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BANK OF CHONGQING CO., LTD.*

重慶銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1963)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The board of directors (the “**Board**”) of Bank of Chongqing Co., Ltd.* (the “**Bank**”) is pleased to announce the audited annual results of the Bank and its subsidiaries for the year ended December 31, 2024. This announcement, containing the full text of the 2024 Annual Report of the Bank, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of annual results.

The Bank’s 2024 Annual Report will be provided to the H Shareholders of the Bank and available for viewing on the websites of the Bank (www.cqcbank.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) in April 2025.

Publication of Results Announcement

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

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

For and on behalf of the Board
Bank of Chongqing Co., Ltd.*
YANG Xiuming
Chairman

Chongqing, the PRC, March 21, 2025

As at the date of this announcement, the executive directors of the Bank are Mr. YANG Xiuming, Mr. GAO Song and Ms. HOU Ximeng; the non-executive directors of the Bank are Mr. WONG Hon Hing, Mr. GUO Xile and Mr. WU Heng; and the independent non-executive directors of the Bank are Dr. LIU Xing, Mr. WANG Rong, Dr. FUNG Don Hau, Dr. ZHU Yanjian and Ms. LIU Ruihan.

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

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Important Notice

- (1) The Board of Directors, the Board of Supervisors and each Director, Supervisor and member of Senior Management of the Bank warrant that the contents in this annual 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 several and joint basis.
- (2) The 7th meeting of the seventh session of the Board of the Bank was held on 21 March 2025 in the form of onsite (video) conference. Chairman YANG Xiuming presided over the meeting. 11 Directors were eligible to attend the meeting, among which 11 Directors attended the meeting in person. Supervisors and members of Senior Management of the Bank attended the meeting as non-voting participants. 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's auditors Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young have audited the 2024 Financial Report of the Bank prepared in accordance with the PRC GAAP (China) Accounting Standards and International Financial Reporting Standards (IFRSs), and have issued unqualified auditor's reports, respectively.
- (4) YANG Xiuming (Chairman of the Bank), GAO Song (President of the Bank), LI Cong (Vice President in charge of Finance) and WU Zhu (Head of Finance Department) warrant that the financial report in the annual report is true, accurate and complete.
- (5) Profit distribution plan: The Bank plans to withdraw RMB479 million, i.e. 10% of the audited net profit of RMB4,793 million in 2024, to post into the statutory surplus reserve, and withdraw RMB525 million, i.e. 1.5% of the balance of risk assets, to post into the general reserve. Based on the total share capital of A shares and H shares on the equity registration date for profit distribution, cash dividends of RMB0.248 (tax inclusive) per share will be distributed to all registered shareholders, which shall be denominated and declared in RMB, paid to A-share shareholders in RMB and paid to H-share shareholders in Hong Kong dollars. The actual amount distributed in Hong Kong dollars shall be calculated according to the average benchmark exchange rate of RMB to HK\$ announced by the People's Bank of China (PBOC) five business days before convening the general meeting of shareholders (including the day of the general meeting). The remaining undistributed profits will be carried forward to the next year. In 2024, the Bank did not implement the conversion of capital reserve into share capital. The above profit distribution plan is subject to consideration and approval at the 2024 annual general meeting of the Bank. The profit distribution plan of the Bank for the first three quarters of 2024 was implemented on 24 January 2025, and the proposed cash dividend of the Bank for 2024 is RMB0.414 (tax inclusive) per share.
- (6) Forward-looking statements about matters such as future plans of the Group may be contained in this report. Relevant 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.

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 subsidiaries
“CBIRC”	former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Chongqing NFRA”	Chongqing Bureau of National Financial Regulatory Administration
“Chongqing CBIRC”	former China Banking and Insurance Regulatory Commission Chongqing Bureau (中國銀行保險監督管理委員會重慶監管局)
“Chongqing Yufu”	Chongqing Yufu Capital Operation Group Co., Ltd.
“Dah Sing Bank”	Dah Sing Bank, Limited
“Xinyu Financial Leasing”	Chongqing Xinyu Financial Leasing Co., Ltd.
“Xingyi Wanfeng”	Xingyi Wanfeng Village Bank Co., Ltd.
“Mashang Consumer”	Mashang Consumer Finance Co., Ltd.
“Three Gorges Bank”	Chongqing Three Gorges Bank Co., Ltd.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS(s)”	International Financial Reporting Standard(s)
“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 year ended 31 December 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 at 31 December 2024, the Bank operated 199 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 RMB856,642 million, total deposits of RMB474,117 million, and total loans of RMB440,616 million, with the non-performing loan ratio of 1.25% and the allowance coverage ratio of 245.08%. Major business indicators have met regulatory requirements.

In line with the development positioning of “local bank, bank for citizens, and bank for small and micro enterprises”, 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 RMB150 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 RMB10.822 billion as compared with the end of the previous year, and the agriculture-related loans increased by RMB5.975 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 made rapid development of self-operated online consumer products. The balance of “Jie E Dai” (捷e贷) increased by 100% 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; and it was rated by the Standard & Poor’s as international investment rating, with rating outlook as “Stable” for eight 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
GAO Song
Secretary to the Board: HOU Ximeng
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: Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, 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, and on 10 January 2025, changed to “Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong”
- 3.2.4** Correspondence Address: No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Postal Code: 400024
Tel: +86(23)63367688
Fax: +86(23)63799024
E-mail: ir@cqcbank.com
Website: <http://www.cqcbank.com>
Customer Service Hotline: 956023
- 3.2.5** General Information on the Listing of Shares:
A Shares:
Listing Exchange: Shanghai Stock Exchange
Stock Name: BCQ
Stock Code: 601963
H Shares:
Listing Exchange: The Stock Exchange of Hong Kong Limited
Stock Name: BCQ
Stock Code: 01963

Company Profile

- 3.2.6** Domestic Auditor: Ernst & Young Hua Ming LLP (Special General Partnership)
Office Address: Room 01-12, 17/F, EYHM Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing
Names of Signatory Certified Public Accountants: ZHOU Mingjun, ZHANG Ya'nan
Continuous term of auditing service of Signatory Certified Public Accountants: 4 years, 3 years
International Auditor: Ernst & Young (Registered Public Interest Entity Auditor)
Office Address: 27th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Names of Signatory Accountant: Ng Chi Keung
- 3.2.7** Legal Advisor as to PRC Laws: JunHe LLP
Legal Advisor as to Hong Kong Laws: DLA Piper Hong Kong
- 3.2.8** A Share Registrar: China Securities Depository and Clearing Corporation Limited Shanghai Branch
Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai
H Share Registrar: Computershare Hong Kong Investor Services Limited
Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- 3.2.9** Newspapers and Websites Designated for Information Disclosure:
Mainland China: China Securities Journal (www.cs.com.cn)
Shanghai Securities News (www.cnstock.com)
Securities Times (www.stcn.com)
Securities Daily (www.zqrb.cn)
Website of the Shanghai Stock Exchange (www.sse.com.cn)
Website of the Bank (www.cqcbank.com)
Hong Kong: Website of the Hong Kong Stock Exchange (www.hkex.com.hk)
Website of the Bank (www.cqcbank.com)
Place for Preparation of the Annual Report: Office of the Board of the Bank
- 3.2.10** Domestic Sponsor Institution for Continuous Supervision and Guidance: China Merchants Securities Co., Ltd.
Office Address: No. 111, 1st Fuhua Road, Futian Street, Futian District, Shenzhen
Sponsor Representative: Wang Xiao (王曉), Hu Yijia (扈益嘉)
Period of Continuous Supervision and Guidance: 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
- 3.2.11** Registration Information:
Date of Initial Incorporation: 2 September 1996
Registration Authority: Administration for Market Regulation of Chongqing
(formerly known as Administration for Industry and Commerce of Chongqing)
Unified Social Credit Code: 91500000202869177Y
Financial License Registration Number: the Bank holds a financial licence number B0206H250000001 approved by the regulatory authority of the banking and insurance industry of the PRC

3.3 Recognitions and Awards

From 2024 till now, the Bank has won many honors and awards in the selection activities organized by domestic and foreign institutions, including:

In January 2024, the Bank was awarded the “Excellent Case of Mobile Internet Application Service Capacity Enhancement 2023” in the selection organized by the Information and Communications Administration of the Ministry of Industry and Information Technology.

In January 2024, the Bank obtained the Certification on Good Conduct from the China Association for Standardization, becoming the first financial institution in the country to receive a 4A rating on its first attempt of selection.

In January 2024, the Bank was awarded the “Top Ten Wealth Management Newcomer Award” at the 2024 Shenzhen Bay Retail Banking Summit hosted by Retail Banking magazine.

In March 2024, the Bank was awarded the “Advanced Unit for Cybersecurity Level Protection 2023”, as assessed by the Office of the Leading Group for Cybersecurity Level Protection of Chongqing.

In April 2024, the Bank was awarded the “Advanced Group” for the operation and maintenance of the payment system in the selection organized by the Chongqing business management department of the PBOC.

In May 2024, the Bank was awarded the “Excellent Solution” and “Outstanding Solution” in the “First Industry-Finance Cooperation Data Model Algorithm Competition” organized by the China Academy of Information and Communications Technology.

In June 2024, the Bank’s “Corporate Financing Services Based on Graph Computing and Artificial Intelligence Technology” became the first successfully accepted “out-of-the-box” (出盒) project in the second batch of financial technology innovation supervision tools of the Chongqing Branch of the PBOC.

In September 2024, the Bank was awarded the Typical Case of City Commercial Banks Strengthening Agriculture 2024 in the selection organized by the China Rural Credit Cooperative Newspaper.

In September 2024, the Bank was awarded the Typical Case of Inclusive Finance for 2024 Banking ESG in the selection organized by China Financial Media Company Limited.

In September 2024, the Bank was awarded the first prize in the 2024 Chongqing Financial Industry Cybersecurity Competition, as assessed by the Chongqing Branch of the PBOC.

In September 2024, the Bank was awarded the “Excellent Fixed Income Wealth Management Bank” in the selection of the “Sixth China Banking Wealth Management Yinghua Demonstration Case” hosted by China Fund News.

In October 2024, the Bank won the “Data Governance Innovation Award” for the fifth consecutive year in the selection organized by DAMA China (China Branch of Data Management Association International).

Company Profile

In November 2024, the Bank was awarded the “ESG · Pioneer 100 Index of State-owned Enterprise Listed Companies (2024)” at the China Enterprise Forum jointly guided by the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce and Xinhua News Agency.

In November 2024, the Bank was awarded the “Excellent Practice Cases of Board of Directors of Listed Companies 2024” and “Excellent Practice Cases of Sustainable Development of Listed Companies 2024” in the selection organized by China Association for Public Companies.

In November 2024, after a joint evaluation by 12 units including the Chongqing Committee of the Communist Youth League and the Chongqing NFRA, the Bank’s “Auxiliary Application and Research of OCR Large Model in Banking Business” won the first prize in the “9th Chongqing ‘Five Smalls (Small inventions, Small creations, Small innovations, Small designs, Small suggestions)’ Innovation Show and Excellent Project Promotion, Display and Exchange Series Activities”.

In November 2024, the Bank was awarded six awards including the “Excellent Wealth Management City Commercial Bank”, “Excellent Wealth Service Capability Bank”, “Excellent Technological Strength Institution”, “Excellent Asset Management City Commercial Bank”, “Excellent Investment Return Bank” and “Excellent Innovative Asset Management Bank” in the fourth “Jinyu Award” selection held by PY Standard.

