing and commercial services			
	Water conservation, environment	1,539,000	2.15	0.37
Customer H	and public facility administration	1,510,500	2.11	0.36
Customer I	Leasing and commercial services	1,474,500	2.06	0.35
Customer J	Leasing and commercial services	1,470,000	2.05	0.35

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5.3.7 Overdue loans

As of 30 June 2024, the total overdue loans of the Group amounted to RMB7,905 million, representing an increase of RMB282 million as compared with the end of the previous year. Total overdue loans accounted for 1.91% of the total principal of loans and advances to customers, representing a decrease of 0.04 percentage point as compared with the end of the previous year. The Group adopts a prudent classification standard for overdue loans. The ratio of non-performing loans to loans overdue for more than 90 days is 1.15.

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 2024		31 December 2023	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Past due within 90 days	3,370,234	0.81	3,243,148	0.83
Past due 90 days to 1 year	2,523,801	0.61	2,598,159	0.67
Past due over 1 year and within 3 years	1,941,221	0.47	1,728,628	0.44
Past due over 3 years	69,550	0.02	53,315	0.01
Total principals of overdue loans and advances to customers	7,904,806	1.91	7,623,250	1.95
Total principals of loans and advances to customers	417,016,235	100.00	390,200,397	100.00

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

5.3.8 Restructured loans

As of 30 June 2024, the Group's restructured loans accounted for 0.32%, up by 0.02 percentage point as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024		31 December 2023	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Restructured loans	1,349,517	0.32	1,155,137	0.30
Including: Restructured loans overdue for more than 90 days	293,069	0.07	–	–
Total principals of loans and advances to customers	417,016,235	100.00	390,200,397	100.00

Note: Pursuant to regulatory requirements, the Group adjusted the calculation criteria of restructured loans.

5.3.9 Foreclosed assets and provision for impairment

As of 30 June 2024, the Group's foreclosed assets amounted to RMB75 million and the provision for impairment of foreclosed assets was RMB8 million.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024		31 December 2023	
	Amount	Provision for impairment	Amount	Provision for impairment
Foreclosed assets	74,906	(8,231)	107,254	(11,031)

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5.3.10 Changes in provision for loan impairment

The Group adheres to a sound and prudent provision policy, and realizes the scientific measurements of expected loss of assets by establishing the expected credit loss model. As of 30 June 2024, balance of the Group's loan impairment provision was RMB12,988 million, representing an increase of RMB849 million as compared with the end of the previous year. The provision coverage ratio of non-performing loans was 249.59%, up by 15.41 percentage points as compared with the end of the previous year. The loan provision ratio was 3.12%, decreased by 0.01 percentage point as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024	2023
Balance at the beginning of the Period	12,139,426	10,127,171
New financial assets originated or purchased	973,635	1,593,755
Re-measurement	2,309,567	4,043,444
Repayment	(1,346,627)	(2,543,273)
Written-off and transferred of the year	(1,357,964)	(1,582,816)
Recoveries of loans written-off in previous years and advances transfer-in	240,753	545,918
Effect of discount factors	29,424	(44,773)
Balance at the end of the Period	12,988,214	12,139,426

5.4 Operating Results by Segment

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	Operating income	Profit before income tax	Operating income	Profit before income tax
Corporate banking business	5,019,071	2,542,023	4,485,528	2,319,532
Retail banking business	1,494,966	430,986	1,221,955	414,100
Treasury business	400,310	705,304	910,511	619,667
Unallocated	39,635	22,294	113,457	73,268
Total	6,953,982	3,700,607	6,731,451	3,426,567

5.5 Other Information to be Disclosed according to Regulatory Requirements

5.5.1 Key regulatory indicators

Items		30 June 2024	31 December 2023	31 December 2022
Liquidity ratio (%)	RMB	164.51	149.48	121.23
	Foreign currency	723.36	2,727.71	3,426.17
Loan migration ratio (%)	Pass	2.04	1.81	2.72
	Special mention	18.68	18.07	25.56
	Substandard	136.03	54.34	48.65
	Doubtful	119.11	66.25	14.18

Notes:

- (1) Liquidity ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of the NFRA.
- (2) Loan migration ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of the NFRA.
- (3) Migration ratio of pass loans = (amount migrated to the lower grades from the pass loans at the beginning of the year + amount which were pass loans at the beginning of the year, and were converted to non-performing loans and dealt with during the Reporting Period)/balance of pass loans at the beginning of the year × 100% × annualised coefficient; migration ratio of special mention loans = (amount migrated to the lower grades from the special mention loans at the beginning of the year + amount which were special mention loans at the beginning of the year, and were converted to non-performing loans and dealt with during the Reporting Period)/balance of special mention loans at the beginning of the year × 100% × annualised coefficient; migration ratio of substandard loans = (amount migrated to the lower grades from the substandard loans at the beginning of the year + amount which were substandard loans at the beginning of the year, and were converted to doubtful loans and loss loans and dealt with during the Reporting Period)/balance of substandard loans at the beginning of the year × 100% × annualised coefficient; migration ratio of doubtful loans = (amount migrated to the lower grades from the doubtful loans at the beginning of the year + amount which were doubtful loans at the beginning of the year, and were converted to loss loans and dealt with during the Reporting Period)/balance of doubtful loans at the beginning of the year × 100% × annualised coefficient.

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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 2024	31 December 2023
Credit related commitments	68,807,759	64,219,441
Of which:		
Irrevocable loan commitments	2,673	3,159
Bank acceptance bill	54,508,706	48,207,232
Issuance of letters of guarantee	1,399,277	1,407,780
Issuance of letters of credit	5,870,668	7,473,000
Unused credit card limits	5,684,804	6,059,480
Trade finance confirmation	1,341,631	1,068,790
Capital expenditure commitments	154,094	132,114
Total	68,961,853	64,351,555

5.5.3 Assets and liabilities measured at fair value

(All amounts expressed in thousands of RMB unless otherwise stated)	Opening balance	Losses/(gains) on changes in fair value in the current period	Cumulative changes in fair value recognised in equity	Impairment provision for the period	Ending balance
Investment securities at FVOCI	94,175,349	–	1,783,677	115,724	82,058,587
Financial assets and financial liabilities at FVPL	27,090,566	(231,219)	–	–	28,973,452
Loans and advances to customers at FVOCI	44,852,396	–	13,712	37,774	29,118,903
Derivative financial instruments	35,373	(820)	–	–	16,866
Total	166,153,684	(232,039)	1,797,389	153,498	140,167,808

Note: 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 on active markets, the Group uses valuation techniques to determine its fair value. The valuation models used are mainly discounted cash flow models and market comparable company models. The input value of valuation technique mainly includes risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, lack of liquidity discount and so on. The Group had no private equity investments, and its derivatives investment business is not applicable to the relevant provisions set out in the IAS 39 – Financial Instruments: Recognition and Measurement.

5.6 Business Overview

5.6.1 Corporate Banking Business

During the Reporting Period, the Bank deepened its support for major national strategies in line with the concept of high-quality development, and fully participated in the construction of the Chengdu-Chongqing Economic Circle and the new land-sea channel in western China. In order to optimize its business structure and promote scale growth, the Bank focused on modern industrial system to improve its innovative service capabilities and the quality and efficiency of customer management.

Capturing the strategic opportunities in Chengdu and Chongqing and tapping into the regional development potential.

The Bank promoted scale growth, through special events such as flagship product innovation and financial service promotion events, enhanced support for the Chengdu-Chongqing Economic Circle and continued to cultivate the regional customer base, provided the credit support for Chengdu-Chongqing Economic Circle, with a total credit of over RMB100 billion, and supported the construction of nearly 60 major regional projects such as the Yangtze River Water Supply Project of Xiaoshimen in Changshou and the expansion and renovation project of the Dashuaba Sewage Treatment Plant in Fuling; the Bank enriched service means, through a combination of specialty product innovation, cross-regional industry cooperation, and promotion of attracting investment into Chongqing, made more symbolic contributions to the development of Chengdu and Chongqing in the new era, with eight items of work included in the 23 benchmarking measures to be promoted to financial institutions across the city in the latest 2024 "Benchmarking" (樹標對標) activity in Chengdu and Chongqing.

Anchoring advanced industrial clusters and assisting in the transformation and upgrading of industries. The Bank formed special teams to promote the Implementation Plan for High-quality Development of the Services Manufacturing Industry, actively responded to the national call for financial institutions to make concessions to the manufacturing industry, and accurately irrigated manufacturing enterprises; the Bank increased product application, explored and innovated the "Zirong Technological Transformation Loan" (智融技改貸), and continued to promote specialized products such as "Zirong Investment Promotion Loan" (智融招商貸), "High-quality Loan" (優優貸) to serve "33618" modern manufacturing industry clusters of Chongqing and key industrial clusters in Sichuan, Shaanxi and Guizhou, provided comprehensive financial services, cumulatively provided loans to nearly 2,000 customers in the first half of the year.

Strengthening customer hierarchical management and improving customer service quality and efficiency. The Bank continued to expand the basic customer base, strengthened the capacity building of frontline teams by integrating the strength of network outlets, and acquired customers through internal and external linkage, line linkage and chain, with the number of basic corporate customers increasing by 6.2% as compared with the end of the previous year; the Bank deepened the cooperation with customers at all levels, deployed differentiated preferential policies and service teams for strategic customers, key customers and potential customers, and formulated comprehensive financial service plans to provide all-around and full-cycle financial services, with the proportion of deposits and loans of strategic customers and their member units in the total amount of deposits and loans of corporate lines continuing to increase.

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Continuing to nurture development vitality and promoting improvements in the quality and quantity of deposits.

The Bank promoted the digital transformation of deposits, realized online processing of all categories and processes of corporate deposit products, constructed an online and offline deposit product operation pattern, improved business development efficiency, and empowered the market expansion; the Bank created digital transaction scenarios, and built digital application scenarios for the people's livelihood in the areas of catering, payment and superstore with the intensive technology introduction, batch market introduction and cost-saving investment, empowered digital city construction, cultivated traffic growth potential, and nurtured new transaction funds sources; the Bank strengthened cost window management, and exerted the effect of marginal cost reduction and inventory cost reduction, realizing an orderly decrease in the corporate deposit interest-paying cost ratio as compared with the end of the previous year.

As of 30 June 2024, balance of the Group's loans and advances to corporate entities (including discount of bills) amounted to RMB321,499 million, representing an increase of RMB26,248 million or 8.89% as compared with the end of the previous year. The balance of corporate deposits amounted to RMB193,972 million, representing an increase of RMB157 million or 0.08% as compared with the end of the previous year, and accounting for 43.10% of the balance of all deposits.

5.6.2 Inclusive Finance Business

During the reporting period, the Bank formed "Special Teams on Inclusive Finance" (普惠金融工作專班), formulated the "Implementation Plan for the Key Tasks of Inclusive Finance in 2024" (《2024年普惠金融重點工作實施方案》), and focused on deepening credit levels, supporting key areas, improving development capabilities with a view to promote inclusive finance to maintain volume, stabilize price and optimize structure, and made every effort to make a major contribution to inclusive finance. As of 30 June 2024, according to the national statistic standards, the balance of small and micro enterprise loans of the Bank amounted to RMB135,227 million, representing an increase of RMB21,001 million as compared with the end of the previous year. According to the statistic standards under "Two Increases" policy, our inclusive small and micro enterprise loans with an individual lending amount of below RMB10 million recorded a balance of RMB57.375 billion, representing an increase of RMB7.130 billion as compared with the end of the previous year, and the number of loan customers was 60,648, increasing by 2,759 as compared with the end of the previous year.

Deepening the credit hierarchy and enhancing service levels. The Bank increased credit investment, deepened the structural reform of the financial supply side, optimized the allocation of financial resources, focused on the operational capital needs of small and micro enterprises, strengthened credit support, and maintained the growth rate of the inclusive small and micro loan balances not lower than the growth rate of various loan balances. The Bank stabilized credit prices, enhanced the scientificity and accuracy of the pricing of inclusive small and micro loans, and reasonably determined the level of loan interest rates based on the loan market quotation rate (LPR). The Bank improved the credit structure, innovated and developed products such as the "Running Loan (enterprise edition)" (流水貸(企業版)) to enhance the service capacity for legal person of small and micro enterprises, optimized the "Special Loan Renewal" (專項續貸) mode to enhance the capacity of successive financing services, and expanded the coverage of first loan by focusing on the financing needs of "non-debtors" (無貸戶). The Bank innovated credit products, capitalized on the strengths of the agile team of inclusive finance, innovated and developed new products and models such as the "Investment Support Loan" (招商扶持貸), "Market Merchant Loan" (市場商戶貸), and "Digital Star Hui Loan" (數鏈星制鏈貸). The Bank improved credit quality, strengthened the "three checks" management of loans, strived to enhance digital risk control capabilities, improved early warning signals, improved risk control models, implemented visual risk monitoring, and improved loan risk identification, early warning and disposal capabilities.

Supporting key areas and enhancing service precision. The Bank supported scientific and technological innovation, innovated and developed “Inclusive Keqi Loan” (普惠科企貸), and continued to promote products such as “Haoqi IP Loan” (好企知產貸) and “Hao Qi Ke Chuang Dai” (好企科創貸) to innovate small and micro enterprises with science and technology and assist the scientific and technological innovation and development of small and micro enterprises. The Bank supported “Specialized, Refined, Special and Novel” products, and optimized and upgraded the “Specialized, Refined, Special and Novel Credit Loan” (專精特新信用貸), and continuously promoted products such as the “Intellectual Value Credit Loan” (知識價值信用貸) to assist the development of “Specialized, Refined, Special and Novel” enterprises. The Bank supported modern manufacturing, innovated and developed the “Equipment Update Loan” (設備更新貸), and continued to promote products such as the “Commercial Value Guarantee Loan” (商業價值擔保貸) to assist the development of manufacturing enterprises. The Bank supported foreign trade operations, innovated and developed “Commercial Trade Loan” (商貿貸), and continued to promote products such as “Chongqing Trade Loan” (渝貿貸) to assist the development of small and micro foreign trade enterprises. The Bank supported cultural tourism, continuously promoted products such as “Cultural Tourism Loan” (文旅貸) and “Cultural Tourism Assistance Loan” (文旅助力貸) to assist the development of the cultural tourism industry. The Bank supported the private economy, innovated and developed “Individual Loan” (個體貸) and “Famous, Special, Eminent and Novel Individual Credit Loan” (名特優新個體信用貸) for individual industrial and commercial households, and continued to promote products such as “Relief and Assistance Loan” (紓困扶持貸) to assist the development of private enterprises and individual industrial and commercial households.

Improving development capabilities and enhancing service quality and efficiency. The Bank improved professional capabilities, launched special incentives such as the “spring warming action” (春暖行動) and “double over half” (雙過半), strengthened labor competitions with competitive attitudes (勞動競賽、賽馬比拼), regularly published results and reviewed summaries, and continued to hold special training on “Huiyu Growth” (鑄渝成長) to improve the service level of branches and employees. The Bank enhanced digital capabilities, improved the matrix of online portal channels such as “mini programs, micro-banks, public accounts and video accounts” (小程序、微銀行、公眾號、視頻號), and organized the special live broadcasts of the “spring warming action” (春暖行動) in “Pu Xiao Wei•Hui Baiye” (普小微•鑄百業) series and the thematic marketing activity of “promotional gifts” (推廣有禮) in “Nian Nian You Yu•Kai Men Dai Xi” (年年有渝•開門貸喜) series, and optimized intelligent platforms such as the “Huiyu Cloud Manager” (鑄渝雲管家) and “remote auxiliary adjustment” (遠程輔調) to improve the quality and efficiency of inclusive finance operations. The Bank enhanced linkage capabilities, actively participated in the construction and application of credit information sharing platforms for government industry authorities and financial regulatory authorities, and improved the digital interaction mode of “bank-in-charge direct connection” (銀擔直聯) with government financing and guarantee institutions, and continued to expand inclusive finance service scenes through internal and external data integration. The Bank enhanced the publicity and education capabilities, launched the activities of “inclusive finance promotion month” (普惠金融推進月) series and held the third anniversary event of “Huiyu Financial Service” (鑄渝金服) brand, continued to strengthen financial service publicity, financial knowledge popularization and bank-enterprise financing docking to promote the direct, accurate and quick access of financial services to inclusive customers.

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5.6.3 Retail Banking Business

During the Reporting Period, the Bank firmly adhered to the “customer-focused” business philosophy and the development orientation of “citizen bank” through deeply exploring into the retail markets in the “one municipality and three provinces”, and followed the path of digital development, with a view to providing customers with high-quality products and services and promoting the high-quality transformation and development of our retail banking business.

In terms of individual deposits, firstly, the Bank continued to optimise its product system, promoted and marketed special time deposit products including “Xing Fu Cun” (幸福存) and “Meng Xiang Cun” (夢想存), which ensured the growth of savings deposits while achieving precise control and continuous optimization of the deposit term structure through such means as interest rate differentiation, quota refinement and process digitization. Secondly, the Bank further consolidated its customer bases. The Bank was committed to promoting the distinctive operation of key customer bases such as the “elderly customer bases” and “agency payment customer bases” and the offline franchise of “VIP customer bases”, so as to explore, maintain and enhance the value of customers. The Bank actively explored models to deepen financial services, enhancing the county-level financial service capabilities. Thirdly, the Bank vigorously developed people-friendly financial service scenarios, continued to optimize the experience of users, provided cardholders with “financial + ecological” service extensions in multi scenarios covering food, shopping, house and entertainment and other aspects to effectively enhance the engagement and stickiness of customers.

In terms of individual loans, the Bank continued to develop the housing loan business, actively implemented the new housing loan policies and optimized the loan process to effectively support the financing needs of buyers for rigid demand and improved houses. The Bank enriched the functions of self-operated online consumer loan “Jie e Dai” (捷e貸) and optimized the repayment methods to facilitate the rapid growth of the customer bases and scale of online consumer loans. The Bank implemented the interconnection between the “Star Chain Smart Marketing Platform” (星鏈智慧營銷平台) and various online marketing channels to effectively enhance the efficiency of loan marketing in acquiring customers. In addition, the Bank strengthened the functions of the “Insight Smart Risk Control System” (火眼智慧風控體系), and iterated the risk control strategies for various types of consumer loans, comprehensively realizing customer-focused credit risk management.

In terms of wealth management, the Bank released the “BCQ Wealth” (重銀財富) brand and iteratively upgraded the wealth management value system, product system and service system. The Bank launched the “BCQ Wealth Gathering” (重銀財富薈) life-cycle asset allocation service and published the Asset Allocation Strategy Report. The Bank vigorously expanded the agency sales business, selected and supplemented third-party cooperative institutions, continuously enriched and improved the product “shelf”, creating a more diversified wealth management product system to enhance the accessibility of financial services. Furthermore, the Bank deepened the “layered, group-based and hierarchical” operation of retail customers, and promoted refined process management, targeted marketing strategies and meticulous customer services.

In terms of bank cards, the Bank continued to diversify the consumption, settlement and other scenarios of bank cards, leveraging the customer acquisition model of merchants and customers linkage to expand customer acquisition channels, reducing customer acquisition costs, and enriching the card usage environment. In terms of debit cards, the Bank continued to increase the types of bank cards and issued special card types including the third-generation social insurance card, Youth Volunteer Card and Chengdu-Chongqing Card, so as to expand basic customer base and promote the healthy development of its bank card business. In terms of credit cards, the Bank established a digital decision-making mechanism for credit cards, implemented differentiated pricing and precise pre-approval of credit, balanced risk and return, and continued to enrich the card usage environment and marketing and promotional methods to facilitate the high-quality development of the credit card business.

As of 30 June 2024, the balance of personal deposits of the Group was RMB231.868 billion, representing an increase of RMB30.904 billion or 15.38% as compared with the end of last year, and the local market share continued to increase. The Group actively supported residents' demand for consumer financing, and the Group's balance of personal consumer loans (including personal consumer loans, mortgage loans and credit card advances) was RMB73.350 billion, representing an increase of RMB928 million as compared with the end of last year. As at the end of the Reporting Period, the total number of issued debit cards increased by 275,900 to 5,627,200 as compared with the end of the previous year, and the transaction volume during the Reporting Period amounted to RMB7.019 billion. The total number of credit cards issued increased by 14,500 to 478,400 as compared with the end of previous year, and the balance of credit card advances amounted to RMB22.696 billion.

5.6.4 Financial Market Business

During the Reporting Period, the Bank adhered to a prudent development strategy for its financial market business, continued to strengthen the research and judgment on macro situation, reinforced market trend analysis, adopted a more flexible and proactive trading strategy, and grasped the pace of investment and financing to achieve coordinated development in terms of scale, efficiency and quality.

Optimizing the investment structure. The Bank optimized diversified asset allocation, strengthened financial services for the real economy, and actively supported the construction of the Chengdu-Chongqing Economic Circle, the new land-sea channel in China's western region and other major strategies, so as to achieve steady growth in scale. Through continuously optimizing the asset structure, the Bank further improved the anti-risk capability of the bond portfolio.

Improving the investment research capabilities. The Bank focused on the construction of bond trading capabilities and investment research capabilities, grasped the pace of trading, continuously enhanced market activity, strengthened its ability to research, judge and control financial market trends, and promoted the transaction of various bonds with more acute market insights, so as to steadily enhance its trading capabilities and revenue contribution.

Strengthening the inter-bank cooperation. The Bank expanded the inter-bank cooperation, enhanced the depth and breadth of inter-bank customer cooperation, and strengthened extensive cooperation among inter-bank customers. Moreover, the Bank actively applied for business qualifications and was approved as a member of the Shanghai Gold Exchange to expand business channels.

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5.6.5 Asset Management Business

During the Reporting Period, the Bank focused on enhancing its active management capabilities, with its asset management business sustaining a compliant and steady development.

Vigorously enhancing the quality of business development. During the Reporting Period, the Bank optimized its asset structure, enhanced asset liquidity, launched low-risk, low-volatility products to improve product supply capabilities, refined its internal regulatory systems, and continuously improved operational compliance levels, thereby achieving high-quality business development.

Continuously optimizing technology system functions. During the Reporting Period, the Bank strengthened the support of its information systems for business processes, driving the upgrade and enhancement of the investment trading system and stress testing system, optimizing multiple functions for regular opening products and cash management products, and further improving customer experience.

Doing a good job in cultivating investors. During the Reporting Period, the Bank enhanced training in professional areas such as market analysis, marketing skills, and customer inquiries, thereby improving customer service capabilities. The Bank also strengthened investor education by launching product posters, financial calendars, investment education push articles, investment education videos, and brochures both online and offline, leading to steady growth in signed customers.

5.6.6 Investment Banking Business

During the Reporting Period, the Bank focused on national strategies and regional development, using the “Chongyin Investment Bank” (重銀投行) brand as a guiding force, with an emphasis on capacity enhancement and service optimization, and leveraging head office-branch coordination and investment-underwriting synergies to deeply advance the strengthening, innovation, and upgrading of the investment banking business, thereby contributing to the high-level construction of the western financial center in Chongqing.

Fully serving the national strategies and regional development. During the Reporting Period, the Bank actively integrated into national strategies such as the construction of the Chengdu-Chongqing Economic Circle, the new land-sea channel in western China, and the financial center in western China, while expanding bond underwriting business in key western provinces like Sichuan, Shaanxi, and Guizhou, thereby enhancing the comprehensive financial service capabilities of its branches outside the region and better serving the economic and social development of those areas.

Vigorously advancing the strengthening and consolidation of the investment banking business. During the Reporting Period, the Bank actively promoted the featured service model of “Cornerstone Underwriter + Cornerstone Investor” (基石承銷商+基石投資人), along with a comprehensive service system including corporate integration consulting, credit rating guidance, and cornerstone investment maintenance, which received widespread recognition from issuers, investors, and other market participants. Several bond underwriting projects led by the Bank achieved the lowest coupon rates in history for similar entities with the same rating and maturity, and the number of investment banking clients increased by 61.54% year-on-year.

Vigorously advancing the innovative development of investment banking business. During the Reporting Period, the Bank obtained the qualification as the lead underwriter for Chongqing local government bonds for 2024-2026 and the qualification as a general underwriter for Sichuan and Shaanxi local government bonds for 2024-2026. The Bank underwrote and issued 28 local government bonds in Chongqing, Sichuan, Shaanxi, and Guizhou, with a cumulative underwriting amount of RMB6.929 billion. The Bank actively explored new models of investment banking cooperation between Chengdu and Chongqing, successfully implementing the first bond investment and underwriting interconnection project between the two regions’ local corporate banks. Additionally, the Bank ventured into providing all-weather, all-variety bond financing services, launching a business as an onshore coordinator for offshore bonds, with two transactions completed totaling USD165 million.

Vigorously advancing the upgrading of bond underwriting business. During the Reporting Period, the Bank underwrote a total of 34 debt financing instruments of non-financial companies with an underwriting amount of RMB8.960 billion, representing a year-on-year increase of 70.00% and 45.48%, respectively. According to the statistics of the WIND, the Bank ranked second in Chongqing in terms of the number of debt financing instruments of non-financial companies issued as an underwriter, and ranked third in terms of the share of debt financing instruments of non-financial companies issued as an underwriter, ranking 34th among the bank underwriters in China, rising by 3 places over the same period in 2023, and entering the forefront of the lead underwriters of western legal persons.

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5.6.7 Trade Finance Business

During the Reporting Period, the Bank continued to promote high-quality development, serve the development of the real economy with a major strategy of high-level financial services, and promote new achievements in trade finance services.

Taking huge responsibility to proactively serve the construction of the new land-sea channel in western China. The Bank formulated an annual working plan for serving the new land-sea channel in western China, focused on the main line of integrated development of “channel + economic and trade + industry” and upgraded the level of financial services for the channel. The Bank strengthened trade finance business cooperation with banks, credit enhancement companies and financing guarantee institutions along the channel, issued domestic and foreign currency trade financing of more than RMB12 billion and invested in foreign currency bonds along the channel of more than RMB1.2 billion. The Bank launched “Smart Visitors” (慧訪客) digital marketing zone for the new land-sea channel in western China, leading to a continuous growth in the number of trade finance customers.

Upholding fairness and promoting innovation to promote the development of a comprehensive inland liberalization hub. The Bank launched the nation’s first “one-bill system” (一單制) digital bill of lading letter of credit business for multimodal united transportation under the new land-sea channel, innovatively developing the exclusive product of “Land-Sea Unified Bill Loan” (陸海一單貸) to help solve the financing difficulties associated with railway waybills for enterprises. The Bank was also the first among local corporate banks in Chongqing to introduce cross-currency swap derivatives business. Additionally, the Bank collaborated with Chongqing municipal government departments to advance financial development in scenarios such as freight forwarding enterprise financing, import one-bill system business, and export business scenarios.

Striving for practical and pioneering spirits to drive the opening up of the western region to the outside world. The export credit insurance policy financing product of “credit insurance e finance” (信保e融) was launched to provide agile and customized inclusive bulk business solutions for small and medium-sized foreign trade enterprises. The city’s first batch of “Trade Foreign Exchange Income and Expenditure Business Directory” registration business was successfully landed to provide customers with one-stop cross-border financial services such as directory registration, account opening, fund collection and payment, which promoted the approval of individual foreign exchange licenses in key business areas and regional outlets of key universities for foreign nationals in China and improved the level of payment facilitation services.

5.6.8 Financial Technology

The Bank drew on the advanced concepts and useful experiences of Digital Chongqing to focus on technology and empower digital Chongqing Bank, and further improve the 1-3-10 planning system of the information technology “14th Five-Year Plan” strategy. The Bank effected the four-horizontal construction of “infrastructure, data foundation, capability platform and empowering scenarios”, and strived for the four-vertical improvement in “technology governance, autonomy and controllability, information security and risk prevention”, integrating financial technology development with the Bank’s digital transformation blueprint to build solid technological support.

Consolidating the foundation of safe operations and enhancing business assurance. The Bank strengthened the cultivation of security awareness among employees, improved the network security protection system, and conducted in-depth verification of the effectiveness of security policies, for purposes of tightening safety red lines. In March 2024, the Bank was awarded the “2023 Model Entity in Cybersecurity Level Protection” after selection by the Office of Chongqing Cybersecurity Level Protection Leading Panel. The Bank steadily advanced infrastructure projects such as capacity expansion of extended computer rooms, capacity expansion of intra-city disaster recovery and NAS dual center deployment to ensure the steady and safe operation of important information systems and key infrastructures, and continually enhance business continuity assurance.

Further enhancing technology autonomy and controllability and increasing efforts on scientific and technological innovation. Focusing on areas such as control over technical architecture, construction of standardization system and exploration of technological innovation, the Bank improved the technology management and control mechanism, further strengthened the top-level design and centralized management of technical architecture, standardized and converged the technical routes of various basic software, hardware and application components. The Bank carried out technology pre-research of the unified research and development platform, and promoted “DevOps + PaaS cloud” technical practice, thus consolidating the foundation of technological innovation.

Strengthening research on emerging technologies and expanding technology application scenarios. The Bank carried out in-depth exploration of multi-modal AIGC capabilities, and piloted the integration of large model technology into traditional fields such as OCR to increase the level of intelligent recognition. The Bank continued to promote the in-depth bank-wide application of RPA robots, built a digital human virtual image, and increased the level of business automation and intelligence. The Bank created a bank-wide data sharing capability hub with data lake and data warehouse, and provided efficient and precise data services, which help expand the services to the “33618” modern manufacturing industry cluster and the industrial customer base of the Chengdu-Chongqing Economic Circle.

Innovating the integration of industry and technology mechanism and cultivating an agile innovation ecosystem. The Bank built up professional service capabilities of the science and technology team, promoted reform and innovation of the integration of industry and technology mechanism, established service teams for key business lines such as retail, inclusive finance, digital banking and operations, and set up regular special teams to ensure rapid iteration of mobile banking, dynamically arranging task special teams for key demands to support agile business innovation. The Bank constantly enhanced governance on technology outsourcing, launching a digital management platform, building a grid management mechanism, and improving management quality and efficiency, so as to integrate outsourcing power into its technology agile innovation system.

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5.6.9 Digital Transformation

During the Reporting Period, the Bank, guided by the construction requirements of “Digital Chongqing”, focused on advancing digital transformation to empower high-quality development across the entire bank through focusing on writing a good article on “digital finance”.

The Bank has mapped out a new blueprint for digital development, leveraging digitalization as the engine to drive operational and management reform and innovation. Since the establishment of the Digital Strategy Committee and the Digital Finance Task Force, the Bank has focused on addressing business pain points and advancing reform and innovation by adopting the “Digital Chongqing” methodology to map out a new digital blueprint. The Bank has established a “5+6” target and support strategy system, identified 65 key projects for 2024, created a task list and implementation roadmap, and set up collective review and dynamic updating and other safeguard management mechanisms to track and supervise key projects, ensuring the effective implementation and realization of the blueprint’s outcomes.

The Bank has enhanced data standardization, accumulated data assets, optimized data utilization thresholds, and reinforced the role of data in supporting business operations. The Bank has established a customer information sharing system, strengthened data standards and quality, and completed cross-system data integration and standardization for customer information, operational management data, and the three major business lines. The Bank continued to enrich its data sources by incorporating authoritative data such as provident fund and personal tax information. A data asset catalog has been created, providing one-click query and one-stop service capabilities. The “Hall Customer Identification” (廳堂識客) function has been implemented, enabling real-time information sharing between mobile business and counter services. Additionally, the Bank has piloted the “Operational Analysis Dashboard” (經營分析大屏), empowering frontline managers to make business decisions.

The Bank has advanced the development of smart channels, enhanced the level of digital operations, and strengthened the ability to coordinate online and offline business activities. The Bank has upgraded and iterated the Mobile Banking 7.0 platform, adding three new application scenarios and launching a points mall in the elderly-friendly version to support retirement finance. As of 30 June 2024, the number of mobile banking customers has exceeded the half-year target by 45.65%. Focusing on the “two-post integration” (兩崗融合) for mobile business, the Bank has optimized frontline staff workflows, implemented the “Hall Customer Identification” function on the tablet-based “Bashi” platform, and introduced new roles such as customer service managers and internal branch managers to support parallel business processing. Additionally, the mobile-based “Yuying” (渝鷹) platform has launched unified authentication and remote auxiliary investigation functions to facilitate collaborative operations.