In December 2024, the Bank was awarded the “Best Practice for 2023 Annual Results Announcement of Listed Companies” in the selection organized by China Association for Public Companies.

In December 2024, the Bank was awarded the Fourth (2024) “Jinxintong” Financial Technology Innovation Application Typical Case in the selection organized by the China Academy of Information and Communications Technology.

In December 2024, the Bank’s “Digital Confirmation Service Specification” won the “2023 Enterprise Standard Pacesetter Award” in the selection organized by the China Banking Association.

In December 2024, the Bank was granted the “Financial Technology Application Innovation Award” in the “15th Financial Technology Innovation Award” selection event hosted by “Financial Computerizing” magazine.

In December 2024, the Bank was awarded the Typical Case of Corporate Social Responsibility 2024 in the selection organized by the Chongqing Enterprise Federation (Entrepreneurs Association) and the Chongqing Federation of Industrial Economics.

In December 2024, the Bank was awarded the “Excellent Unit” at the End of the Chongqing Financial Digital Transformation and Improvement Project and the “Excellent Unit for Special Tasks”, as assessed by the Chongqing Branch of the PBOC.

In January 2025, the Bank was awarded outstanding institution or outstanding product in the selection of the 2024 financing services action for the small, medium and micro enterprises in Chongqing organized by the Chongqing Municipal Economic and Information Commission, the Office of the Financial Committee of the Chongqing Municipal Party Committee, China, the Chongqing Municipal Finance Bureau, and the Chongqing Federation of Industry and Commerce.

In January 2025, the Bank was awarded the “Institution with the Most Market Cohesion” in the 2024 bond market development selection organized by the Beijing Financial Assets Exchange.

In January 2025, the Bank was rated as the “Top 100 in Proprietary Settlement” in the “Evaluation of Business Development Quality of Chinese Debt Members in 2024” organized by China Central Depository & Clearing Co., Ltd.

3.4 Development Strategy and Core Competitiveness

3.4.1 Development Strategy

3.4.1.1 Strategic vision and development philosophy

Since 2024, in response to profound changes in the external environment, the Bank has accurately identified these changes, proactively adapted to them, and actively sought transformation, providing a new interpretation of the original “1-3-3” strategic framework system while proposing a new strategic positioning of the “Five Highs”.

High-target guidance: We benchmark against similar institutions and leading peers, striving to achieve a higher level and faster pace of development, and making determined efforts to join the “Trillion Club” of commercial banks.

High-position transformation: We strive to shift away from unsustainable development patterns such as high-cost liabilities and asset platformization, enhance penetrating guidance, and leverage the advantages of regional economic development to accelerate transformation in four areas of liabilities, assets, business structure, and comprehensive operations.

High-efficiency operations: We strengthen public-private collaboration and refined management, pursuing both traffic-based marketing and chain-style marketing. By capitalizing on the advantages of a local corporate bank with a short chain and rapid decision-making, we optimize authorized operations, enhance proactive responses, and bolster digital support.

High-quality service: We further enhance innovation awareness, actively research and align with major strategies, pay attention to significant opportunities such as emerging industries and investment promotion, comprehensively apply innovative products, continuously improve service quality, pay attention to customer and market feedback, and promote client acquisition at the source.

High-quality development: We solidify the three foundations of “customers, team, and compliance”, expanding mid- and lower- tier customer base, enhancing the foundation and resilience of development. We strengthen team building, improving core capabilities in analyzing and meeting customer needs, and upholding the bottom line of compliant operations, maintaining a stable and positive development trajectory.

Centering on the new strategic positioning of the “Five Highs”, the Bank has further formulated new strategic measures characterized by “three stabilizations, three advancements, three optimizations, three enhancements, and three upgrades” to fully drive the initiation and development of high-quality growth.

Company Profile

Achieving “three stabilizations”. First, stabilizing the foundation of asset quality. The Bank will implement targeted strategies to orderly and prudently address key areas, regions, and significant existing credit risks. We will conduct thorough analyses of emerging industries and diversifying and controlling risks through group participation and joining consortia. The Bank will pay attention to mismatched maturities and interest rate duration risks, strictly guarding against market and liquidity risks. Second, stabilizing the foundation of financial management. We will increase the allocation of core interest-earning assets, enhancing fund deployment and utilization, and reducing the occupation of low-yield assets. The Bank will effectively manage debt costs, reducing the interest rate on deposits, and making reasonable use of monetary policy tools and bond issuances. We will enhance equity investment management to further boost the contribution of holding and participating companies to the Group. The Bank will continuously optimize the asset-liability structure, improving structural issues such as the high proportion of low-yield assets and low proportion of demand deposits. We will intensify the disposition of non-performing assets to fully utilize idle assets and reduce costs and improve efficiency. Third, stabilizing the foundation of safe operation. The Bank will pay close attention to and effectively prevent new types of risks such as information technology, consumer protection complaints, online public sentiment, and unscrupulous intermediaries, comprehensively assigning responsibilities, establishing mechanisms, and strengthening responses.

Promoting “three advancements”. First, advancement in serving the broader strategy. The Bank will closely align with major strategies such as the development of the Chengdu-Chongqing Economic Circle, the construction of the new land-sea channel in western China, the establishment of a financial center in western China, and the “33618” and “Five Major Articles” (五篇大文章) to strengthen financial supply and enhance service quality and efficiency. Second, advancement in asset scale. The Bank will accelerate the transformation towards real economy sectors, expand our real economy customer base, promote effective growth in scale, and improve core indicators such as revenue and profit. We will adhere to its regional positioning, remain committed to extending services downward, and push for the expansion and quality improvement of retail business, inclusive business, manufacturing loans, green loans, and digital credit. Third, advancement in revenue enhancement. The Bank will intensify credit allocation efforts, continuously increase the proportion of credit assets, and promote diversification in interbank allocations. We will enhance the development of wealth management and investment banking businesses to increase service fees. The Bank will strengthen analysis and judgment of the situation to accurately capture market opportunities, improve bond trading, and increase investment returns.

Implementing “three optimizations”. First, optimizing the volume-price coordination mechanism. The Bank will apply a “deposit + investment banking + public-private partnership” (存款+投行+公私聯動) comprehensive assessment for high-quality real enterprises, and deepening interest margin management. We will coordinate policies related to performance assessment, fund pricing, and resource allocation. Second, optimizing the management process mechanism. The Bank will promote a transition to online, automated, and intelligent credit operations. We will persist in refining the approval process to compress the time limits for loan review and pricing. We will promote the efficient replacement of counter services, such as account management, public account opening, and anti-money laundering, with intelligent tools, gradually implementing centralized authorization, centralized operations, and centralized inspections. Third, optimizing the authorization and credit mechanism. The Bank will steadfastly support strategic emerging industries, technology sectors and manufacturing. We will gather information through various channels including customer fund settlement, upstream and downstream industry chains, and personal financial management, to implement comprehensive credit and integrated management. The Bank will ensure that authorization matches risk control capabilities, emphasizing the primary gatekeeping role and principal responsibility of operational institutions for business risk.

Focusing on “three enhancements”. First, enhancing technological empowerment. The Bank will increase the integration and application of existing systems, supporting business and management model transformations with high-standard system integration. We will integrate and optimize digital tools to clear bottlenecks and breakpoints throughout the entire process of acquiring, identifying, contacting, and activating customers. The Bank will build and improve the intelligent risk control system, ensuring efficient transmission of various risk information. We will deepen the construction of core IT capabilities, and strengthen business continuity. Second, enhancing mechanism empowerment. Based on regional characteristics, institutional features, and transformation directions, the Bank will set differentiated assessment, encouraging institutions to leverage their unique advantages, complement each other, and transition toward specialization and distinctiveness. We will improve the pertinence and timeliness of assessments, conducting the penetrating assessments of key developmental basic business. Third, enhancing Group empowerment. The Bank will enhance the head office’s support, services, and guarantees for its controlled subsidiaries and various branches. By forming special teams and establishing joint mechanisms, etc., we will promote comprehensive marketing, product development, risk resolution, and technological breakthroughs, etc. The Bank will foster an organically unified assessment system between head office departments and branches, achieving collaborative efforts and “mutual commitment”.

Fostering “three upgrades”. First, upgrading the capability to serve customers. By adhering to a customer-centric approach, the Bank will strengthen customer segmentation and group management, optimizing and enriching a product system that better understands the needs of key target customer groups. We will promote the acceleration of offline financial services “going online”, making the accessibility of products and services more efficient, convenient, and cost-effective. Second, upgrading the capability of the cadre and talent teams. The Bank will implement tiered and categorized plans to improve cadre capabilities, and increase efforts to cultivate and introduce scarce and specialized talents in investment banking, financial markets, digital technology, etc. We will implement the job integration and fusion management of the counter staff and lobby personnel, bolstering and expanding the marketing team. The Bank will encourage marketing personnel to directly engage with the market and reach customers directly, honing their marketing and risk control expertise in the market. Third, upgrading comprehensive operational capabilities. The Bank will advance and perfect mechanisms for deposit and loan pricing, integrated operations, loan review and pricing for comprehensive accounting, and collaborative synergies. We will implement cross-certification for large and medium-sized, inclusive, and retail customer managers, breaking down barriers in customer management to achieve integrated marketing and collaborative advancement of both corporate and private banking services.

Company Profile

3.4.1.2 Business development strategy

Large and medium business: The Bank focuses on government policies to expand investment, seizing project opportunities in urban renewal, industrial park upgrades, and investment promotion. We align with the “smart transformation, digitalization, and green development” initiative, promoting the “Intelligent and Integrated” (智融) product series and strengthening industrial credit allocation. The Bank refines the “head-to-head” marketing mechanism, deepening strategic partnerships and enhancing comprehensive services. We strengthen digital-driven efforts, leveraging the customer profiling system to accurately identify effective customers, settlement customers, and high-value customers. The Bank enhances deep customer maintenance and integrated marketing, encouraging retention of maturing funds within the Bank, utilizing a comprehensive evaluation mechanism to facilitate the return of settlement funds, and capitalizing on the timing of government bond issuances to promote the consolidation of account funds. The Bank deeply engages in scenario-based finance, adhering to a portfolio product management approach, strengthening pricing management, optimizing approval processes, and enhancing comprehensive pricing capabilities.

Inclusive business: The Bank systematically reshapes its product system, breaking down boundaries between online and offline elements, accelerating the integration of product lines, and enhancing product competitiveness. We improve loan renewal functions, strengthen management of maturing loans, and ensure the seamless continuation of existing business. The Bank establishes a grid-based management mechanism, builds a standardized marketing system, and promotes the expansion and coverage of inclusive finance loans. The Bank comprehensively assesses risk vulnerabilities in existing business, refining mechanisms for regular follow-ups and categorized resolution. The Bank coordinates business development and risk prevention, strictly controlling risks in new business increments.

Personal business: The Bank strengthens the integrated marketing of “development loans—mortgage loans”, actively expanding first-hand residential mortgage loans, and prudently engaging in partnerships with second-hand housing intermediaries. We deeply engage with high-quality customer segments such as agency payment clients, accelerating the development of self-operated online consumer loans such as “Jie E Dai” (捷e貸). The Bank refines a “dual-track” online and offline collaborative service mechanism, enhancing the offline team’s comprehensive customer acquisition capabilities. We strengthen the comprehensive product development of credit cards, promoting the integrated development of card and loan. The Bank launched a series of campaigns such as the “spring warming action” (春暖行動) and the “10th Anniversary of Xing Fu Cun” (幸福存十週年), continuously building a marketing and promotional offensive, enhancing network outlets and outreach marketing efforts, and extending market coverage to county and township areas. We comprehensively apply business development methods such as “customer portrait” for precise marketing and “customer referral” for viral marketing, effectively managing retention of existing customers and expansion to new customers.

Interbank business: The Bank flexibly and proactively allocates diverse assets, seizing opportunities for trading and position building, balancing short-term and medium-to-long-term returns, and actively expanding into new businesses such as proprietary gold leasing and trading. We effectively manage the issuance costs of wealth management products, prudently allocate equity assets, and enhance net value smoothing management to increase product returns. The Bank drives the transformation of investment banking business toward new services such as business matchmaking, financial advisory, and industrial guidance, enhancing overall service quality and comprehensive income. We actively apply for monetary policy tool funds from the central bank and low-cost relending funds, appropriately increasing financial bond issuances, timing the issuance of inter-bank certificates of deposit accurately, and promptly meeting the funding needs of business development.

3.4.2 Core Competence

Standardized and effective corporate governance, rational development mechanism. By continuously improving the corporate governance structure, optimizing the strategic planning management system, strengthening shareholder equity management capabilities, improving the management level of related party transactions, enhancing information disclosure transparency and strengthening the investor relationships, the Bank is actively building a modern financial state-owned enterprise system with Chinese characteristics, giving full play to the key role of corporate governance in business development and creating a more rational and efficient guarantee mechanism for high-quality development.

Advantageous regional environment, solid development foundation. Headquartered in Chongqing, the Bank has expanded its business to Sichuan, Shaanxi and Guizhou, with excellent regional policy support and robust innovative development. Relying on such major strategies as the construction of Chengdu-Chongqing Region Economic Circle, the large-scale development of China's western region in the new era, and the construction of new land-sea channel in China's western region, the Bank takes the development strategy plan as the guide, deepens the implementation of customer, product and channel strategies, further develops the potential of scale, benefit and quality improvement, and continuously lays a more solid foundation for development.

Deepened structural adjustment, improved development efficiency. The Bank has deepened the structural optimization project, and comprehensively implemented adjustment and optimization strategies in terms of asset structure, liability structure, capital structure, and income structure. Firstly, in accordance with the requirements of supply-side structural reforms, the Bank implements the differentiated management in terms of credit access, credit investment direction, and credit management. Secondly, the Bank strengthens the development concept of bank deposits, actively expands stable and low-cost funding sources, and tries to control the overall debt cost. Thirdly, the Bank implements the refined management of capital allocation and actively supports the development of "capital-light and asset-light" business. Fourthly, the Bank improves capital efficiency and asset efficiency, develops the sources of profit, and optimizes the income structure.

Company Profile

Innovative product service, distinctive development characteristics. The Bank has intensively developed the regional market and gradually formed a series of products that fit the regional characteristics. By enhancing the application of financial technology in product innovation, the Bank has established a competitive online product system, and realized the complementary advantages of online products and offline products. Our products, such as “Good Enterprise Loan”, “High-quality Loan”, “Entity Credit Loan”, “Chain Enterprise Loan”, “Jie e Dai”, “Salary E-Loan” and other products, closely comply with the market situation and accurately meet customer needs, thus have won high recognition from the market and built a good reputation among the target customers.

Efficient financial technology empowerment, stronger development ability. The Bank insists on establishing a “technology empowerment” system, responding to business needs and solving business problems, makes full use of new information technology and new concepts, deeply complies with business development and continuously promotes the integration of industry and technology. Focusing on the special work of intelligent innovation and leadership of big data, rural revitalization, as well as improvement of window service quality and efficiency, we will closely comply with the needs of business innovation and management reform, and promote the implementation of key needs and key projects in an orderly manner.

Upgraded risk management, stabilized development quality. The Bank has continuously strengthened the business philosophy of “risk management to create value” and promoted the upgrading of risk management and control capabilities. Firstly, the Bank further rationalizes the risk management structure by establishing a risk culture transmission mechanism and strengthening the inspection and supervision of the second and third control processes. Secondly, the Bank further consolidates the results of risk management by carrying out effective management of risk control target plan, multi-dimensional total risk monitoring, and cluster customer risk control. Thirdly, the Bank achieves the standardization of risk management by continuously promoting the application of financial technology such as big data intelligence, and further improves the level of risk management.

Financial Highlights

The financial information set out in this annual 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)	2024	2023	Year-on-year change	2022	2021	2020
			Change in percentage (%)			
OPERATING RESULTS						
Interest income	28,690,811	28,285,529	1.43	27,533,983	27,410,536	25,191,048
Interest expense	(18,514,682)	(17,838,526)	3.79	(16,725,725)	(15,813,763)	(14,130,310)
Net interest income	10,176,129	10,447,003	(2.59)	10,808,258	11,596,773	11,060,738
Net fee and commission income	887,599	411,438	115.73	761,341	768,822	1,037,047
Net trading gains, net gains on investments securities and other operating income	2,199,439	1,987,074	10.69	1,574,037	1,863,268	794,318
Operating income	13,263,167	12,845,515	3.25	13,143,636	14,228,863	12,892,103
Operating expenses	(4,097,551)	(3,889,859)	5.34	(3,627,332)	(3,322,383)	(2,885,200)
Credit impairment losses	(3,188,648)	(3,242,972)	(1.68)	(3,559,161)	(5,100,660)	(4,316,721)
Other assets impairment losses	(2,972)	2,606	(214.04)	1,567	(9,485)	(119,303)
Operating profit	5,973,996	5,715,290	4.53	5,958,710	5,796,335	5,570,879
Share of profit of associates	419,935	372,352	12.78	330,227	295,822	162,903
Profit before income tax	6,393,931	6,087,642	5.03	6,288,937	6,092,157	5,733,782
Income tax	(872,900)	(858,687)	1.66	(1,172,412)	(1,233,132)	(1,168,087)
Net profit	5,521,031	5,228,955	5.59	5,116,525	4,859,025	4,565,695
Net profit attributable to shareholders of the Bank	5,117,290	4,929,787	3.80	4,867,857	4,663,743	4,423,633
Net cash flows generated from operating activities	(20,746,886)	4,449,352	(566.29)	5,311,657	5,085,209	32,211,063
			Change in percentage (%)			
Calculated on a per share basis (RMB)						
Basic earnings per share	1.38	1.36	1.47	1.31	1.28	1.32
Diluted earnings per share	1.10	1.09	0.92	1.11	1.28	1.32
Basic earnings per share after deducting non-recurring gains and losses	1.36	1.34	1.49	1.29	1.26	1.30
Dividend per share	0.414	0.408	1.47	0.395	0.390	0.373

Financial Highlights

(All amounts expressed in thousands of RMB unless otherwise stated)	As at 31 December 2024	As at 31 December 2023	Year-on-year change	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Scale indicators			Change in percentage (%)			
Total assets	856,641,840	759,883,870	12.73	684,712,563	618,953,620	561,641,397
Total loans and advances to customers	440,616,361	392,934,966	12.13	352,573,462	318,061,937	283,226,555
– Corporate loans	313,003,213	250,398,073	25.00	208,737,958	185,958,346	164,660,672
– Retail loans	97,617,870	94,949,928	2.81	94,527,953	101,848,554	96,526,484
– Discounted bills	27,674,398	44,852,396	(38.30)	47,285,310	28,148,893	20,032,920
– Interests due from loans and advances to customers	2,320,880	2,734,569	(15.13)	2,022,241	2,106,144	2,006,479
Impairment allowances for loans	13,352,516	12,139,426	9.99	10,127,171	11,178,339	10,967,207
Total liabilities	792,877,922	700,584,443	13.17	633,217,086	569,706,925	519,647,183
Customer deposits	474,116,904	414,812,696	14.30	382,594,480	338,695,343	314,500,257
– Corporate demand deposits	53,879,467	64,096,964	(15.94)	60,481,461	71,149,941	74,291,268
– Corporate time deposits	132,127,766	129,718,412	1.86	132,906,633	108,914,851	104,368,093
– Individual demand deposit	23,678,149	20,686,248	14.46	19,752,513	17,235,404	16,011,350
– Individual time deposits	225,880,099	180,278,653	25.29	147,470,703	122,683,998	105,814,582
– Other deposits	25,404,664	11,471,728	121.45	16,491,983	15,202,061	11,077,135
– Interest payable on customer deposits	13,146,759	8,560,691	53.57	5,491,187	3,509,088	2,937,829
Share capital	3,474,569	3,474,562	0.00	3,474,540	3,474,505	3,127,055
Equity attributable to shareholders of the Bank	61,070,973	56,917,734	7.30	49,336,512	47,273,188	40,174,997
Total equity	63,763,918	59,299,427	7.53	51,495,477	49,246,695	41,994,214
Core Tier I Capital, net	54,325,735	51,003,470	6.51	45,694,215	43,214,481	35,902,191
Tier I Capital, net	61,550,655	58,208,408	5.74	50,375,870	48,277,879	40,934,037
Net total capital	79,470,686	69,708,993	14.00	61,032,503	59,974,137	53,672,813
Risk-weighted assets	549,740,040	521,578,017	5.40	479,755,986	461,807,558	427,946,826
Calculated on a per share basis (RMB)			Change in percentage (%)			
Net assets per share attributable to shareholders of the Bank	15.56	14.37	8.30	12.90	12.19	11.28

4.2 Financial Indicators

(All amounts expressed in percentage unless otherwise stated)	2024	2023	Year-on-year change	2022	2021	2020
Profitability indicators (%)			Change +/-			
Return on average total assets ⁽¹⁾	0.68	0.72	(0.04)	0.78	0.82	0.86
Weighted average return on net asset ⁽²⁾	9.29	10.14	(0.85)	10.20	10.99	12.23
Weighted average return on net asset after deducting non-recurring gains and losses	9.14	9.98	(0.84)	10.05	10.82	12.08
Net interest spread ⁽³⁾	1.22	1.39	(0.17)	1.59	1.93	2.18
Net interest margin ⁽³⁾	1.35	1.52	(0.17)	1.74	2.06	2.27
Net fee and commission income to operating income	6.69	3.20	3.49	5.79	5.40	8.04
Cost-to-income ratio ⁽⁴⁾	29.53	28.84	0.69	26.28	22.16	21.17

	As at 31 December 2024	As at 31 December 2023	Year-on-year change	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Asset quality indicators (%)			Change +/-			
Non-performing loan ratio ⁽⁵⁾	1.25	1.34	(0.09)	1.38	1.30	1.27
Allowance coverage ratio ⁽⁶⁾	245.08	234.18	10.90	211.19	274.01	309.13
Loan allowance ratio ⁽⁷⁾	3.05	3.13	(0.08)	2.91	3.56	3.92
Indicators of capital adequacy ratio (%)			Change +/-			
Core tier I capital adequacy ratio ⁽⁸⁾	9.88	9.78	0.10	9.52	9.36	8.39
Tier I capital adequacy ratio ⁽⁸⁾	11.20	11.16	0.04	10.50	10.45	9.57
Capital adequacy ratio ⁽⁸⁾	14.46	13.37	1.09	12.72	12.99	12.54
Total equity to total assets	7.44	7.80	(0.36)	7.52	7.96	7.48
Other indicators (%)			Change +/-			
Liquidity ratio ⁽⁹⁾	212.07	154.89	57.18	128.95	86.36	83.52
Percentage of loans to the single largest customer ⁽¹⁰⁾	2.49	2.98	(0.49)	3.85	3.30	2.48
Percentage of loans to the top ten customers ⁽¹¹⁾	21.36	21.53	(0.17)	22.12	23.90	20.49
Loan to deposit ratio	92.93	94.73	(1.80)	92.15	93.91	90.06