The Bank has leveraged digital technology and tools to empower the digital transformation and development of its corporate banking services, including large and medium-sized and inclusive business. The Bank has developed a digital due diligence tool that reduces the time required for customer managers to collect information and write reports, thereby improving the efficiency of corporate credit due diligence. This tool has already been applied to inclusive finance products like “Specialized, Refined, Special and Novel Credit Loan”. The Bank has implemented a transaction chain customer acquisition strategy, analyzing counterparties through corporate customer settlement accounts to identify potential clients with marketing value, thereby empowering frontline industry marketing efforts. Additionally, the Bank has optimized its digital credit product system for inclusive finance by restructuring business processes and developing risk models, facilitating the efficient and autonomous operation of digital credit products.

5.6.10 Service channels

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

Physical Outlets

As of 30 June 2024, the Bank operated its business and marketed its banking products and services through 194 sub-units (including the business department of its Head Office, its small enterprise loan center, five primary branches), 199 self-service banking centers, 383 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 2024, the Bank had 2,522.8 thousand mobile banking personal customers, representing an increase of 348.4 thousand as compared with the end of the previous year; the total number of transactions by mobile banking personal customers was 5,472.2 thousand and the total transaction amount was RMB135,129 million. During the Reporting Period, the replacement rate for online businesses mainly comprising transfer, payment, wealth management sales and other high-frequency transactions was 96.26%.

Online banking

As of 30 June 2024, the Bank had 43.5 thousand online banking corporate customers, representing an increase of 2.4 thousand as compared with the end of the previous year; the total number of transactions was 1,797.6 thousand and the total transaction amount was RMB430,674 million. The Bank had 2,494.9 thousand personal online banking customers, representing an increase of 343.9 thousand as compared with the end of the previous year; the total number of transactions was 164.2 thousand and the total transaction amount was RMB8,243 million.

5.6.11 Service Improvement

The Bank attached importance to empowerment by technological innovation, and made efforts to improve business processing efficiency, so as to improve customer experience and provide warmer banking services. The centralized authorization intelligent scenarios such as happy deposit account opening, personal fixed-term account opening, password management were applied, and the intelligent processing businesses accounted for nearly 70% of the total business volume, with the efficiency nearly three times higher than the average efficiency of manual work. The Bank realized enterprise “e” account opening, adopted the mode of “online reservation + due diligence + centralized processing + offline review” to achieve efficient, automated and intelligent unit account services. The Bank also built key account service outlets and payment facilitation service harbors for foreign nationals in China.

Management Discussions and Analysis

5.6.12 Majority-owned Subsidiaries and Major Investee Companies

5.6.12.1 Majority-owned Subsidiaries

Chongqing Xinyu Financial Leasing Co., Ltd.

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

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

As at the end of the Reporting Period, Xinyu Financial Leasing recorded the total assets of RMB42,881 million, the total liabilities of RMB37,870 million, and the total owner's equity of RMB5,012 million. Its net profit was RMB375 million for the Reporting Period.

Xingyi Wanfeng Village Bank Co., Ltd.

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

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

As at the end of the Reporting Period, Xingyi Wanfeng recorded the total assets of RMB900 million, the total liabilities of RMB774 million, and the total owner's equity of RMB126 million. Its net profit was RMB2.3513 million for the Reporting Period.

5.6.12.2 Major Investee Companies

Mashang Consumer Finance Co., Ltd.

Mashang Consumer was established in June 2015, with the registered capital of RMB4.000 billion, and 15.53% of its shares held by the Bank. The main businesses of Mashang Consumer include issuing personal consumer loans; taking deposits from domestic subsidiaries of shareholders and domestic shareholders; borrowing from domestic financial institutions; issuing financial bonds upon approval; domestic interbank lending; consulting and agency business in relation to consumer finance; insurance products in relation to sales agency services and consumption loans; fixed income securities investment business.

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

Chongqing Three Gorges Bank Co., Ltd.

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

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

5.6.13 Structured Entity Controlled

5.6.13.1 Equity in the unconsolidated structure entities

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

5.6.13.2 Consolidated Structured Entities

As of 30 June 2024, the Group had no consolidated structured entities.

For more details, see the “Notes to Consolidated Financial Statements – Structured Entities”.

Management Discussions and Analysis

5.7 Risk Management

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

5.7.1 Credit risk management

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

Adhering to the class-based credit principle. Closely around technology finance, green finance, inclusive finance, pension finance and digital finance, so called “Five Major Articles” of finance, the Bank vigorously supported key areas such as micro, small and medium-sized enterprises, green development, technological innovation and manufacturing; firmly grasped the critical period of transformation of regional economic development momentum to concentrate on key industries such as emerging industries and weak cycles; formulated credit policies for subdivided industries to lay a solid foundation for serving the real economy.

Strengthening control over the credit process. The Bank earnestly verified the authenticity of pre-credit investigation, and accurately understood the willingness and source of repayment; effectively implemented the prudence in loan review, focusing on the legal compliance of credit business, the rationality of credit purpose and the reliability of source of repayment; earnestly ensured the effectiveness of post-loan inspection to prevent, resolve or deal with risks exposed to business early.

Conducting forward-looking judgments on the change of risks. Based on its judgment on material risks, the Bank strengthened the prediction on the change of credit risks for different customers, industries and regions. Deepening the application of internal customer ratings, the Bank has implemented closed-loop management covering rating updates, rating warnings, post-loan monitoring and impairment provision, and incorporated the concept of forward-looking risk management into the whole process of granting credit.

Disposing of non-performing assets efficiently. The Bank carried out planned management of non-performing assets to form a dynamic and orderly management closed loop. Under the “collection-litigation-auction” disposal framework of non-performing assets, collection and disposal were carried out according to the ideas of “a customized resolution plan for each account” and “class-based resolution plan for class-based category”. The Bank extended disposal channels and tapped new growth points in asset value through “modern” and “digital” means.

5.7.2 Management on operational risk

Operational risk refers to the risks of losses that may be incurred due to problematic internal procedures, staffing and information technology systems, as well as external events, including legal risk, but excluding strategic risk and reputational risk. Based on the principles of effectiveness prudence, comprehensiveness, coordination and effectiveness, the Bank has continuously improved its operational risk management system.

During the Reporting Period, the Bank continued to improve its management system, actively promoted the application of management tools for operational risk, continuously strengthened risk control in key areas, and promoted standardized and scientific management of operational risk. Firstly, the Bank has implemented the latest regulatory requirements by revising and improving the operational risk management system, further strengthening the responsibilities of the three defense lines, conducting in-depth training and publicity to ensure the effective implementation of relevant management requirements. Secondly, the Bank deepened the application of management tools for operational risk, conducted the operational risk and control self-assessment (RCSA), optimized the key risk indicators of operational risk, dynamically carried out monitoring on key risk indicators to collect operational risk incidents in a timely manner, which were regularly reported to the senior management and the Board. Thirdly, the Bank continued to strengthen risk management and control in key areas. The head office continued to strengthen the supervision and inspection of branches with focus on key areas such as the three-phase loan review process and personnel management, strengthened the remediation of weak links, and took multiple measures to enhance the quality and efficiency of management.

Management Discussions and Analysis

5.7.3 Market risk management

5.7.3.1 Interest rate risk

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

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

In the first half of 2024, the market liquidity remained reasonably sufficient, and the terminal interest rate showed a fluctuation downward trend. The Group paid close attention to changes in the interest rate environment in the external market, strengthened market research and judgment, and continuously improved the management of interest rate pricing and the interest rate risk in the banking book. It effectively guided the adjustment of repricing term structure through the reasonable use of tools such as interest rate pricing and internal fund transfer pricing (FTP), and improved its initiative and foresight in terms of bank account book interest rate risk management, to ensure the overall stability and acceptability of interest rate risk.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
30 June 2024							
Total financial assets	154,171,989	47,777,573	222,322,815	304,709,841	50,724,663	14,774,578	794,481,459
Total financial liabilities	(132,652,568)	(72,475,695)	(276,440,531)	(238,259,822)	(5,029,808)	(17,424,705)	(742,283,129)
Total interest rate sensitivity gap	21,519,421	(24,698,122)	(54,117,716)	66,450,019	45,694,855	(2,650,127)	52,198,330

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
31 December 2023							
Total financial assets	153,679,732	51,981,591	134,922,113	341,189,356	51,510,652	15,378,950	748,662,394
Total financial liabilities	(138,741,004)	(76,915,708)	(266,504,930)	(198,012,530)	(5,029,747)	(13,005,372)	(698,209,291)
Total interest rate sensitivity gap	14,938,728	(24,934,117)	(131,582,817)	143,176,826	46,480,905	2,373,578	50,453,103

As at 30 June 2024, the Group's accumulated gap for all maturities amounted to RMB52,198 million, representing an increase of RMB1,745 million or 3.46% as compared to the end of the previous year.

5.7.3.2 Exchange rate risk

Exchange rate risk faced by the Group mainly relates to the impact on the position level and cash flow of foreign exchange exposure held by the Group 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 Group seeks to ensure that the adverse impact of exchange rate fluctuations falls within an acceptable range.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	RMB	US Dollar	HK Dollar	Others	Total
30 June 2024					
Net position	51,143,838	795,733	3,181	255,578	52,198,330

(All amounts expressed in thousands of RMB unless otherwise stated)	RMB	US Dollar	HK Dollar	Others	Total
31 December 2023					
Net position	47,390,248	1,509,919	3,196	1,549,740	50,453,103

5.7.4 Liquidity risk management

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

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

Management Discussions and Analysis

During the Reporting Period, the Group continued to improve liquidity risk management framework by streamlining the policy system for liquidity risk management, and improved its capability in liquidity risk measurement and forecast and upgraded its liquidity risk management capability by continuously implementing the coordination meeting mechanism for assets and liabilities, position management, quota management for liquidity indexes, duration mismatch management, management of liquidity reserve assets, dynamic management of liquidity risk. Meanwhile, the Group also promoted the accuracy and automation in liquidity risk monitoring and measurement by continuously improving the ability to apply information system of liquidity management through system construction and active application of scientific and technological means. The Group had liquidity risk measurement and monitoring mechanisms in place to conduct periodic audits over the Group's overall money-market balance, liquidity reserves, liquidity exposure and related supervisory indicators. At the same time, the Group's assets and liabilities were managed in accordance with factors such as liquidity exposure, liquidity reserves, 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 weakness in liquidity risk management in advance through such stress tests and adopt relevant measures to constantly improve the liquidity risk management and control capability of the Bank. The results of the stress tests in the first two quarters of 2024 indicated that the liquidity risks remained within a controllable range even under stressful conditions. As at the end of the Reporting Period, all of the major regulatory indicators reflecting the Group's liquidity position met the regulatory requirements.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	In perpetuity	Overdue	Total
30 June 2024	(74,869,426)	62,245,327	(23,710,236)	(134,127,798)	130,905,271	135,787,944	30,066,846	6,991,567	133,289,495
31 December 2023	(80,597,910)	18,405,106	(25,025,846)	(125,318,936)	180,902,742	132,416,965	29,561,484	6,604,921	136,948,526

As of 30 June 2024, the Group's cumulative gap for all maturities was RMB133,289 million, representing a decrease of RMB3,659 million as compared to the end of the previous year. Although there was a shortfall in on-demand repayment of RMB74,869 million, the Group had an extensive and solid deposit customer basis. Current deposit settlement rates were relatively high and funding sources were stable, thus the impact of the shortfall on the Group's real liquidity was not significant.

Liquidity coverage ratio

The Group measures its liquidity coverage ratio according to the latest Administrative Measures for Liquidity Risk Management of the National Financial Regulatory Administration (國家金融監督管理總局最新流動性風險管理辦法) which was issued in 2018. As of 30 June 2024, the Group's liquidity coverage ratio was 348.00%, which was in compliance with the regulatory requirements of the NFRA.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024	31 December 2023
Qualified high-quality liquid assets	96,791,375	132,623,032
Net cash outflow in the next 30 days	27,813,935	47,793,590
Liquidity coverage ratio (%)	348.00	277.49

Net stable funding ratio

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

As of 30 June 2024, available and stable funds and required stable funds of the Group amounted to RMB473,058 million and RMB390,904 million, respectively, which met the regulatory requirement with the net stable funding ratio standing at 121.02%.

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, the Group has continued to improve the large-sum risk exposure management system, continuously optimized the large-sum risk exposure management system, carried out credit risk exposure measurement penetrating to the ultimate debtors, and monitored the large-sum risk exposures and changes, and effectively controlled the customer concentration risk. As at the end of the Reporting Period, all of the large-sum risk exposure indicators of the Group have satisfied the regulatory requirements.

Management Discussions and Analysis

5.7.6 Reputational risk management

Reputational risk refers to the risk that the stakeholders, the public and the media may have a negative view of the Group as a result of its operation, management and other activities, activities of employees or external events, thereby damaging brand value, adversely affecting normal operations or even affecting market stability and social stability. As an important part of the corporate governance and comprehensive risk management system, reputational risk management covers all behaviors, business activities and business fields of the Bank and its branches and subsidiaries. Through establishing and formulating relevant systems and requirements for reputational risk management, the Bank has actively and effectively prevented reputational risks and coped with reputational event, so as to minimize loss and negative impact.

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

5.7.7 Compliance risk management

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

During the Reporting Period, the Bank positively complied with 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. Firstly, the Bank focused on system construction and realized full coverage of post-system assessment of the head office and branches. Secondly, the Bank strengthened compliance risk monitoring, focusing on customer complaints and new product monitoring to improve the quality and effectiveness of compliance risk monitoring. Thirdly, the Bank launched the “the Year for Improving Compliance Management” campaign to continuously optimize the compliance system and enhance the level of legal governance and compliance. Fourthly, with an orientation towards “risk control and value creation by compliance”, the Bank strengthened compliance review to ensure the steady development of all of its businesses in compliance with laws and regulations. Fifthly, the Bank appointed compliance officers to incorporate compliance work in institutions at all levels of the Bank. Sixthly, the Bank continued to conduct the “Woodpecker” complaint mailbox program to ensure a smooth and effective channel for obtaining information on compliance issues.

5.7.8 Anti-money laundering management

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

During the Reporting Period, the Bank actively fulfilled anti-money laundering obligations. Focusing on empowerment to reduce burdens, increase in efficiency through management and improvement in quality through inspection, the effectiveness of anti-money laundering work has been effectively improved. Firstly, the Bank resolutely performed its main responsibility in anti-money laundering, formulated and issued the "Work Plan for Anti-money Laundering in 2024", and organized the execution of the responsibility statement on anti-money laundering. Secondly, taking the integrated reform as an opportunity, the Bank optimized anti-money laundering management and work processes to help the grassroots explore comprehensive marketing potential. Thirdly, the Bank implemented the digital transformation strategy, building an intelligent anti-money laundering system and establishing a new paradigm of anti-money laundering work with "information dynamic perception, accurate data analysis and business intelligence support". Fourthly, the Bank earnestly fulfilled anti-money laundering obligations to implement regulatory requirements to the letter, and reported multiple valuable clues of illegal activities to the public security organs. Fifthly, the Bank carried out frequent and comprehensive anti-money laundering on-site inspections to improve the execution of anti-money laundering internal controls.

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 requirements.

Management Discussions and Analysis

5.8.1 Capital adequacy ratio

The Group calculated its capital adequacy ratio at all levels as of 30 June 2024 in accordance with the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) 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 simplified standard measuring, and the operational risk-weighted assets are measured with standard measuring. During the Reporting Period, the Group was in strict compliance with the NFRA's regulatory requirements regarding capital adequacy ratio, including minimum capital, capital reserve and counter-cyclicality capital. The Group calculated its capital adequacy ratio at all levels as of 31 December 2023 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)》).

The following table sets forth information about net capital and capital adequacy ratio of the Group and the Bank calculated according to the regulatory rules as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024		31 December 2023	
	The Group	The Bank	The Group	The Bank
Net capital:				
Core Tier I Capital, net	52,832,793	48,542,770	51,003,470	46,859,678
Tier I Capital, net	60,044,448	55,542,364	58,208,408	53,859,272
Net capital	71,588,827	66,153,709	69,708,993	63,913,717
Capital adequacy ratio (%):				
Core Tier I Capital adequacy ratio (%)	10.16	10.19	9.78	9.78
Tier I Capital adequacy ratio (%)	11.55	11.66	11.16	11.24
Capital adequacy ratio (%)	13.77	13.89	13.37	13.34

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

(All amounts expressed in thousands of RMB unless otherwise stated)	30 June 2024	31 December 2023
Core capital:		
Share capital	3,474,565	3,474,562
Counted part of capital surplus	9,079,342	8,881,694
Eligible portion of other equity instruments	1,071,667	1,071,670
Surplus reserve and general risk reserves	13,446,710	12,728,009
Counted part of retained earnings	24,652,161	23,762,205
Eligible portion of minority interests	1,590,461	1,540,079
Core Tier I Capital deductibles items:		
Full deductibles items	(482,113)	(454,749)
Threshold deduction items	–	–
Core Tier I Capital, net	52,832,793	51,003,470
Other Tier I Capital, net	7,211,655	7,204,938
Tier II Capital, net	11,544,379	11,500,585
Net capital	71,588,827	69,708,993
On-balance sheet risk-weighted assets	489,414,540	490,167,180
Off-balance sheet risk-weighted assets	6,325,963	3,049,656
Risk-weighted assets for exposure to counterparty credit risk	42,404	64,834
Total credit risk-weighted assets	495,782,907	493,281,670
Total market risk-weighted assets	932,826	2,551,278
Total operational risk-weighted assets	23,051,470	25,745,069
Total risk-weighted assets before applying capital base	519,767,203	521,578,017
Total risk-weighted assets after applying capital base	519,767,203	521,578,017
Core Tier I Capital adequacy ratio (%)	10.16	9.78
Tier I Capital adequacy ratio (%)	11.55	11.16
Capital adequacy ratio (%)	13.77	13.37

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As of 30 June 2024, the Core Tier I Capital adequacy ratio of the Group was 10.16%, representing an increase of 0.38 percentage point as compared with the end of the previous year. The Tier I Capital adequacy ratio was 11.55%, representing an increase of 0.39 percentage point as compared with the end of the previous year. The capital adequacy ratio was 13.77%, representing an increase of 0.40 percentage point as compared with the end of the previous year.

In accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》), the Bank has disclosed relevant information on pillar 3, details of which are available at “Investors Relation – Financial Information – Capital Regulation” (投資者關係 – 財務信息 – 監管資本) on the website of the Bank (www.cqcbank.com).

5.8.2 Leverage ratio

As of 30 June 2024, the Group’s leverage ratio was 6.92%, falling within regulatory requirements of the NFRA.

	30 June 2024	31 December 2023
(All amounts expressed in thousands of RMB unless otherwise stated)		
Leverage ratio (%)	6.92	7.13
Tier I Capital	60,526,561	58,663,157
Deductions from Tier I Capital	482,113	454,749
Tier I Capital, net	60,044,448	58,208,408
On-balance sheet assets after adjustment	805,525,853	761,343,870
Off-balance sheet assets after adjustment	61,805,881	55,512,496
On-and off-balance sheet assets after adjustment	867,331,734	816,856,366

5.8.3 Capital financing management

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

The Bank publicly issued a total of RMB13.0 billion A Share Convertible Corporate Bonds at par with a par value of RMB100 each in March 2022. The total number of A Share Convertible Corporate Bonds issued was 130.00 million. The A Share Convertible Corporate Bonds have a maturity of 6 years, with a coupon rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year, and 3.50% for the sixth year, respectively. The proceeds have been fully used to support business development as planned, and will be fully applied towards replenishing the core Tier-1 capital of the Bank after the conversion of A Share Convertible Corporate Bonds into Shares pursuant to the approval of applicable laws and regulators. For more details, please refer to “8.3 Convertible Corporate Bonds” in this interim report.

In December 2022, the Bank publicly issued RMB4.5 billion undated capital bonds in the national interbank bond market, with the coupon rate of 4.70% during the first five years. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from the issuance will be used to replenish the Bank’s other tier 1 capital. The Bank is entitled to redeem the bonds in December 2027.

In October 2023, the Bank publicly issued RMB2.5 billion undated capital bonds in the national interbank bond market, with the coupon rate of 4.5% during the first five years. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from the issuance will be used to replenish the Bank’s other tier 1 capital. The Bank is entitled to redeem the bonds in October 2028.

5.8.4 Economic capital allocation and management

The Group’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 Group 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 2024, increasing complexity, severity and uncertainty of the external environment and continued progress of the PRC’s structural adjustments have brought about new challenges. However, factors such as the coming into effect of macro policies, a rebound in external demand, and the accelerated development of new productive forces have also formed a new support. The national economy is operating smoothly and making progress. In the first half of the year, China’s GDP was RMB61.7 trillion, a year-on-year increase of 5.0%.

Management Discussions and Analysis

Looking forward to the second half of the year, the instability and uncertainty of the external environment increase and there remain numerous difficulties and challenges in the PRC, which however shall not change the trend of steady and sound long-term development of the economy. The manufacturing industry continues to expand in scale, constantly increases its share, and continues to optimize its structure, which will become an important support for stable growth. External demand continues to improve, and exports are under pressure but also resilient. Domestic demand remains weak but has huge potential. There is still a lot of room for investment in weak sectors, vulnerabilities and new areas and tracks. Accelerating the implementation of projects relating to major strategies and major areas and the progress of construction will also help drive investment growth.

In terms of macroeconomic policies, the Third Plenary Session of the 20th CPC Central Committee has made strategic arrangements to further comprehensively deepen reforms and promote Chinese-style modernization. As thus, social consensus will be further consolidated, social productivity will be further liberated and developed, and social vitality will be further activated and enhanced.

In terms of regulatory environment, the systemic, holistic and coordinated financial reform continues to be enhanced. The institutional supervision, behavioral supervision, functional supervision, penetrating supervision and continuous supervision continue to be strengthened, and financial risk prevention, early warning and disposal mechanisms continue to be improved to ensure sound and efficient development of the financial system, which will remain important goals of supervision.

In terms of industry landscape, the banking industry will still fully implement the political and people-oriented properties of financial work, adhere to its original intention and mission of serving the real economy, and strive to improve technology finance, green finance, inclusive finance, pension finance and digital finance, so called “Five Major Articles”. Focusing on key areas such as small and medium-sized enterprises, green development and technological innovation, the Bank continues to optimize the credit allocation structure and builds a new development pattern with the help of financial “vitality”. The Bank actively embraces financial technology with focus on digitalization and intelligence, and continues to improve financial supply capabilities through business reshaping, technology guiding, convenient services and others.

In terms of regional development, Chongqing is the only municipality directly under the central government in the central and western regions. It is a national central city integrating any of highway, railway, waterway and air transport, accompanied with rich natural resources, good location conditions and solid industrial foundation. In the first half of the year, Chongqing’s GDP grew by 6.1% year-on-year, 1.1 percentage points higher than the national level. The industrial economy continues to grow, service consumption continues to be released, the scale of investment continues to expand, and the formation of new driving force is accelerated. With continuous leveraging of Chongqing’s national strategic overlay, city size, industrial foundation, transportation hub, innovation potential and other comparative advantages and late-mover advantages, it will provide strong support for enhancing the overall strength of local financial institutions and improving the efficiency of resource allocation of these institutions.

Significant Events

6.1 Performance of Undertakings

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

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

Significant Events

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

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., Lifan Technology (Group) Co., Ltd. ¹ , 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) ² , Chongqing Expressway Investment Holding 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 Real Estate Group Co., Ltd., 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 Investment Holding Co., Ltd. and Minsheng Industrial (Group) Co., Ltd., undertake as follows: "Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, the company will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are directly or indirectly held by the company. Upon expiry of the lock-up period, relevant regulations of relevant regulatory authorities shall apply."	5 February 2021	36 months	Yes

¹ Formerly known as Lifan Industrial (Group) Co., Ltd., which was renamed as Lifan Technology (Group) Co., Ltd. on 3 March 2021, and the legal representative, registered capital and business scope were changed.

² Formerly known as Chongqing Transport and Travel Investment Group Co., Ltd, which was renamed as Chongqing Development and Real Estate Management Co., Ltd. on 30 April 2020, and the investor, registered capital and business scope were changed.

Significant Events

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

Significant Events

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

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

Significant Events

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

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

Significant Events

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

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which causes any losses to investors in securities transaction, the company will compensate the investors for the losses by law.</p> <p>The company provides as the security for the performance of the above undertakings, the dividend to which the company is entitled under the profit distribution plan for the year in which A Shares of Bank of Chongqing are listed and subsequent years, and the shares held by the company in Bank of Chongqing shall not be transferred after the incurrence of relevant obligations in the above undertakings of the company and prior to the performance of the obligations.”</p>			
Undertaking in relation to the initial public offering	Others	All directors, supervisors and senior management of the Bank	<p>With regard to the prospectus of the Bank, all directors, supervisors and senior management of the Bank undertake as follows:</p> <p>All directors, supervisors and senior management of the Bank hereby undertake as follows:</p> <p>“1. There are no false representations, misleading statements or material omissions in the prospectus published by Bank of Chongqing for its initial public offering of A Shares and listing, and I jointly and severally accept legal responsibility for the authenticity, accuracy and completeness of the prospectus. If securities regulatory authorities or judiciary authorities hold that there are false representations, misleading statements or material omissions in the prospectus published by Bank of Chongqing, which causes any losses to investors in securities transaction, I will compensate the investors for the losses by law.</p>	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			2. I will, in accordance with the relevant laws and regulations and the requirements of regulatory authorities, be liable for my failure to perform the above undertakings."			
Undertaking in relation to the initial public offering	Elimination of horizontal competition	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	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, directly or indirectly, in any business activities that compete or may compete with the principal business of the issuer in any form. The company will supervise its subsidiaries in accordance with the undertakings and exercise necessary rights to urge them to comply with the undertakings.	5 February 2021	Long term	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>(III) Notwithstanding Articles (I) and (II) above, considering that the company is a company whose establishment has been approved by Chongqing Municipal People's Government and engages in comprehensive investment and management of state-owned asset and carries out businesses including financial businesses such as investment in securities companies, banks and insurance companies, and manages relevant financial assets, the company and the enterprises controlled by the company may invest in enterprises engaged in commercial banking business, to the extent authorized by Chongqing Municipal People's Government, in any form permitted by regulations (including but not limited to sole proprietorship, joint venture, cooperative operation and direct or indirect ownership of shares or other interests in other companies or enterprises). As at the date of giving the undertakings, the company invested in Chongqing Rural Commercial Bank Co., Ltd. and held approximately 9.98% of shares of the bank, in addition to investment in the issuer.</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>(IV) The company undertakes to fairly treat the commercial banks in which the company and the enterprises controlled by the company invest, and will not grant or provide to any commercial banks, government approval, authorization, license or business opportunities obtained or possibly obtained by the company and the enterprises controlled by the company for carrying out commercial banking business, or use the status as a major shareholder of the issuer or the information obtained with such status, to make any decision or judgment which is adverse to the issuer but beneficial to other commercial banks in which the company or the enterprises controlled by the company invest, and will make efforts to avoid the occurrence of such event. In exercising the rights of a shareholder of the issuer, the company will act in the best interests of the issuer as if the issuer is the sole commercial bank in which the company invests, and the business judgment of the company as a shareholder of the issuer to seek the best interests for the issuer will not be affected as a result of the investment of the company and the enterprises controlled by the company in other commercial banks.</p>			
			<p>(V) The company warrants that it will strictly comply with relevant rules and regulations of China Securities Regulatory Commission and the stock exchange where the issuer is listed, the articles of association of the issuer, measures for management of related party transactions and other corporate management policies, exercise the rights of a shareholder and perform obligations of a shareholder equally with other shareholders, and will not use the status as a major shareholder to seek improper advantage, or damage the legitimate rights and interests of the issuer and other shareholders."</p>			

Significant Events

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

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>II. Specific Measures for Stabilization of A Share Price</p> <p>(I) Repurchase of shares by the Bank</p> <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 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 Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>3. If the Bank adopts the share repurchase plan of the Bank, the share repurchase proposal will include but not limited to the number of shares to be repurchased, the repurchase price range, the source of funds for the repurchase, the impact of repurchase on the share price and the operation of the Bank. The Bank shall implement the share repurchase plan after completing the internal approval procedures of the Bank and other relevant procedures in accordance with applicable laws, regulations, normative documents, the Articles of Association of the Bank and other provisions, and obtaining required approvals, for the share repurchase plan. The Bank shall repurchase its shares through call auction, offer and/or other legal means on a securities exchange. The total funds used by the Bank to repurchase shares shall not be less than 5% of the net profit attributable to shareholders of the Bank in the previous year but shall not exceed the net proceeds from the public offering of shares of the Bank.</p>			
			<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.</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 Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>(II) Restraints against the failure to perform the obligation to increase shareholdings or repurchase shares</p> <ol style="list-style-type: none"> 1. If the Bank fails to formulate and announce its share price stabilization plan within 10 trading days following the date of triggering the obligation of the Bank to stabilize its share price as indicated in the share price stabilization plan, or fails to act according to the plan announced, the Bank will, within 5 trading days, automatically freeze funds equal to 10% of the net profit attributable to shareholders of the Bank in the previous year, so as to perform the above undertakings to stabilize the share price. The Bank will, in accordance with law, compensate investors for losses arising out of its failure to perform the obligation to stabilize the share price. 2. If the directors and senior management of the Bank fail to propose a specific plan of increasing the shareholdings or act according to the disclosed plan within 10 trading days following the date of triggering the obligation to increase the shareholding, the Bank shall deduct 15% of the monthly salary of the parties concerned, as well as cash dividends (if any), from the month in which the agreed obligation is not performed, until the total amount of deductions reaches 15% of the total salary (after tax) obtained from the Bank in the previous accounting year in which the obligation to stabilize the share price shall be performed, and the deductions shall remain with the Bank. 			

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. 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>			
Undertaking in relation to the initial public offering	Others	Directors and senior management of the Bank	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A Shares of the Bank, directors (excluding independent directors, and directors who do not receive remuneration from the Bank) and senior management of the Bank undertake as follows:</p> <p>"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 the Bank after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the initial public offering and listing of A Shares of Bank of Chongqing, other than due to force majeure factors.</p>	5 February 2021	36 months	Yes

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

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

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. 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>			
			<p>IV. In performing the above obligation, I shall perform corresponding information disclosure obligations in accordance with the listing rules of the place where the shares of Bank of Chongqing are listed and other applicable regulatory requirements, and shall comply with relevant regulations including those on the regulation of commercial banks."</p>			

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 measures to stabilize the share price of Bank of Chongqing according to the specific share price stabilization plan in the Plan for Stabilization of A Share Price Within Three Years Following Initial Public Offering and Listing of Bank of Chongqing Co., Ltd. if the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing (the net assets per share will be adjusted accordingly if there is any change in the net assets or the total number of shares of the Bank after the latest audit reference date due to profit distribution, conversion of capital reserve into share capital, follow-on offering, placement of shares and other matters, similarly hereinafter) for 20 consecutive trading days within three years following the initial public offering and listing of A Shares of Bank of Chongqing, other than due to force majeure factors.</p> <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>	5 February 2021	36 months	Yes

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<ol style="list-style-type: none"> 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. Within 6 months following the date of triggering the obligation to stabilize the share price, the company will increase its shareholding in the Bank of Chongqing, for a total consideration not less than 15% of the cash dividend of Bank of Chongqing in the latest year to which it is entitled upon the announcement of the plan of increasing its shareholding in Bank of Chongqing. The company may suspend the plan of increasing its shareholding if the closing price of A Shares of Bank of Chongqing exceeds the latest audited net assets per share of Bank of Chongqing for 10 consecutive trading days in implementing the above plan. The company will continue to implement the above plan of increasing its shareholding if after the plan is suspended, the closing price of shares of Bank of Chongqing remains below the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days within 12 months following the date of triggering the above obligation to increase the shareholding. 			

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. Within six months following the completion of the plan of increasing its shareholding, the company will not dispose of the additional shares acquired by it; and after the company increases its shareholding, the distribution of equity interests in Bank of Chongqing shall comply with the listing conditions, and the increase in the shareholding shall comply with relevant laws, regulations and normative documents.</p> <p>III. If the company fails to propose a specific plan of increasing the shareholding, within 15 trading days from the date of triggering the obligation to increase the shareholding, or fails to act according to the disclosed plan of increasing the shareholding, Bank of Chongqing has the right to own the cash dividends payable to the company in the year and subsequent years which are equal to the amount paid by the company for the performance of such obligation, until the company performs such obligation; the company will, in accordance with law, compensate Bank of Chongqing and investors for any losses arising out of its failure to perform such obligation."</p>			

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

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

6.3 Material Related Party Transaction

6.3.1 Related Party Transaction in Relation to Daily Operation

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

At the 2023 Annual General Meeting held on 21 June 2024, the Bank considered and approved the Proposal on the Estimated Annual Cap for Daily Related Party Transactions for 2024. Information on the Bank's daily related party transactions during the Reporting Period is as follows:

Unit: RMB100 million

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions in 2024	As of 30 June 2024
Chongqing Yufu Holding Group Co., Ltd. and its associates	Credit	59.10	6.65
Among which: Chongqing Yufu Holding Group Co., Ltd.	Credit	25.20	2.00
Chongqing Yufu Capital Operation Group Co., Ltd.	Credit	13.00	2.25
Chongqing Yin Hai Financing Leasing Co., Ltd.	Credit	2.90	1.54
China Silian Instrument Group Co., Ltd.	Credit	7.04	0.20
Chongqing Silian Technical Import & Export Co., Ltd.	Credit	2.20	0.00
Chongqing Yuzi Guangdian Industrial Investment Co., Ltd.	Credit	4.20	0.00
Chongqing Water Conservancy Investment (Group) Co., Ltd. and its associates	Credit	6.30	5.07
Among which: Chongqing Water Conservancy Investment (Group) Co., Ltd.	Credit	5.00	5.00
Lifan Technology (Group) Co., Ltd. and its associates	Credit	3.50	1.50

Significant Events

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions in 2024	As of 30 June 2024
Chongqing Real Estate Group Co., Ltd. and its associates	Credit	30.01	21.28
Among which: Chongqing Real Estate Group Co., Ltd.	Credit	22.80	19.80
Chongqing Yudi Assets Management Co. Ltd.	Credit	4.29	0.98
Chongqing Foreign Trade and Economic Cooperation (Group) Co., Ltd. and its associates	Credit	10.50	3.60
Among which: Chongqing Foreign Trade and Economic Cooperation (Group) Co., Ltd.	Credit	4.50	2.28
Chongqing Yumaotong Supply Chain Management Co., Ltd.	Credit	2.97	1.33
Chongqing International Construction Corporation	Credit	2.70	0.00
Chongqing Department Store Co., Ltd.	Credit	4.00	4.00
Chongqing Commercial Investment Group Co., Ltd.	Credit	3.80	3.80
Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd.	Credit	15.00	0.06
Harvest Fund Management Co., Ltd.	Credit	50.00	9.55
Yinhua Fund Management Co., Ltd.	Credit	20.00	0.00
Changan Auto Finance Co., Ltd.	Credit	27.00	0.00
Southwest Securities Company, Ltd.	Credit	10.00	0.00
China Resources YuKang Asset Management Co., Ltd.	Non-credit	10.00	0.48
Chongqing Three Gorges Bank Co., Ltd.	Credit	154.00	0.36
	Non-credit	20.00	1.00
China Merchants Bank Co., Ltd.	Credit	310.00	6.61
	Non-credit	10.00	2.00
Chongqing Rural Commercial Bank Co., Ltd.	Credit	304.00	0.00
	Non-credit	80.00	11.00
Chongqing Xingnong Financing Guarantee Group Co., Ltd.	Credit	25.00	0.00
	Non-credit	65.00	24.14
Chongqing Sanxia Financing Guarantee Group Corporation	Non-credit	55.00	26.29
Chongqing Financing Re-guarantee Co., Ltd.	Non-credit	5.00	1.13
Chongqing Export-Import Financing Guarantee Co., Ltd.	Non-credit	10.00	1.96
Natural persons	Credit	6.24	0.21

Pursuant to the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions published by the NFRA, Chongqing Xinyu Financial Leasing Co., Ltd. is a related party of the Bank. During the Reporting Period, the 84th meeting of the sixth session of the Board of the Bank considered and approved the Proposal on Material Related Party Transactions with Chongqing Xinyu Financial Leasing Co., Ltd., agreeing to grant a maximum credit line of RMB5.500 billion to Chongqing Xinyu Financial Leasing Co., Ltd. As of the end of the Reporting Period, the credit balance of the related party was RMB0.500 billion. The above related party transactions either do not constitute connected transactions or are fully exempted connected transactions under the Hong Kong Listing Rules.

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

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

6.3.3 Related Party Transactions Relating to Joint External Investments

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

6.3.4 Claims and Liabilities among the Related Party Transactions

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

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

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

6.3.6 Other Material Related Party Transactions

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

6.4 Engagement of Intermediaries

6.4.1 Engagement of Accounting Firms

During the Reporting Period, the 87th meeting of the sixth session of the Board of the Bank considered and approved the Proposal on the Appointment and Remuneration of External Auditor for 2024, intending to engage Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young as the domestic auditors and international auditors of the Bank for 2024 respectively. The proposal has been considered and approved by the 2023 Annual General Meeting of the Bank.

Significant Events

6.5 Material Contracts and Their Performance

6.5.1 Material Custody, Contracting and Lease

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

6.5.2 Material Guarantee

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

6.6 Material Litigation and Arbitration

In the course of daily operation, the Bank involved several legal proceedings, most of which were initiated to recover non-performing loans. The disputes between the Bank and Chongqing Apu Properties (Group) Co., Ltd., Chongqing New City Construction Co., Ltd. in relation to bond transactions has concluded the current enforcement proceedings. In the case of liability dispute for securities misrepresentation related to the aforesaid case, the receiving court considered that it had no jurisdiction over the case and dismissed the prosecution, and the Bank has filed an appeal. Please refer to the Announcement on the Progress of Litigation Matters published by the Bank on the website of the Shanghai Stock Exchange, the website of the Hong Kong Stock Exchange and the Bank's official website for information in relation to the two cases.

The Bank has 12 outstanding legal claims (including the Bank as a third party) amounting to RMB329 million as of 30 June 2024. The Bank believes that the above litigations and arbitrations would not have a material and adverse impact on the financial position or operation results of the Bank.

6.7 Punishment and Rectification

During the Reporting Period, the Bank was not subject to any investigation by law for suspected crimes. The Bank and all Directors, Supervisors and senior management of the Bank were not subject to any criminal punishment, any investigation or administrative punishment by the CSRC, or any material administrative punishment by other competent authorities. All Directors, Supervisors and senior management of the Bank were not subject to any coercive measures by law for suspected crimes, any detention by discipline inspection and supervision authorities, or any coercive measures by other competent authorities, which may affect their performance of duties. The Directors, Supervisors and senior management of the Bank had not been subject to any punishment by securities regulatory authorities in recent three years. The Bank and all Directors, Supervisors and senior management of the Bank were not subject to any administrative supervision measures by the CSRC, or any disciplinary punishments by stock exchanges.

6.8 Integrity

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

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

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

6.10 Major Asset Purchases, Sales and Mergers

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

6.11 Review of the Interim Financial Statements

The Bank has engaged Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young respectively as external auditors to review the interim financial statements of the Bank prepared under the PRC GAAP (China Accounting Standards) and the IFRSs. The Board of Directors of the Bank and the Board Audit Committee have reviewed and agreed the 2024 interim Report of the Bank.

6.12 Publication of Interim Report

The 2024 Interim Report in Chinese prepared by the Bank in accordance with PRC GAAP and the Rules on Preparation of Interim Reports of CSRC is available at the websites of the Shanghai Stock Exchange and the Bank.

The 2024 Interim Report, in Chinese and English, prepared by the Bank in accordance with the IFRS and Hong Kong Listing Rules are available at the websites of the Hong Kong Stock Exchange and the Bank. In case of any discrepancy, the Chinese version shall prevail.

6.13 Others

Pursuant to paragraph 40 of Appendix D2 to the Hong Kong Listing Rules headed “Disclosure of Financial Information”, save as disclosed herein, the Bank confirms that there is no significant difference between its existing information in relation to the matters set out in paragraph 32 of Appendix D2 and those disclosed in the Bank’s 2023 Annual Report.

Change in Share Capital and Shareholders

7.1 Changes in the Ordinary Shares

7.1.1 General situation of the Ordinary Shares

As of the end of the Reporting Period, the Bank had a total of 3,474,565,256 Ordinary Shares, comprising 1,895,544,444 A Shares and 1,579,020,812 H Shares.

	31 December 2023		Increase or decrease during the Reporting Period (shares)					30 June 2024	
	Number (shares)	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number (shares)	Percentage (%)
1. Shares subject to selling restrictions	1,204,126,450	34.66	-	-	-	-605,158,430	-605,158,430	598,968,020	17.24
1. Shareholding of the State	-	-	-	-	-	-	-	-	-
2. Shareholding of state-owned legal persons	781,033,909	22.48	-	-	-	-373,104,161	-373,104,161	407,929,748	11.74
3. Other Domestic Shares	423,092,541	12.18	-	-	-	-232,054,269	-232,054,269	191,038,272	5.50
Of which: Shareholding of domestic non- state-owned legal persons	397,316,745	11.44	-	-	-	-225,977,047	-225,977,047	171,339,698	4.93
Shareholding of domestic natural persons	25,775,796	0.74	-	-	-	-6,077,222	-6,077,222	19,698,574	0.57
4. Foreign shares	-	-	-	-	-	-	-	-	-
Of which: Shareholding of offshore legal persons	-	-	-	-	-	-	-	-	-
Shareholding of offshore natural persons	-	-	-	-	-	-	-	-	-
2. Outstanding shares not subject to selling restrictions	2,270,435,669	65.34	-	-	-	605,161,567	605,161,567	2,875,597,236	82.76
1. RMB ordinary shares	691,414,857	19.90	-	-	-	605,161,567	605,161,567	1,296,576,424	37.32
2. Foreign shares listed domestically	-	-	-	-	-	-	-	-	-
3. Foreign shares listed overseas	1,579,020,812	45.45	-	-	-	-	-	1,579,020,812	45.45
4. Others	-	-	-	-	-	-	-	-	-
3. Total number of ordinary shares	3,474,562,119	100.00	-	-	-	3,137	3,137	3,474,565,256	100.00

Note: As of the end of the Report Period, pledged shares of the Bank amounted to 126,044,773 shares, representing 3.63% of the Bank's total share capital; frozen shares amounted to 271,295 shares, representing 0.01% of the Bank's total share capital.

Change in Share Capital and Shareholders

7.1.2 Statement on Changes in Ordinary Shares

Since 30 September 2022, the “BCQ Convertible Bonds” issued by the Bank have begun to be converted and may be converted into ordinary A Shares of the Bank. During the Reporting Period, the cumulative number of shares converted of the “BCQ Convertible Bonds” was 3,137, and the Bank’s total share capital increased from 3,474,562,119 to 3,474,565,256.

7.1.3 Changes in Shares subject to Selling Restrictions

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

During the Reporting Period, a total of 605,158,430 A Shares subject to selling restrictions were released for circulation, involving 314 shareholders. This portion of shares are subject to a lock-up period of 36 months from the listing date, which has expired on 5 February 2024 (Monday), and were released for circulation on the same day. As at the end of the Reporting Period, the Bank had 598,968,020 shares subject to selling restrictions.

7.2 Particulars of Shareholders and Actual Controllers

7.2.1 Total Number of Shareholders

As of the end of the Reporting Period, the Bank had a total of 51,923 ordinary shareholder accounts, of which, 50,856 are A Shareholder accounts and 1,067 are H Shareholder accounts.

Change in Share Capital and Shareholders

7.2.2 Top ten shareholders and top ten shareholders holding outstanding shares (or shareholders not subject to selling restrictions) as of the end of the Reporting Period

Particulars of Shareholdings of the Top Ten Ordinary Shares Shareholders of the Bank

S.N.	Name of shareholder	Nature of shareholder	Total number of shares held at the end of the Period (shares)	Shareholding percentage (%)	Type of share	Increase or decrease during the Reporting Period (shares)	Number of shares subject to selling restrictions (shares)	Pledged, tagged or frozen	
								Status	Number (shares)
1	HKSCC Nominees Limited	Offshore legal person	1,172,540,452	33.75	H Shares	3,500	-	Unknown	-
2	Chongqing Yufu Capital Operation Group Co., Ltd.	State-owned legal person	496,316,727	14.28	A Shares + H Shares	3,996,910	407,929,748	-	-
3	Dah Sing Bank, Limited	Offshore legal person	458,574,853	13.20	H Shares	-	-	-	-
4	Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned legal person	295,334,302	8.50	A Shares	-	-	-	-
5	Lifan Technology (Group) Co., Ltd.	Private legal person	294,818,932	8.49	A Shares + H Shares	-	-	Pledged	122,000,000
6	SAIC Motor Corporation Limited	State-owned legal person	240,463,650	6.92	H Shares	-	-	-	-
7	Funde Sino Life Insurance Co., Ltd.	Private legal person	217,570,150	6.26	H Shares	-	-	-	-
8	Chongqing Real Estate Group Co., Ltd.	State-owned legal person	174,852,088	5.03	A Shares	1,600	-	-	-
9	Chongqing Road & Bridge Co., Ltd.	Private legal person	171,339,698	4.93	A Shares	-	171,339,698	-	-
10	Chongqing Beiheng Investment & Development Limited	State-owned legal person	84,823,500	2.44	H Shares	-	-	-	-

Change in Share Capital and Shareholders

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

S.N.	Name of shareholder	Number of Outstanding Shares Held not subject to Selling Restrictions (shares)	Class and Number of Shares	
			Class	Number (shares)
1	HKSCC Nominees Limited	1,172,540,452	H Shares	1,172,540,452
2	Chongqing Water Conservancy Investment Group Co., Ltd.	295,334,302	A Shares	295,334,302
3	Chongqing Real Estate Group Co., Ltd.	174,852,088	A Shares	174,852,088
4	Lifan Technology (Group) Co., Ltd.	129,564,932	A Shares	129,564,932
5	Special securities account for agreed repurchase securities transactions of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司)	68,600,000	A Shares	68,600,000
6	New Founder Holdings Development Co., Ltd.	59,772,974	A Shares	59,772,974
7	Hong Kong Securities Clearing Company Limited	43,035,552	A Shares	43,035,552
8	Chongqing Development and Real Estate Management Co., Ltd.	37,456,522	A Shares	37,456,522
9	Chongqing Expressway Investment Holding Co., Ltd.	29,942,325	A Shares	29,942,325
10	Minsheng Industrial (Group) Co., Ltd.	24,191,310	A Shares	24,191,310

Information on special repurchase accounts of top ten shareholders: None

Information on voting rights delegated to and by, and abstinence from voting by the above shareholders: None

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

Notes:

- (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, including H Shares of the Bank held by HKSCC Nominees Limited as designated by other top 10 shareholders of the Bank.
- (2) Chongqing Yufu Capital Operation Group Co., Ltd. directly held 421,750,727 A Shares and held 74,566,000 H Shares of the Bank through its subsidiary Chongqing Yufu (Hong Kong) Limited and held 31,173,547 A Shares of the Bank through its associates, namely Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Chuanyi Microcircuit Co., Ltd. (重慶川儀微電路有限責任公司), Chongqing Silian Investment and Management Co., Ltd. (重慶四聯投資管理有限公司), Southwest Securities Company, Ltd., Chongqing Hotel Co., Ltd., Chongqing Rural Commercial Bank Co., Ltd., Chongqing Union Property Right Exchange Co., Ltd. (重慶聯合產權交易所集團股份有限公司) and Yang Yusong, together with its associates, held an aggregate of 527,490,274 shares of the Bank, representing 15.18% of the Bank's total shares. According to the "Indicative Announcement Regarding Changes in Shareholders' Shareholding" issued by the Bank on 31 August and 9 October 2023, Chongqing SASAC has transferred 80% of the equity interest in Chongqing Water & Environment Holdings Group Ltd. and 80% of the equity interest in Chongqing Light Industry & Textile Holding (Group) Company (重慶輕紡控股(集團)公司) held by it to Chongqing Yufu Holding Group Co., Ltd. for nil consideration. Upon completion of the transfer, the Bank's shareholders Chongqing Water & Environment Holdings Group Ltd., Chongqing New Trade Union Enterprise Management Co., Ltd. (重慶新工聯企業管理有限責任公司), Chongqing Liang Jiang New Area Xinhui Industry Finance Small Loan Co., Ltd. (重慶兩江新區信匯產融小額貸款有限公司) and Chongqing Furniture Corporation (重慶家具總公司) will become related parties of the shareholder Chongqing Yufu Capital Operation Group Co., Ltd. Chongqing Yufu Capital Operation Group Co., Ltd. and its related party will collectively hold 538,576,975 Shares of the Bank, representing 15.50% of the Bank's total shares. The equity interest transfer of Chongqing Light Industry & Textile Holding (Group) Company was completed in August 2024, as detailed in the Announcement on the Progress of Matters Relating to Changes in Shareholders' Interests dated 7 August 2024 disclosed by the Bank. As at the date of this report, the equity interest transfer of Chongqing Water & Environment Holdings Group Ltd. is subject to registration procedures for transfer.
- (3) Lifan Technology (Group) Co., Ltd. held 129,564,932 A Shares of the Bank and held 165,254,000 H Shares of the Bank through its subsidiary Lifan International (Holdings) Limited. Lifan Technology (Group) Co., Ltd. thus held an aggregate of 294,818,932 Shares of the Bank, representing 8.49% of the Bank's total shares.
- (4) SAIC Motor Corporation Limited held 240,463,650 H Shares of the Bank through its subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total shares.
- (5) Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares of the Bank and held 67,570,150 H Shares of the Bank through its subsidiary Fund Resources Investment Holding Group Company Limited, thus held an aggregate of 217,570,150 H Shares of the Bank, representing 6.26% of the Bank's total shares.
- (6) Chongqing Real Estate Group Co., Ltd. directly held 174,852,088 A Shares of the Bank, and its associates, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Institute of Urban Pest Control Co., Ltd. (重慶市城市害蟲防治研究所有限公司) and Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 2,259,601 A Shares of the Bank. Chongqing Real Estate Group Co., Ltd., together with its associates, held an aggregate of 177,111,689 A Shares of the Bank, representing 5.10% of the Bank's total shares.
- (7) Chongqing Road & Bridge Co., Ltd. directly held 171,339,698 A Shares of the Bank, and its related party Chongqing International Trust Co., Ltd., held 196,102 A Shares of the Bank. Chongqing Road & Bridge Co., Ltd., thus held an aggregate of 171,535,800 A Shares of the Bank, representing 4.94% of the Bank's total shares.
- (8) Chongqing Beiheng Investment & Development Limited directly held 84,823,500 H Shares in the Bank, and its associates, namely Chongqing Jintai State-owned Assets Management Co., Ltd. (重慶金泰國有資產經營有限公司), Chongqing High Technology Group Co., Ltd. (重慶高科集團有限公司), and Chongqing Yu Gao Tech Industry (Group) Co. Ltd., held 1,934,949 A Shares of the Bank. Chongqing Beiheng Investment & Development Limited, together with its associates, held an aggregate of 86,758,449 shares of the Bank, representing 2.50% of the Bank's total shares.
- (9) The Bank is not aware of any involvement of HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited in the refinancing business. Save as mentioned above, none of the other top ten shareholders of the Bank participated in the refinancing business by lending the Bank's shares.

Change in Share Capital and Shareholders

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

S.N.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions (shares)	Details of approved tradable shares subject to selling restrictions		Selling restrictions
			Time available for trading	Additional number of approved tradable shares (shares)	
1	Chongqing Yufu Capital Operation Group Co., Ltd.	407,929,748	August 2024	0	42 months from the date of the Bank's listing
2	Chongqing Road & Bridge Co., Ltd.	171,339,698	August 2024	0	42 months from the date of the Bank's listing
3	Ma Tao	364,851	Release in batches: February 2025: 64,385 shares February 2026: 64,385 shares February 2027: 21,463 shares February 2029: 214,618 shares	64,385	48, 60, 72 and 96 months from the date of the Bank's listing
4	He Guo	350,605	Release in batches: February 2025: 61,871 shares February 2026: 61,871 shares February 2027: 20,625 shares February 2029: 206,238 shares	61,871	48, 60, 72 and 96 months from the date of the Bank's listing
5	Wang Hong	336,127	Release in batches: February 2025: 59,316 shares February 2026: 59,316 shares February 2027: 19,773 shares February 2029: 197,722 shares	59,316	48, 60, 72 and 96 months from the date of the Bank's listing
6	Li Min	274,985	Release in batches: February 2025: 48,526 shares February 2026: 48,526 shares February 2027: 16,177 shares February 2029: 161,756 shares	48,526	48, 60, 72 and 96 months from the date of the Bank's listing
7	Li Wei	226,862	Release in batches: February 2025: 40,034 shares February 2026: 40,034 shares February 2027: 13,346 shares February 2029: 133,448 shares	40,034	48, 60, 72 and 96 months from the date of the Bank's listing

Change in Share Capital and Shareholders

S.N.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions (shares)	Details of approved tradable shares subject to selling restrictions		Selling restrictions
			Time available for trading	Additional number of approved tradable shares (shares)	
8	Chen Hong	210,619	Release in batches: February 2025: 37,167 shares February 2026: 37,167 shares February 2027: 12,392 shares February 2029: 123,893 shares	37,167	48, 60, 72 and 96 months from the date of the Bank's listing
9	Chen Youping	195,799	Release in batches: February 2025: 34,552 shares February 2026: 34,552 shares February 2027: 11,519 shares February 2029: 115,176 shares	34,552	48, 60, 72 and 96 months from the date of the Bank's listing
10	Yang Zhimin	184,103	Release in batches: February 2025: 32,488 shares February 2026: 32,488 shares February 2027: 10,831 shares February 2029: 108,296 shares	32,488	48, 60, 72 and 96 months from the date of the Bank's listing

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

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

Change in Share Capital and Shareholders

7.2.3 Particulars of Controlling Shareholders and De facto Controllers

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

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

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

Chongqing Yufu Capital Operation Group Co., Ltd.

Chongqing Yufu Capital Operation Group Co., Ltd. was the first solely state-owned local comprehensive assets operation and management company in China, which was organised under the approval of Chongqing Municipal Government. Chongqing Yufu Holding Group Co., Ltd. is the controlling shareholder of Chongqing Yufu. Chongqing Yufu was established on 27 February 2004 with a registered capital of RMB10 billion. Its legal representative is Ma Bao, 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 of the end of the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 421,750,727 A Shares and held 74,566,000 H Shares of the Bank through its subsidiary Chongqing Yufu (Hong Kong) Limited and held 31,173,547 A Shares of the Bank through its associates, namely Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Chuanyi Microcircuit Co., Ltd. (重慶川儀微電路有限責任公司), Chongqing Silian Investment and Management Co., Ltd. (重慶四聯投資管理有限公司), Southwest Securities Company, Ltd., Chongqing Hotel Co., Ltd., Chongqing Rural Commercial Bank Co., Ltd., Chongqing Union Property Right Exchange Co., Ltd. (重慶聯合產權交易所集團股份有限公司) and Yang Yusong, thus held an aggregate of 527,490,274 shares of the Bank, representing 15.18% of the Bank's total shares.

Change in Share Capital and Shareholders

Dah Sing Bank, Limited

Dah Sing Banking Group Limited is the controlling shareholder of Dah Sing Bank, Limited. Dah Sing Bank, Limited was established on 1 May 1947 with a 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 of the end of the Reporting Period, Dah Sing Bank, Limited held 458,574,853 H Shares, representing 13.20% of the Bank's total shares.

Chongqing Water Conservancy Investment Group Co., Ltd.

Chongqing SASAC is the controlling shareholder of Chongqing Water Conservancy Investment Group Co., Ltd.. Chongqing Water Conservancy Investment Group Co., Ltd was established on 18 November 2003 with a registered capital of RMB2.165 billion. Its legal representative is Zhu Lianghua, and its registered address is located at No. 2 Caifu Avenue, Yubei District, Chongqing. Its business scope includes general items: being responsible for the operation and management of state-owned water resources assets within the scope authorized by the municipal government, being responsible for project investment and operation of large and medium-sized water source projects, water supply and drainage projects, and pollution control projects at the municipal level, being responsible for the unified development and operation of water resources in the western water supply project planning zone, being responsible for the development, investment, and operation of river restoration and soil and water conservation projects, implementing the development and investment of small and medium-sized hydropower station projects and sales of water conservancy and hydropower equipment and materials (excluding those are subject to special management provisions of national laws and regulations). (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 Water Conservancy Investment Group Co., Ltd. held 295,334,302 A Shares of the Bank, representing 8.50% of the Bank's total shares.

Lifan Technology (Group) Co., Ltd.

Chongqing Manjianghong Equity Investment Fund Partnership (Limited Partnership) (重慶滿江紅股權投資基金合夥企業(有限合夥)) is the controlling shareholder of Lifan Technology (Group) Co., Ltd.. Lifan Technology (Group) Co., Ltd. was established on 1 December 1997 and listed on the Shanghai Stock Exchange in November 2010 with a registered capital of RMB4.521 billion. Its legal representative is Zhou Zongcheng, 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).

Change in Share Capital and Shareholders

As of the end of the Reporting Period, Lifan Technology (Group) Co., Ltd. held 129,564,932 A Shares and held 165,254,000 H Shares through its wholly-owned subsidiary Lifan International (Holdings) Limited, thus held an aggregate of 294,818,932 Shares, representing 8.49% of the Bank's total shares. 122,000,000 A Shares held by Lifan Technology (Group) Co., Ltd. were pledged.

SAIC Motor Corporation Limited

Shanghai Automotive Industry Corporation (Group) is the controlling shareholder of SAIC Motor Corporation Limited. SAIC Motor Corporation Limited was established on 16 April 1984 with registered capital of RMB11.575 billion. It was listed on the Shanghai Stock Exchange since November 1997. Its legal representative is Wang Xiaoqiu, and its registered address is located at Room 509, No.1 Tower, No. 563 Songtao Road, Pilot Free Trade Zone, Shanghai, China. Its business scope includes manufacturing and sales of automobiles, motorcycles, tractors and other motor vehicles, and machinery equipment, assembly and automobile parts, domestic trading (except those under special provisions), advisory services, sale of vehicle, assembly and components and parts in an e-commerce manner, technical service in the field of science and technology, export of self-manufactured products and technology, import of machinery and equipment, spare parts, raw and supplementary materials, and technology needed in the business operating (except goods and technology forbidden to import and export by Chinese government), rental of cars and machinery and equipment, industrial investment, periodical publishing, advertisements in its own media, import and export business of goods and technology (any item that requires to be approved by law can only be carried out after approval by relevant authorities).

As of 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 shares.

Funde Sino Life Insurance Co., Ltd.

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

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

Change in Share Capital and Shareholders

Chongqing Real Estate Group Co., Ltd.

The controlling shareholder of Chongqing Real Estate Group Co., Ltd. is the Chongqing State-owned Assets Supervision and Administration Commission. Chongqing Real Estate Group Co., Ltd. was established on 12 September 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. held 174,852,088 A Shares of the Bank, and its associates, namely Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), Chongqing Institute of Urban Pest Control Co., Ltd. (重慶市城市害蟲防治研究所有限公司) and Chongqing Fangzong Real Estate Co., Ltd. (重慶房綜置業有限公司) held 2,259,601 A Shares of the Bank. Chongqing Real Estate Group Co., Ltd., together with its associates, held an aggregate of 177,111,689 A Shares of the Bank, representing 5.10% of the Bank's total shares.

7.2.5 Other Major Shareholders under Regulations

Chongqing Beiheng Investment & Development Limited

Chongqing Liang Jiang New Area Industrial and Urban Construction Co., Ltd. (重慶兩江新區產城建設有限公司) is the controlling shareholder of Chongqing Beiheng Investment & Development Limited. Chongqing Beiheng Investment & Development Limited was established on 19 November 2012 with the registered capital of RMB1.1 billion. Its legal representative is Chen Chao, 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 (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 of the end of the Reporting Period, Chongqing Beiheng Investment & Development Limited held 84,823,500 H Shares in the Bank, and its associates, namely Chongqing Jintai State-owned Assets Management Co., Ltd. (重慶金泰國有資產經營有限公司), Chongqing High Technology Group Co., Ltd. (重慶高科集團有限公司), and Chongqing Yu Gao – Tech Industry (Group) Co. Ltd., held 1,934,949 A Shares of the Bank. Chongqing Beiheng Investment & Development Limited, together with its associates, held an aggregate of 86,758,449 shares of the Bank, representing 2.50% of the Bank's total shares. Pursuant to the requirements of the NFRA, Chongqing Beiheng Investment & Development Limited has assigned Supervisor to the Bank. Therefore, it is a substantial shareholder of the Bank.

Change in Share Capital and Shareholders

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

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

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Financial Holdings Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Banking Group Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Bank, Limited ⁽¹⁾	H Share	Long position	Beneficial owner	458,574,853	29.04	13.20
David Shou-Yeh WONG ⁽¹⁾	H Share	Long position	Settlor of a discretionary trust/interest of the beneficiary of a trust	458,574,853	29.04	13.20
Christine Yen WONG ⁽¹⁾	H Share	Long position	Interest of spouse	458,574,853	29.04	13.20
Harold Tsu-Hing WONG ⁽¹⁾	H Share	Long position	Deemed interest	458,574,853	29.04	13.20
HSBC International Trustee Limited ⁽²⁾	H Share	Long position	Interest of a trustee	458,574,853	29.04	13.20
Chongqing Yufu Holding Group Co., Ltd. ⁽³⁾	A Share	Long position	Interest of a controlled corporation	443,515,565	23.40	12.76
	H Share	Long position	Interest of a controlled corporation	74,566,000	4.72	2.15
Chongqing Yufu Capital Operation Group Co., Ltd. ⁽³⁾	A Share	Long position	Beneficial owner	421,750,727	22.25	12.14
	H Share	Long position	Interest of a controlled corporation	74,566,000	4.72	2.15
SAIC Motor Corporation Limited ⁽⁴⁾	H Share	Long position	Interest of a controlled corporation	240,463,650	15.23	6.92
SAIC Motor HK Investment Limited ⁽⁴⁾	H Share	Long position	Beneficial owner	240,463,650	15.23	6.92
Lifan Technology (Group) Co., Ltd. ⁽⁵⁾	A Share	Long position	Beneficial owner	129,564,932	6.84	3.73
	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽⁵⁾	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76

Change in Share Capital and Shareholders

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Lifan International (Holdings) Limited ⁽⁵⁾	H Share	Long position	Beneficial owner	165,254,000	10.47	4.76
Funde Sino Life Insurance Co., Ltd. ⁽⁶⁾	H Share	Long position	Beneficial owner	150,000,000	9.50	4.32
	H Share	Long position	Interest of a controlled corporation	67,570,150	4.28	1.94
Chongqing Real Estate Group Co., Ltd. ⁽⁷⁾	A Share	Long position	Beneficial owner	174,852,088	9.22	5.03
	A Share	Long position	Interest of a controlled corporation	2,259,601	0.12	0.07
Chongqing Water Conservancy Investment Group Co., Ltd.	A Share	Long position	Beneficial owner	295,334,302	15.58	8.50
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 43.09% of the issued shares of Dah Sing Financial Holdings Limited. Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. For the purpose of the SFO, Dah Sing Financial Holdings Limited, Dah Sing Banking Group Limited, Mr. David Shou-Yeh WONG, Ms. Christine Yen WONG and Mr. Harold Tsu-Hing WONG are deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited.
- (2) HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of the family members of Mr. David Shou-Yeh Wong (the grantor), held 39.49% interests in Dah Sing Financial Holdings Limited indirectly. For the purpose of the SFO, HSBC International Trustee Limited is deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited (see note (1) above).
- (3) To the knowledge of the Bank, as of the end of the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 421,750,727 A Shares in the Bank, while Chongqing Yufu (Hong Kong) Limited directly held 74,566,000 H Shares in the Bank. Chongqing Yufu (Hong Kong) Limited is wholly owned by Chongqing Yufu Capital Operation Group Co., Ltd., which is wholly owned by Chongqing Yufu Holding Group Co., Ltd. In addition, Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Hotel Co., Ltd. (重慶賓館有限公司), Chongqing Chuanyi Microcircuit Co., Ltd. (重慶川儀微電子有限公司), Chongqing Silian Investment Management Co., Ltd. (重慶四聯投資管理有限公司) and Southwest Securities Co., Ltd. (西南證券股份有限公司) directly held 16,129,476 A Shares, 4,571,761 A Shares, 136,571 A Shares, 12,679 A Shares and 914,351 A Shares, respectively; Chongqing Yufu Holding Group Co., Ltd. directly or indirectly controls more than one-third of the voting rights of these companies. For the purpose of the SFO, Chongqing Yufu Capital Operation Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu (Hong Kong) Limited in the Bank, while Chongqing Yufu Holding Group Co., Ltd. is deemed to be interested in the shares held by Chongqing Yufu Capital Operation Group Co., Ltd., Chongqing Yufu (Hong Kong) Limited, Chongqing Chuanyi Automation Co., Ltd., Chongqing Hotel Co., Ltd., Chongqing Chuanyi Microcircuit Co., Ltd., Chongqing Silian Investment Management Co., Ltd. and Southwest Securities Co., Ltd. in the Bank.