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 (less tax and surcharges) by operating income.*
- (5) *Calculated by dividing balance of non-performing loans by total loans and advances to customers.*
- (6) *Calculated by dividing the balance of impairment allowances on loans by the balance of non-performing loans. The balance of impairment allowances on loans is the sum of impairment allowances on loans and advances to customers measured at amortized cost and FVOCI. Pursuant to regulatory requirements, the regulatory standard of such indicator of the Bank is 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 31 December 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 at the rest points of time in the table above 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 Quarterly Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	2024			
	Q1	Q2	Q3	Q4
Operating income	3,296,629	3,657,353	3,397,513	2,911,672
Net profit attributable to shareholders of the listed companies	1,542,084	1,484,196	1,401,792	689,218
Net cash flows from operating activities	(19,281,439)	(18,632,984)	5,529,548	11,637,989

(All amounts expressed in thousands of RMB unless otherwise stated)	2023			
	Q1	Q2	Q3	Q4
Operating income	3,124,509	3,606,942	3,226,687	2,887,377
Net profit attributable to shareholders of the listed companies	1,482,261	1,424,208	1,363,809	659,509
Net cash flows from operating activities	4,295,652	(11,092,854)	(2,275,054)	13,521,608

4.4 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 31 December 2024 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Chairman's Statement



Dear Shareholders:

In 2024, with the care and support of all sectors of society, the Bank of Chongqing further implemented the spirit of important speeches and instructions of General Secretary Xi Jinping during his inspection tour of Chongqing and the decisions and arrangements of the CPC Central Committee and the Municipal Committee. By following the strategic goals and tasks, the Bank of Chongqing pioneered and forged ahead and operated steadily, thus delivering new development results of “steady improvement, quality enhancement”. The scale of assets reached RMB850 billion, and the net profit exceeded RMB5.5 billion, representing a year-on-year increase of 5.59%, with the market capitalization of A+H shares increasing by more than 40%. By virtue of advancement of its market share and comprehensive strength, the ranking of the Bank of Chongqing among the Top 1,000 World Banks has risen by 8 places to 209th compared with the previous year. It was selected as the “Double-hundred Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council for three consecutive years and was rated excellent.

During the year, we focused on our major responsibilities and main business and made every effort to serve the overall situation. In line with national strategies, we provided more credit facilities of nearly RMB40 billion to the Chengdu-Chongqing Economic Circle year-on-year, and the business volume for construction of the new land-sea channel in China’s western region increased by RMB20 billion year-on-year. The issued amount and balance of foreign currency bonds ranked among top corporate banks in the western region. For establishing a financial center in western China, we deepened the “Intelligent, Integrated, Inclusive and Smooth Services” (智融惠畅) project, and obtained a special membership of the Shanghai Gold Exchange, expanding our scope of bond underwriting to “one municipality and three provinces” in the western region. We adhered to the differentiated development strategy, gave play to overall advantages of corporate bank and unique advantages of inclusive and green finance, and made greater efforts to improve the “Five Major Articles” (五篇大文章) of finance, serving the expansion and efficiency enhancement of real economy. The growth rates of loans to technology-based enterprises, green, inclusive, and manufacturing industries reached 32%, 40%, 22%, and 14% respectively.

During the year, we firmly advanced reforms and continued to unleash vitality. We implemented 12 key reform tasks, propelled the “two-post” integration (「兩崗」融合) and transformation of outlets, for purpose of creating full-function outlets. We established a comprehensive revenue evaluation and business linkage mechanism, and stepped up development of high-quality customer bases such as large enterprises and strategic customers. We enhanced the volume-price coordination and Group empowerment to increase asset-liability management capabilities. The profit contribution of subsidiaries to the Group increased by 3.2 percentage points. We established a “456” system for digital transformation, with scientific research investment increasing by more than 20% year-on-year, 65 key digital projects put into production, and fully empowered marketing, customer acquisition, risk control management, etc. We have been selected into the PBOC Pilot Program of Supervision over Financial Technology Innovation for five consecutive years. We built up dual channels of “management + professionalism” and continued to invigorate the vitality of the team.

During the year, we built a solid line of risk defense to ensure safety and stability. We accurately controlled credit risks in key areas, and improved both asset quality and the capabilities for compensation of risks. We improved authorization and credit, case prevention and compliance management system, and implemented internal audit reform of subsidiaries and branches, and built the solid and powerful “three lines of defense”. We consolidated production safety, business continuity, and consumer protection work in an integrated manner, and expedited the construction of science and technology innovation centers, so as to achieve stable operation. The information security management system passed the national cybersecurity review and certification, and two projects were selected as typical cases of national cybersecurity technology application.

In 2025, we will further beef up strategic guidance, seize policy opportunities to speed up development transformation, and accelerate a new journey towards “RMB trillion” with the power of reform, courage of innovation, and attitude of struggle. We will provide more premium services for customers, create greater value for shareholders, and make greater contributions to regional economic and social development through high-quality financial development.

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

President's Statement



Dear Shareholders:

In 2024, the Bank of Chongqing fully implemented the spirit of the 20th National Congress of the Communist Party of China and the Third Plenary Session of the 20th Central Committee of the Communist Party of China, important speeches and instructions made by Chinese General Secretary Xi Jinping during his inspection of Chongqing, and thoroughly implemented the decisions and arrangements made by the CPC Central Committee, the State Council, Chongqing Municipal Committee and Chongqing Municipal Government as well as the work requirements of the regulatory authorities. We tempered endeavours and pressed forward with determination, delivering high-quality development results featuring progressing while ensuring stability.

We strengthened our main business and steadily increased the scale of development.

We set up a work promotion group to implement major decisions and deployments, focused on major regional development strategies such as development of the Chengdu-Chongqing Economic Circle, the construction

of the new land-sea channel in western China, and key areas of the real economy such as the “Five Major Articles” (五篇大文章), modern manufacturing and rural revitalization. We continued to increase financial support and solidly promoted the sustained growth of assets and liabilities. The asset was RMB856.6 billion, representing an increase of 12.73% as compared to that of end of the previous year. The deposit balance and loan balance were RMB474.1 billion and RMB440.6 billion, representing an increase of 14.30% and 12.13% as compared to that of end of the previous year.

We deepened reforms and achieved steady growth in operating efficiency. We established 16 new business outlets, implemented outlet transformation, accelerated digital development, optimized the authorization and credit mechanism, established a volume-price coordination mechanism, launched the “BCQ Wealth” (重銀財富) brand, obtained special membership of the Shanghai Gold Exchange for the first time, created credit risk mitigation warrants (CRMW), and realized the first implementation of independent lead underwriting for debt financing instruments of non-financial companies in the interbank market, continuously improving the comprehensive financial service capabilities. The revenue was RMB13.26 billion, the net profit was RMB5.52 billion, and the revenue and net profit maintained “double growth”.

We optimized risk control and steadily improved asset quality. We adhered to the concept of prudent and steady development and strengthened comprehensive risk management and internal control and compliance management. We developed a mobile credit APP and created online management functions such as post-loan monitoring and expiration reminders. We enhanced the risk control model and improved the multi-dimensional risk monitoring system such as regions, industries and products. We built an intelligent risk control center, optimized the risk warning signal source, and effectively improved the risk detection efficiency. The non-performing loan ratio was 1.25%, representing a decrease of 0.09 percentage point as compared to that of end of the previous year.

We provided refined services and steadily improved business structure. On the asset side, we developed product models such as “Industrial Efficiency Loan” and “Equipment Update Loan”, and the Bank’s loan balance exceeded RMB300 billion, representing an increase of 25.00% as compared to that of end of the previous year. The balance of medium- and long-term loans for science and technology, green, inclusive and manufacturing industries increased by 32%, 40%, 22% and 25% over the end of the previous year. On the liability side, we dynamically optimized product pricing and duration structure, and the balance of savings deposits was nearly RMB250 billion, representing an increase of 24.18% as compared to that of end of the previous year.

2025 is the final year of the 14th Five-Year Plan and the first year of the 15th Five-Year Plan. We will adhere to the general work principle of seeking progress while maintaining stability, strengthen confidence and determination, and work hard to ensure that major financial service strategies and services for the real economy are implemented in detail and effectively, and continue to promote the coordinated development of scale, efficiency, quality and structure, so as to create better performance growth and better value feedback for shareholders, customers and investors.

President

GAO Song

Bank of Chongqing Co., Ltd.

Management Discussions and Analysis

7.1 Overview

7.1.1 Industry Development

In 2024, China upheld the general principle of pursuing progress while ensuring stability, fully, accurately and comprehensively implemented the new development philosophy, accelerated the establishment of a new development pattern, and steadily promoted high-quality development. The national economy operated stably overall, and new progress was achieved in high-quality development. In 2024, gross domestic product (GDP) reached RMB134.91 trillion, representing an increase of 5.0% as compared to that of the previous year. The value added of industrial enterprises above the designated size increased by 5.8% as compared to that of the previous year, among which the value added of high-tech manufacturing increased by 8.9%. Total retail sales of consumer goods amounted to RMB48.33 trillion, representing an increase of 3.5% as compared to that of the previous year. Total imports and exports of goods amounted to RMB43.85 trillion, representing an increase of 5.0% as compared to that of the previous year. Consumer price index (CPI) rose by 0.2% as compared to that of the previous year. The balance of broad money supply (M2) amounted to RMB313.53 trillion, representing an increase of 7.3% as compared to that of the previous year.

In 2024, the banking industry of China saw a steady increase in total assets, sustained enhancement in financial services, stability in the quality of assets, and sufficient capability of overall risk prevention and compensation. According to the data of the NFRA, as of 31 December 2024, the total assets of China's commercial banks amounted to RMB380.52 trillion, representing a year-on-year increase of 7.2%, the non-performing loan ratio was 1.50%, representing a decrease of 0.09 percentage point from the end of the previous year, the allowance coverage ratio was 211.19%, representing an increase of 6.05 percentage points over the end of the previous year, and the capital adequacy ratio was 15.74%, representing an increase of 0.68 percentage point from the end of the previous year. In terms of types of institutions, the proportion of total assets of large commercial banks and urban commercial banks in the industry increased, that of rural financial institutions remained stable, and that of joint stock commercial banks and other financial institutions decreased.

7.1.2 Overall Development of the Bank

To cope with the complex and evolving external environment in 2024, the Group took resolute action to implement the major decisions and plans, firmly promoted various strategic tasks, adhered to the overall stable development and embarked on a new journey toward high-quality development.