Change in Share Capital and Shareholders

- (4) SAIC Motor HK Investment Limited directly held 240,463,650 H Shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares held by SAIC Motor HK Investment Limited in the Bank.
- (5) Lifan Technology (Group) Co, Ltd. directly held 129,564,932 A Shares of the Bank. Lifan International (Holdings) Limited directly held 165,254,000 H Shares. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Technology (Group) Co., Ltd. For the purpose of the SFO, Lifan Technology (Group) Co., Ltd. and Chongqing Lifan Industry (Group) Import and Export Co., Ltd. are deemed to be interested in the Shares held by Lifan International (Holdings) Limited in the Bank.
- (6) Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares in the Bank, while Fund Resources Investment Holding Group Company Limited directly held 67,570,150 H Shares in the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares held by Fund Resources Investment Holding Group Company Limited in the Bank.
- (7) To the knowledge of the Bank, as of the end of the Reporting Period, Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly held 174,852,088 A Shares in the Bank. In addition, Chongqing Kangju Property Development Co., Ltd. (重慶康居物業發展有限公司), 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 A Shares, 300,020 A Shares and 300,034 A Shares in the Bank, respectively. Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly or indirectly controls more than one-third of the voting rights of these companies. 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. and Chongqing Institute of Urban Pest Control Co., Ltd. in the Bank.

7.3 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 (including sale of treasury shares) of the Bank. As of the ending of the Reporting Period, the Bank did not hold any treasury shares.

Securities Issuance and Listing

8.1 Issuance and Listing of Ordinary Shares

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

8.2 Debt Securities Issued

8.2.1 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 Chongqing CBIRC 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 bonds have a maturity of 3 years, with a fixed coupon rate of 3.50% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises. The bonds were due for redemption on 26 January 2024.

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 Chongqing CBIRC on 15 September 2020, the Bank issued first phase of green financial bonds of RMB2 billion in the domestic interbank bond market of China on 16 March 2021. Such bonds have a maturity of 3 years, with a fixed coupon rate of 3.57% per annum before maturity, payable annually. The proceeds from this issue were used to support the green industry projects specified in the Green Bond Support Project Catalogue compiled by the Green Finance Specialised Committee of the China Financial Association. The bonds were due for redemption on 18 March 2024.

Pursuant to a resolution at the general meeting passed on 27 April 2023 and the Affirmative Decision on Administrative License from the People's Bank of China (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank publicly issued first phase of green financial bonds of RMB5 billion in the domestic inter-bank bond market of China 28 May 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.27% per annum before maturity, payable annually. The proceeds from this issue were used to support the green industry projects specified in the Green Bond Support Project Catalogue compiled by the Green Finance Specialised Committee of the China Financial Association.

Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Affirmative Decision on Administrative License from the People's Bank of China (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank issued RMB4 billion special financial debt for small and micro business loans in the domestic inter-bank bond market of China 24 June 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.17% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.

8.2.2 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 – Debt securities payable".

8.3 Convertible Corporate Bonds

8.3.1 Issuance of Convertible Corporate Bonds

Upon the consideration of the 24th Meeting of the sixth session of the Board of the Bank on 30 March 2021 and the consideration and approval of the annual general meeting and shareholders' class meeting of the Bank on 20 May 2021, and with the approval of the Chongqing CBIRC and the CSRC, the Bank has issued RMB13 billion of A Share Convertible Corporate Bonds on the Shanghai Stock Exchange on 29 March 2022, and the net proceeds after deducting expenses relating to the issuance was approximately RMB12.984 billion. On 14 April 2022, the A Share Convertible Corporate Bonds of the Bank were listed on the Shanghai Stock Exchange (Stock abbreviation: BCQ Convertible Bonds (重銀轉債); Stock code: 113056). For details of the issuance of A Share Convertible Corporate Bonds of the Bank, please refer to the announcements published by the Bank on the website of the Shanghai Stock Exchange, the website of The Stock Exchange of Hong Kong Limited and the website of the Bank.

The following table sets out the relevant information of "BCQ Convertible Bonds".

Bond code	Name of the bond	Issue date	Maturity	Issue price	Coupon rate	Number of bonds to be issued	Listing date	Conversion period
113056	BCQ Convertible Bonds	23 March 2022	22 March 2028	RMB100 each	0.20% for the first year; 0.40% for the second year; 1.00% for the third year; 1.70% for the fourth year; 2.50% for the fifth year; 3.50% for the sixth year.	130 million	14 April 2022	From 30 September 2022 to 22 March 2028

Securities Issuance and Listing

8.3.2 Holders and Guarantors of Convertible Bonds

Name of convertible bonds	BCQ Convertible Bonds
Number of holders of convertible bonds at the end of the Period	55,419
Guarantors of convertible bonds	None

The top ten holders of convertible bonds are as follows:

Name of holders of convertible bonds	Number of bonds held at the end of the Period (RMB)	Shareholding (%)
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Bank of China)	1,884,072,000	14.49
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China)	1,648,173,000	12.68
Specific accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.)	1,048,942,000	8.07
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.)	859,144,000	6.61
Special accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank)	415,841,000	3.20
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China Minsheng Banking Corp., Ltd.)	410,347,000	3.16
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Bank of Communications)	304,063,000	2.34
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China CITIC Bank)	248,036,000	1.91
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Shengang Securities Company Limited)	238,605,000	1.84
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China)	191,582,000	1.47

8.3.3 Changes in Convertible Bonds

Unit: RMB

Name of convertible bonds	Increase/decrease				After the change
	Before the change	Converted	Redeemed	Sold back	
BCQ Convertible Bonds	12,999,381,000	33,000	–	–	12,999,348,000

8.3.4 Cumulative Conversion of Convertible Bonds

The conversion period of the Convertible Bonds commences on the first trading day immediately following the expiry of the six-month period after the date of completion of the issuance of the Convertible Bonds until the maturity date, i.e., from 30 September 2022 to 22 March 2028 (which is subject to extension for public holidays). As of the end of the Reporting Period, BCQ Convertible Bonds worth RMB652,000 were converted into ordinary A shares of the Bank accumulatively.

Name of convertible corporate bonds	BCQ Convertible Bonds
Amount of converted bonds during the Reporting Period (RMB)	33,000
Number of shares converted during the Reporting Period (shares)	3,137
Cumulative number of shares converted (shares)	59,917
Percentage of the cumulative number of shares converted to the total number of shares in issue prior to the conversion (%)	0.0017
Amount of unconverted bonds (RMB)	12,999,348,000
Percentage of the number of unconverted convertible bonds to the total amount of issued convertible bonds (%)	99.9950

8.3.5 Previous Adjustment of Conversion Price

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

Securities Issuance and Listing

The following table sets out the previous adjustments of conversion price of BCQ Convertible Bonds.

Date of the adjustment of conversion price	Adjusted conversion price (RMB/share)	Disclosure time	Disclosure media	Description of the adjustment of conversion price
28 July 2022	10.89	20 July 2022	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2021
20 July 2023	10.50	13 July 2023	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2022
19 July 2024	10.09	13 July 2024	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in 2023
Latest conversion price as of the end of the Reporting Period (RMB/share)				10.50

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

According to the Measures for the Administration for the Registration of the Issuance of Securities by Listed Companies, the Measures for the Administration of the Issuance and Trading of Corporate Bonds, the Rules of the Shanghai Stock Exchange Governing the Listing of Corporate Bonds and other relevant regulations, the Bank has engaged China Lianhe Credit Rating Co., Ltd. (“Lianhe Credit Rating”) to carry out a follow-up rating on the A Share Convertible Corporate Bonds issued by the Bank in March 2022. On 31 May 2024, Lianhe Credit Rating has issued the 2024 Follow-up Rating Report on the Public Issuance of the A Share Convertible Corporate Bonds by Bank of Chongqing Co., Ltd. The rating results are as follows: the Company’s overall credit rating is “AAA”, and the BCQ Convertible Bonds’ credit rating is “AAA” and its rating outlook is “stable”. The rating results remain unchanged as compared with the previous one.

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

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1 Basic Information of Directors, Supervisors and Senior Management

9.1.1 Directors

Name	Gender	Month and year of birth	Position in the Bank	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
YANG Xiuming	Male	September 1970	Secretary to the Party Committee	Since December 2023	-	-	-	-
			Chairman	Since March 2024				
GAO Song	Male	February 1979	Executive Director	Since March 2024				
			Deputy Secretary of the Party Committee	Since July 2023	-	-	-	-
LIU Jianhua	Male	December 1965	President	Since September 2023				
			Executive Director	Since November 2023				
WONG Wah Sing	Male	July 1960	Member of the Party Committee	Since February 2013	191,875	191,875	-	-
			Executive Director	Since August 2016				
WONG Hon Hing	Male	August 1952	Vice President	Since October 2014				
			Executive Director	Since September 2016	24,600	24,600	-	-
			Chief Risk Officer	Since September 2016				
WONG Hon Hing	Male	August 1952	Chief Anti-money Laundering Officer	Since December 2019				
			Vice Chairman	Since July 2007	7,100	9,800	2,700	Increasing shareholding to stabilize Share price
GUO Xile	Male	December 1986	Non-executive Director	Since May 2024	-	-	-	-
ZHOU Qiang	Male	May 1974	Non-executive Director	Since December 2023	-	-	-	-
WU Heng	Male	August 1976	Non-executive Director	Since April 2019	-	-	-	-
YOU Lili	Female	August 1975	Non-executive Director	Since October 2022	-	-	-	-
LIU Xing	Male	September 1956	Independent Non-executive Director	Since March 2020	-	-	-	-
WANG Rong	Male	March 1956	Independent Non-executive Director	Since March 2020	-	-	-	-
FUNG Don Hau	Male	December 1952	Independent Non-executive Director	Since March 2020	-	-	-	-
YUAN Xiaobin	Male	August 1969	Independent Non-executive Director	Since May 2020	-	-	-	-
ZHU Yanjian	Male	January 1981	Independent Non-executive Director	Since December 2023	-	-	-	-
Outgoing Directors:								
LIN Jun	Female	August 1963	Secretary to the Party Committee	Since June 2017 to December 2023	25,700	25,700	-	-
			Chairman	Since March 2018 to January 2024				
			Executive Director	Since March 2018 to January 2024				
WANG Fengyan	Female	August 1977	Non-executive Director	Since April 2023 to July 2024	-	-	-	-

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.2 Supervisors

Name	Gender	Month and year of birth	Position in the Bank	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
YIN Jun	Male	September 1979	Employee Supervisor	Since May 2019	–	–	–	–
WU Ping	Male	October 1967	Employee Supervisor	Since December 2019	65,625	65,625	–	–
Zhou Xiaohong	Male	December 1966	Employee Supervisor	Since July 2024	144,585	144,585	–	–
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	–	–	–	–
Outgoing Supervisor								
HUANG Changsheng	Male	February 1964	Deputy Secretary of the Party Committee Employee Supervisor Chairman of the Labor Union	Since April 2013 to May 2024	123,451	123,451	–	–

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.3 Senior Management

Name	Gender	Month and year of birth	Position in the Bank	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
GAO Song	Male	February 1979	Deputy Secretary of the Party Committee	Since July 2023	–	–	–	–
			President	Since September 2023				
			Executive Director	Since November 2023				
LIU Jianhua	Male	December 1965	Member of the Party Committee	Since February 2013	191,875	191,875	–	–
			Executive Director	Since August 2016				
			Vice President	Since October 2014				
YANG Shiyin	Female	September 1965	Member of the Party Committee	Since February 2013	160,147	160,147	–	–
			Vice President	Since October 2014				
WONG Wah Sing	Male	July 1960	Executive Director	Since September 2016	24,600	24,600	–	–
			Chief Risk Officer	Since September 2016				
			Chief Anti-money	Since December 2019				
<i>Outgoing Senior Management</i>								
PENG Yanxi	Female	June 1976	Member of the Party Committee	Since October 2015 to May 2024	23,700	23,700	–	–
			Vice President	Since March 2016 to June 2024				
			Secretary to the Board	Since August 2018 to June 2024				

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.2 Positions of Directors, Supervisors and Senior Management

9.2.1 Position held in shareholder

Name	Name of shareholder	Position held in shareholder	Date of appointment	Date of termination
WONG Hon Hing	Dah Sing Bank, Limited	Executive Director	August 1989	To date
		Vice chairman of the board of directors	April 2011	To date
ZHOU Qiang	Lifan Technology (Group) Co., Ltd.	Vice president, chief financial officer	December 2021	To date
WU Heng	SAIC Motor Corporation Limited	General manager of the financial affairs department	August 2019	To date
YOU Lili	Chongqing Real Estate Group Co., Ltd.	Director, General manager	April 2020	To date
QI Jun	Chongqing Beiheng Investment & Development Limited	Supervisor	May 2015	To date

9.2.2 Position held in other companies

Name	Name of other companies	Position held in other companies
WONG Hon Hing	Dah Sing Banking Group Limited	Executive director, managing director and chief executive officer, and vice chairman of the board of directors
	Dah Sing Financial Holdings Limited	Executive director, managing director and chief executive officer
	Banco Commercial De Macau	Director
	Dah Sing Insurance Company Limited (formerly known as Dah Sing Insurance Company (1976) Ltd.)	Executive Director
	Bank Consortium Holding Limited	Director
	Bank Consortium Trust Company Limited	Director
	BCT Financial Limited	Director
	Nengmin Holding Limited (能敏控股有限公司)	Director
	DSGI (1) Limited	Director
	DSLJ (2) Limited	Director
	DSLJ (BVI) (1) Limited	Director
	Macau Insurance Company Limited	Director
	MEVAS (1931) Limited	Director
	WOF Escrow Limited	Director
The Chinese Banks' Association Limited	Director	

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position held in other companies
GUO Xile	Chongqing Yufu Holding Group Co., Ltd.	Secretary to the board of directors, head of the office, general manager of the financial services department
ZHOU Qiang	Chongqing Livan Automotive Technology Company Limited	Chief financial officer
WU Heng	SAIC Motor Financial Holding Management Co., Ltd.	Director and general manager
	SAIC Venture Capital Corporation	Chairman of the board of directors, general manager, and legal representative
	SAIC Equity Investment Company Limited	Director
	China Merchants Bank Co., Ltd.	Supervisor
	Shanghai SAIC Hengxu Investment Management Co., Ltd.	Director
	Wuhan Heading Data Intelligence Technology Co., Ltd.	Director
	SAIC Anji Logistics Co., Ltd.	Director
	Anji Hoau Logistics Technology (Shanghai) Co., Ltd. (安吉華宇物流科技(上海)有限公司)	Director
	Shanghai Automotive Group Finance Company, Ltd.	Director
	Anji Car Rental and Leasing Co., Ltd.	Director
	SAIC HK International Finance Limited	Director
	RV2Go Technology Co., Ltd. (房車生活家科技有限公司)	Director
	SAIC Insurance Sales Company Limited	Director
	SAIC-GMF Leasing Co., Ltd.	Director
	Shanghai SAIC Mobility Technology and Service Co., Ltd.	Director
	Shanghai UTOPILOT Technology Co., Ltd. (上海友道智途科技有限公司)	Director
	Wuhan KOTEI Informatics Co., Ltd.	Director
	Shanghai Jie-Hydrogen Technology Co., Ltd. (上海捷氫科技股份有限公司)	Director
	DIAS Automotive Electronic Systems Co., Ltd. (聯創汽車電子有限公司)	Director
	Shanghai Lianjing Automotive Technology Co., Ltd. (上海聯徑汽車科技有限公司)	Director
Shanghai State-Owned Capital Investment FOF Co., Ltd.	Deputy chairman	
Shanghai Anjia Zhixing Digital Technology Co., Ltd. (上海安駕智行數字科技有限公司)	Director	
Donghua Automotive Industrial Co., Ltd.	Director	

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position held in other companies	
LIU Xing	School of Economics and Business Administration of Chongqing University	Professor and doctoral supervisor	
	New Dazheng Property Group Co., Ltd.	External director	
	CETC Chips Technology Inc.	Independent director	
	Lijiang Yulong Tourism Co., Ltd.	Independent director	
	Yinhua Fund Management Co., Ltd.	Independent director	
	China Finance and Accounting Research Center of Chongqing University	Director	
	Review panel of the National Social Science Fund Project	Expert	
	Review panel of the National Natural Science Foundation Project	Expert	
FUNG Don Hau	China Banking Association	Senior advisor (Part-time)	
	The Hong Kong Institute of Bankers	Senior advisor (Part-time)	
	“Asian Financial Think Tank” under Asian Financial Cooperation Association	Contact research fellow (Part-time)	
	Chang’an Bank Limited	Independent director	
YUAN Xiaobin	NFRA	Adjunct professor (Part-time)	
	Zhonghao Law Firm	Chairman of the Administration Committee	
	Revolutionary Committee of the Chinese Kuomintang	Member of the Standing Committee	
	Chongqing New Social Class Professionals Federation (重慶市新的社會階層專業人士聯合會)	President	
	Chongqing Municipal Committee of the Communist Party of China	Legal advisor	
	Chongqing Law Society	Vice president	
	Chongqing Municipal People’s Government	Decision-making consultant	
	China International Economic and Trade Arbitration Commission	Arbitrator	
	Shanghai International Arbitration Center	Arbitrator	
	Chongqing Arbitration Commission (重慶市仲裁委員會)	Expert advisory committee member	
	Supreme People’s Court	Contact supervisor	
	All-China Lawyers’ Association	Standing director	
	ZHU Yanjian	Faculty of Finance at the School of Economics of Zhejiang University	Head, professor and doctoral supervisor
		Yongan Futures Co., Ltd.	Independent director
Zhejiang Huangma Technology Co., Ltd.		Independent director	
Hangzhou Shanglv Financial Investment Co., Ltd.		External director	
Hangzhou Real Estate Development Group Co., Ltd.		External director	

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position held in other companies
CHEN Zhong	Brightstone Investment and Management Co., Ltd.	Deputy chairman
	Bright Stone Innovation Technology Group Co., Ltd.	Director
	Sichuan Development Lomon Co.,Ltd.	Director
	Doushen (Beijing) Education & Technology INC.	Independent director
	Chongqing International Trust Co., Ltd.	Independent director
	Sichuan Provincial Investment Group Company Limited	External director
	Harvest Fund Management Co., Ltd.	Independent director
	China Life Pension Company Limited	Independent director
HOU Guoyue	Southwest University of Political Science and Law	Professor
	K&H Law Firm in Chongqing	Chairman of the executive committee
	Chongqing Airport Group Co., Ltd.	Supervisor
QI Jun	Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd.	Manager of Ruizi asset operation department
	Chongqing Shale Gas Industry Investment Fund Co., Ltd.	Supervisor
	Chongqing Liang Jiang New Area Ruizi Technology Service Co., Ltd.	Legal representative, executive director and manager

9.3 Changes in Directors, Supervisors and Senior Management

9.3.1 Changes in Directors

On 11 January 2024, Ms. LIN Jun resigned from her positions as the Chairman, an executive Director of the Bank, the chairman of the Strategy and Innovation Committee under the Board, a member of each of Nomination Committee and Remuneration and Appraisal Committee, due to reaching the age of retirement.

On 13 March 2024, as approved by the Approval of the Qualification of YANG Xiuming in Bank of Chongqing (Yu Jin Guan Fu [2024] No. 23) from the Chongqing NFRA, Mr. YANG Xiuming served as an executive Director and the Chairman of the Bank from the date of such approval.

On 20 May 2024, as approved by the Approval of the Qualification of GUO Xile in Bank of Chongqing (Yu Jin Guan Fu [2024] No. 58) from the Chongqing NFRA, Mr. GUO Xile served as a non-executive Director of the Bank from the date of such approval.

On 4 July 2024, Ms. WANG Fengyan resigned from her positions as a non-executive director of the Bank and a member of the Audit Committee under the Board due to work adjustment.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.3.2 Changes in Supervisors

On 31 May 2024, Mr. HUANG Changsheng resigned from the positions of an employee supervisor and a member of the Supervision and Nomination Committee of the Board of Supervisors of the Bank, due to reaching the age of retirement.

On 2 July 2024, the twentieth meeting of the fourth session of the employee representatives' meeting of the Bank considered and approved the Proposal on the By-election of the Employee Supervisor for the Sixth Session of the Board of Supervisors of Bank of Chongqing, Mr. ZHOU Xiaohong served as the employee Supervisor of Bank from that date.

9.3.3 Changes in Senior Management

On 20 June 2024, Ms. PENG Yanxi resigned from her positions as a Vice President and Secretary to the Board of the Bank due to work adjustment.

On 21 June 2024, the 93th meeting of the sixth session of the Board of the Bank considered and approved the Proposal on the Appointment of Ms. HOU Ximeng as the Vice President of Bank of Chongqing Co., Ltd and the Proposal on the Appointment of Ms. HOU Ximeng as the Secretary to the Board of Bank of Chongqing Co., Ltd. The Board of the Bank has approved the appointment of Ms. HOU Ximeng as the Vice President of the Bank, her qualification is subject to the approval by the Chongqing NFRA. The Board of the Bank has approved the appointment of Ms. HOU Ximeng as the Secretary to the Board of the Bank, her qualification is subject to the approval by the Chongqing NFRA. Ms. HOU Ximeng shall formally perform the duties of the Secretary to the Board of the Bank after obtains the training certificate for the appointment of the secretary to the Board from the Shanghai Stock Exchange and the approval of her qualification from regulators. Prior to the formal performance of the duties, Chairman YANG Xiuming shall perform the duties of the Secretary to the Board of the Bank.

On 31 July 2024, the 94th meeting of the sixth session of the Board of the Bank considered and approved the Proposal on the Appointment of Mr. Li Cong as the Vice President of Bank of Chongqing Co., Ltd. The Board of the Bank has approved the appointment of Mr. Li Cong as the Vice President of the Bank, his qualification is subject to the approval by the Chongqing NFRA.

On 30 August 2024, the 95th meeting of the sixth session of the Board of the Bank considered and approved the Proposal on the Appointment of Mr. Yan Xiaochuan as the Vice President of Bank of Chongqing Co., Ltd. The Board of the Bank has approved the appointment of Mr. Yan Xiaochuan as the Vice President of the Bank, his qualification is subject to the approval by the Chongqing NFRA.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

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

As of 30 June 2024, the interests of the Directors, Supervisors and chief executive of the Bank and their respective associates in the shares of the Bank which were required, pursuant to Section 352 of the SFO to be entered into the register maintained or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Bank and the Hong Kong Stock Exchange are as follows:

Name	Position	Class of Shares	Long/Short Position	Capacity	Number of Shares Held	Percentage of the total share capital of the Bank (%)
LIU Jianhua	Member of the Party Committee Executive Director Vice President	A Share	Long position	Beneficial owner	191,875	0.00552
WONG Wah Sing	Executive Director Chief Risk Officer Chief Anti-money Laundering Officer	A Share	Long position	Beneficial owner	24,600	0.00071
WONG Hon Hing	Vice Chairman Non-executive Director	A Share	Long position	Beneficial owner	9,800	0.00028
WU Ping	Employee Supervisor	A Share	Long position	Beneficial owner	65,625	0.00189

Save as disclosed above, none of the Directors, the Supervisors, or the chief executives of the Bank or their associates held any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations as of 30 June 2024.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.5 Securities Transactions by Directors, Supervisors and Relevant Employees

The Bank has adopted the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules as the code of conduct to govern the securities transactions by Directors and Supervisors of the Bank. Upon enquiry, to the best knowledge of the Bank, all Directors and Supervisors of the Bank have always complied with the Model Code above during the Reporting Period.

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

9.6 Details of employees

As of 30 June 2024, the Bank had a total of 5,294 regular employees, 5,068 of whom held bachelor's degree or above, representing 95.73% of all the Bank's regular employees. In addition, the Bank had 128 dispatch workers, 41 internally retired employees and 359 retired employees. Furthermore, the controlled subsidiaries of the Bank had 176 employees, including 110 employees in Xinyu Financial Leasing and 66 employees in Xingyi Wanfeng.

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

Item	Number of employees	Percentage (%)
Composition of professions		
Supporting	782	14.77
Risk control	468	8.84
Business development	2,585	48.83
Information technology	233	4.40
Management	1,226	23.16
Educational background		
Master's degree or above	920	17.38
Bachelor's degree	4,148	78.35
College's degree or below	226	4.27
Range of ages		
30 and below	1,114	21.04
31-40	2,780	52.51
41-50	971	18.34
51 and above	429	8.10
Composition of genders		
Male	2,265	42.78
Female	3,029	57.22
Total	5,294	100.00

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.7 Details of branch outlets

Item	Business address	Number of branches	Number of employees	Asset scale (RMB100 million)
Head Office	No. 6 Yongpingmen Street, Jiangbei District, Chongqing	–	1,121	3,924.24
Liangjiang Branch	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	10	255	224.31
Chongqing Pilot Free Trade Zone Branches	No. 153 Zourong Road, Yuzhong District, Chongqing	8	254	184.71
Other branches in Chongqing Region	Please refer to Chapter “List of Branch Outlets” for details	145	2,559	2,720.09
Chengdu Branch	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu, Sichuan	13	441	386.44
Xi’an Branch	1/F to 3/F, Building 2, Yinhe Xinzubiao Building, No. 25 Tangyan Road, Xi’an, Shaanxi	11	380	368.33
Guiyang Branch	3/F to 8/F, Building 4, North Commercial Zone of Financial City, Area B of Zhongtian • Exhibition City, Changling North Road, Guanshanhu District, Guiyang, Guizhou	7	284	248.56
Total	–	194	5,294	8,059.68

Environmental and Social Responsibility

10.1 Environmental Protection

10.1.1 Promotion of Green Finance

The Bank, rooted in the “dual carbon” strategic goals and deeply implementing the spirit of the Central Financial Work Conference, is fully committed to advancing the “green finance” agenda, contributing financial strength to the strengthening of the ecological barrier in the upper reaches of the Yangtze River. Focusing on key areas such as green manufacturing, green energy, and green transportation, the Bank has comprehensively promoted the group-based development mechanism, and further accelerated the diversified development of green credit, green bonds, green consumption, and green leasing. As of the end of the Reporting Period, according to the green finance statistics of the PBOC, the scale of green finance reached more than RMB50 billion, representing a period-on-period increase of 31%. The Bank issued RMB5 billion in green financial bonds, with a cumulative issuance of RMB13 billion, ranking first in the city in terms of issue size.

Optimizing management mechanisms and strengthening the green foundation. The Bank has continuously improved its management system by upgrading the Green Finance Leading Group to a Green Finance Task Force and formulating a special work plan, with regular task force meetings to actively promote the implementation of green finance initiatives. Meanwhile, it has gradually established a green finance system covering five categories, including credit policy, assessment and incentives, product innovation, and risk management, to ensure the high-quality development of green finance from multiple dimensions.

Enriching product offerings and driving low-carbon transformation. The Bank has focused on green and low-carbon sectors, actively deepening the application of environmental rights products such as emission rights and forest rights, transforming ecological resources into assets and assets into capital; it has also focused on transition finance by launching products like sustainability-linked loans and technology improvement loans, with its energy consumption-linked loan being selected as the Typical Cases of Green Finance in Chongqing in 2023. By focusing on the use of policy tools, the Bank has utilized monetary policies like carbon emission reduction and green bill to actively support the green transformation and development of industry.

Strengthening technology empowerment and improving ESG management. The Bank has actively explored digital ESG ratings for corporate clients, establishing a rating indicator system covering 123 metrics related to environmental resources, social responsibility, and corporate governance, and promoting the application of rating results in the credit process from specific points to a broad series; it has also strengthened environmental and social risk management, aiming to build a comprehensive, systematic environmental and social risk management system, and has disclosed climate and environmental information reports for three consecutive years.

Enhancing capacity building and demonstrating social benefits. The Bank has continuously deepened its cooperative relationships with government departments, establishing partnerships with departments such as the Chongqing Municipal Bureau of Ecology and Environment and district and county governments, and has collaborated with professional organizations by participating in research initiatives of the Green Finance Specialised Committee of the China Financial Association and the Green Finance Specialised Committee of the Chongqing Financial Association, formulating the group standard for the Specifications for Mortgage (Pledge) Financing Services of Emission Rights. We also leveraged major events such as Arbor Day and National Low-Carbon Day to conduct environmental-themed promotions, thereby effectively leveraging its role as a bridge to promote green finance innovation cases.

10.1.2 Green Operation

The Bank made efforts to promote the philosophy of low-carbon and green office, and thus the philosophy of energy saving and environmental protection took root in its employees. The Bank comprehensively and systematically studied Xi Jinping's Thought on Ecological Civilization and his important speeches and directives on environmental protection, further establishing the concept of ecological and environmental protection development. We developed the User Manual for Bank of Chongqing Building to standardize energy consumption and environmental management of the office building. The Bank educated and guided employees to consciously adopt good green and low-carbon habits, such as energy conservation and carbon reduction, green travel, food conservation, and waste sorting. We advocated for frugal meeting practices, encouraging online meetings and refraining from providing office supplies or unrelated items at necessary offline meetings. In order to promote energy saving and consumption reduction during the summer peak, the Bank also emphasized safe and efficient electricity use, made early arrangements to help ensure the local electricity supply and assume its responsibility as a state-owned enterprise. All employees are also required to follow the good practices of turning off lights, water, computers and air conditioners while leaving. Detailed energy-saving measures were formulated for the use of lights, air conditioners, water, paper, disposables and cleaning supplies. The head office building was awarded the Golden Label for green building design by the Chongqing Urban and Rural Development Committee. The office building adopts the renewable energy from the river water source for centralized heating and cooling. The lighting and air-conditioning systems of the office building are equipped with an intelligent system, which can intelligently implement the energy-saving control of office areas and rationally use air conditioners according to the temperature changes. The office building is equipped with the energy-saving control system for the central air-conditioning and water systems. Through improving the cooling and heating system and the coordinated operation of electromechanical equipment, the office building realized modern equipment management, thereby reducing the energy consumption of equipment and promoting the application of renewable energy in buildings. In order to promote the development of new energy vehicles and reduce automobile exhaust pollution, the office building has built charging piles.

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

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

In procurement 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 environmental protection qualification and energy conservation performance of suppliers as important considerations for the procurement of engineering air conditioners, advertising equipment and other products. The requirements on environmental protection were implemented for the selection of construction suppliers. The Bank established a procurement management system and put it into operation to promote online remote biddings for suppliers, so as to reduce procurement costs. We ensured full competition in procurement activities, promoted the implementation of targeted procurement for eligible centralized procurement items, and strived to reduce procurement costs.

Environmental and Social Responsibility

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

10.2 Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization

During the Reporting Period, the Bank deeply studied and applied the experiences from the “Qianwan Projects” (千萬工程), fully leveraging the financial sector's supportive role in the rural revitalization strategy to continuously promote comprehensive rural revitalization and accelerate the building of a strong agricultural nation. As of 30 June 2024, the balance of agriculture-related loans³ was RMB42,988 million, representing an increase of RMB4,181 million as compared with the end of the previous year, and the balance of inclusive agriculture-related loans was RMB18,594 million, representing an increase of RMB3,094 million as compared with the end of the previous year.

Strengthening mechanism construction and enhancing development momentum. The Bank strengthened organizational leadership by establishing a “Rural Revitalization Task Force”, enhancing “horizontal communication” across front, middle, and back offices, and “vertical coordination” between headquarters and branches, thereby establishing the work mechanisms such as special work, dedicated personnel in charge, exclusive assessment, special incentives, and regular thematic meetings to promote the efficient operation and effective implementation of financial services for rural revitalization. The Bank reinforced policy guidance by developing the “Implementation Plan for Key Works of Rural Revitalization Financial Services in 2024”, setting assessment indicators for inclusive agriculture-related loans and rural revitalization loans, and implementing key allocations of resources such as internal fund pricing and capital costs, to boost the enthusiasm and initiative of branches and employees. We also enhanced financing connections by continuously promoting bank-enterprise financing activities, such as “visiting villages, enterprises, and industrial parks”, dynamically understanding the operations of agriculture-related entities, actively promoting financial policies that support enterprises and benefit the people, thereby improving customer engagement efficiency and reducing service costs. Furthermore, the Bank strengthened risk control by continuously improving pre-loan investigations, mid-loan reviews, and post-loan inspections, with a focus on the qualifications of loan applicants and the authenticity of loan fund usage, thereby enhancing penetrating risk management capabilities throughout the life cycle.

³ calculated at the new standard of agriculture-related loans by PBOC

Focusing on key areas and enhancing credit support. The Bank focused on food security by adopting an online and offline integrated development model, continuously promoting products like the “Youth Rural Revitalization Loan” (鄉村振興青年貸) to respond to the new round of national program of “improving the grain production by one hundred billion kilograms”, ensuring the supply of “rice bag” and “shopping basket”. The Bank also concentrated on the agricultural industry by innovating and developing products such as the “Collective Economy Loan” (集體經濟貸) for grassroots collective economic organizations and the “Agricultural Benefit Loan” (惠農貸) for new agricultural business entities, while promoting the “Farmer Assistance Loan” (助農貸) to support the cultivation of advantageous and featured industries with production value of RMB100 billion and the creation of the “3+6+X” advantageous industry clusters. Additionally, the Bank focused on rural construction by promoting products such as the “Water and Electricity Loan” (小水電貸), increasing credit support for key areas in rural construction, including road transportation, medical care and elderly care, logistics and communications, clean energy, and living environment, to support the construction of 1,000 demonstration projects for livable, business-friendly and beautiful village. Lastly, the Bank concentrated on key populations by continuously promoting products like “Creation Loan” (創想貸), “Jie E Dai” (捷e貸) and “Xing Fu Dai” (幸福貸) to support farmers, entrepreneurs, new citizens and other key groups in rural revitalization in their production, life, entrepreneurship and employment.

Expanding digital capabilities and enhancing foundational services. The Bank has expanded its e-commerce support initiatives, using “consumer support + e-commerce sales” (消費幫扶+電商帶貨) as the entry point and relying on the e-commerce platform of “Yu Le Hui of Bank of Chongqing” (重慶銀行渝樂惠) to create a “consumer support” (消費幫扶) section. This includes building county-level agricultural product themed halls and launching the special marketing campaign of “Preferential Prices · Benefiting Bashu” (幸福價到·惠動巴蜀) to support and benefit farmers and continually expanding the sales channels for agricultural products from poverty alleviation and support regions. The Bank has also expanded its online channels by upgrading mobile banking functions and enhancing the “Huiyu Financial Service” mini-program, building online financial service channels such as mobile banking and WeChat banking. A key focus has been the development of an interactive customer service platform that integrates text, voice, and remote video, effectively extending financial services to rural areas. Additionally, the Bank has expanded payment scenarios by optimizing and upgrading the acquiring business and payment experience, providing free payment terminals to merchants in key rural revitalization assistance districts and counties, and implementing fee reduction and benefit-sharing policies to continually improve the payment environment in support regions. The Bank has expanded mobile operations by optimizing and upgrading customer service platforms such as “Bashi Business” and “Yuying” (渝鷹), embedding various basic financial services into mobile electronic devices to create “mobile bank branches” (銀行移動營業網點), thereby effectively enhancing basic financial service capabilities for customers in remote rural areas.

10.3 Consumer Protection

10.3.1 Overview on Consumer Protection

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

Environmental and Social Responsibility

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

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

In terms of strategy formulation and implementation measures, the Bank adhered to the "people-centered" value orientation, thoroughly implementing the directives of the Central Financial Work Conference on financial work, deeply understanding the political and public nature of financial work, and focusing on promoting the "Four New Projects" (四新工程) for consumer rights protection, with the aim of upholding the people's interests, standing firmly on the people's stance, understanding their aspirations, and advancing the Bank's efforts in financial consumer rights protection to new heights.

10.3.2 Strengthening the handling of complaints

The Bank has thoroughly understood regulatory requirements and effectively established a "comprehensive consumer protection" (大消保) framework, unifying the approach to consumer protection and complaint handling across the Bank, strengthening assessment guidance, and reinforcing primary responsibilities. Through the smooth operation of the mechanism, the Bank focused on addressing the root causes of complaints and continuously enhancing its ability to prevent them. By implementing a "top-down coordination and mediation mechanism", the Bank has improved its capacity to resolve complaints and reduce disputes. Additionally, the Bank has strengthened technological empowerment, consistently driving agile innovation, and enhancing the digital management of complaint handling, resulting in significant improvements in the quality and efficiency of complaint resolution.

In the first half of 2024, the Bank received a total of 1,323 customer complaints. Among them, in terms of business lines, the complaints mainly consisted of credit cards, loans, payment and settlement and other businesses. In terms of geographical location, there were 1,194 complaints in Chongqing, accounting for 90.25%; 58 complaints in Guizhou, accounting for 4.38%; 44 complaints in Sichuan, accounting for 3.33%; and 27 complaints in Shaanxi, accounting for 2.04%.

Corporate Governance Report

11.1 Corporate Governance Overview

The Bank is committed to building a high-level corporate governance system. 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 is listed as well as the corporate governance practices of the Bank, we continue to optimize our corporate governance structure, improve our corporate governance system and effectively regulate the operation of corporate governance. There were no significant differences between the actual conditions of the Bank's corporate governance with the laws, administrative regulations and regulatory documents issued by securities regulatory authorities in relation to the governance of listed companies. During the Reporting Period, the Bank strictly complied with the code provisions in the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules, except that the duties of the Chairman of the Bank were temporarily performed by the President during the period from 11 January 2024 to 12 March 2024.

During the Reporting Period, the Bank strove to improve the transparency and level of corporate governance to safeguard shareholders' interests and enhance its corporate value. The Bank strictly complied with the provisions of relevant laws and regulations and the Listing Rules governing corporate governance, and completed revisions to certain of the terms of reference of the committees of the Board of Directors, the plan for the Board's Authorization to the President, and risk management-related systems, conducted the performance assessment of the Board and the senior management and their members, so as to regulate and improve the stakeholders protection mechanism and further enhance its information disclosure and market value management.

11.2 Convocation of Meeting

11.2.1 General Meeting

During the Reporting Period, the Bank held one annual general meeting and one extraordinary general meeting, details of which are set out below:

On 19 February 2024, the Bank held the first extraordinary general meeting of 2024. The meeting considered and approved two proposals as ordinary resolutions, including the Proposal on the Election of Mr. YANG Xiuming as an Executive Director of Bank of Chongqing Co., Ltd., and the Proposal on the Election of Mr. GUO Xile as a Non-executive Director of Bank of Chongqing Co., Ltd.

On 21 June 2024, the Bank held the annual general meeting of 2023. The meeting considered and approved nine proposals as ordinary resolutions, including the Proposal on the Work Report of the Board of Directors for 2023, the Proposal on the Work Report of the Board of Supervisors for 2023, the Proposal on the Final Financial Accounts for 2023, the Proposal on the Profit Distribution Plan for 2023, the Proposal on the 2023 Annual Report of Bank of Chongqing Co., Ltd. and Highlights thereof, the Proposal on the Financial Budget Plan for 2024, the Proposal on the Investment Plan for 2024, the Proposal on the Estimated Annual Caps for Daily Related Transactions for 2024, and the Proposal on the Appointment and Remuneration of External Auditors for 2024.

The above general meetings were convened in compliance with the relevant legal procedures pursuant to relevant laws and regulations.

Corporate Governance Report

11.2.2 The Board of Directors

During the Reporting Period, the Board of Directors of the Bank has convened a total of twelve meetings in accordance with the Listing Rules and the Articles of Association, and considered and approved 55 proposals, including the Proposal on the Financial Statements and Notes thereof for 2023; the Proposal on the Final Financial Accounts for 2023; the Proposal on the Appointment and Remuneration of External Auditors for 2024; and the Proposal on the 2023 Annual Report of Bank of Chongqing Co., Ltd. and Highlights thereof, all of which were submitted or reported to the general meeting of shareholders for consideration according to the provisions of the Articles of Association of the Bank.

During the Reporting Period, the Board of Directors of the Bank heard 32 reports, including the Report on Business Performance and Work of the President for 2023; the Report on Profitability Analysis for 2023; the Report on the Analysis of Asset and Liability Management for 2023; the Report on the Management of Liquidity Risk for 2023; the Report on the Management of Liability Quality for 2023, through which the Board of Directors had a full knowledge of the business management, risk management, compliance of internal control, consumer protection and other work of the Bank.

During the Reporting Period, the independent Directors of the Bank actively performed their duties, attended the general meeting, the meetings of the Board and its special committees, and expressed independent opinions on major issues including profit distribution, major connected transactions, internal control, nomination of Directors and appointment of senior management, 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.

11.2.3 Board of Supervisors

During the Reporting Period, in accordance with the Listing Rules and the Articles of Association, the Board of Supervisors held a total of 4 meetings, which considered and approved 15 proposals including the Proposal on the 2023 Annual Report of Bank of Chongqing Co., Ltd. and Highlights thereof, the Proposal on the Profit Distribution Plan for 2023, the Proposal on the Work Report of the Board of Supervisors for 2023, the Proposal on the Report of the Board of Supervisors on Evaluation of Performance of Duties by Directors and Supervisors for 2023, the Proposal on the Report of the External Supervisors on Peer Evaluation of Performance of Duties for 2023, and the Proposal on the Nomination of Mr. ZHOU Xiaohong as the Employee Supervisor Candidate of the Sixth Session of the Board of Supervisors of Bank of Chongqing Co., Ltd., and actively performed its duties of supervision.

During the Reporting Period, the Board of Supervisors heard 10 reports, including the Report on the Update of Directory of Related Parties for the Year Ended 31 December 2023, the Work Report on Consumer Protection for 2023, and the Report of the Bank's Internal Audit Department on the Special Audit of Related Party Transactions in 2023 and deeply understood the Bank's operation and management, and expressed opinions and suggestions on material matters.

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

11.3 Profits and Dividends

The Bank's revenue for the six months ended 30 June 2024 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 2023 annual general meeting held on 21 June 2024, the Bank paid all shareholders a final dividend of RMB4.08 (inclusive of tax) per 10 shares for the year ended 31 December 2023 ("2023 Final Dividend"), amounting to RMB1,417,622,934.94 (inclusive of tax) in aggregate. The 2023 Final Dividend has been paid to A shareholders and H shareholders of the Bank on 19 July 2024.

The Group will not declare the interim dividend for 2024 or convert any capital reserve into share capital.

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Independent Review Report

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 2024 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board.

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

Scope of Review

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

Conclusion

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

Ernst & Young

Certified Public Accountants

Hong Kong

30 August 2024

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Interest income		14,401,847	14,085,252
Interest expense		(9,177,803)	(8,698,825)
Net interest income	4	5,224,044	5,386,427
Fee and commission income		626,910	299,175
Fee and commission expense		(115,916)	(102,629)
Net fee and commission income	5	510,994	196,546
Net trading gains	6	82,370	160,965
Net gains on investment securities	7	1,084,420	838,034
Other operating income	8	52,154	149,479
Operating income		6,953,982	6,731,451
Operating expenses	9	(1,834,649)	(1,789,148)
Credit impairment losses	11	(1,621,884)	(1,760,922)
Other impairment losses		(2,972)	(1,278)
Operating profit		3,494,477	3,180,103
Share of profits of associates	20	206,130	246,464
Profit before income tax		3,700,607	3,426,567
Income tax	12	(490,340)	(374,237)
Net profit for the period		3,210,267	3,052,330
Net profit attributable to:			
Shareholders of the Bank		3,026,280	2,906,469
Non-controlling interests		183,987	145,861
		3,210,267	3,052,330
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)	13		
Basic		0.87	0.84
Diluted		0.68	0.66

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

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (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		1,075,054	1,165,622
Less: Relevant income tax effect		(268,762)	(291,405)
Subtotal		806,292	874,217
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gains/(losses) on equity securities at fair value through other comprehensive income		25,524	(9,760)
Less: Relevant income tax effect		(6,382)	2,440
Remeasurement of retirement benefits		277	1,300
Less: Relevant income tax effect		(69)	(325)
Subtotal		19,350	(6,345)
Total other comprehensive income, net of tax	37	825,642	867,872
Total comprehensive income for the period		4,035,909	3,920,202
Net comprehensive income attributable to:			
Shareholders of the Bank		3,851,922	3,774,341
Non-controlling interests		183,987	145,861
		4,035,909	3,920,202

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

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
ASSETS			
Cash and balances with the central bank	14	36,324,738	40,026,407
Due from and placements with banks and other financial institutions	15	92,523,361	46,286,128
Financial assets at fair value through profit or loss ("FVPL")	16	28,973,452	27,090,566
Derivative financial instruments	17	23,620	89,981
Loans and advances to customers	18	406,908,533	380,795,540
Investment securities	19		
– Fair value through other comprehensive income ("FVOCI")		82,058,587	94,175,349
– Amortised cost		146,835,315	159,469,808
Investments in associates	20	2,973,043	2,818,162
Property, plant and equipment	21	2,871,948	2,963,711
Deferred tax assets	27	4,364,814	4,426,083
Other assets	22	2,110,512	1,742,135
Total assets		805,967,923	759,883,870

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

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
LIABILITIES			
Due to and placements from banks and other financial institutions	23	130,628,922	126,599,915
Financial liabilities at fair value through profit or loss	17	6,754	54,608
Customer deposits	24	449,999,935	414,812,696
Current tax liabilities		379,352	148,268
Debt securities issued	25	155,788,681	153,373,831
Other liabilities	26	7,337,646	5,595,125
Total liabilities		744,141,290	700,584,443
EQUITY			
Share capital	29	3,474,565	3,474,562
Other equity instruments	30	8,071,261	8,071,264
of which: Perpetual bonds		6,999,594	6,999,594
Capital surplus	31	7,735,039	7,734,979
Other reserves	32	15,419,067	13,874,724
Retained earnings		24,652,161	23,762,205
Equity attributable to shareholders of the Bank		59,352,093	56,917,734
Non-controlling interests		2,474,540	2,381,693
Total equity		61,826,633	59,299,427
Total liabilities and equity		805,967,923	759,883,870

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

Yang Xiuming
Chairman

Gao Song
President

Yang Shiyin
Vice President

Yang Kun
Head of Finance
Department

Interim Condensed Consolidated Statement of Changes in Equity

	Equity attributable to shareholders of the Bank										
	Share capital	Other equity instruments		Capital surplus	Surplus reserve	General reserve	Revaluation reserve for financial assets at FVOCI	Remeasurement of retirement benefit plans	Retained earnings	Non-controlling interests	Total
		Perpetual bonds	Others								
Balance at 31 December 2023	3,474,562	6,999,594	1,071,670	7,734,979	4,848,740	7,879,269	1,150,662	(3,947)	23,762,205	2,381,693	59,299,427
Net profit for the period	-	-	-	-	-	-	-	-	3,026,280	183,987	3,210,267
Other comprehensive income (Note 37)	-	-	-	-	-	-	825,434	208	-	-	825,642
Total comprehensive income	-	-	-	-	-	-	825,434	208	3,026,280	183,987	4,035,909
Conversion of convertible bonds	3	-	(3)	60	-	-	-	-	-	-	60
Dividends (Note 33)	-	-	-	-	-	-	-	-	(1,417,623)	(91,140)	(1,508,763)
Transfer to other reserves	-	-	-	-	-	718,701	-	-	(718,701)	-	-
Balance at 30 June 2024 (Unaudited)	3,474,565	6,999,594	1,071,667	7,735,039	4,848,740	8,597,970	1,976,096	(3,739)	24,652,161	2,474,540	61,826,633
Balance at 31 December 2022	3,474,540	4,499,400	1,071,690	7,734,772	4,378,812	7,390,759	(583,119)	(5,147)	21,374,805	2,158,965	51,495,477
Net profit for the period	-	-	-	-	-	-	-	-	2,906,469	145,861	3,052,330
Other comprehensive income (Note 37)	-	-	-	-	-	-	866,897	975	-	-	867,872
Total comprehensive income	-	-	-	-	-	-	866,897	975	2,906,469	145,861	3,920,202
Conversion of convertible bonds	15	-	(13)	138	-	-	-	-	-	-	140
Dividends (Note 33)	-	-	-	-	-	-	-	-	(1,372,443)	(76,440)	(1,448,883)
Transfer to other reserves	-	-	-	-	-	488,510	-	-	(488,510)	-	-
Balance at 30 June 2023 (Unaudited)	3,474,555	4,499,400	1,071,677	7,734,910	4,378,812	7,879,269	283,778	(4,172)	22,420,321	2,228,386	53,966,936

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	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cash flows from operating activities:		
Profit before income tax	3,700,607	3,426,567
Adjustments for:		
Depreciation and amortisation	242,081	217,919
Impairment losses on loans	1,898,801	1,450,984
Impairment losses on other assets	(273,945)	311,216
Net gains/(losses) on disposal of property, plant and equipment and other long-term assets	8,249	(258)
(Gains)/Losses on changes in fair value	232,039	(40,979)
Net gains arising from financial investments	(1,364,932)	(950,387)
Share of profits of associates	(206,130)	(246,464)
Interest income arising from investment securities	(4,330,045)	(4,685,390)
Interest expense arising from financing activities	2,001,134	1,811,929
Changes in operating assets:		
Net increase in restricted deposit balances with the central bank	(414,433)	(171,169)
Net increase in due from and placements with banks and other financial institutions	(2,248,749)	(4,598,892)
Net (increase)/decrease in financial assets held under resale agreements	(44,496,291)	1,691,743
Net increase in loans and advances to customers	(28,348,789)	(26,366,958)
Net (decrease)/increase in other operating assets	(3,683,679)	568,842
Changes in operating liabilities:		
Net decrease in borrowings from the central bank	(948,118)	(3,105,731)
Net increase in due to and placements from banks and other financial institutions	4,117,925	5,028,691
Net increase/(decrease) in financial assets sold under repurchase agreements	373,068	(5,702,984)
Net increase in customer deposits	33,518,889	22,397,197
Net increase in other operating liabilities	2,781,095	2,549,280
Income tax paid	(473,200)	(382,358)
Net cash from operating activities	(37,914,423)	(6,797,202)

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	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cash flows from investing activities:		
Proceeds from sale and redemption of investments	54,886,740	39,830,390
Return on investments	5,656,715	5,105,647
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	26,573	1,686
Purchase of property, plant and equipment, intangible assets and other long-term assets	(297,823)	(143,106)
Purchase of investment securities	(27,262,448)	(59,136,119)
Net cash from investing activities	33,009,757	(14,341,502)
Cash flows from financing activities:		
Proceeds from issuance of debt securities	75,775,687	74,180,422
Cash paid to redeem debt securities issued	(74,920,000)	(58,770,000)
Cash paid for lease liabilities	(38,917)	(33,520)
Interest paid on debt securities	(439,148)	(413,174)
Dividends paid to shareholders	(94,416)	(73,164)
Net cash from financing activities	283,206	14,890,564
Impact from exchange rate changes on cash and cash equivalents	(4,748)	28,445
Net decrease in cash and cash equivalents	(4,626,208)	(6,219,695)
Cash and cash equivalents at the beginning of the period	19,302,429	19,486,479
Cash and cash equivalents at the end of the period (Note 38)	14,676,221	13,266,784

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Bank of Chongqing Co., Ltd. (the “Bank”) was formerly known as Chongqing Urban Cooperative Bank (重慶城市合作銀行), which was established by consolidating 37 urban credit cooperatives and 1 urban credit union in Chongqing with the approval of Yin Fu [1996] No. 140 by the People’s Bank of China (“PBOC”). On 30 March 1998, the Bank was renamed as “Commercial Bank of Chongqing Co., Ltd.” (重慶市商業銀行股份有限公司) with the approval of Yu Yin Fu [1998] No. 48 by the PBOC Chongqing Branch. On 1 August 2007, the Bank was further renamed as Bank of Chongqing Co., Ltd. (重慶銀行股份有限公司) with the approval of Yin Jian Fu [2007] No. 325 by the China Banking Regulatory Commission (“CBRC”). 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 2024, the Bank operated its business through 194 business outlets covering all the districts and counties of Chongqing as well as three provinces in western China, namely Sichuan province, Shaanxi province and Guizhou province.

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

The interim condensed consolidated financial statements were authorised for issuance by the Bank’s Board of Directors on 30 August 2024.

2 BASIS OF PRESENTATION, MATERIAL 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 2023.

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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

(b) Material accounting policies

The International Accounting Standards Board has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(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 2023. Please refer to the financial statements for the year ended 31 December 2023 for details.

3 SUBSIDIARIES

As at 30 June 2024, details of the Bank's subsidiaries are set out below:

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

	Assets RMB'000	Liabilities RMB'000	Revenue RMB'000	Net profit RMB'000
Chongqing Xinyu Financial Leasing Co., Ltd.	42,881,384	37,869,765	800,077	375,176
Xingyi Wanfeng Village Bank Co., Ltd.	900,999	774,951	14,002	2,351
	43,782,383	38,644,716	814,079	377,527

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

4 NET INTEREST INCOME

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income		
Balances with the central bank	236,662	238,179
Due from and placements with banks and other financial institutions	681,711	384,593
Loans and advances to customers	9,153,429	8,777,090
Investment securities	4,330,045	4,685,390
	14,401,847	14,085,252
Interest expense		
Due to and placements from banks and other financial institutions	(1,579,533)	(1,432,641)
Customer deposits	(5,595,765)	(5,454,255)
Debt securities issued	(1,999,742)	(1,809,614)
Other liabilities	(2,763)	(2,315)
	(9,177,803)	(8,698,825)
Net interest income	5,224,044	5,386,427

5 NET FEE AND COMMISSION INCOME

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Fee and commission income		
Wealth management agency services	413,072	115,199
Settlement and agency services	107,537	94,023
Bank card services	50,704	49,829
Custodian services	17,266	17,918
Guarantees and credit commitments	38,331	22,206
	626,910	299,175
Fee and commission expense		
Bank card services	(58,974)	(47,726)
Settlement and agency services	(34,089)	(35,025)
Others	(22,853)	(19,878)
	(115,916)	(102,629)
Net fee and commission income	510,994	196,546

Notes To The Unaudited Interim Condensed Consolidated Financial Information

6 NET TRADING GAINS

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Foreign exchange gains	14,805	19,971
Bond and fund investments	196,928	239,722
Equity investments	(124,280)	(95,294)
Derivatives	(5,083)	(3,434)
	82,370	160,965

Net trading gains mainly include net gains 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 on foreign exchange mainly include gains or losses from the trading of spot contracts, trading of swap contracts, as well as translation of foreign currency monetary assets and liabilities into RMB.

7 NET GAINS ON INVESTMENT SECURITIES

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Net gains arising from financial assets at FVPL and net gains on disposal of investment securities at FVOCI	551,424	468,181
Net gains on derecognition of investment securities at amortised cost	532,996	369,853
	1,084,420	838,034

8 OTHER OPERATING INCOME

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Government grants ^(a)	44,817	110,290
Rental income ^(b)	12,993	20,655
Dividend income	–	15,413
Gains on disposal of property, plant and equipment and other long-term assets	(7,800)	290
Compensation on breach of contract	95	450
Other miscellaneous income ^(c)	2,049	2,381
	52,154	149,479

Notes To The Unaudited Interim Condensed Consolidated Financial Information

8 OTHER OPERATING INCOME (Continued)

- (a) The government grants mainly include bonus of small and micro business loans 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.

9 OPERATING EXPENSES

	Note	For the six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Staff costs	10	1,054,495	1,062,708
General and administrative expenses		383,044	370,430
Tax and surcharges		97,370	83,412
Depreciation of property, plant and equipment	21	111,296	110,679
Amortisation of intangible assets	22(b)	79,264	63,318
Depreciation of right-of-use assets	22(c)	35,887	31,804
Depreciation of investment properties	22(f)	224	155
Amortisation of long-term prepaid expenses		15,410	11,963
Operating lease expenses		366	1,231
Professional fees		53,329	47,263
Donations		200	200
Others		3,764	5,985
		1,834,649	1,789,148

10 STAFF COSTS

	Note	For the six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Salaries and bonuses		755,566	785,135
Pension expenses	28	117,373	111,830
Housing benefits and subsidies		69,445	66,390
Labour union and staff education funds		16,442	16,071
Other social security and benefit costs		95,669	83,282
		1,054,495	1,062,708

Notes To The Unaudited Interim Condensed Consolidated Financial Information

11 CREDIT IMPAIRMENT LOSSES

	Note	For the six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Loans and advances to customers carried at amortised cost	18(b)	1,936,575	1,480,541
Loans and advances to customers at FVOCI	18(b)	(37,774)	(29,557)
Investment securities – amortised cost	19	(145,993)	275,184
Investment securities – FVOCI	19	(115,724)	51,093
Loan commitments and financial guarantee contracts		637	(19,776)
Due from and placements with banks and other financial institutions		889	30,419
Other credit impairment losses		(16,726)	(26,982)
		1,621,884	1,760,922

12 INCOME TAX EXPENSE

	Note	For the six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Current income tax		693,863	687,660
Deferred income tax	27	(203,523)	(313,423)
		490,340	374,237

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.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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	
	2024 RMB'000	2023 RMB'000
Profit before income tax	3,700,607	3,426,567
Tax at the enacted tax rate of 25%	925,152	856,642
Effect of different tax rates of subsidiaries	(43,965)	(35,233)
Tax effect arising from non-taxable income ^(a)	(513,995)	(483,280)
Tax effect of expenses that are not deductible for tax purposes ^(b)	122,610	34,897
Income tax adjustment for prior years	538	1,211
Income tax expense	490,340	374,237

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

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

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	
	2024 RMB'000	2023 RMB'000
Net profit attributable to shareholders of the Bank	3,026,280	2,906,469
Net profit attributable to ordinary shareholders of the Bank	3,026,280	2,906,469
Weighted average number of ordinary shares issued (in thousands)	3,474,563	3,474,546
Basic earnings per share (in RMB)	0.87	0.84

Notes To The Unaudited Interim Condensed Consolidated Financial Information

13 BASIC AND DILUTED EARNINGS PER SHARE (Continued)

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

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Net profit attributable to shareholders of the Bank	3,026,280	2,906,469
Add: Interest expense on convertible bonds, net of tax	211,770	221,697
Net profit used to determine diluted earnings per share	3,238,050	3,128,166
Weighted average number of ordinary shares issued (in thousands)	3,474,563	3,474,546
Add: Weighted average number of ordinary shares assuming conversion of all dilutive shares (in thousands)	1,288,340	1,238,059
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	4,762,903	4,712,605
Diluted earnings per share (in RMB)	0.68	0.66

14 CASH AND BALANCES WITH THE CENTRAL BANK

	30 June 2024 RMB'000	31 December 2023 RMB'000
Cash	785,418	857,927
Mandatory reserve deposits with the central bank	28,722,231	28,077,005
Surplus reserve deposits with the central bank	6,803,558	10,846,094
Fiscal deposits	145	230,938
Total	36,311,352	40,011,964
Accrued interest	13,386	14,443
	36,324,738	40,026,407

The Group is required to place mandatory reserve deposits with the central bank. The deposits are calculated based on the amount of customer deposits placed with the Group. As at 30 June 2024, the mandatory reserve rate of the Bank for deposits denominated in RMB was 6.5% (31 December 2023: 7%), and the mandatory reserve rate of the Bank for deposits denominated in foreign currencies was 4% (31 December 2023: 4%). 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.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

15 DUE FROM AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Bills purchased under resale agreements	29,175,300	7,026,684
Securities purchased under resale agreements	45,760,265	23,412,590
Due from banks and other financial institutions	5,085,848	6,733,923
Placements with banks and other financial institutions	12,540,897	9,155,236
Total	92,562,310	46,328,433
Accrued interest	127,683	123,438
Less: ECL allowance	(166,632)	(165,743)
	92,523,361	46,286,128

As at 30 June 2024 and 31 December 2023, the gross principal balance of the Group's due from and placements with banks and other financial institutions classified within Stage 3 was RMB199,000 thousand, of which the accrued ECL allowance amounted to RMB153,529 thousand. The rest were all in Stage 1.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Financial assets at FVPL		
– Listed outside Hong Kong	506,993	621,922
– Unlisted	28,466,459	26,468,644
	28,973,452	27,090,566

Unlisted financial assets measured at FVPL are set out below:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Government bonds	619,476	560,431
Policy bank bonds	197,509	3,647,799
Commercial bank bonds	2,575,963	4,402,124
Trust investments ^(a)	3,721,389	3,884,172
Asset management plans ^(b)	6,886,068	8,231,181
Fund investments	12,921,359	4,303,474
Inter-bank certificates of deposit	1,097,531	984,859
Equity investments	447,164	454,604
Total	28,466,459	26,468,644

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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

(a) Trust investments

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trust investments purchased from trust companies		
– Guaranteed by third-party companies	3,122,919	3,300,827
– Unsecured	598,470	583,345
Total	3,721,389	3,884,172

(b) Asset management plans

	30 June 2024 RMB'000	31 December 2023 RMB'000
Asset management plans purchased from securities companies		
– Guaranteed by third-party companies	6,886,068	8,231,181

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Financial assets at FVPL		
– Commercial banks	3,673,494	5,386,983
– Securities companies	6,886,068	8,231,181
– Fund companies	12,921,359	4,303,474
– Trust companies	3,721,389	3,884,172
– Governments	619,476	560,431
– Policy banks	197,509	3,647,799
– Equity investments	954,157	1,076,526
Total	28,973,452	27,090,566

Notes To The Unaudited Interim Condensed Consolidated Financial Information

17 DERIVATIVE FINANCIAL INSTRUMENTS

30 June 2024	Fair value		
	Nominal amount RMB'000	Assets RMB'000	Liabilities RMB'000
Interest rate swap	55,088,893	4,772	(5,350)
Foreign exchange swap	196,847	17,444	–
Currency swap	71,867	1,404	(1,404)
	55,357,607	23,620	(6,754)

31 December 2023	Fair value		
	Nominal amount RMB'000	Assets RMB'000	Liabilities RMB'000
Interest rate swap	51,075,442	5,231	(5,064)
Foreign exchange swap	2,204,617	68,482	(33,608)
Foreign exchange forward	698,996	16,268	(15,936)
	53,979,055	89,981	(54,608)

18 LOANS AND ADVANCES TO CUSTOMERS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Loans and advances to customers		
– Amortised cost	387,897,332	345,348,001
– FVOCI	29,118,903	44,852,396
Total	417,016,235	390,200,397
Accrued interest	2,880,512	2,734,569
Less: ECL allowance	(12,988,214)	(12,139,426)
	406,908,533	380,795,540

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(a) Analysis of loans and advances to customers

	30 June 2024 RMB'000	31 December 2023 RMB'000
Loans and advances to corporate entities – amortised cost		
– Corporate loans and advances	292,380,040	250,398,073
Loans and advances to corporate entities – FVOCI		
– Discounted bills	29,118,903	44,852,396
Subtotal	321,498,943	295,250,469
Loans and advances to individuals – amortised cost		
– Mortgage loans	39,997,079	40,321,906
– Individual business loans	22,167,328	22,528,071
– Credit card advances	22,695,826	22,325,095
– Individual consumption loans	10,657,059	9,774,856
Subtotal	95,517,292	94,949,928
Total	417,016,235	390,200,397
Accrued interest	2,880,512	2,734,569
Gross amount of loans and advances to customers	419,896,747	392,934,966
Less: ECL allowance	(12,988,214)	(12,139,426)
Carrying amount of loans and advances to customers	406,908,533	380,795,540

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance

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

Loans and advances to corporate entities	Stage 1	Stage 2	Stage 3	Total RMB'000
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2023	2,546,229	2,246,685	4,736,800	9,529,714
New financial assets originated or purchased	779,146	–	–	779,146
Remeasurement	(546,680)	1,243,578	742,450	1,439,348
Repayments	(549,077)	(169,171)	(213,822)	(932,070)
Write-off and disposal	–	–	(897,371)	(897,371)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(68,728)	68,728	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(3,075)	–	3,075	–
<i>Transfer from Stage 2 to Stage 1</i>	133,357	(133,357)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(96,485)	96,485	–
<i>Transfer from Stage 3 to Stage 1</i>	29,274	–	(29,274)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	160,299	(160,299)	–
Recoveries of loans and advances written off in previous years	–	–	139,685	139,685
Unwinding impact of discount	–	–	8,975	8,975
As at 30 June 2024	2,320,446	3,320,277	4,426,704	10,067,427
As at 31 December 2022	2,601,246	1,428,382	3,554,327	7,583,955
New financial assets originated or purchased	1,292,286	–	–	1,292,286
Remeasurement	(560,625)	1,296,922	2,065,743	2,802,040
Repayments	(795,077)	(237,386)	(556,199)	(1,588,662)
Write-off and disposal	–	–	(919,659)	(919,659)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(105,289)	105,289	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(22,932)	–	22,932	–
<i>Transfer from Stage 2 to Stage 1</i>	131,632	(131,632)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(265,407)	265,407	–
<i>Transfer from Stage 3 to Stage 1</i>	4,988	–	(4,988)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	50,517	(50,517)	–
Recoveries of loans and advances written off in previous years	–	–	382,608	382,608
Unwinding impact of discount	–	–	(22,854)	(22,854)
As at 31 December 2023	2,546,229	2,246,685	4,736,800	9,529,714