Steady breakthroughs in the scale of operation. The Group took the opportunity of improving technology finance, green finance, inclusive finance, pension finance and digital finance, so called “Five Major Articles” (五篇大文章) of finance, to adhere to the strategic leading and regional positioning, and to firmly optimize services, ensured asset investment and loan issuance, and reinforced the support for debts, maintaining steady growth in major scale indicators. As of 31 December 2024, the total assets of the Group were RMB856.642 billion, representing an increase of RMB96.758 billion or 12.73% as compared with the end of the previous year; the total loans were RMB440.616 billion, representing an increase of RMB47.681 billion or 12.13% as compared with the end of the previous year; and the total deposits were RMB474.117 billion, representing an increase of RMB59.304 billion or 14.30% as compared with the end of the previous year.

Stable increase in profitability. The Group insisted on broadening sources of income and cutting expenditures and controlling costs to promote efficiency improvement. In 2024, the Group recorded an operating income of RMB13.263 billion, representing an increase of 3.25% as compared to the same period in the previous year, and a net profit of RMB5.521 billion, representing an increase of 5.59% as compared to the same period in the previous year. The net profit attributable to shareholders of the Bank amounted to RMB5.117 billion, representing an increase of 3.80% as compared to the same period in the previous year, which maintained the sound trend of steady growth.

Steady optimization of the business structure. Benefiting from national strategic opportunities such as the development of the Chengdu-Chongqing Economic Circle, the construction of the new land-sea channel in China's western region, green finance and rural revitalization, the Group continued to build up differentiated competitive advantages, and constantly and solidly improved the loan structure and deposit structure. As of 31 December 2024, the Group's discounted bills amounted to RMB27.674 billion and discounted bills as a percentage of the total loans was 6.28%, representing a decrease of 5.13 percentage points over the end of the previous year; and savings deposit amounted to RMB249.558 billion and savings deposit as a percentage of the total deposits was 52.64%, representing an increase of 4.19 percentage points over the end of the previous year.

Steady improvement in quality of capital strength. The Group enhanced refined management of capital and expanded the outsourced capital replenishment in due course, achieving steady improvement in capital adequacy ratio at different levels. As of 31 December 2024, the core tier I capital adequacy ratio, the tier I capital adequacy ratio and the capital adequacy ratio of the Group were 9.88%, 11.20% and 14.46% respectively. The core tier I capital adequacy ratio, the tier I capital adequacy ratio and capital adequacy ratio increased by 0.10 percentage point, 0.04 percentage point and 1.09 percentage points compared with the end of the previous year, respectively.

Steady improvement of asset quality. The Group continued to secure risk control, enhance the focused inspections and early risk warning and disposal and promote the mitigation and collection of non-performing loans, so as to improve all regulatory indicators on key risks. As of 31 December 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; the proportion of loans under special mention category was 2.64%, representing a decrease of 0.72 percentage point over the end of the previous year; the proportion of overdue loans was 1.73%, representing a decrease of 0.22 percentage point over the end of the previous year; the allowance coverage ratio was 245.08%, representing an increase of 10.90 percentage points over the end of the previous year.

Management Discussions and Analysis

7.2 Analysis of the Financial Statements

7.2.1 Analysis of the Income Statement

In 2024, the net interest income of the Group amounted to RMB10,176 million, representing a year-on-year decrease of RMB271 million or 2.59%; net fee and commission income amounted to RMB888 million, representing a year-on-year increase of RMB476 million or 115.73%; net trading losses/(gains) and net gains on investment securities amounted to RMB2,057 million, representing an increase of RMB304 million or 17.35% over the end of the previous year; share of profit of associates amounted to RMB420 million, representing a year-on-year increase of RMB48 million or 12.78%; operating expenses amounted to RMB4,098 million, representing a year-on-year increase of RMB208 million or 5.34%; and credit impairment losses amounted to RMB3,189 million, representing a year-on-year decrease of RMB54 million or 1.68%. As a result of the foregoing factors, in 2024, the Group achieved a net profit of RMB5,521 million, representing a year-on-year increase of RMB292 million or 5.59%.

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)	2024	2023	Change in amount	Change in percentage (%)
Net interest income	10,176,129	10,447,003	(270,874)	(2.59)
Net non-interest income	3,087,038	2,398,512	688,526	28.71
Including: Net fee and commission income	887,599	411,438	476,161	115.73
Net trading losses/(gains)	787,523	440,556	346,967	78.76
Net gains on investment securities	1,269,584	1,312,381	(42,797)	(3.26)
Other operating income	142,332	234,137	(91,805)	(39.21)
Operating income	13,263,167	12,845,515	417,652	3.25
Less: Operating expenses	4,097,551	3,889,859	207,692	5.34
Less: Credit impairment losses	3,188,648	3,242,972	(54,324)	(1.68)
Less: Other assets impairment losses	2,972	(2,606)	5,578	N/A
Profit before income tax	6,393,931	6,087,642	306,289	5.03
Less: Income tax	872,900	858,687	14,213	1.66
Net profit	5,521,031	5,228,955	292,076	5.59
Attributable to: Shareholders of the listed company	5,117,290	4,929,787	187,503	3.80
Non-controlling interests	403,741	299,168	104,573	34.95

7.2.1.1 Operating income

In 2024, the Group achieved the operating income of RMB13,263 million, representing an increase of RMB418 million or 3.25% as compared to the previous year, with the net interest income accounting for 76.73%, and the net non-interest income accounting for 23.27%.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	2024		2023		Change in amount	Change in percentage (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Net interest income	10,176,129	76.73	10,447,003	81.33	(270,874)	(2.59)
Net fee and commission income	887,599	6.69	411,438	3.20	476,161	115.73
Other net non-interest income	2,199,439	16.58	1,987,074	15.47	212,365	10.69
Total	13,263,167	100.00	12,845,515	100.00	417,652	3.25

7.2.1.2 Net interest income

In 2024, the net interest income of the Group amounted to RMB10,176 million, representing a decrease of RMB271 million or 2.59% as compared to the previous year.

Interest income, interest expense and net interest income

In 2024, the interest income of the Group amounted to RMB28,691 million, representing an increase of RMB405 million or 1.43% as compared to the previous year; the interest expense amounted to RMB18,515 million, representing an increase of RMB676 million or 3.79% as compared to 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)	2024	2023	Change in amount	Change in percentage (%)
Interest income	28,690,811	28,285,529	405,282	1.43
Interest expense	18,514,682	17,838,526	676,156	3.79
Net interest income	10,176,129	10,447,003	(270,874)	(2.59)

Management Discussions and Analysis

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

In 2024, the average balance of interest-earning assets of the Group amounted to RMB755.955 billion, representing an increase of RMB70.772 billion or 10.33% as compared to the previous year. The average yield on interest-earning assets decreased by 33 basis points to 3.80% as compared to the previous year.

In 2024, the average balance of interest-bearing liabilities of the Group amounted to RMB718.775 billion, representing an increase of RMB67.209 billion or 10.32% as compared to the previous year. The average cost ratio of interest-bearing liabilities decreased by 16 basis points to 2.58% as compared to the previous year.

As a result of the combined impact of the above-mentioned factors, the net interest spread of the Group decreased by 17 basis points to 1.22% as compared to the previous year, while the net interest margin decreased by 17 basis points to 1.35% as compared to the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	2024			2023		
	Average balance	Interest income/expense	Average yield/cost ratio (%)	Average balance	Interest income/expense	Average yield/cost ratio (%)
ASSETS						
Loans and advances to customers	417,307,322	18,329,123	4.39	373,339,966	17,685,096	4.74
Investment securities	239,216,388	8,630,247	3.61	235,482,023	9,315,337	3.96
Cash and balances with Central Bank	32,635,436	474,756	1.45	32,797,170	478,922	1.46
Due from other banks and financial institutions	66,796,260	1,256,685	1.88	43,564,058	806,174	1.85
Total interest-earning assets	755,955,406	28,690,811	3.80	685,183,217	28,285,529	4.13
LIABILITIES						
Customer deposits	440,076,080	11,382,359	2.59	393,768,857	11,000,038	2.79
Due to and placements from banks and other financial institutions and other liabilities	118,292,664	3,088,572	2.61	109,682,662	2,920,450	2.66
Debt securities payable	160,405,803	4,043,751	2.52	148,113,646	3,918,038	2.65
Total interest-bearing liabilities	718,774,547	18,514,682	2.58	651,565,165	17,838,526	2.74
Net interest income		10,176,129			10,447,003	
Net interest spread			1.22			1.39
Net interest margin			1.35			1.52

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 in 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	1,931,150	(1,287,123)	644,027
Investment securities	134,725	(819,815)	(685,090)
Cash and balances with Central Bank	(2,353)	(1,813)	(4,166)
Due from other banks and financial institutions	437,084	13,427	450,511
Change in interest income	2,500,606	(2,095,324)	405,282
LIABILITIES			
Customer deposits	1,197,714	(815,393)	382,321
Due to and placements from banks and other financial institutions	224,804	(56,682)	168,122
Debt securities payable	309,879	(184,166)	125,713
Change in interest expense	1,732,397	(1,056,241)	676,156
Change in net interest income	768,209	(1,039,083)	(270,874)

Management Discussions and Analysis

7.2.1.3 Interest income

In 2024, the Group realised interest income of RMB28,691 million, representing an increase of RMB405 million or 1.43% as compared to the previous year.

Interest income from loans and advances to customers

In 2024, the Group's interest income from loans and advances to customers amounted to RMB18,329 million, representing a year-on-year increase of RMB644 million or 3.64%, primarily due to the average balance on loans and advances to customers increased by 11.78% as compared to that of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	2024			2023		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Short-term loans	79,284,909	2,358,153	2.97	90,822,899	2,653,545	2.92
Medium-and-long-term loans	338,022,413	15,970,970	4.72	282,517,067	15,031,551	5.32
Total loans and advances to customers	417,307,322	18,329,123	4.39	373,339,966	17,685,096	4.74

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)	2024			2023		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	288,420,194	13,558,215	4.70	232,469,075	12,190,274	5.24
Retail loans	96,176,124	4,372,976	4.55	93,833,938	4,821,067	5.14
Discounted bills	32,711,004	397,932	1.22	47,036,953	673,755	1.43
Total loans and advances to customers	417,307,322	18,329,123	4.39	373,339,966	17,685,096	4.74

Interest income from investment securities

In 2024, the Group's interest income from investment securities amounted to RMB8,630 million, representing a year-on-year decrease of RMB685 million or 7.35%, primarily due to the decrease of 35 basis points in average yield on investment securities as compared to the end of the previous year.

Management Discussions and Analysis

Interest income from cash and balances with Central Bank

In 2024, the Group's interest income from cash and balances with Central Bank amounted to RMB475 million, representing a year-on-year decrease of RMB4 million or 0.87%.

Interest income from amounts due from other banks and financial institutions

In 2024, the total interest income from the Group's amounts due from other banks and financial institutions amounted to RMB1,257 million, representing a year-on-year increase of RMB451 million or 55.88%, primarily because the average balance of amounts due from other banks and financial institutions increased by 53.33%.