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

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

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Retail loans				
As at 31 December 2023	610,247	908,947	1,090,518	2,609,712
New financial assets originated or purchased	194,489	–	–	194,489
Remeasurement	28,316	397,612	444,291	870,219
Repayments	(181,841)	(128,762)	(103,954)	(414,557)
Write-off	–	–	(460,593)	(460,593)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(37,854)	37,854	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(21,398)	–	21,398	–
<i>Transfer from Stage 2 to Stage 1</i>	119,520	(119,520)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(221,468)	221,468	–
<i>Transfer from Stage 3 to Stage 1</i>	6,562	–	(6,562)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	14,640	(14,640)	–
Recoveries of loans and advances written off in previous years	–	–	101,068	101,068
Unwinding impact of discount	–	–	20,449	20,449
As at 30 June 2024	718,041	889,303	1,313,443	2,920,787
As at 31 December 2022	1,152,135	640,348	750,733	2,543,216
New financial assets originated or purchased	301,469	–	–	301,469
Remeasurement	(209,176)	658,903	791,677	1,241,404
Repayments	(576,189)	(254,946)	(123,476)	(954,611)
Write-off and disposal	–	–	(663,157)	(663,157)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(50,403)	50,403	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(51,306)	–	51,306	–
<i>Transfer from Stage 2 to Stage 1</i>	36,192	(36,192)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(165,379)	165,379	–
<i>Transfer from Stage 3 to Stage 1</i>	7,525	–	(7,525)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	15,810	(15,810)	–
Recoveries of loans and advances written off in previous years	–	–	163,310	163,310
Unwinding impact of discount	–	–	(21,919)	(21,919)
As at 31 December 2023	610,247	908,947	1,090,518	2,609,712

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements of ECL allowance (Continued)

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

	Stage 1	Stage 2	Stage 3	Total RMB'000
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Discounted bills				
As at 31 December 2023	65,761	–	–	65,761
New financial assets originated or purchased	27,987	–	–	27,987
Remeasurement	–	–	–	–
Repayment	(65,761)	–	–	(65,761)
As at 30 June 2024	27,987	–	–	27,987
As at 31 December 2022	83,777	–	–	83,777
New financial assets originated or purchased	65,761	–	–	65,761
Repayments	(83,777)	–	–	(83,777)
As at 31 December 2023	65,761	–	–	65,761

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

Loans and advances to corporate entities	Stage 1	Stage 2	Stage 3	Total RMB'000
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2023	231,678,264	11,621,999	7,097,810	250,398,073
New financial assets originated or purchased	91,880,297	–	–	91,880,297
Proceeds received	(47,451,633)	(1,195,014)	(303,342)	(48,949,989)
Financial assets derecognised other than write-offs	–	–	(52,420)	(52,420)
Write-off	–	–	(895,921)	(895,921)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(3,092,239)	3,092,239	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(309,421)	–	309,421	–
<i>Transfer from Stage 2 to Stage 1</i>	1,210,981	(1,210,981)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(716,355)	716,355	–
<i>Transfer from Stage 3 to Stage 1</i>	66,113	–	(66,113)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	220,798	(220,798)	–
As at 30 June 2024	273,982,362	11,812,686	6,584,992	292,380,040
As at 31 December 2022	191,239,581	10,551,720	6,946,657	208,737,958
New financial assets originated or purchased	116,127,146	–	–	116,127,146
Proceeds received	(69,568,970)	(2,287,298)	(872,712)	(72,728,980)
Financial assets derecognised other than write-offs	–	–	(1,010,756)	(1,010,756)
Write-off	–	–	(727,295)	(727,295)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(5,910,989)	5,910,989	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(1,144,657)	–	1,144,657	–
<i>Transfer from Stage 2 to Stage 1</i>	929,503	(929,503)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(1,768,243)	1,768,243	–
<i>Transfer from Stage 3 to Stage 1</i>	6,650	–	(6,650)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	144,334	(144,334)	–
As at 31 December 2023	231,678,264	11,621,999	7,097,810	250,398,073

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	Total
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Retail loans				
As at 31 December 2023	90,242,603	2,796,474	1,910,851	94,949,928
New financial assets originated or purchased	21,018,076	–	–	21,018,076
Proceeds received	(19,342,989)	(430,335)	(211,595)	(19,984,919)
Financial assets derecognised other than write-offs	–	–	(5,800)	(5,800)
Write-off	–	–	(459,993)	(459,993)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	<i>(1,448,179)</i>	<i>1,448,179</i>	<i>–</i>	<i>–</i>
<i>Transfer from Stage 1 to Stage 3</i>	<i>(501,952)</i>	<i>–</i>	<i>501,952</i>	<i>–</i>
<i>Transfer from Stage 2 to Stage 1</i>	<i>402,023</i>	<i>(402,023)</i>	<i>–</i>	<i>–</i>
<i>Transfer from Stage 2 to Stage 3</i>	<i>–</i>	<i>(665,584)</i>	<i>665,584</i>	<i>–</i>
<i>Transfer from Stage 3 to Stage 1</i>	<i>11,140</i>	<i>–</i>	<i>(11,140)</i>	<i>–</i>
<i>Transfer from Stage 3 to Stage 2</i>	<i>–</i>	<i>26,107</i>	<i>(26,107)</i>	<i>–</i>
As at 30 June 2024	90,380,722	2,772,818	2,363,752	95,517,292
As at 31 December 2022	90,625,455	2,609,981	1,292,517	94,527,953
New financial assets originated or purchased	37,303,376	–	–	37,303,376
Proceeds received	(34,962,124)	(1,001,667)	(254,453)	(36,218,244)
Financial assets derecognised other than write-offs	–	–	–	–
Write-off	–	–	(663,157)	(663,157)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	<i>(1,936,517)</i>	<i>1,936,517</i>	<i>–</i>	<i>–</i>
<i>Transfer from Stage 1 to Stage 3</i>	<i>(1,057,648)</i>	<i>–</i>	<i>1,057,648</i>	<i>–</i>
<i>Transfer from Stage 2 to Stage 1</i>	<i>254,729</i>	<i>(254,729)</i>	<i>–</i>	<i>–</i>
<i>Transfer from Stage 2 to Stage 3</i>	<i>–</i>	<i>(528,075)</i>	<i>528,075</i>	<i>–</i>
<i>Transfer from Stage 3 to Stage 1</i>	<i>15,332</i>	<i>–</i>	<i>(15,332)</i>	<i>–</i>
<i>Transfer from Stage 3 to Stage 2</i>	<i>–</i>	<i>34,447</i>	<i>(34,447)</i>	<i>–</i>
As at 31 December 2023	90,242,603	2,796,474	1,910,851	94,949,928

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	Total
	12M ECL	Lifetime ECL	Lifetime ECL	
Discounted bills	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023	44,852,396	–	–	44,852,396
New financial assets originated or purchased	29,105,191	–	–	29,105,191
Proceeds received	(44,852,396)	–	–	(44,852,396)
Changes in fair value	13,712	–	–	13,712
As at 30 June 2024	29,118,903	–	–	29,118,903
As at 31 December 2022	47,285,310	–	–	47,285,310
New financial assets originated or purchased	44,840,811	–	–	44,840,811
Proceeds received	(47,285,310)	–	–	(47,285,310)
Fair value measurement	11,585	–	–	11,585
As at 31 December 2023	44,852,396	–	–	44,852,396

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	30 June 2024		31 December 2023	
	Amount RMB'000	%	Amount RMB'000	%
Corporate loans – amortised cost				
Leasing and commercial services	97,337,622	30.28	78,195,749	26.49
Water conservation, environment and public facility administration	77,008,924	23.95	63,081,708	21.37
Manufacturing	29,326,070	9.12	27,598,449	9.35
Wholesale and retail	25,249,304	7.85	21,555,067	7.30
Construction	25,226,457	7.85	25,893,709	8.77
Real estate	9,773,651	3.04	9,569,930	3.24
Electricity, heat, gas and water production and supply	5,639,636	1.75	4,217,532	1.43
Transportation, storage and postal service	5,210,913	1.62	4,181,646	1.42
Agriculture, forestry, animal husbandry and fishery	4,245,959	1.32	3,724,983	1.26
Culture, sports and entertainment	2,582,183	0.80	2,492,654	0.84
Information transmission, software and information technology services	2,003,512	0.62	1,932,494	0.65
Health and social welfare	1,782,659	0.55	1,772,915	0.60
Scientific research and technology services	1,703,073	0.53	1,299,292	0.44
Accommodation and catering	1,689,564	0.53	1,550,386	0.53
Mining	1,397,642	0.44	1,359,909	0.46
Financing	1,021,663	0.32	860,399	0.29
Education	611,063	0.19	532,019	0.18
Household services, repairing and other services	561,145	0.18	566,006	0.19
Public administration, social security and social organizations	9,000	0.00	13,226	0.00
Corporate loans – FVOCI				
Discounted bills	29,118,903	9.06	44,852,396	15.19
Total corporate loans	321,498,943	100.00	295,250,469	100.00
Retail loans – amortised cost				
Mortgage loans	39,997,079	41.87	40,321,906	42.47
Personal business loans	22,167,328	23.21	22,528,071	23.73
Credit card advances	22,695,826	23.76	22,325,095	23.51
Personal consumption loans	10,657,059	11.16	9,774,856	10.29
Total retail loans	95,517,292	100.00	94,949,928	100.00
Accrued interest	2,880,512		2,734,569	
Gross amount of loans and advances to customers	419,896,747		392,934,966	

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Guaranteed loans	196,188,654	165,080,731
Collateralised loans	94,584,429	91,788,054
Unsecured loans	80,442,944	72,123,514
Pledged loans	45,800,208	61,208,098
Accrued interest	2,880,512	2,734,569
Total	419,896,747	392,934,966

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

	30 June 2024				
	Overdue within 90 days (inclusive) RMB'000	Overdue for 90 days – 1 year (inclusive) RMB'000	Overdue for 1-3 years (inclusive) RMB'000	Overdue for more than 3 years RMB'000	Total RMB'000
Collateralised loans	1,187,768	1,665,297	1,210,822	36,968	4,100,855
Guaranteed loans	772,668	217,076	304,603	2,055	1,296,402
Unsecured loans	1,300,410	641,428	351,526	30,527	2,323,891
Pledged loans	109,388	–	74,270	–	183,658
Total	3,370,234	2,523,801	1,941,221	69,550	7,904,806

	31 December 2023				
	Overdue within 90 days (inclusive) RMB'000	Overdue for 90 days – 1 year (inclusive) RMB'000	Overdue for 1-3 years (inclusive) RMB'000	Overdue for more than 3 years RMB'000	Total RMB'000
Collateralised loans	1,443,638	1,545,171	784,463	30,824	3,804,096
Guaranteed loans	707,888	351,299	612,557	1,987	1,673,731
Unsecured loans	1,082,022	541,009	258,533	20,504	1,902,068
Pledged loans	9,600	160,680	73,075	–	243,355
Total	3,243,148	2,598,159	1,728,628	53,315	7,623,250

19 INVESTMENT SECURITIES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Investment securities – FVOCI		
Debt securities – measured at fair value		
– Listed outside Hong Kong	38,068,855	60,147,991
– Listed in Hong Kong	6,142,664	5,563,904
– Unlisted	36,100,045	26,387,984
Total	80,311,564	92,099,879
Accrued interest	1,635,910	1,989,881
	81,947,474	94,089,760
Equity securities – measured at fair value		
– Unlisted	111,099	85,575
Others	14	14
	82,058,587	94,175,349

Unlisted investment securities measured at FVOCI are set out below:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities – measured at fair value (unlisted)		
– Corporations	19,647,518	22,025,344
– Policy banks	761,233	254,486
– Commercial banks	4,645,913	4,108,154
– Governments	11,045,381	–
	36,100,045	26,387,984
Equity securities – measured at fair value (unlisted)		
– Equity investments	111,099	85,575
Total	36,211,144	26,473,559

Notes To The Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

	30 June 2024 RMB'000	31 December 2023 RMB'000
Investment securities – amortised cost		
Debt securities – measured at amortised cost		
– Listed outside Hong Kong	109,294,987	123,352,269
– Unlisted	36,169,282	34,812,454
Total	145,464,269	158,164,723
Accrued interest	2,412,269	2,694,175
Less: ECL allowance	(1,041,223)	(1,389,090)
	146,835,315	159,469,808

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities – measured at amortised cost (unlisted)		
– Trust investments ^(a)	3,819,386	4,696,712
– Asset management plans ^(b)	21,279,332	22,690,462
– Bonds	8,700,564	2,745,280
– Debt financing plans	2,370,000	4,680,000
Total	36,169,282	34,812,454

(a) Trust investments

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trust investments purchased from trust companies		
– Collateralised by properties	2,773,205	3,150,531
– Guaranteed by the third-party companies	860,800	1,360,800
– Unsecured	185,381	185,381
Total	3,819,386	4,696,712

Notes To The Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

(b) Asset management plans

	30 June 2024 RMB'000	31 December 2023 RMB'000
Asset management plans purchased from securities companies		
– Collateralised by properties	487,600	487,700
– Guaranteed by third-party companies	463,876	463,906
Subtotal	951,476	951,606
Asset management plans purchased from asset management companies		
– Guaranteed by third-party companies	3,113,250	3,213,250
– Unsecured	17,214,606	18,525,606
Subtotal	20,327,856	21,738,856
Total	21,279,332	22,690,462

Movements of impairment allowance for investment securities are summarised below:

	Stage 1	Stage 2	Stage 3	Total RMB'000
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Investment securities – FVOCI				
As at 31 December 2023	255,102	6,430	663,610	925,142
New financial assets originated or purchased	16,184	–	–	16,184
Remeasurement	(89,012)	(76)	–	(89,088)
Repayments	(42,820)	–	–	(42,820)
Transfers:				
<i>Transfer from Stage 2 to Stage 1</i>	5,140	(5,140)	–	–
As at 30 June 2024	144,594	1,214	663,610	809,418
As at 31 December 2022	343,915	54,714	464,000	862,629
New financial assets originated or purchased	73,847	–	–	73,847
Remeasurement	(81,436)	4,033	144,896	67,493
Repayments	(78,827)	–	–	(78,827)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(2,397)	2,397	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(54,714)	54,714	–
As at 31 December 2023	255,102	6,430	663,610	925,142

Notes To The Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

Investment securities – amortised cost	Stage 1	Stage 2	Stage 3	Total RMB'000
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
As at 31 December 2023	275,020	252,447	861,623	1,389,090
New financial assets originated or purchased	5,652	–	–	5,652
Remeasurement	(22,055)	21,944	(87,212)	(87,323)
Repayments	(58,589)	(255)	(5,478)	(64,322)
Disposals	–	–	(201,874)	(201,874)
Transfers	–	–	–	–
As at 30 June 2024	200,028	274,136	567,059	1,041,223
As at 31 December 2022	375,586	20,684	390,178	786,448
New financial assets originated or purchased	90,565	–	–	90,565
Remeasurement	(65,856)	204,824	480,548	619,516
Repayments	(92,302)	(148)	(14,989)	(107,439)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(35,694)	35,694	–	–
<i>Transfer from Stage 2 to Stage 1</i>	2,721	(2,721)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(5,886)	5,886	–
As at 31 December 2023	275,020	252,447	861,623	1,389,090

Notes To The Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

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

As at 30 June 2024, debt securities of RMB700,000 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 RMB663,610 thousand. Debt securities of RMB38,600 thousand at fair value through other comprehensive income were in stage 2, and the ECL allowance on the above-mentioned debt instruments amounted to RMB1,214 thousand. Other debt securities at fair value through other comprehensive income were in stage 1.

As at 31 December 2023, debt securities of RMB700,000 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 RMB663,610 thousand. Debt securities of RMB146,600 thousand at fair value through other comprehensive income were in stage 2, and the ECL allowance on the above-mentioned debt instruments amounted to RMB6,430 thousand. Other debt securities at fair value through other comprehensive income were in stage 1.

	Stage 1	Stage 2	Stage 3	Total RMB'000
	12M ECL RMB'000	Lifetime ECL RMB'000	Lifetime ECL RMB'000	
Investment securities – amortised cost				
As at 31 December 2023	155,057,111	2,084,000	1,023,612	158,164,723
New financial assets originated or purchased	6,860,641	–	–	6,860,641
Proceeds received	(19,293,669)	(2,400)	(15,652)	(19,311,721)
Disposals	–	–	(249,374)	(249,374)
Transfers	–	–	–	–
As at 30 June 2024	142,624,083	2,081,600	758,586	145,464,269
As at 31 December 2022	138,489,281	1,148,000	803,679	140,440,960
New financial assets originated or purchased	59,399,143	–	–	59,399,143
Proceeds received	(41,584,213)	(57,100)	(34,067)	(41,675,380)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1,437,100)	1,437,100	–	–
<i>Transfer from Stage 2 to Stage 1</i>	190,000	(190,000)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(254,000)	254,000	–
As at 31 December 2023	155,057,111	2,084,000	1,023,612	158,164,723

Notes To The Unaudited Interim Condensed Consolidated Financial Information

19 INVESTMENT SECURITIES (Continued)

An analysis of investment securities by issuer is as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Investment securities – FVOCI		
– Corporations	61,280,216	67,276,743
– Governments	13,549,066	20,130,733
– Commercial banks	4,721,049	4,437,917
– Policy banks	761,233	254,486
– Equity investments at fair value	111,099	85,575
– Others	14	14
Total	80,422,677	92,185,468
Accrued interest	1,635,910	1,989,881
	82,058,587	94,175,349
Investment securities – amortised cost		
– Governments	115,351,551	123,963,549
– Asset management companies	20,327,856	21,738,856
– Corporations	4,384,000	6,184,000
– Trust companies	3,819,386	4,696,712
– Securities companies	951,476	951,606
– Commercial banks	600,000	600,000
– Policy banks	30,000	30,000
Total	145,464,269	158,164,723
Accrued interest	2,412,269	2,694,175
Less: ECL allowance	(1,041,223)	(1,389,090)
	146,835,315	159,469,808

20 INVESTMENTS IN ASSOCIATES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Balance at the beginning of the period/year	2,818,162	2,500,712
Share of profits of associates	206,130	372,352
Declared cash dividends	(51,249)	(54,902)
Balance at the end of the period/year	2,973,043	2,818,162

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

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

21 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Assets under operating leases RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 31 December 2023	3,342,051	9,886	714,838	174,796	118,901	262,174	4,622,646
Additions	313	–	35,678	2,059	–	–	38,050
Transfer from construction in progress	15,232	–	–	–	–	(15,232)	–
Disposals	(5,695)	(591)	(16,997)	(5,507)	–	–	(28,790)
Transfer to Investment properties	(14,251)	–	–	–	–	–	(14,251)
As at 30 June 2024	3,337,650	9,295	733,519	171,348	118,901	246,942	4,617,655
Accumulated depreciation							
As at 31 December 2023	(1,016,012)	(8,145)	(463,459)	(122,535)	(47,284)	–	(1,657,435)
Depreciation (Note 9)	(55,902)	(230)	(38,862)	(8,498)	(7,804)	–	(111,296)
Disposals	1,494	573	16,443	5,343	–	–	23,853
Transfer to Investment properties	3,633	–	–	–	–	–	3,633
As at 30 June 2024	(1,066,787)	(7,802)	(485,878)	(125,690)	(55,088)	–	(1,741,245)
Impairment allowance							
As at 30 June 2024	(4,462)	–	–	–	–	–	(4,462)
Net book value							
As at 30 June 2024	2,266,401	1,493	247,641	45,658	63,813	246,942	2,871,948

	Buildings RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment RMB'000	Assets under operating leases RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 31 December 2022	3,357,145	12,210	636,462	167,183	178,901	268,380	4,620,281
Additions	7,080	–	122,794	15,764	–	259	145,897
Transfer from construction in progress	5,828	–	–	637	–	(6,465)	–
Disposals	(28,002)	(2,324)	(44,418)	(8,788)	(60,000)	–	(143,532)
As at 31 December 2023	3,342,051	9,886	714,838	174,796	118,901	262,174	4,622,646
Accumulated depreciation							
As at 31 December 2022	(926,555)	(9,863)	(437,638)	(115,293)	(69,951)	–	(1,559,300)
Depreciation (Note 9)	(110,198)	(536)	(68,900)	(15,687)	(20,983)	–	(216,304)
Disposals	20,741	2,254	43,079	8,445	43,650	–	118,169
As at 31 December 2023	(1,016,012)	(8,145)	(463,459)	(122,535)	(47,284)	–	(1,657,435)
Impairment allowance							
As at 31 December 2023	(1,500)	–	–	–	–	–	(1,500)
Net book value							
As at 31 December 2023	2,324,539	1,741	251,379	52,261	71,617	262,174	2,963,711

Notes To The Unaudited Interim Condensed Consolidated Financial Information

21 PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 30 June 2024, the cost of motor vehicles and machinery equipment leased out by the Group under operating lease arrangements was RMB118,901 thousand (31 December 2023: RMB118,901 thousand). The depreciation charged for the reporting period amounted to RMB7,804 thousand (for the six months ended 30 June 2023: RMB14,129 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 2024, the net value of the buildings whose registration procedures have not been completed was RMB61,375 thousand (31 December 2023: RMB62,769 thousand). The registration process has little impact on the Group's right to own the property, plant and equipment.

22 OTHER ASSETS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Other receivables ^(a)	412,075	195,145
Less: Impairment allowance ^(a)	(18,641)	(16,901)
Intangible assets ^(b)	481,957	454,749
Right-of-use assets ^(c)	451,204	289,770
Interest receivable	220,925	249,212
Continuing involvement in transferred assets	195,855	229,551
Foreclosed assets ^(d)	66,675	96,223
Fee and commission receivable	120,200	142,429
Leasehold improvements	93,919	87,603
Prepaid rental expenses ^(e)	1,008	2,625
Investment properties ^(f)	13,263	2,869
Others	72,072	8,860
	2,110,512	1,742,135

Notes To The Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(a) Other receivables

Movements of impairment allowance for 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 2023	3,332	323	13,246	16,901
New financial assets originated or purchased	630	–	–	630
Remeasurement	(758)	641	7,530	7,413
Write-off and disposal	–	–	(5,261)	(5,261)
Repayments	133	(64)	(1,111)	(1,042)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(7)	7	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(26)	–	26	–
<i>Transfer from Stage 2 to Stage 1</i>	1	(1)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(323)	323	–
<i>Transfer from Stage 3 to Stage 1</i>	291	–	(291)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	38	(38)	–
As at 30 June 2024	3,596	621	14,424	18,641
As at 31 December 2022	4,877	146	53,900	58,923
New financial assets originated or purchased	126	–	–	126
Remeasurement	(715)	364	33,866	33,515
Write-off	–	–	(73,797)	(73,797)
Repayments	(860)	(75)	(931)	(1,866)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(14)	14	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(82)	–	82	–
<i>Transfer from Stage 2 to Stage 1</i>	0	(0)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(126)	126	–
As at 31 December 2023	3,332	323	13,246	16,901

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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 2023	170,585	1,834	22,726	195,145
New financial assets originated or purchased	236,217	–	–	236,217
Proceeds received	(11,739)	(289)	(1,998)	(14,026)
Write-off	–	–	(5,261)	(5,261)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(2,609)	2,609	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(9,599)	–	9,599	–
<i>Transfer from Stage 2 to Stage 1</i>	4	(4)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(1,447)	1,447	–
<i>Transfer from Stage 3 to Stage 1</i>	523	–	(523)	–
<i>Transfer from Stage 3 to Stage 2</i>	–	69	(69)	–
As at 30 June 2024	383,382	2,772	25,921	412,075
As at 31 December 2022	232,369	1,096	111,383	344,848
New financial assets originated or purchased	78,147	–	–	78,147
Proceeds received	(127,007)	(430)	(1,598)	(129,035)
Write-off	–	–	(9,878)	(9,878)
Remeasurement	–	–	(88,937)	(88,937)
Transfers:				
<i>Transfer from Stage 1 to Stage 2</i>	(1,887)	1,887	–	–
<i>Transfer from Stage 1 to Stage 3</i>	(11,040)	–	11,040	–
<i>Transfer from Stage 2 to Stage 1</i>	3	(3)	–	–
<i>Transfer from Stage 2 to Stage 3</i>	–	(716)	716	–
As at 31 December 2023	170,585	1,834	22,726	195,145

Notes To The Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(b) Intangible assets

	For the six months ended 30 June 2024 RMB'000	For the year ended 31 December 2023 RMB'000
Cost		
Balance at the beginning of the period/year	1,079,918	849,262
Additions	106,472	230,656
Disposals	–	–
Balance at the end of the period/year	1,186,390	1,079,918
Accumulated amortisation		
Balance at the beginning of the period/year	(625,169)	(489,214)
Amortisation (Note 9)	(79,264)	(135,955)
Disposals	–	–
Balance at the end of the period/year	(704,433)	(625,169)
Net book value		
Balance at the end of the period/year	481,957	454,749
Balance at the beginning of the period/year	454,749	360,048

(c) Right-of-use assets

	Buildings RMB'000	Land use rights RMB'000	Total RMB'000
Cost			
As at 31 December 2023	285,958	186,923	472,881
Add: Additions	66,083	131,575	197,658
Less: Deductions	(1,022)	–	(1,022)
As at 30 June 2024	351,019	318,498	669,517
Accumulated depreciation			
As at 31 December 2023	(115,925)	(67,186)	(183,111)
Add: Depreciation (Note 9)	(33,550)	(2,337)	(35,887)
Less: Deductions	685	–	685
As at 30 June 2024	(148,790)	(69,523)	(218,313)
Net book value			
As at 30 June 2024	202,229	248,975	451,204

Notes To The Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

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

	Buildings RMB'000	Land use rights RMB'000	Total RMB'000
Cost			
As at 31 December 2022	251,038	186,905	437,943
Add: Additions	77,544	18	77,562
Less: Deductions	(42,624)	–	(42,624)
As at 31 December 2023	285,958	186,923	472,881
Accumulated depreciation			
As at 31 December 2022	(96,599)	(62,513)	(159,112)
Add: Depreciation (Note 9)	(61,820)	(4,673)	(66,493)
Less: Deductions	42,494	–	42,494
As at 31 December 2023	(115,925)	(67,186)	(183,111)
Net book value			
As at 31 December 2023	170,033	119,737	289,770

(d) Foreclosed assets

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Business properties	60,141	87,846
Residential properties	6,534	8,377
	66,675	96,223

The Group intends to dispose of foreclosed assets through various methods including auction, competitive bidding and transfer. For the six months ended 30 June 2024, the Group disposed of the foreclosed assets with an original value of RMB32,475 thousand (for the year ended 31 December 2023: the Group disposed of the foreclosed assets with an original value of RMB7,768 thousand).

(e) Prepaid rental expenses

Prepaid rental expenses are 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.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

22 OTHER ASSETS (Continued)

(f) Investment properties

	For the six months ended 30 June 2024 RMB'000	For the year ended 31 December 2023 RMB'000
Cost		
Balance at the beginning of the period/year	8,275	9,800
Transfer from property, plant and equipment	14,251	–
Disposals	–	(1,525)
Balance at the end of the period/year	22,526	8,275
Accumulated depreciation		
Balance at the beginning of the period/year	(5,406)	(5,514)
Transfer from property, plant and equipment	(3,633)	–
Depreciation (Note 9)	(224)	(293)
Disposals	–	401
Balance at the end of the period/year	(9,263)	(5,406)
Net book value		
Balance at the end of the period/year	13,263	2,869

23 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Loans from the central bank	61,201,477	62,149,595
Placements from banks and other financial institutions	48,179,979	39,452,630
Deposits from banks	2,306,964	6,953,034
Deposits from other financial institutions	725,049	688,403
Bills sold under repurchase agreements	4,976,947	7,006,779
Securities sold under repurchase agreements	12,102,900	9,700,000
Total	129,493,316	125,950,441
Accrued interest	1,135,606	649,474
	130,628,922	126,599,915

Notes To The Unaudited Interim Condensed Consolidated Financial Information

24 CUSTOMER DEPOSITS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Corporate demand deposits	55,979,969	64,096,964
Corporate time deposits	137,992,350	129,718,412
Individual demand deposits	19,970,569	20,686,248
Individual time deposits	211,897,872	180,278,653
Other deposits	13,930,134	11,471,728
Total	439,770,894	406,252,005
Accrued interest	10,229,041	8,560,691
	449,999,935	414,812,696

25 DEBT SECURITIES ISSUED

	30 June 2024 RMB'000	31 December 2023 RMB'000
Subordinated bonds		
Fixed rate tier II capital bond – 2032 ^(a)	4,999,542	4,999,513
Financial bonds		
Fixed rate small and micro business debt – 2024 ^(b)	–	1,999,990
Fixed rate small and micro business debt – 2026 ^(c)	4,499,488	4,499,812
Fixed rate small and micro business debt – 2027 ^(d)	4,000,000	–
Fixed rate green financial bond -2024 ^(e)	–	1,999,985
Fixed rate green financial bond -2027 ^(f)	4,999,778	–
Fixed rate financial bond – 2024 ^(g)	–	1,499,850
Convertible Bonds ^(h)	12,921,739	12,714,753
Inter-bank certificates of deposit ⁽ⁱ⁾	124,173,667	125,287,570
Total	155,594,214	153,001,473
Accrued interest	194,467	372,358
	155,788,681	153,373,831

For the six months ended 30 June 2024, there were no principal and interest or other breaches of the terms of the bond agreements (for the year ended 31 December 2023: nil).

25 DEBT SECURITIES ISSUED (Continued)

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

The bonds have the write-down characteristics of the tier II capital instrument. When the regulatory trigger events stipulated in the issuance document occur, the Bank has the right to write down the principal of the bonds in full and any accumulated interest payables outstanding will not be paid as well. According to the related regulations issued by the CBIRC, the tier II capital bonds meet the standards of the qualified tier II capital instrument.

- (b) 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. All of the bonds have a maturity of 3 years, with a fixed coupon rate of 3.50% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises. Such bonds have been due for redemption on 26 January 2024.
- (c) Pursuant to a resolution at the general meeting passed on 27 April 2023 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2023] No. 80) on 7 September 2023, the Bank issued RMB4.5 billion special financial bonds for small and micro business loans, in the domestic inter-bank bond market of China on 12 September 2023. All of the bonds have a maturity of 3 years, with a fixed coupon rate of 2.75% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (d) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank issued RMB4 billion special financial bonds for small and micro business loans, in the domestic inter-bank bond market of China on 24 June 2024, All of the bonds have a maturity of 3 years, with a fixed coupon rate of 2.17% per annum before maturity, payable annually. The proceeds from this issue were used for loans to small and micro enterprises.
- (e) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the *Approval for Bank of Chongqing Co., Ltd. to Issue Green Financial Bonds* (Yu Yin Bao Jian Fu [2020] No. 202) by the CBIRC Chongqing Bureau on 15 September 2020, the Bank issued first phase of green financial bonds of RMB2 billion in the domestic inter-bank bond market of China on 16 March 2021. All of the bonds have a maturity of 3 years, with a fixed coupon rate of 3.57% per annum before maturity, payable annually. The proceeds from this issue were used to support the green industry project specified in the *Green Bond Endorsed Projects Catalogue* compiled by the Green Finance Professional Committee of the China Financial Association. Such bonds have been due for redemption on March 18 2024.
- (f) Pursuant to a resolution at the general meeting passed on 27 April 2023 and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2024] No. 53) on 16 April 2024, the Bank issued first phase of green financial bonds of RMB5 billion in the domestic inter-bank bond market of China on 28 May 2024. All of the bonds have a maturity of 3 years, with a fixed coupon rate of 2.27% per annum before maturity, payable annually. The proceeds from this issue were used to support the green industry project specified in the *Green Bond Endorsed Projects Catalogue* compiled by the Green Finance Specialised Committee of the China Financial Association.

25 DEBT SECURITIES ISSUED (Continued)

- (g) Pursuant to a resolution at the extraordinary general meeting of Chongqing Xinyu Financial Leasing Co., Ltd. (hereinafter referred to as “Xinyu Financial Leasing”) passed on 27 December 2019 and *the Approval for Chongqing Xinyu Financial Leasing Co., Ltd. to Issue Financial Bonds* (Yu Yin Bao Jian Fu [2020] No. 175) by the CBIRC Chongqing Bureau on 27 August 2020, Xinyu Financial Leasing issued first phase of financial bonds of RMB1.5 billion in the domestic inter-bank bond market of China on 23 June 2021. All of the bonds have a maturity of 3 years, with a fixed coupon rate of 3.95% per annum before maturity, payable annually. All proceeds raised were used for the launch of financial leasing projects. Such bonds have been due for redemption on 24 June 2024.
- (h) Pursuant to a resolution at the general meeting passed on 20 May 2021, and the *Approval for Bank of Chongqing Co., Ltd. to Publicly Issue A-share Convertible Bonds* (Yu Yin Bao Jian Fu [2021] No. 227) by the CBIRC Chongqing Bureau on 26 September 2021, and the *Approval for Bank of Chongqing Co., Ltd. to Publicly Issue Convertible Bonds* (Zheng Jian Xu Ke [2022] No. 505) by China Securities Regulatory Commission on 11 March 2022, the Bank publicly issued A-share convertible bonds with a total nominal amount of RMB13 billion on 23 March 2022. The convertible bonds have a maturity term of six years from 23 March 2022 to 22 March 2028, and bear a fixed interest rate of 0.20% for the first year, 0.40% for the second year, 1.00% for the third year, 1.70% for the fourth year, 2.50% for the fifth year and 3.50% for the sixth year. The convertible bond holders may exercise their rights to convert the convertible bonds into the Bank’s A shares at the stipulated conversion price during the period from the first trading day six months after the closing date of the convertible bond issue to the maturity date (“conversion period”). Within 5 trading days after maturity, the Bank shall redeem the outstanding convertible bonds at 110% of the par value, including interest for the sixth year.

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
Nominal value of convertible bonds	11,926,926	1,073,074	13,000,000
Direct transaction costs	(15,033)	(1,353)	(16,386)
Balance as at the issuance date	11,911,893	1,071,721	12,983,614
Accumulated amortization at the beginning of the period	803,459	–	803,459
Accumulated conversion amount at the beginning of the period	(599)	(51)	(650)
Balance at the beginning of the period	12,714,753	1,071,670	13,786,423
Amortisation	207,019	–	207,019
Conversion	(33)	(3)	(36)
Balance at the end of the period	12,921,739	1,071,667	13,993,406

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

25 DEBT SECURITIES ISSUED (Continued)

(h) (Continued)

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

As at 30 June 2024, convertible bonds of RMB652 thousand had been converted into 59,917 ordinary shares (31 December 2023: convertible bonds of RMB619 thousand had been converted into 56,780 ordinary shares).

For the six months ended 30 June 2024, the Bank paid interest of RMB51,998 thousand on the convertible bonds (for the year ended 31 December 2023: RMB25,999 thousand).

(i) For the six months ended 30 June 2024, the Bank issued 39 inter-bank certificates of deposit at discounts with maturities from one month to one year and annual interest rates between 2.08% and 2.65% (for the year ended 31 December 2023: 137 inter-bank certificates of deposit with maturities from one month to one year and annual interest rates between 2.17% and 2.84%). As at 30 June 2024, 85 inter-bank certificates of deposit were not yet due with a total par value of RMB125.53 billion (31 December 2023: 110 were not due with a total par value of RMB126.76 billion).

26 OTHER LIABILITIES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Lease deposit	2,581,878	2,435,153
Dividends payable	1,435,707	22,280
Other payables	1,417,895	655,961
Notes payable	141,295	452,639
Employee benefits payable	586,198	828,181
Deferred income	157,231	249,720
Value-added tax and other taxes payable	346,634	312,430
Provisions	207,933	207,296
Continuing involvement in transferred liabilities	195,855	229,551
Lease liabilities	180,813	152,084
Clearing funds for wealth management products	73,869	30,099
Others	12,338	19,731
	7,337,646	5,595,125

Notes To The Unaudited Interim Condensed Consolidated Financial Information

27 DEFERRED INCOME TAXES

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

	For the six months ended 30 June 2024 RMB'000	For the year ended 31 December 2023 RMB'000
Balance at beginning of the period/year	4,426,083	4,734,162
Charge to profit or loss (Note 12)	203,523	269,848
Changes in fair value of financial assets at FVOCI	(303,167)	(566,802)
Changes in ECL allowance of financial assets at FVOCI	38,375	(11,125)
Balance at end of the period/year	4,364,814	4,426,083

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Asset impairment allowances	4,588,615	4,303,913
Changes in fair value of financial assets at FVPL	72,978	37,110
Others	399,970	410,076
Deferred tax assets	5,061,563	4,751,099
Changes in fair value of financial assets at FVOCI	(438,936)	(135,769)
Share of profits from associates under the equity method	(144,067)	(144,067)
Others	(113,746)	(45,180)
Deferred tax liabilities	(696,749)	(325,016)
Net deferred tax assets	4,364,814	4,426,083

Deferred income tax charged to profit or loss comprises the following temporary differences:

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Asset impairment allowances	246,331	301,205
Changes in fair value of financial assets at FVPL	35,868	6,479
Others	(78,676)	5,739
	203,523	313,423

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

28 RETIREMENT BENEFIT OBLIGATIONS

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

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

The Group has not forfeited any retirement benefit scheme contributions (i.e., contributions which are processed by the employer on behalf of the employee after the employee has withdrawn from the scheme before the relevant contributions become his/her own). At 30 June 2024, there are no forfeited contributions under the Group's retirement benefit plans which can be used to deduct contributions payable for future years.

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Expenses incurred on retirement benefit plan	82,692	78,789
Expenses incurred on supplementary retirement benefits	315	328
Expenses incurred on corporate annuity plan	34,366	32,713
Total	117,373	111,830

Notes To The Unaudited Interim Condensed Consolidated Financial Information

28 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Supplementary retirement benefits

	30 June 2024 RMB'000	31 December 2023 RMB'000
Liabilities listed in consolidated statement of financial position: – Retirement benefits	14,409	15,115

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Expenses charged in consolidated statement of profit or loss: – Retirement benefits	315	328

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Present value of unfunded obligations	14,409	15,115
Unrecognised past service cost	–	–
Net amount of liabilities in the consolidated statement of financial position	14,409	15,115

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 2023	Additions	Deductions	30 June 2024
Quantity in shares (in thousands)	3,474,562	3	–	3,474,565
Carrying amount (in RMB thousands)	3,474,562	3	–	3,474,565

	31 December 2022	Additions	Deductions	31 December 2023
Quantity in shares (in thousands)	3,474,540	22	–	3,474,562
Carrying amount (in RMB thousands)	3,474,540	22	–	3,474,562

30 OTHER EQUITY INSTRUMENTS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Perpetual bonds (note 30 (a))	6,999,594	6,999,594
Equity of convertible bonds (note 25(h))	1,071,667	1,071,670
Total	8,071,261	8,071,264

Movements of perpetual bonds and preference shares are as follows:

	31 December 2023 RMB'000	Additions RMB'000	Deductions RMB'000	30 June 2024 RMB'000
Perpetual bonds				
Par value	7,000,000	–	–	7,000,000
Carrying amount	6,999,594	–	–	6,999,594

	31 December 2022 RMB'000	Additions RMB'000	Deductions RMB'000	31 December 2023 RMB'000
Perpetual bonds				
Par value	4,500,000	2,500,000	–	7,000,000
Carrying amount	4,499,400	2,500,194	–	6,999,594

(a) Main clauses of perpetual bonds

Pursuant to a resolution at the general meeting passed on 23 June 2022, and the Approval for Bank of Chongqing Co., Ltd. to Issue Perpetual Bonds (Yu Yin Bao Jian Fu [2022] No. 191) by the CBIRC Chongqing Bureau on 30 September 2022, and the approval of PBOC (Yin Xu Zhun Yu Jue Zi [2022] No. 182) on 22 November 2022, the Bank issued RMB4.5 billion perpetual bonds in the domestic inter-bank bond market of China on 16 December 2022. The annual coupon rate of the Bonds is 4.70% for the first five years, and is reset every 5 years.

The duration of the above bonds is the same as the period of continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the CBIRC, the Bank may redeem the above bonds in whole or in part on each distribution payment date 5 years after the issuance date of the above bonds. Upon the occurrence of a trigger event for the write-downs, with the consent of the CBIRC, the Bank has the right to write down all or part of the above bonds issued and existing at that time in accordance with the total par value, where no consent of bondholders is required. The claims of the holders of the above bonds will be subordinated to the claims of depositors, general creditors and subordinated creditors with higher ranks; and shall rank in priority to the claims of shareholders and will rank pari passu with the claims under any other additional tier I capital instruments of the Bank that rank pari passu with the above bonds.

30 OTHER EQUITY INSTRUMENTS (Continued)

(a) Main clauses of perpetual bonds (Continued)

The above bonds are paid with non-cumulative interest. The Bank shall have the right to cancel distributions on the above bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilise the proceeds from the cancelled distributions to meet other obligations of maturing debts. However, the Bank shall not distribute profits to ordinary shareholders until the resumption of full interest payment.

Capital raised from the issuance of the above bonds, after deduction of transaction costs, was wholly used to replenish the Bank's additional tier I capital and to increase its capital adequacy ratio.

31 CAPITAL SURPLUS

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

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

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

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

The Group's capital surplus was set out below:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Share premium	7,728,007	7,727,947
Others	7,032	7,032
	7,735,039	7,734,979

Notes To The Unaudited Interim Condensed Consolidated Financial Information

32 OTHER RESERVES

	Surplus reserve ^(a) RMB'000	General reserve ^(b) RMB'000	Revaluation reserve of equity instruments at FVOCI RMB'000	Revaluation reserve of debt instruments at FVOCI RMB'000	Impairment allowance for financial assets at FVOCI RMB'000	Remeasurement of retirement benefit plan RMB'000	Total RMB'000
Balance at 31 December 2023	4,848,740	7,879,269	57,732	349,753	743,177	(3,947)	13,874,724
Other comprehensive income	-	-	19,142	921,415	(115,123)	208	825,642
Appropriation reserve	-	718,701	-	-	-	-	718,701
Balance at 30 June 2024	4,848,740	8,597,970	76,874	1,271,168	628,054	(3,739)	15,419,067
Balance at 31 December 2022	4,378,812	7,390,759	77,233	(1,370,157)	709,805	(5,147)	11,181,305
Other comprehensive income	-	-	(19,501)	1,719,910	33,372	1,200	1,734,981
Appropriation reserve	469,928	488,510	-	-	-	-	958,438
Balance at 31 December 2023	4,848,740	7,879,269	57,732	349,753	743,177	(3,947)	13,874,724

(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 2024 amounted to RMB4,848,740 thousand (31 December 2023: RMB4,848,740 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 on 30 March 2012. In principle, the balance of general reserve shall not be less than 1.5% of the ending balance of risk assets.

A general reserve of RMB679,969 thousand was appropriated based on 1.5% of the ending balance of risk assets for the year ended 31 December 2023, which has been approved at the Annual General Meeting of Shareholders on 21 June 2024. For the six months ended 30 June 2024, the Bank appropriated a general reserve of RMB679,969 thousand from retained earnings (for the six months ended 30 June 2023: RMB444,899 thousand).

33 DIVIDENDS

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Dividends declared during the period	1,417,623	1,372,443
Dividend per share (in RMB)	0.408	0.395

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 RMB0.408 per share in respect of profit for the year ended 31 December 2023 (2022: RMB0.395 per share), amounting to a total dividend of RMB1,417,623 thousand based on the number of shares issued as at 31 December 2023, was approved at the Annual General Meeting on 21 June 2024.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

34 STRUCTURED ENTITIES

(a) Consolidated structured entities

As at 30 June 2024, there were no structured entities consolidated by the Group (31 December 2023: nil).

(b) Unconsolidated structured entities

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

The unconsolidated structured entities managed by the Group were mainly unsecured wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential targeted clients, the Group designed and sold capital investments and management plans to specific targeted clients, and the raised funds were then put into related financial markets or invested in related financial products according to the product contracts. Gains would be allocated to investors after the Group obtained the gains from investments. The Group received the corresponding wealth management commission fee income as the asset manager. The Group has recognised net commission income from unsecured wealth management products with the amount of RMB413,072 thousand for the six months ended 30 June 2024 (for the six months ended 30 June 2023: RMB115,199 thousand). The Group expects that the variable return it enjoys is insignificant as to the structured entities.

As at 30 June 2024, asset investments from the unsecured wealth management products issued and managed by the Group which were unconsolidated structured entities amounted to RMB58,964,729 thousand (31 December 2023: RMB55,112,692 thousand). The balance of unconsolidated wealth management products issued and managed by the Group amounted to RMB58,535,685 thousand (31 December 2023: RMB54,643,344 thousand).

(ii) *Unconsolidated structured entities invested by the Group*

The unconsolidated structured entities invested by the Group for the six months ended 30 June 2024 mainly included trust investments, asset management plans and fund investments. The Group made such investments in order to make a better use of the capital for profit-making.

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

	30 June 2024		31 December 2023	
	Carrying amount RMB'000	Maximum risk exposure to loss RMB'000	Carrying amount RMB'000	Maximum risk exposure to loss RMB'000
Financial assets at FVPL	23,528,816	23,528,816	16,418,827	16,418,827
Investment securities – amortised cost	24,119,295	24,119,295	26,119,729	26,119,729
	47,648,111	47,648,111	42,538,556	42,538,556

Notes To The Unaudited Interim Condensed Consolidated Financial Information

34 STRUCTURED ENTITIES (Continued)

(b) Unconsolidated structured entities (Continued)

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

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income	873,266	1,219,876
Net gains on investment securities	427,039	458,958
Fee and commission income	430,338	133,117
	1,730,643	1,811,951

For the six months ended 30 June 2024, the Group had no plan to provide liquidity support to unconsolidated structured entities (for the six months ended 30 June 2023: nil).

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

Financial guarantees and other credit related commitments

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Acceptances	54,508,706	48,207,232
Letters of credit	5,870,668	7,473,000
Guarantees	1,399,277	1,407,780
Confirmations	1,341,631	1,068,790
Other commitments	5,687,477	6,062,639
Total	68,807,759	64,219,441

Capital expenditure commitments

	30 June 2024 RMB'000	31 December 2023 RMB'000
Contracted but not provided for:		
– Capital expenditure commitments for buildings	16,634	16,378
– Acquisition of IT system	137,460	115,736
Total	154,094	132,114

Notes To The Unaudited Interim Condensed Consolidated Financial Information

35 FINANCIAL GUARANTEES AND CREDIT RELATED COMMITMENTS, OTHER COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

External investment commitments

As at 30 June 2024, the Group had no external investment commitments (31 December 2023: nil).

Legal proceedings

Legal proceedings are initiated by third parties against the Group as defendant. As at 30 June 2024, the Group had 13 outstanding legal claims amounting to RMB328,584 thousand (31 December 2023: 13 outstanding legal claims amounting to RMB361,050 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.

36 COLLATERAL

(a) Assets pledged

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Discounted bills	4,941,429	6,986,562
Bonds	13,843,027	11,228,835
Total	18,784,456	18,215,397

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Bonds	63,936,849	68,569,442
Total	63,936,849	68,569,442

As at 30 June 2024, the Group's repurchase agreements and borrowings from the PBOC were due within 12 months from the effective dates of these agreements (31 December 2023: same).

(b) Collateral accepted

The bonds and bills the Group received as collateral in connection with the purchase of assets under resale agreements cannot be resold or repledged.

As at 30 June 2024, the Group has accepted collateral that can be resold or re-pledged with a fair value of RMB79,986,152 thousand (31 December 2023: RMB32,249,016 thousand). The Group has no re-pledged collateral which has to be returned upon maturity as at 30 June 2024 (31 December 2023: nil).

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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 2023			
<i>Items that may be reclassified to profit or loss:</i>			
Net gains on valuation of debt investments measured at FVOCI	1,228,552	(307,137)	921,415
Credit loss provision for financial assets measured at FVOCI	(153,498)	38,375	(115,123)
<i>Items that will not be reclassified to profit or loss:</i>			
Net losses on equity investments designated at fair value through other comprehensive income	25,524	(6,382)	19,142
Remeasurement of retirement benefit plans	277	(69)	208
Other comprehensive income for the period	1,100,855	(275,213)	825,642
<hr/>			
	Before tax amount RMB'000	Income tax RMB'000	Net of tax amount RMB'000
For the six months ended 30 June 2022			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of debt investments measured at FVOCI	1,144,086	(286,021)	858,065
Credit loss provision for financial assets measured at FVOCI	21,536	(5,384)	16,152
<i>Items that will not be reclassified to profit or loss:</i>			
Net losses on equity investments designated at fair value through other comprehensive income	(9,760)	2,440	(7,320)
Remeasurement of retirement benefit plans	1,300	(325)	975
Other comprehensive income for the period	1,157,162	(289,290)	867,872

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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 2024 RMB'000	31 December 2023 RMB'000
Cash and balances with the central bank	7,588,976	11,704,021
Due from banks and other financial institutions	5,045,348	6,697,923
Placements with banks	2,041,897	900,485
Cash and cash equivalents	14,676,221	19,302,429

(b) Cash outflows relating to leases

For the six months ended 30 June 2024, total cash outflows paid by the Group as a lessee amounted to RMB39,283 thousand (for the six months ended 30 June 2023: RMB34,751 thousand), of which cash payments for the principal portion and interest portion of the lease liabilities as cash flows from financing activities amounted to RMB38,917 thousand (for the six months ended 30 June 2023: RMB33,520 thousand), and the rest, generated from the rental expenses prepaid for lease exempted from recognition of right-of-use assets and lease liabilities, which resulted from a lease term of 12 months or less or an underlying asset of low value based on the value of the asset when it is new, were included in operating activities.

39 FINANCIAL ASSETS TRANSFER

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

(a) Disposal of loans and advances

For the six months ended 30 June 2024, the Group disposed of loans with a gross amount of RMB154,937 thousand to third parties for RMB103,852 thousand. The Group derecognised the loans accordingly. As at 30 June 2024, all receivables had been collected.

For the year ended 31 December 2023, the Group disposed of loans to the third parties with a gross amount of RMB907,788 thousand for RMB213,144 thousand. The Group derecognised the loans accordingly. As at 31 December 2023, the receivables were collected.

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 2024, assets continuously recognised by the Group amounting to RMB195,855 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 2023: RMB229,551 thousand).

(c) Disposal of financial assets

For the six months ended 30 June 2024, the Group disposed of financial assets with a gross amount of RMB249,374 thousand to third parties for RMB47,500 thousand. The Group derecognised the asset accordingly. As at 30 June 2024, all receivables had been collected (31 December 2023: Nil).

40 RELATED PARTY TRANSACTIONS

(a) Related parties of the Group

The related parties of the Group mainly include: the major shareholders (those who have 5% or more shares of the Bank, or who hold less than 5% of the total shares or capital but have significant influence on the Bank's operation and management); as well as the related parties of them; the Group's associates; the key management personnel (including the Group's 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 Group's key management personnel or their close family members; staff with credit approval authority and their close family members; the enterprises controlled, jointly controlled and can be significantly influenced by staff with credit approval authority and their close family members; and the natural persons or juridical persons who have been under one of the above circumstances in the past 12 months or will be in the next 12 months according to relevant agreements and arrangements.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

40 RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions and balances

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income from loans and advances to customers	146,143	99,363
Interest income from investment securities	27,309	52,623
Income from investment securities	–	817
Interest expense for customer deposits	138,638	112,256
Fee and commission income	1,059	4,006
Interest income from due from and placements with banks and other financial institutions	12,714	4,303
Interest expense for due to and placements from banks and other financial institutions	1,429	3,247
Consideration of credit asset transfers	47,500	29,163
	30 June 2024 RMB'000	31 December 2023 RMB'000
Loans and advances to customers	7,216,239	6,186,974
Customer deposits	10,968,139	9,411,198
Due to and placements from banks and other financial institutions	163,470	523
Due from banks and other financial institutions	2,615,305	29
Investment securities at FVOCI	1,860,000	1,849,315
Financial assets at fair value through profit or loss	404,292	–
Financial guarantees and credit related commitments	297,042	347,944
	30 June 2024	31 December 2023
Loans and advances to customers	2.60%-10.95%	2.80%-6.86%
Customer deposits	0.00%-5.43%	0.00%-5.43%
Due to and placements from banks and other financial institutions	0.20%-2.40%	0.25%-2.40%
Due from banks and other financial institutions	0.01%-2.75%	0.05%
Investment securities at amortised cost	–	6.52%
Investment securities at FVOCI	2.65%-4.00%	2.40%-6.50%
Financial assets at fair value through profit or loss	2.95%	2.00%

Notes To The Unaudited Interim Condensed Consolidated Financial Information

40 RELATED PARTY TRANSACTIONS (Continued)

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Chongqing Sanxia Financing Guarantee Group Corporation	3,296,174	1,790,426
Chongqing Xingnong Financing Guarantee Co., Ltd.	1,807,495	1,041,769
Chongqing Jiaotong Financing Guarantee Co., Ltd.	84,164	91,173
Chongqing Financing Re-guarantee Co., Ltd.	30,545	72,100
Chongqing Education Guarantee Co., Ltd.	32,910	32,910
Chongqing Yutai Guarantee Co., Ltd.	21,423	24,635
	5,272,711	3,053,013

(d) Transactions between the Bank and its subsidiaries

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

Transactions and balances are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Due to and placements from banks and other financial institutions	141,990	1,086,286
Due from and placements with banks and other financial institutions	–	204,200
	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income	3,106	4,475
Interest expense	3,397	5,148

Notes To The Unaudited Interim Condensed Consolidated Financial Information

40 RELATED PARTY TRANSACTIONS (Continued)

(e) Key management personnel remuneration

Key management personnel are those persons in the Group who have the authority and responsibility to plan, direct and control the activities of the Bank or the Group.

The remuneration of directors and other members of key management during the period was as follows:

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Paid remuneration	1,582	1,825
Contribution to pension schemes	572	599
Other monetary income	136	144
Part-time fee	958	873
Total	3,248	3,441

Key management personnel remuneration refers to paid remuneration to directors and key management personnel in the current year approved in accordance with internal and external management requirements, including basic annual salary and advance performance salary for the six months ended 30 June 2024 that was paid in accordance with external regulatory requirements.

Certain key management personnel's final emoluments for the six months ended 30 June 2024 have not been finalised on report date as required by relevant authorities. Management of the Group believes that difference in emoluments will not have significant impact on the consolidated financial statements of the Group for the six months ended 30 June 2024.

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

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

41 SEGMENT ANALYSIS

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

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

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

Notes To The Unaudited Interim Condensed Consolidated Financial Information

41 SEGMENT ANALYSIS (Continued)

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

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

	For the six months ended 30 June 2024				
	Corporate banking RMB'000	Retail banking RMB'000	Treasury RMB'000	Unallocated RMB'000	Total RMB'000
Net interest income from external customers/(expense)	4,836,621	(1,500,574)	1,887,997	–	5,224,044
Inter-segment net interest income/(expense)	138,902	3,005,686	(3,144,588)	–	–
Net interest income/(expense)	4,975,523	1,505,112	(1,256,591)	–	5,224,044
Net fee and commission income/(expense)	31,029	(10,146)	490,111	–	510,994
Net trading gains	–	–	82,370	–	82,370
Net gains on investment securities	–	–	1,084,420	–	1,084,420
Share of profits of associates	–	–	206,130	–	206,130
Other operating income	12,519	–	–	39,635	52,154
Credit impairment losses	(1,429,333)	(505,441)	321,062	(8,172)	(1,621,884)
Other impairment losses	–	–	–	(2,972)	(2,972)
Operating expenses	(1,047,715)	(558,539)	(222,198)	(6,197)	(1,834,649)
– Depreciation and amortisation	(180,349)	(45,026)	(16,706)	–	(242,081)
– Others	(867,366)	(513,513)	(205,492)	(6,197)	(1,592,568)
Profit before income tax	2,542,023	430,986	705,304	22,294	3,700,607
Capital expenditure	115,254	26,994	153,942	1,633	297,823
	As at 30 June 2024				
Segment assets	311,902,124	73,050,087	416,597,298	4,418,414	805,967,923
Segment liabilities	(216,191,800)	(241,011,949)	(286,933,797)	(3,744)	(744,141,290)

Notes To The Unaudited Interim Condensed Consolidated Financial Information

41 SEGMENT ANALYSIS (Continued)

	For the six months ended 30 June 2023				
	Corporate banking RMB'000	Retail banking RMB'000	Treasury RMB'000	Unallocated RMB'000	Total RMB'000
Net Interest income from external customers/(expense)	3,920,032	(943,826)	2,410,221	–	5,386,427
Inter-segment net interest income/(expense)	468,382	2,167,351	(2,635,733)	–	–
Net interest income/(expense)	4,388,414	1,223,525	(225,512)	–	5,386,427
Net fee and commission income	64,999	(1,570)	133,117	–	196,546
Net trading gains	11,506	–	149,459	–	160,965
Net gains on investment securities	–	–	838,034	–	838,034
Share of profits of associates	–	–	246,464	–	246,464
Other operating income	20,609	–	15,413	113,457	149,479
Credit impairment losses	(1,211,906)	(198,218)	(323,097)	(27,701)	(1,760,922)
Other impairment losses	–	–	–	(1,278)	(1,278)
Operating expenses	(954,090)	(609,637)	(214,211)	(11,210)	(1,789,148)
– Depreciation and amortisation	(146,366)	(44,534)	(27,019)	–	(217,919)
– Others	(807,724)	(565,103)	(187,192)	(11,210)	(1,571,229)
Profit before income tax	2,319,532	414,100	619,667	73,268	3,426,567
Capital expenditure	50,123	14,085	77,952	946	143,106
	31 December 2023				
Segment assets	270,226,092	72,209,300	412,939,681	4,508,797	759,883,870
Segment liabilities	(213,194,263)	(206,897,855)	(280,489,818)	(2,507)	(700,584,443)

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 2024, the Group's entrusted loans amounted to RMB6,048,894 thousand (31 December 2023: RMB5,477,165 thousand).

Notes To The Unaudited Interim Condensed Consolidated Financial Information

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

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

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

	30 June 2024				
	Carrying Amount RMB'000	Fair Value			Total RMB'000
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets					
Investment securities					
– Amortised cost	146,835,315	–	121,700,653	28,381,533	150,082,186
Financial liabilities					
Debt securities issued	155,788,681	14,099,093	143,276,237	–	157,375,330
	31 December 2023				
	Carrying Amount RMB'000	Fair Value			Total RMB'000
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets					
Investment securities					
– Amortised cost	159,469,808	–	128,781,772	33,098,993	161,880,765
Financial liabilities					
Debt securities issued	153,373,831	13,298,107	140,796,578	–	154,094,685

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 reasonable approximations of their fair values. Those financial assets and liabilities include balances with the central bank, due from and placements with banks and other financial institutions, loans and advances to customers, due to and placements from banks and other financial institutions, and customer deposits. Fair value is measured using a discounted future cash flow model.

(b) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

Notes To The Unaudited Interim Condensed Consolidated Financial Information

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

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

30 June 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Loans and advances to customers				
– Discounted bills	–	29,118,903	–	29,118,903
Financial assets at FVPL				
– Debt securities	–	3,392,948	–	3,392,948
– Inter-bank certificates of deposit	–	1,097,531	–	1,097,531
– Fund investments	12,921,359	–	–	12,921,359
– Trust investments	–	–	3,721,389	3,721,389
– Asset management plans	–	–	6,886,068	6,886,068
– Equity investments at fair value	506,993	–	447,164	954,157
– Derivative financial assets	–	23,620	–	23,620
	13,428,352	4,514,099	11,054,621	28,997,072
Investment securities at FVOCI				
– Debt securities	–	81,947,488	–	81,947,488
– Equity investments	–	–	111,099	111,099
	–	81,947,488	111,099	82,058,587
Total	13,428,352	115,580,490	11,165,720	140,174,562
<hr/>				
31 December 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Loans and advances to customers				
– Discounted bills	–	44,852,396	–	44,852,396
Financial assets at FVPL				
– Debt securities	–	8,610,354	–	8,610,354
– Fund investments	4,303,474	–	–	4,303,474
– Trust investments	–	–	3,884,172	3,884,172
– Inter-bank certificate of deposit	–	984,859	–	984,859
– Asset management plans	–	–	8,231,181	8,231,181
– Equity investments at fair value	621,922	–	454,604	1,076,526
– Derivative financial assets	–	89,981	–	89,981
	4,925,396	9,685,194	12,569,957	27,180,547
Financial investments at FVOCI				
– Debt securities	–	94,089,774	–	94,089,774
– Equity investments	–	–	85,575	85,575
	–	94,089,774	85,575	94,175,349
Total	4,925,396	148,627,364	12,655,532	166,208,292

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

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 2024 and the year ended 31 December 2023.

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

Specific valuation techniques used to value financial instruments include:

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

Valuation of financial instruments with significant unobservable inputs

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

As at 30 June 2024, the carrying amounts of financial instruments valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

43 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

Valuation of financial instruments with significant unobservable inputs (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 2023	12,569,957	85,575
Total gains or losses		
– Current profits or losses	(134,146)	–
– Other comprehensive income	–	25,524
Purchase	–	–
Sale and settlement	(1,381,190)	–
Balance at 30 June 2024	11,054,621	111,099
Total unrealised losses for the period included in profit or loss for financial assets held as at 30 June 2024	(57,674)	–
Balance at 31 December 2022	15,088,399	111,577
Total gains or losses		
– Current profits and losses	(11,780)	–
– Other comprehensive income	–	(26,002)
Purchase	401,784	–
Sale and settlement	(2,908,446)	–
Balance at 31 December 2023	12,569,957	85,575
Total unrealised losses for the year included in profit or loss for financial assets held as at 31 December 2023	12,415	–

44 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks. Financial risk management involve analysis, evaluation, acceptance and management of different level of risks or combination of risks. Risk exposure is a core characteristic of financial business, and risks are the inevitable consequence in business activities. The Group's aim is therefore to strike a balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policy is designed to guide the Group in identifying, measuring, evaluating, monitoring, reporting, mitigating or controlling various risks. The Group reviews and revises the risk management policy on a regular basis based on the external economic situation, changes in the market and internal risk management level, taking into account business development, technology updates and other factors.

As the highest decision-making body for risk management, the Board of Directors bears the ultimate responsibility for risk management, approving risk management strategies, significant risk management policies and procedures, supervising senior management in overall risk management, reviewing overall risk management reports, and evaluating overall risks. The Board of Directors authorizes its Risk Management Committee to fulfill some of its obligations regarding overall risk management. Senior management is responsibility for the implementation of risk management, specifically including overall risk management and internal control, and development and implementation of policies and procedures to identify, measure, monitor and control risks. In addition, the internal audit department is responsible for independent review of the risk management and control environment.

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

44.1 Credit risk

The Group's credit risk is the risk of default by debtors or counterparties or their downgrade in credit rating or reduction in performance capability. Credit risk arises mainly from loans (including trade financing), bill acceptance and discounting, overdrafts, bond investments, special purpose vehicle investments, letters of credit, factoring, guarantees, loan commitments and other transactions where the Group substantially bears the credit risk.

The Group monitors credit risk on a regular basis to identify changes in borrowers' credit risk status in a timely manner, pays close attention to the changes and takes appropriate measures for effective management, and also transfers or reduces credit risk through qualified collaterals and pledges, net settlement, guarantees and credit derivatives.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(1) Credit risk management

(a) Credit business

The Group measures and monitors the quality of the Group's loans in accordance with external rules and regulations such as the Rules on Risk Classification of Financial Assets of Commercial Banks formulated by the former CBIRC and the People's Bank of China. Loans are classified based on the borrower's repayment capability, repayment record, willingness to repay, loan guarantee, legal liability for loan repayment and bank credit management. The Rules on Risk Classification of Financial Assets of Commercial Banks require financial institutions to divide credit assets into five categories, namely Normal, Special-Mention, Substandard, Doubtful, and Loss, and assets of the last three categories are non-performing assets. For retail loans, the number of days past due is also an important indicator for loan classification.