7.2.1.4 Interest expense

Interest expense on customer deposits

In 2024, the Group's interest expense on customer deposits was RMB11,382 million, representing a year-on-year increase of RMB382 million or 3.48%, primarily due to a year-on-year increase in the average balance of customer deposits by 11.76% as compared to that of 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)	2024			2023		
	Average balance	Interest expense	Average cost ratio (%)	Average balance	Interest expense	Average cost ratio (%)
Corporate deposits						
Demand	56,672,968	548,778	0.97	61,115,563	736,229	1.20
Time	136,249,408	3,857,690	2.83	129,681,244	3,947,457	3.04
Subtotal	192,922,376	4,406,468	2.28	190,796,807	4,683,686	2.45
Individual deposits						
Demand	20,718,263	33,324	0.16	19,387,190	48,787	0.25
Time	209,186,738	6,621,083	3.17	168,766,083	5,953,752	3.53
Subtotal	229,905,001	6,654,407	2.89	188,153,273	6,002,539	3.19
Other deposits	17,248,703	321,484	1.86	14,818,777	313,813	2.12
Total	440,076,080	11,382,359	2.59	393,768,857	11,000,038	2.79

Management Discussions and Analysis

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

In 2024, the Group's total interest expense on due to and placements from banks and other financial institutions and other liabilities was RMB3,089 million, representing a year-on-year increase of RMB168 million or 5.76%, primarily due to the increase in the average balance of borrowings from Central Bank and placements from banks and other financial institutions.

The following table sets forth the interest expense on the Group's 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)	2024			2023		
	Average balance	Interest expense	Average cost ratio (%)	Average balance	Interest expense	Average cost ratio (%)
Due to and placements from other banks	49,101,077	1,534,738	3.13	44,881,262	1,427,788	3.18
Borrowings from Central Bank	58,460,460	1,353,931	2.32	40,135,144	1,003,161	2.50
Financial assets sold under repurchase agreements	10,523,166	194,399	1.85	24,493,859	484,708	1.98
Lease liabilities	207,961	5,504	2.65	172,397	4,793	2.78
Total	118,292,664	3,088,572	2.61	109,682,662	2,920,450	2.66

Interest expense on issuance of debt securities

In 2024, the Group's interest expense on issuance of debts securities amounted to RMB4,044 million, representing a year-on-year increase of RMB126 million or 3.21%, primarily due to the increase in the average daily balance of inter-bank certificates of deposits and interest expense.

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)	2024			2023		
	Average balance	Interest expense	Average cost ratio (%)	Average balance	Interest expense	Average cost ratio (%)
Subordinated debts	7,146,908	235,476	3.29	4,999,483	186,559	3.73
Financial debts for small and micro enterprises	7,556,970	193,551	2.56	5,008,084	169,856	3.39
Inter-bank certificates of deposits	128,716,653	2,986,509	2.32	122,115,882	2,934,347	2.40
Financial debts	4,062,730	110,736	2.73	3,499,635	130,941	3.74
Convertible bonds	12,922,542	517,479	4.00	12,490,562	496,335	3.97
Total	160,405,803	4,043,751	2.52	148,113,646	3,918,038	2.65

7.2.1.5 Non-interest income

Net fee and commission income

In 2024, the Group's net fee and commission income amounted to RMB888 million, representing a year-on-year increase of RMB476 million or 115.73%. Among them, income from wealth management agency services amounted to RMB679 million, representing a year-on-year increase of RMB331 million or 95.01%, primarily due to the growth in fee income from wealth management business as a result of the Group's continuous transformation of its wealth management strategy and the solid management of investment risks and net value of its products, and payment settlement and agency income amounted to RMB231 million, representing a year-on-year increase of RMB135 million or 141.43%, primarily due to the growth in fee income from agency sales as the Group increased its wealth management efforts and broadened the channels for agency sales of insurance, funds and other products.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	2024	2023	Change in amount	Change in amount percentage (%)
Fee and commission income	1,120,724	630,299	490,425	77.81
Wealth management agency services	679,275	348,337	330,938	95.01
Custodian services	27,718	28,377	(659)	(2.32)
Bank card services and annual fee	101,330	98,087	3,243	3.31
Guarantees and credit commitments	81,361	59,802	21,559	36.05
Settlement and agency services	231,040	95,696	135,344	141.43
Fee and commission expense	(233,125)	(218,861)	(14,264)	6.52
Net fee and commission income	887,599	411,438	476,161	115.73

Other net non-interest income

In 2024, the Group achieved other non-interest income of RMB2,199 million, an increase of RMB212 million or 10.69% over the previous year. Among which, the net gains on investment securities was RMB1,270 million, a decrease of RMB43 million, or 3.26%, from the previous year; the net trading losses/(gains) was RMB787 million, an increase of RMB347 million, or 78.76% from the previous year, mainly due to the increase in the valuation of financial assets at fair value through profit or loss; other operating income was RMB142 million, a decrease of RMB92 million from the previous year, a year-on-year decrease of 39.21%, mainly due to the decrease in government subsidies.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	2024	2023	Change in amount	Change in percentage (%)
Net trading gains	787,523	440,556	346,967	78.76
Net gains on investment securities	1,269,584	1,312,381	(42,797)	(3.26)
Other operating income	142,332	234,137	(91,805)	(39.21)
Total	2,199,439	1,987,074	212,365	10.69

7.2.1.6 Operating expenses

In 2024, the Group's operating expenses were RMB4,098 million, representing an increase of RMB208 million or 5.34% as compared with the previous year. Among which, the staff costs increased by 8.13% on a year-on-year basis; the general and administrative expenses increased by 2.53% on a year-on-year basis; the depreciation and amortization increased by 14.94% on a year-on-year basis.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	2024	2023	Change in amount	Change in percentage (%)
Staff costs	2,297,211	2,124,527	172,684	8.13
Tax and surcharges	180,742	185,411	(4,669)	(2.52)
Depreciation and amortisation	508,919	442,756	66,163	14.94
General and administrative expenses	938,340	915,154	23,186	2.53
Others	172,339	222,011	(49,672)	(22.37)
Total operating expenses	4,097,551	3,889,859	207,692	5.34

7.2.1.7 Assets impairment losses

In 2024, the assets impairment losses of the Group recorded RMB3,192 million, representing a decrease of RMB49 million or 1.50% as compared to the previous year.

The following table sets forth the principal components and changes of assets impairment losses of the Group for the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	2024	2023	Change in amount	Change in percentage (%)
Loans and advances to customers	3,570,831	3,075,910	494,921	16.09
Investment securities	(374,362)	665,155	(1,039,517)	(156.28)
Due from other banks and financial institutions	(2,862)	10,732	(13,594)	(126.67)
Off-balance sheet losses on expected credit impairment	1,898	(150,006)	151,904	(101.27)
Other assets	(3,885)	(361,425)	357,540	(98.93)
Total assets impairment losses	3,191,620	3,240,366	(48,746)	(1.50)

7.2.1.8 Share of profit of associates

In 2024, the Group's share of profit of associates amounted to RMB420 million, representing a year-on-year increase of RMB48 million or 12.78%. As of 31 December 2024, the Group's associates included Three Gorges Bank and Mashang Consumer.

7.2.1.9 Income tax

In 2024, the Group's income tax expenses amounted to RMB873 million, representing an increase of RMB14 million or 1.66% as compared with the previous year, with the effective tax rate of 13.65%.

The following table sets forth the reconciliation details and changes 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)	2024	2023	Change in amount	Change in percentage (%)
Profit before income tax	6,393,931	6,087,642	306,289	5.03
Tax calculated at statutory tax rate	1,598,483	1,521,911	76,572	5.03
Effect of preferential tax rate	—	(72,668)	72,668	N/A
Tax effect arising from non-taxable income	(985,875)	(852,400)	(133,475)	15.66
Tax effect of expenses that are not deductible for tax purposes	456,640	258,724	197,916	76.50
Income tax adjustment for prior years	538	3,120	(2,582)	(82.76)
Effect on opening deferred tax balances arising from change in tax rates	(196,886)	—	(196,886)	N/A
Income tax	872,900	858,687	14,213	1.66

Management Discussions and Analysis

7.2.2 Balance Sheet Analysis

7.2.2.1 Total assets

As of 31 December 2024, the Group's total assets amounted to RMB856,642 million, representing an increase of RMB96,758 million or 12.73% 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	440,616,361	51.44	392,934,966	51.71
Of which: Total principal of loans and advances to customers	438,295,481	51.17	390,200,397	51.35
Interests due from loans and advances to customers	2,320,880	0.27	2,734,569	0.36
Total impairment allowances for the expected credit	(13,352,516)	(1.56)	(12,139,426)	(1.60)
Net loans and advances to customers	427,263,845	49.88	380,795,540	50.11
Investment securities	283,227,120	33.06	253,645,157	33.38
Investment in associates	3,173,826	0.37	2,818,162	0.37
Cash and balances with Central Bank	34,510,468	4.03	40,026,407	5.27
Due from banks and other financial institutions	34,468,211	4.02	46,286,128	6.09
Financial assets at fair value through profit or Loss	64,680,693	7.55	27,090,566	3.57
Derivative financial assets	44,443	0.01	89,981	0.01
Fixed assets	2,898,032	0.34	2,963,711	0.39
Deferred tax assets	4,210,831	0.49	4,426,083	0.58
Other assets	2,164,371	0.25	1,742,135	0.23
Total assets	856,641,840	100.00	759,883,870	100.00

7.2.2.2 Loans and advances to customers

As of 31 December 2024, the Group's total loans and advances to customers increased by RMB47,681 million or 12.13% to RMB440,616 million over the end of the previous year. This is mainly because the Group actively implemented the decisions and arrangements of Chongqing Municipal Committee and Municipal Government, participated in the construction of the Chengdu-Chongqing Economic Circle and the new land-sea channel in western China, and accelerated the grant of credit facilities in key sectors and industries during the Reporting Period.

As of 31 December 2024, the Group's total principal of corporate loans was RMB313,003 million, representing an increase of RMB62,605 million or 25.00% as compared with the end of the previous year; the total principal of retail loans was RMB97,618 million, representing an increase of RMB2,668 million or 2.81% as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate loans	313,003,213	71.42	250,398,073	64.17
Discounted notes	27,674,398	6.31	44,852,396	11.49
Retail loans	97,617,870	22.27	94,949,928	24.34
Total	438,295,481	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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Short-term corporate loans	27,473,664	8.78	26,986,238	10.78
Medium-and-long-term corporate loans	285,529,549	91.22	223,411,835	89.22
Total	313,003,213	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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Personal mortgage loans	39,282,720	40.24	40,321,906	42.47
Personal consumer loans	14,719,024	15.08	9,774,856	10.29
Personal business loans	21,660,113	22.19	22,528,071	23.73
Credit card advances	21,956,013	22.49	22,325,095	23.51
Total	97,617,870	100.00	94,949,928	100.00

For further analysis of the Group's loans and loan quality, please refer to Section "7.3 Loan Quality Analysis".

Management Discussions and Analysis

7.2.2.3 Financial investments

As of 31 December 2024, the Group's financial investments amounted to RMB347,908 million, representing an increase of RMB67,172 million or 23.93% as compared with the end of the previous year. Among them, financial investments at amortised cost amounted to RMB169,427 million, representing an increase of RMB9,957 million or 6.24% as compared with the end of the previous year; financial investments at fair value through other comprehensive income amounted to RMB113,800 million, representing an increase of RMB19,625 million or 20.84% as compared with the end of the previous year; financial assets at fair value through profit or loss amounted to RMB64,681 million, representing an increase of RMB37,590 million or 138.76% as compared with the end of the previous year. This is mainly due to the standardized, diversified and light-asset allocation of financial investments, the linkage with investment banking business, and the increase of investments in fixed income products such as bonds.