Each category of credit assets is primarily defined as follows under the Rules on Risk Classification of Financial Assets of Commercial Banks:

Normal:	The debtor is capable of meeting its contractual obligations and there is no objective evidence indicating that the principal, interests, and income cannot be paid in full and on time
Special-Mention:	The debtor is currently capable of paying the principal, interests, and income notwithstanding a number of factors that might adversely affect its capacity to meet its contractual obligations.
Substandard:	The debtor is incapable of paying the principal, interests, or income in full or the financial assets have undergone credit impairment.
Doubtful:	The debtor is incapable of paying the principal, interests, or income in full and the financial assets have undergone significant credit impairment.
Loss:	None or only a minimum fraction of the financial assets can be recovered after exhausting all available options.

The Risk Management Department is responsible for the classification of loans within the Bank. The classification of loans is performed monthly and adjusted in time. The Risk Management Department summarises the reclassification information monthly and reports to the Risk Management and Internal Control Committee for approval. The classification of loans is monitored through credit risk management system.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(1) *Credit risk management (Continued)*

(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.

(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 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.

Most of the borrowers are required to provide collateral for loans. The type of collateral mainly includes mortgages, pledges and guarantees. The Group employs property appraisal companies with certificates to evaluate the collateral. The detailed collateral type and amount are determined by the credit risk of counterparties or customers. Please refer to Note 44.1(5)(c) for specific guidelines on collateral and guarantees.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

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

(b) Treasury business

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

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

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

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

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

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(3) *Credit risk assessment*

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

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

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

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

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

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

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) *Expected credit loss measurement*

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

- A financial instrument that is not credit-impaired on initial recognition is classified in “Stage 1” and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk (“SICR”) since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. Please refer to note 44.1(4)(a) for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”. Please refer to Note 44.1(4)(b) for a description of how the Group determines when a significant increase in credit risk has occurred.
- The method of provision for impairment allowance at different stages is as follows: Financial instruments in Stage 1 have their ECL allowance measured at an amount equal to the portion of lifetime expected credit losses that result from possible default events within the next 12 months. Instruments in Stage 2 or 3 have their ECL allowance measured based on expected credit losses on a lifetime basis. Please refer to Note 44.1(4)(c) for a description 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.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

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

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

The group considers a financial instrument to have experienced a SICR when it meets one or more of the following criteria.

Quantitative criteria:

The borrower is more than 30 days past due on its contractual payments.

Qualitative criteria:

- i) Borrower of loan-related financial instrument is on the Watchlist, which is used to monitor credit risks and assessment at the counterparty level is conducted regularly;
- ii) The risk classification of the instrument is between Special-mention I and Special-mention III; or
- iii) The change of internal rating triggers stage 2 condition; or
- iv) The status of credit card is classified as “concerned” 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 loan is more than 90 days past due on its contractual payments.

Qualitative criteria:

- i) The borrower of a loan-related financial instrument is on the Monitoring List, which is used to monitor credit risk and an assessment on the counterparty level is conducted regularly; or
- ii) The instrument is classified between Substandard I and Loss; or
- iii) The status of credit card is classified as “outsourced collection” or “sued and interest accrual stopped” under the internal management.

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)*

When the following circumstances occur, the borrower meets the criteria of “unlikeliness to pay” and the debt is classified as non-performing debt, indicating that the borrower is in significant financial difficulty:

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

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

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

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

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

The Group classifies credit risk exposures according to credit risk characteristics including product type, customer type, customer industry and market distribution. Non-retail business risks are grouped into "industry, commerce and trade, construction, real estate, government-affiliated institutions, small and micro enterprises, general companies". Retail business risks are grouped into "mortgage loans, consumption loans, revolving loans and credit card advances". Credit card risks are grouped into "collateralized M0, collateralized M1, collateralized M2, collateralized M3, non-collateralized M0, non-collateralized M1, non-collateralized M2, non-collateralized M3, M4".

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

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

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

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

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

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

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

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

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

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

Forward-looking economic information is also included in determining the 12M and Lifetime PDs, EADs, and LGDs. These assumptions vary by product type. Refer to Note 44.1(4)(d) for an explanation of forward-looking information and its inclusion in ECL calculations.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs and how collateral value change, are monitored and reviewed regularly.

Except for forward-looking information, there have been no significant changes in estimation techniques or significant assumptions made for the six months ended 30 June 2024 (for the year ended 31 December 2023: nil).

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

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

(d) *Forward-looking information incorporated in the ECL models*

The assessment of a significant increase in credit risk and the calculation of expected credit losses both involve forward-looking information. Through historical data analysis, the Group identifies key economic indicators that affect the credit risk and expected credit loss of various assets, such as the accumulated year-on-year growth rate of consumer price index (“CPI”), the accumulated year-on-year growth rate of industrial value added, and purchasing managers’ index (“PMI”). The Group evaluates and forecasts these economic indicators at least annually, and regularly checks the evaluation results. When considering forward-looking information, the Group comprehensively considers internal and external data, expert forecasting, and statistical analysis to determine the relationship between these economic indicators and PD, LGD, and EAD. The input value of the model has been smoothly adjusted.

These economic variables and their associated impacts on the PD, EAD and LGD vary by financial instruments. The Group uses expert judgment and external data to forecast these economic variables (the “central economic scenario”), and provides the best estimates of future economic conditions and forecasts under various scenarios. To project the economic variables for the full remaining lifetime of each instrument following the forecast period, a mean reversion approach has been used, which means that economic variables tend to be either a long run average rate or a long run average growth rate over a period of years. The impact of these economic variables on the PD has been determined by performing Merton-type model and statistical regression analysis to understand the impact of historical changes in these variables on default rates and on the PD.

The Group conducts sensitivity analysis on the key economic indicators used in forward-looking measurement. As at 30 June 2024, when the predicted value of the core economic indicators in the main scenarios increase or decrease by 10%, the Group expected the respective decrease or increase in ECL will not exceed 10%.

The Group also provides other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure that non-linearities are captured. 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 2024, the weights assigned to various economic scenarios were: “central” 70%, “upside” 10%, and “downside” 20% (31 December 2023: same).

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(4) *Expected credit loss measurement (Continued)*(d) *Forward-looking information incorporated in the ECL models (Continued)*

The multi-scenario weight is based on the principle of the benchmark scenario and supplemented by other scenarios. According to the sensitivity analysis, when the weight of the “upside” scenario increases by 10% and the weight of the “central” scenario decreases by 10%, or the weight of the “downside” scenario increases by 10% and the weight of the “central” scenario decreases by 10%, the Group expected the respective decrease or increase in ECLs will not exceed 5%.

The ECLs calculated for the above three scenarios and the weighted average ECL of the Group are as follows:

	30 June 2024		
	Loans and advances to corporate entities RMB'000	Retail loans RMB'000	Investment securities RMB'000
Weighted average	10,067,427	2,920,787	1,850,641
Central	9,970,243	2,901,701	1,838,130
Upside	9,408,562	2,734,245	1,724,060
Downside	10,737,001	3,080,857	1,957,720

	31 December 2023		
	Loans and advances to corporate entities RMB'000	Retail loans RMB'000	Investment securities RMB'000
Weighted average	9,529,714	2,609,712	2,314,232
Central	9,458,391	2,594,545	2,299,166
Upside	9,198,774	2,424,137	2,154,183
Downside	9,944,815	2,755,586	2,446,989

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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 2024 Carrying amount RMB'000	31 December 2023 Carrying amount RMB'000
On-balance-sheet items		
Balances with the central bank (Stage 1)	35,539,320	39,168,480
Due from and placements with banks and other financial institutions	92,523,361	46,286,128
Stage 1	92,350,207	46,117,219
Stage 3	45,471	45,471
Accrued interest	127,683	123,438
Loans and advances to customers – Amortised cost	377,789,630	335,943,144
Stage 1	361,324,597	318,764,391
Stage 2	10,375,924	11,262,841
Stage 3	3,208,597	3,181,343
Accrued interest	2,880,512	2,734,569
– FVOCI (Stage 1)	29,118,903	44,852,396
Investment securities – amortised cost	146,835,315	159,469,808
Stage 1	142,424,055	154,782,091
Stage 2	1,807,464	1,831,553
Stage 3	191,527	161,989
Accrued interest	2,412,269	2,694,175
Investment securities – FVOCI	81,947,488	94,089,774
Stage 1	79,995,617	91,671,214
Stage 2	38,722	151,440
Stage 3	277,239	277,239
Accrued interest	1,635,910	1,989,881
Other receivables	393,434	178,244
Stage 1	379,786	167,253
Stage 2	2,151	1,511
Stage 3	11,497	9,480
On-balance-sheet total	764,147,451	719,987,974
Off-balance-sheet total	68,714,769	64,127,088
Total	832,862,220	784,115,062

Notes To The Unaudited Interim Condensed Consolidated Financial Information

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The Group internally ranks the asset risk characteristics based on the quality of the assets. The credit grade of the financial assets used in the expected credit loss is classified as “low risk”, “medium risk” and “high risk” according to the internal rating. It is used by the Group for internal credit risk management purposes. “Low risk” means that the assets are of good quality, of which the possibility of future default is low, and it is less affected by external unfavourable factors; “medium risk” refers to the assets with certain solvency, but persistent major instability and poor commercial, financial or economic conditions may reduce its solvency; “high risk” refers to the assets with high risk of default or those meet the definition of default by the Group, and existing unfavourable factors have a greater impact on solvency.

The following tables illustrates the maximum credit risk exposure of loans and advances to customers at amortised cost classified by credit grade:

	ECL Stage			Total RMB'000
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	
30 June 2024				
Credit rating				
Low risk	244,497,695	50,820	–	244,548,515
Medium risk	119,865,389	10,275,272	–	130,140,661
High risk	–	4,259,412	8,948,744	13,208,156
Gross principal balance	364,363,084	14,585,504	8,948,744	387,897,332
Impairment allowance	(3,038,487)	(4,209,580)	(5,740,147)	(12,988,214)
Total	361,324,597	10,375,924	3,208,597	374,909,118
31 December 2023				
Credit rating				
Low risk	212,677,814	402,550	–	213,080,364
Medium risk	109,243,053	11,206,899	–	120,449,952
High risk	–	2,809,024	9,008,661	11,817,685
Gross principal balance	321,920,867	14,418,473	9,008,661	345,348,001
Impairment allowance	(3,156,476)	(3,155,632)	(5,827,318)	(12,139,426)
Total	318,764,391	11,262,841	3,181,343	333,208,575

Notes To The Unaudited Interim Condensed Consolidated Financial Information

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(a) Maximum exposure to credit risk – Financial instruments subject to impairment (Continued)

The following tables illustrate the maximum credit risk exposure of financial investments – amortised cost classified by credit grade:

	ECL Stage			Total RMB'000
	Stage 1 12M ECL RMB'000	Stage 2 Lifetime ECL RMB'000	Stage 3 Lifetime ECL RMB'000	
30 June 2024				
Credit rating				
Low risk	134,126,711	–	–	134,126,711
Medium risk	8,497,372	2,081,600	–	10,578,972
High risk	–	–	758,586	758,586
Gross principal balance	142,624,083	2,081,600	758,586	145,464,269
Impairment allowance	(200,028)	(274,136)	(567,059)	(1,041,223)
Total	142,424,055	1,807,464	191,527	144,423,046
31 December 2023				
Credit rating				
Low risk	146,746,709	–	–	146,746,709
Medium risk	8,310,402	2,084,000	148,746	10,543,148
High risk	–	–	874,866	874,866
Gross principal balance	155,057,111	2,084,000	1,023,612	158,164,723
Impairment allowance	(275,020)	(252,447)	(861,623)	(1,389,090)
Total	154,782,091	1,831,553	161,989	156,775,633

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 investment measured at fair value and the change of which is included in other comprehensive income classified by credit grade:

	ECL Stage			Total
	Stage 1 12M ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 30 June 2024				
Credit rating				
Low risk	79,431,703	38,722	–	79,470,425
Medium risk	563,914	–	–	563,914
High risk	–	–	277,239	277,239
Gross principal balance	79,995,617	38,722	277,239	80,311,578
Impairment allowance	(144,594)	(1,214)	(663,610)	(809,418)
Total	79,851,023	37,508	(386,371)	79,502,160
As at 31 December 2023				
Credit rating				
Low risk	91,671,214	151,440	–	91,822,654
High risk	–	–	277,239	277,239
Gross principal balance	91,671,214	151,440	277,239	92,099,893
Impairment allowance	(255,102)	(6,430)	(663,610)	(925,142)
Total	91,416,112	145,010	(386,371)	91,174,751

Notes To The Unaudited Interim Condensed Consolidated Financial Information

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 2024 RMB'000	31 December 2023 RMB'000
Financial assets at FVPL		
Bond investments	4,490,479	9,595,213
Trust investments	3,721,389	3,884,172
Asset management plans	6,886,068	8,231,181
Fund investments	12,921,359	4,303,474
Total	28,019,295	26,014,040

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(c) Collateral and other credit enhancements

The Group has a range of policies and practices intended to mitigate credit risk. The most useful practice is to accept collateral. The Group implements guidelines on the acceptability of specific classes of collateral. The principal types of collateral for loans are residential properties, business assets such as premises, inventories and accounts receivable, and financial instruments such as stocks.

The value of collateral at the time of loan origination is determined by risk assessment department and the amount of the loans granted is subject to loan-to-value ratio limits based on collateral types. The principal types of collateral for corporate loans and individual loans are as follows:

Type of collateral	Maximum loan-to-value ratio
Bank note and bank acceptance bill	90%
Warehouse receipt and accounts receivable	70%
Construction in progress	50%
Publicly traded stocks	60%
Property	70%
Land use rights	70%
Motor vehicles	40%

Mortgage loans to retail customers are generally collateralised by residential properties. Other loans are collateralised dependent on the nature of the loan.

For loans guaranteed by a third-party guarantor, the Group will assess the guarantor's financial condition, credit history and ability to meet obligations.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Bonds, treasury and other eligible bills are generally unsecured, with the exception of certain asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Collateral is also held as part of reverse repurchase agreements. Details of collateral accepted and which the Group is obligated to return are disclosed in Note 36.

Notes To The Unaudited Interim Condensed Consolidated Financial Information

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(5) Credit risk exposure (Continued)

(c) Collateral and other credit enhancements (Continued)

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

30 June 2024	Gross exposure RMB'000	Impairment allowance RMB'000	Carrying amount RMB'000	Fair value of collateral held RMB'000
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	6,584,992	(4,426,704)	2,158,288	5,090,372
– Retail loans	2,363,752	(1,313,443)	1,050,309	1,240,009
Investment securities measured at amortised cost	758,586	(567,059)	191,527	319,205
Gross amount of credit- impaired assets	9,707,330	(6,307,206)	3,400,124	6,649,586
<hr/>				
31 December 2023	Gross exposure RMB'000	Impairment allowance RMB'000	Carrying amount RMB'000	Fair value of collateral held RMB'000
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	7,097,810	(4,736,800)	2,361,010	5,330,534
– Retail loans	1,910,851	(1,090,518)	820,333	1,013,514
Investment securities measured at amortised cost	1,023,612	(861,623)	161,989	398,119
Gross amount of credit- impaired assets	10,032,273	(6,688,941)	3,343,332	6,742,167

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(6) Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12M and Lifetime ECL;
- Additional allowances for new financial instruments recognised for the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs for the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Loans and advances to customers derecognised for the period and write-offs of allowances related to loans and advances to customers that were written off during the period.

The impact of the above factors on the loss allowance for loans and advances to customers made from the beginning to the end of this period is set out in Note 18(b). The impact of the above factors on the investment securities measured at FVOCI made from the beginning to the end of this period is set out in Note 19. The impact of the above factors on the investment securities measured at amortised cost made from the beginning to the end of this period is set out in Note 19.

(7) Write-off policy

In the case of meeting the provisions of the relevant documents issued by the Ministry of Finance for the write-off of bad debts, the Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that show no reasonable expectation of recovery include (i) collection or enforcement activity has been in place for a necessary period and (ii) the Group’s recovery method is foreclosing on collateral and the value of the collateral is not expected to recover the principal and interest in full.

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amount of such assets written off for the six months ended 30 June 2024 was RMB1,349,243 thousand (for the year ended 31 December 2023: RMB1,340,256 thousand).

Notes To The Unaudited Interim Condensed Consolidated Financial Information

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(8) Investment securities

Bonds invested by the Group are rated by Zhongchengxin International Credit Rating Co. Ltd., China Lianhe Credit Rating Co., Ltd., Shanghai Far East Credit Rating Co., Ltd., Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., Pengyuan Credit Rating Co., Ltd., Golden Credit Rating International Co., Ltd., Dagong Global Credit Rating Co., Ltd., and China Bond Rating 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 2024				
Medium and long-term bonds:				
AAA	2,332,636	20,779,786	16,531,559	39,643,981
AA- to AA+	1,484,910	49,516,493	2,009,358	53,010,761
A+ and below	53,457	598,615	–	652,072
Unrated ⁽ⁱ⁾ :	24,148,292	9,416,684	125,882,129	159,447,105
Accrued interest	–	1,635,910	2,412,269	4,048,179
	28,019,295	81,947,488	146,835,315	256,802,098

	Financial assets at FVPL RMB'000	Investment securities at FVOCI RMB'000	Investment securities at amortised cost RMB'000	Total RMB'000
31 December 2023				
Medium and long-term bonds:				
AAA	7,101,945	25,068,179	23,996,845	56,166,969
AA- to AA+	1,832,487	55,952,053	1,496,409	59,280,949
A+ and below	48,726	–	–	48,726
Unrated ⁽ⁱ⁾ :	17,030,882	11,079,647	131,282,379	159,392,908
Accrued interest	–	1,989,881	2,694,175	4,684,056
	26,014,040	94,089,760	159,469,808	279,573,608

- (i) These mainly represent debt securities at FVPL, debt securities at FVOCI and debt securities at amortised cost issued by the Ministry of Finance, the central bank, policy banks and other overseas financial institutions that are creditworthy issuers in the market, but are not rated by independent rating agencies. In addition, debt securities at FVPL and debt securities at amortised cost also include the beneficiary rights of trust investments and asset management plans, whose principal and income are guaranteed or collateralised.

44 FINANCIAL RISK MANAGEMENT (Continued)

44.1 Credit risk (Continued)

(8) Investment securities (Continued)

As at 30 June 2024, the accrued ECL allowances of debt securities at FVOCI and at amortised cost of the Group amounted to RMB809,418 thousand and RMB1,041,223 thousand respectively (31 December 2023: RMB925,142 thousand and RMB1,389,090 thousand).

Trust investments/asset management plans classified by underlying assets are summarised as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Financial assets at FVPL		
– Credit assets	10,607,457	12,115,353
Financial investments at amortised cost		
– Credit assets	4,770,861	5,748,318
– Bond assets	20,327,857	21,638,856
	25,098,718	27,387,174

As at 30 June 2024, the gross principal balance of the Group's Stage 3 investments in trust investments and asset management plans at amortised cost was RMB758,586 thousand, whose underlying assets were all credit assets, of which the accrued ECL allowance amounted to RMB567,059 thousand (31 December 2023: RMB1,023,612 thousand and RMB861,623 thousand).

Notes To The Unaudited Interim Condensed Consolidated Financial Information

45 OPERATING LEASE PAYMENTS TO BE RECEIVED SUBSEQUENT TO THE BALANCE SHEET DATE

As a lessor, the undiscounted cash flow of lease payments to be received subsequent to the reporting date is summarised as below:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within 1 year	19,863	26,403
1 year to 2 years	12,720	16,370
2 years to 3 years	4,535	9,070
	37,118	51,843

46 SUBSEQUENT EVENTS

Up to the date of this report, the Group has no material events for disclosure after the reporting date.

Unaudited Supplementary Financial Information

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 banks and other financial institutions.

Cross-border claims have been disclosed by country or geographical area. A country or geographical area is reported separately where it constitutes 10% or more 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.

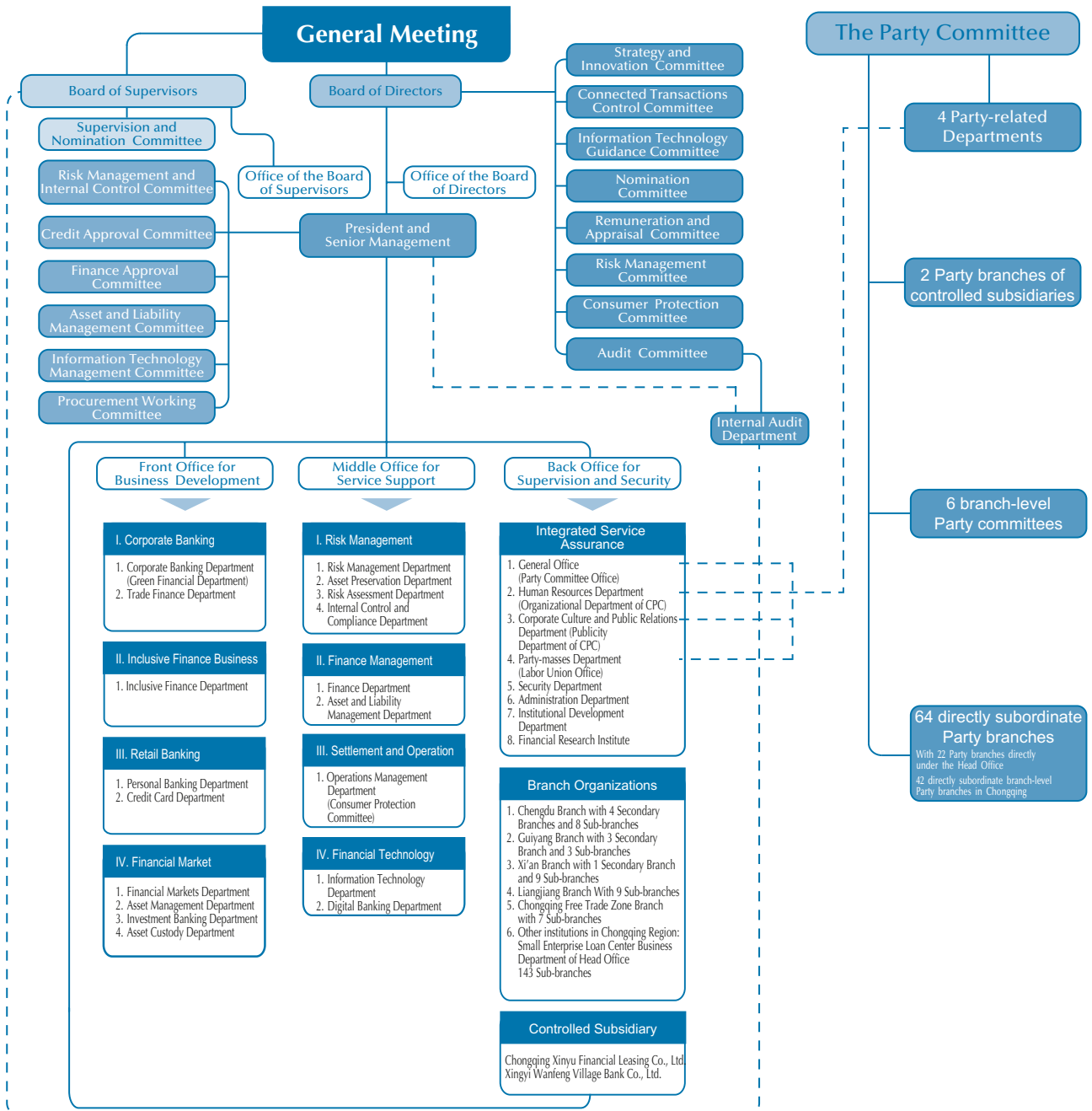
	30 June 2024 RMB'000	31 December 2023 RMB'000
Asia Pacific excluding Mainland China	100,990	30,840
– of which attributed to Hong Kong	14,815	9,079
North America	254,888	383,508
Total	355,878	414,348

2 Currency Concentrations

	Equivalent in RMB			
	US Dollar RMB'000	HK Dollar RMB'000	Others RMB'000	Total RMB'000
As at 30 June 2024				
Spot assets	9,237,683	3,247	328,062	9,568,992
Spot liabilities	8,854,717	3,265	325,524	9,183,506
Net long/(short) position	382,966	(18)	2,538	385,486

	Equivalent in RMB			
	US Dollar RMB'000	HK Dollar RMB'000	Others RMB'000	Total RMB'000
As at 31 December 2023				
Spot assets	7,979,402	3,257	1,550,996	9,533,655
Spot liabilities	7,651,617	3,295	1,548,326	9,203,238
Net long/(short) position	327,785	(38)	2,670	330,417

Organizational Chart



List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
1.	Business Department of Bank of Chongqing Co., Ltd.	No. 6 Yongpingmen Street, Jiangbei District, Chongqing	1	400020
2.	Small Enterprise Loan Centre of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	1	401147
3.	Liangjiang Branch of Bank of Chongqing Co., Ltd.	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	10	401121
4.	Free Trade Zone Branch of Bank of Chongqing Co., Ltd.	No. 153 Zourong Road, Yuzhong District, Chongqing	8	400015
5.	Chengdu Branch of Bank of Chongqing Co., Ltd.	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, HiTech District, Chengdu, Sichuan	13	610059
6.	Guiyang Branch of Bank of Chongqing Co., Ltd.	3/F to 8/F, Building 4, North Commercial Zone of Financial City, Area B of Zhongtian • Exhibition City, Changling North Road, Guanshanhu District, Guiyang, Guizhou	7	550081
7.	Xi'an Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F, Building 2, Yinhe Xinzuoobao Building, No. 25 Tangyan Road, Xi'an, Shaanxi	11	710075
8.	Yuzhong Sub-branch of Bank of Chongqing Co., Ltd.	No. 129 Renmin Road, Yuzhong District, Chongqing	8	400015
9.	Shapingba Sub-branch of Bank of Chongqing Co., Ltd.	No. 339-3, Xiaolongkan Zheng Street, Shapingba District, Chongqing	5	400030
10.	Chongda Sub-branch of Bank of Chongqing Co., Ltd.	No. 83 Shabei Street, Shapingba District, Chongqing	3	400044
11.	Dadukou Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-18 Cuibai Road, Chunhui Road Sub-district, Dadukou District, Chongqing	3	400084
12.	Gaoxin Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-3, 4, 5, and 6, Unit 1, Building 1, No 23 Bai Xin Road, Baishiyi Town, Jiulongpo District, Chongqing	3	401329
13.	Jiulongpo Sub-branch of Bank of Chongqing Co., Ltd.	No. 1409 Jingwei Avenue, Jiulongpo District, Chongqing	7	400039
14.	Nan'an Sub-branch of Bank of Chongqing Co., Ltd.	2-2, 1/F, No. 199 Nancheng Avenue, Nanping Sub-district, Nan'an District, Chongqing	5	400060

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
15.	Banan Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 13-20, Shop-2 9-14, Shop-3 6-12, No. 40, Longzhou Avenue, Banan District, Chongqing	5	401320
16.	Beibei Sub-branch of Bank of Chongqing Co., Ltd.	No. 453, 455, 457, 459, 461 and 463 Yunqing Road, Beibei District, Chongqing	6	400700
17.	Jiangbei Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-4 Jianxin North Road, Jiangbei District, Chongqing	7	400020
18.	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	9	401120
19.	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	4	408000
20.	Changshou Sub-branch of Bank of Chongqing Co., Ltd.	No. 10 Taoyuan West Road, Changshou District, Chongqing	4	401220
21.	Hechuan Sub-branch of Bank of Chongqing Co., Ltd.	1-2, 2-1, No. 402, 400 Jiangcheng Avenue, South Office, Hechuan District, Chongqing	3	401520
22.	Wanzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 193 Baiyan Road, Wanzhou District, Chongqing	4	404000
23.	Qianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 555 Xinhua Avenue (West Section), Chengxi Sub-district, Qianjiang District, Chongqing	3	409000
24.	Jiangjin Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 503, 505 & 505 Dingshan Avenue, Jijiang Sub-district, Jiangjin District, Chongqing	5	402260
25.	Tongliang Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 1, Shop-2 1, Shop-3 1, Building 1, No. 505 Jinlong Avenue (Financial Building), Dongcheng Sub-district, Tongliang District, Chongqing	3	402560
26.	Yongchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78 Renmin South Road, Yongchuan District, Chongqing	3	402160
27.	Liangping Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-21 to 1-25, 1-96 to 1-101, 2-19 to 2-25, Building 2, No. 5, Jingui Road, Shuanggui Street, Liangping District, Chongqing	2	405200

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
28.	Nanchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-12 and No. 2-14, Block 1, No. 12 Longhua Avenue (Chamber of Commerce Building), Xi Cheng Sub-district, Nanchuan District, Chongqing	3	408400
29.	Rongchang Sub-branch of Bank of Chongqing Co., Ltd.	1-3 and 2-3, No. 43-2 Changlong Avenue, Changzhou Sub-district, Rongchang District, Chongqing	3	402460
30.	Zhong County Sub-branch of Bank of Chongqing Co., Ltd.	No. 3-1 Zhongbo Avenue, Zhongzhou Town, Zhong County, Chongqing	2	404300
31.	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	4	402760
32.	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	2	401420
33.	Wansheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-1 Wansheng Avenue, Wansheng District, Chongqing	2	400800
34.	Xiushan Sub-branch of Bank of Chongqing Co., Ltd.	1-4, 1-5, 2-4 and 2-5, No. 70-1, Fengxiang Road, Zhonghe Street, Xiushan County, Chongqing	2	409900
35.	Kaizhou Sub-branch of Bank of Chongqing Co., Ltd.	Market Square, Kaizhou Avenue (Middle Section), Kaizhou District, Chongqing	3	405400
36.	Dazu Sub-branch of Bank of Chongqing Co., Ltd.	No. 335 Shengji West Road, Tangxiang Avenue, Dazu District, Chongqing	3	402360
37.	Tongnan Sub-branch of Bank of Chongqing Co., Ltd.	No. 173, 175, 177, 179 and 181 Xiangyang Road and 1-4, No. 219, 221, 223, 225, 227, 229 and 229 Ganquan West Road, Guilin Sub-district, Tongnan District, Chongqing	3	402660
38.	Fengdu Sub-branch of Bank of Chongqing Co., Ltd.	No. 181, 183, 185, 187, 189, 191, 179 (2-10, 2-11, 2-12, 2-13, 2-14, 2-15) and 179 (3-10, 3-11, 3-12, 3-13, 3-14, 3-15) Longcheng Avenue, Sanhe Sub-district, Fengdu County, Chongqing	2	408200
39.	Shizhu Sub-branch of Bank of Chongqing Co., Ltd.	26-30, No. 35, Dudu Avenue, Wan'an Street, Shizhu County, Chongqing	2	409100

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
40.	Dianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 9-32 Nanyang West Road, Guiyang Sub-district, Dianjiang County, Chongqing	2	408300
41.	Yunyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1299 Yunjiang Avenue, Qinglong Street, Yunyang County, Chongqing	3	404500
42.	Wuxi Sub-branch of Bank of Chongqing Co., Ltd.	Entertainment and Sports Building, Chunshen Avenue, Chengxiang Town, Wuxi County, Chongqing	2	405800
43.	Wulong Sub-branch of Bank of Chongqing Co., Ltd.	No. 117 Furong West Road, Xiangkou Town, Wulong County, Chongqing	3	408500
44.	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	3	409800
45.	Pengshui Sub-branch of Bank of Chongqing Co., Ltd.	2-1, No. 35 and No. 38, Building 1, No. 1 Liangjiang New Street, Shaoqing Sub-district, Pengshui Miao and Tujia Autonomous County, Chongqing	3	409699
46.	Wushan Sub-branch of Bank of Chongqing Co., Ltd.	Complex Building 1-1, No. 329 Guangdong East Road, Gaotang Sub-district, Wushan County, Chongqing	2	404700
47.	Chengkou Sub-branch of Bank of Chongqing Co., Ltd.	Commercial Building One, Block 1, Chongyang • Yicheng International Commercial Podium, No.18 Dongda Street, Gecheng Sub-district, Chengkou County, Chongqing	1	405900
48.	Fengjie Sub-branch of Bank of Chongqing Co., Ltd.	No. 4 Qiaomu Street, Yong'an Town, Fengjie County, Chongqing	1	404600