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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bond investments	278,218,650	79.96	226,807,782	80.79
Trust investments	6,544,836	1.88	8,580,884	3.06
Directional assets management plans	18,229,832	5.24	30,921,643	11.01
Debt financing plans	2,120,000	0.61	4,680,000	1.67
Wealth management products purchased from financial institutions	1,008,736	0.29	—	—
Fund investments	24,752,744	7.11	4,303,474	1.53
Equity investments	2,349,946	0.68	1,162,101	0.41
Inter-bank certificates of deposits	11,363,208	3.27	984,859	0.35
Others	14	0.00	14	0.00
Accrued interest	4,236,979	1.22	4,684,056	1.67
Provision for impairment	(917,132)	(0.26)	(1,389,090)	(0.49)
Total	347,907,813	100.00	280,735,723	100.00

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Up to 3 months	60,743,538	17.46	12,768,821	4.55
3 to 12 months	41,924,051	12.05	39,562,904	14.09
1 to 5 years	150,055,290	43.12	189,373,857	67.46
Over 5 years	91,832,354	26.40	37,222,522	13.26
In perpetuity	2,349,946	0.68	1,162,101	0.41
Overdue	1,002,634	0.29	645,518	0.23
Total financial investments	347,907,813	100.00	280,735,723	100.00

As of 31 December 2024, balance of the Group's financial investments with the remaining term of less than a year was RMB102,668 million, representing an increase of RMB50,336 million or 96.19% as compared with the end of the previous year; balance of the Group's financial investments with the remaining term of more than a year was RMB241,888 million, representing an increase of RMB15,291 million or 6.75% 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit or loss	64,680,693	18.59	27,090,566	9.65
Financial investments at fair value through other comprehensive income	113,800,112	32.71	94,175,349	33.55
Financial investments measured at amortised cost	169,427,008	48.70	159,469,808	56.80
Total financial investments	347,907,813	100.00	280,735,723	100.00

As of 31 December 2024, the Group's balance of financial investments at fair value through profit or loss amounted to RMB64,681 million, representing an increase of RMB37,590 million or 138.76% as compared to the end of the previous year; the balance of financial investments at fair value through other comprehensive income amounted to RMB113,800 million, representing an increase of RMB19,625 million or 20.84% as compared to the end of the previous year; the balance of financial investments measured at amortised cost amounted to RMB169,427 million, representing an increase of RMB9,957 million or 6.24% as compared to the end of the previous year.

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Composition of the Group's bond investments by issuers

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Treasury bonds	128,926,450	46.34	105,700,113	46.60
Local government bonds	42,574,294	15.30	38,954,600	17.18
Bonds of financial institutions	25,499,106	9.17	13,372,326	5.90
Corporate bonds	81,218,800	29.19	68,780,743	30.33
Total bond investments	278,218,650	100.00	226,807,782	100.00

As of 31 December 2024, the Group's treasury bond investments amounted to RMB128,926 million, representing an increase of RMB23,226 million or 21.97% as compared with the end of the previous year, with its proportion in bond investments decreasing by 0.26 percentage point to 46.34%.

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	1,250,000	2.35	2034/5/6	1,108
Policy bank bonds	1,220,000	2.30	2034/7/4	1,055
Policy bank bonds	600,000	2.47	2034/4/2	578
Policy bank bonds	510,000	2.63	2034/1/8	395
Commercial bank bonds	500,000	2.81	2025/6/13	79
Commercial bank bonds	470,000	2.98	2025/3/21	–
Policy bank bonds	378,000	3.66	2031/3/1	84
Policy bank bonds	400,000	3.38	2031/7/16	1,926
Commercial bank bonds	400,000	2.77	2026/4/26	240
Commercial bank bonds	320,000	1.78	2027/12/30	282

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.

7.2.2.4 Investment in associates

As at 31 December 2024, the Group's net investment in associates was RMB3,174 million, representing an increase of RMB356 million or 12.62% as compared with the end of the previous year, mainly due to the increase in profits of the Group's 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)	2024	2023
Balance at the beginning of the period	2,818,162	2,500,712
Additional investment in associates	–	–
Net profit or loss adjusted by equity method	419,935	372,352
Cash dividends declared	(64,271)	(54,902)
Balance at the end of the period	3,173,826	2,818,162

7.2.2.5 Total liabilities

As at 31 December 2024, the total liabilities of the Group amounted to RMB792,878 million, representing an increase of RMB92,293 million or 13.17% 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Customer deposits	474,116,904	59.80	414,812,696	59.21
Debt securities issued	191,559,600	24.16	153,373,831	21.89
Due to and placements from banks and other financial institutions	119,420,436	15.06	126,599,915	18.07
Financial liabilities at FVPL	590,361	0.07	–	–
Derivative financial liabilities	7,240	0.00	54,608	0.01
Current tax liabilities	120,393	0.02	148,268	0.02
Other liabilities	7,062,988	0.89	5,595,125	0.80
Total liabilities	792,877,922	100.00	700,584,443	100.00

Management Discussions and Analysis

7.2.2.6 Customer deposits

In 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 at 31 December 2024, the total customer deposits of the Group amounted to RMB474,117 million, representing an increase of RMB59,304 million or 14.30% as compared to the end of the previous year.

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 the continual increase in the amount and proportion of individual deposits. As at 31 December 2024, balance of the Group’s individual deposits was RMB249,558 million, representing an increase of RMB48,593 million or 24.18%, accounting for 52.64% of the total customer deposits, up by 4.19 percentage points 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate demand deposits	53,879,467	11.36	64,096,964	15.45
Corporate time deposits	132,127,766	27.87	129,718,412	31.27
Individual demand deposits	23,678,149	4.99	20,686,248	4.99
Individual time deposits	225,880,099	47.64	180,278,653	43.46
Other deposits ⁽¹⁾	25,404,664	5.36	11,471,728	2.77
Interest payable on customer deposits	13,146,759	2.78	8,560,691	2.06
Total customer deposits	474,116,904	100.00	414,812,696	100.00

Note: (1) Other deposits mainly include corporate and individual pledged deposits held as collateral.

7.2.2.7 Issuance of bonds

The Group did not issue any corporate bonds that need to be disclosed in accordance with the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Format of Annual Reports (2021 Revision) and the Administrative Measures for Information Disclosure of Enterprise Credit Bonds.

7.2.2.8 Shareholders' equity

As at 31 December 2024, the total equity of the Group amounted to RMB63,764 million, representing an increase of RMB4,464 million or 7.53% as compared to the end of the previous year; the equity attributable to shareholders of the Bank amounted to RMB61,071 million, representing an increase of RMB4,153 million or 7.30% 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	3,474,569	5.45	3,474,562	5.86
Other equity instruments	8,071,257	12.66	8,071,264	13.61
Capital surplus	7,734,021	12.13	7,734,979	13.04
Other reserves	16,428,015	25.76	13,874,724	23.40
Retained earnings	25,363,111	39.78	23,762,205	40.07
Total equity attributable to shareholders of the Bank	61,070,973	95.78	56,917,734	95.98
Minority interests	2,692,945	4.22	2,381,693	4.02
Total equity	63,763,918	100.00	59,299,427	100.00

7.3 Loan quality analysis

7.3.1 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 strengthened the risk investigation, early risk warning, tracking and post-lending monitoring management and stepped up efforts in risk disposal and 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 at 31 December 2024, the balance of non – performing loans was RMB5,463 million, representing an increase of RMB251 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 that of the end of the previous year. The amount of loans under special mention category accounted for 2.64% of total loans, representing a decrease of 0.72 percentage point as compared to that of the end of the previous year.

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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)	31 December 2024		31 December 2023	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Pass	421,264,154	96.11	371,858,413	95.30
Special mention	11,568,077	2.64	13,130,200	3.36
Substandard	1,950,981	0.45	2,376,421	0.62
Doubtful	1,272,184	0.29	718,794	0.18
Loss	2,240,085	0.51	2,116,569	0.54
Total principals of loans and advances to customers	438,295,481	100.00	390,200,397	100.00
Amount of non-performing loans	5,463,250	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.

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

As of 31 December 2024, the non-performing rate of the Group's retail loans was 2.71%, representing an increase of 0.73 percentage point over the end of the previous year; the non-performing ratio of the Company's corporate loans was 0.90%, representing a decrease of 0.43 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)	31 December 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	313,003,213	71.42	2,820,929	0.90	250,398,073	64.18	3,335,457	1.33
Short-term loans	27,473,664	6.27	500,224	1.82	26,986,238	6.92	661,196	2.45
Medium-and-long-term loans	285,529,549	65.15	2,320,705	0.81	223,411,835	57.26	2,674,261	1.20
Discounted bills	27,674,398	6.31	–	–	44,852,396	11.49	–	–
Retail loans	97,617,870	22.27	2,642,321	2.71	94,949,928	24.33	1,876,327	1.98
Personal mortgage loans	39,282,720	8.96	584,255	1.49	40,321,906	10.33	308,546	0.77
Personal consumer loans	14,719,024	3.36	155,120	1.05	9,774,856	2.51	128,515	1.31
Personal business loans	21,660,113	4.94	1,234,577	5.70	22,528,071	5.77	995,324	4.42
Credit card advances	21,956,013	5.01	668,369	3.04	22,325,095	5.72	443,942	1.99
Total	438,295,481	100.00	5,463,250	1.25	390,200,397	100.00	5,211,784	1.34

7.3.3 Distribution of loans and non-performing loans by industry

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 wholesale and retail, information transmission, software and information technology services and other industries decreased as compared with the end of the previous year, while the non-performing loan ratios in construction and other industries increased as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 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	31,345,400	7.15	685,568	2.19	27,598,449	7.07	857,770	3.11
Wholesale and retail	30,259,485	6.90	678,920	2.24	21,555,067	5.52	1,118,277	5.19
Construction	24,890,411	5.68	280,355	1.13	25,893,709	6.64	125,177	0.48
Real estate	10,112,881	2.31	569,449	5.63	9,569,930	2.45	619,755	6.48
Leasing and commercial services	104,653,880	23.88	159,281	0.15	78,195,749	20.05	41,560	0.05
Water conservation, environment and public facility administration	78,857,689	17.99	14,625	0.02	63,081,708	16.17	62,715	0.10
Transportation, warehousing and postal service	5,670,157	1.29	28,138	0.50	4,181,646	1.07	55,451	1.33
Electricity, heat, gas and water production and supply	7,000,843	1.60	18,640	0.27	4,217,532	1.08	21,387	0.51
Agriculture, forestry, animal husbandry and fishery	4,219,395	0.96	56,747	1.34	3,724,983	0.95	80,201	2.15
Information transmission, software and information technology services	3,288,476	0.75	10,440	0.32	1,932,494	0.50	29,444	1.52
Other industries	12,704,596	2.91	318,766	2.51	10,446,806	2.68	323,720	3.10
Loans to corporate entities – measured at fair value through other comprehensive income								
Discounted bills	27,674,398	6.31	-	-	44,852,396	11.49	-	-
Retail loans – measured at amortised cost								
Retail loans	97,617,870	22.27	2,642,321	2.71	94,949,928	24.33	1,876,327	1.98
Total	438,295,481	100.00	5,463,250	1.25	390,200,397	100.00	5,211,784	1.34

Notes: (1) 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.

(2) Other sectors include culture, sports and entertainment, health and social work and so on.

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

As at 31 December 2024, balance of the Group's collateralised and pledged loans decreased by RMB10,849 million or 7.09%, balance of the guaranteed loans increased by RMB43,079 million or 26.10%, and balance of the unsecured loans increased by RMB15,865 million or 22.00% as compared with the end of the previous year. The non – performing loan ratio of guaranteed loans decreased by 0.33 percentage point, and that of collateralised loans, pledged loans and unsecured loans increased by 0.14 percentage point, 0.04 percentage point and 0.23 percentage point respectively as compared with the end of the previous year.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 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	96,631,089	22.05	3,243,259	3.36	91,788,054	23.52	2,956,274	3.22
Pledged loans	45,516,084	10.38	192,040	0.42	61,208,098	15.69	233,755	0.38
Guaranteed loans	208,159,317	47.49	754,724	0.36	165,080,731	42.31	1,144,489	0.69
Unsecured loans	87,988,991	20.08	1,273,227	1.45	72,123,514	18.48	877,266	1.22
Total	438,295,481	100.00	5,463,250	1.25	390,200,397	100.00	5,211,784	1.34

7.3.5 Distribution of loans and non-performing loans by region

As at 31 December 2024, the Group's non-performance loan ratio in Chongqing area and other areas' branch was 1.39% and 0.79%, 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)	31 December 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	334,655,355	76.35	4,640,797	1.39	302,355,279	77.49	4,401,921	1.46
Other areas	103,640,126	23.65	822,453	0.79	87,845,118	22.51	809,863	0.92
Total	438,295,481	100.00	5,463,250	1.25	390,200,397	100.00	5,211,784	1.34

7.3.6 Loans to top ten single borrowers

As at 31 December 2024, the Group's total loans to its largest single borrower amounted to RMB1,980 million and accounted for 2.49% of its net capital, while total loans to its top ten customers amounted to RMB16,971 million and accounted for 21.36% of its net capital, which were in compliance with regulatory requirements. As at 31 December 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)		31 December 2024		
		Loan amount	Percentage of net capital (%)	Percentage of total loans (%)
Customer A	Leasing and commercial services	1,980,000	2.49	0.45
Customer B	Water conservation, environment and public facility administration	1,967,825	2.48	0.45
Customer C	Leasing and commercial services	1,897,550	2.39	0.43
Customer D	Construction	1,760,430	2.22	0.40
Customer E	Leasing and commercial services	1,708,000	2.15	0.39
Customer F	Leasing and commercial services	1,607,750	2.02	0.37
Customer G	Water conservation, environment and public facility administration	1,555,000	1.96	0.35
Customer H	Leasing and commercial services	1,529,000	1.92	0.35
Customer I	Water conservation, environment and public facility administration	1,500,500	1.89	0.34
Customer J	Leasing and commercial services	1,464,800	1.84	0.33

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7.3.7 Overdue loans

As at 31 December 2024, the total overdue loans of the Group amounted to RMB7,602 million, representing a decrease of RMB21 million as compared to the end of the previous year. Total overdue loans accounted for 1.73% of the total principal of loans and advances to customers, representing a decrease of 0.22 percentage point as compared to 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Past due within 90 days	2,831,557	0.64	3,243,148	0.83
Past due 90 days to 1 year	2,844,538	0.65	2,598,159	0.67
Past due over 1 year and within 3 years	1,813,210	0.41	1,728,628	0.44
Past due over 3 years	112,845	0.03	53,315	0.01
Total principals of overdue loans and advances to customers	7,602,150	1.73	7,623,250	1.95
Total principals of loans and advances to customers	438,295,481	100.00	390,200,397	100.00

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

7.3.8 Restructured loans

As at 31 December 2024, the Group's restructured loans accounted for 0.31%, up by 0.01 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)	31 December 2024		31 December 2023	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Restructured loans	1,378,757	0.31	1,155,137	0.30
Including: Restructured loans overdue for more than 90 days	263,169	0.06	–	–
Total principals of loans and advances to customers	438,295,481	100.00	390,200,397	100.00

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

7.3.9 Foreclosed assets and provision for impairment

As at 31 December 2024, the Group's foreclosed assets amounted to RMB44 million and the provision for impairment of foreclosed assets was RMB6 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)	31 December 2024		31 December 2023	
	Amount	Provision for impairment	Amount	Provision for impairment
Foreclosed assets	43,861	(5,676)	107,254	(11,031)

7.3.10 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 at 31 December 2024, balance of the Group's loan impairment provision was RMB13,353 million, representing an increase of RMB1,213 million as compared with the end of the previous year. The provision coverage ratio of non-performing loans was 245.08%, up by 10.90 percentage points as compared with the end of the previous year. The loan provision ratio was 3.05%, down by 0.08 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)	2024	2023
Beginning balance of the year	12,139,426	10,127,171
New financial assets originated or purchased	2,211,826	1,593,755
Re-measurement	3,760,413	4,043,444
Repayment	(2,372,371)	(2,543,273)
Written-off and transferred of the year	(3,049,347)	(1,582,816)
Recoveries of loans written-off in previous years and advances transfer-in	739,456	545,918
Effect of discount factors	(76,887)	(44,773)
Ending balance of the year	13,352,516	12,139,426

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7.4 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)	2024		2023	
	Operating income	Profit before income tax	Operating income	Profit before income tax
Corporate banking business	9,553,602	4,876,717	8,993,200	4,531,127
Retail banking business	3,002,669	443,596	2,379,645	623,528
Treasury business	593,321	992,171	1,283,383	799,184
Unallocated	113,575	81,447	189,287	133,803
Total	13,263,167	6,393,931	12,845,515	6,087,642

7.5 Other Information to be Disclosed according to Regulatory Requirements

7.5.1 Key regulatory indicators

Items		31 December 2024	31 December 2023	31 December 2022
Liquidity ratio (%)	RMB	202.21	149.48	121.23
	Foreign currency	2,229.80	2,727.71	3,426.17
Loan migration ratio (%)	Pass	1.64	1.81	2.72
	Special mention	20.49	18.07	25.56
	Substandard	83.98	54.34	48.65
	Doubtful	64.76	66.25	14.18

Notes:

- (1) Liquidity ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of NFRA.
- (2) Loan migration ratio is an indicator of the Group, which is calculated in accordance with the regulatory requirements of 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 $\times 100\%$ \times 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 $\times 100\%$ \times 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 $\times 100\%$ \times 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 $\times 100\%$ \times annualised coefficient.

7.5.2 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)		31 December 2024	31 December 2023
Credit related commitments		76,932,898	64,219,441
Of which:			
Irrevocable loan commitments		2,812	3,159
Bank acceptance bill		59,148,780	48,207,232
Issuance of letters of guarantee		1,320,528	1,407,780
Issuance of letters of credit		9,874,916	7,473,000
Trade finance confirmation		1,089,491	1,068,790
Unused credit card limits		5,496,371	6,059,480
Capital expenditure commitments		243,844	132,114
Total		77,176,742	64,351,555

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7.5.3 Cash Flows

In 2024, the net cash flows from operating activities of the Group were RMB-20.747 billion, and the net inflows for the previous year were RMB4.449 billion, primarily due to the increase in financial assets held for trading purposes. The net cash flows from investing activities were RMB-14.500 billion, and the net outflows decreased by RMB6.477 billion as compared with the previous year, primarily due to the increase in cash received from the recovery of investment. The net cash flows from financing activities were RMB32.208 billion, and the net inflows increased by RMB15.889 billion as compared with the previous year, primarily due to the increase in proceeds from issuance of debt securities and inter-bank certificates of deposit.

7.5.4 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	–	2,526,436	104,278	113,800,112
Financial assets and financial liabilities at FVPL	27,125,939	107,581	–	–	64,717,896
Loans and advances to customers at FVOCI	44,852,396	–	(42,071)	29,037	27,674,398
Total	166,153,684	107,581	2,484,365	133,315	206,192,406

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 Bank had no private equity investments, and its derivatives investment business is not applicable to the relevant provisions on hedge accounting set out in the IAS 39 – Financial Instruments: Recognition and Measurement.

7.6 Business Overview

7.6.1 Corporate Banking Business

During the Reporting Period, the Bank implemented key national strategies, and deepened a series of strategic cooperation, seized development opportunities and steadily promoted the high-quality development of our business by continuously serving entities, building a digital product system, and strengthening customer hierarchical management.

The Bank thoroughly implemented major strategies, contributing to new progress in the development of the Chengdu-Chongqing Economic Circle. We strengthened our service network by establishing 16 new outlets, thereby enhancing the level of financial services. The Bank refined its organisational mechanism and established a tiered and segmented liaison mechanism, with financial service teams paying over 8,000 visits to competent authorities of various districts and counties, industrial park companies and project owners to address financial needs and ensure timely online financial services for key industries and major projects. We focused our efforts on key areas and supported over 250 major projects such as the Chengdu–Chongqing Middle Line High-Speed Railway (成渝中線高鐵) and Rail Transit Line 15 (軌道交通15號線) through product innovation, channel expansion and service optimisation, representing a year-on-year increase of more than 150%, and provided credit support in excess of RMB150 billion. During the 2024 “Benchmarking” (樹標對標) activity in Chengdu and Chongqing organised by the Chongqing NFRA, eight of our practices were promoted throughout the municipality as benchmarking measures.

The Bank adhered to its original mission of serving the real economy and spared no effort in promoting the high-quality development of the manufacturing sector. We strengthened top-level design and established a special team to advance this initiative. The Bank, through the special team mechanism, promoted the allocation of manufacturing loans and introduced the “Implementation Plan on Accelerating Services to the Manufacturing Sector” (《關於加快服務製造業的實施方案》), actively responding to the national call for financial institutions to benefit the manufacturing industry, proactively reducing loan interest rates for manufacturing, and precisely supporting manufacturing enterprises. The Bank intensified product innovation and enhanced service upgrades. We promoted distinctive products such as the “Intelligent and Intergrated, Technological Transformation Loan” (智融技改貸) and the “Equipment Update Loan” (設備更新貸), and comprehensively developed a “financial services supermarket” (金融服務超市) encompassing financing, settlement, and other offerings to meet the comprehensive, one-stop financial needs of enterprises. The Bank optimized its assessment mechanism to stimulate internal momentum. We gave a preferential policy resources support in multiple areas, including internal pricing, industry orientation, performance appraisal, special incentives, and liability exemption for due diligence, to enhance the marketing effectiveness and quality for manufacturing enterprise clients.

The Bank fully constructed a digital product system and enhanced its ability to serve customers through financial technology. We closely followed the strategic planning for treasury construction of central and state-owned enterprises, established a dedicated project working group at the head office, formulated phased implementation plans, and developed the “BCQ Treasury” (重銀司庫), which is the Bank’s high-quality customer digital management tool and was officially launched in 2024. Adhering to the principles of “system intensification, cost reduction, and risk-free payment”, the Bank creatively established financial scenarios for people’s livelihoods such as catering, bill payment, supermarkets, and property management, thereby creating an online full-process business model that shortened transaction times, facilitated fund management, and enhanced customer experience.

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The Bank strengthened its customer segmentation management, enhancing the quality and efficiency of customer services. Through internal and external collaboration, group synergy, and chain-based customer acquisition, we precisely catered to the needs of market entities, providing comprehensive financial services, resulting in an increase of 11.2% in the number of our corporate foundational customer base compared to the beginning of the year. The Bank tailored differentiated preferential policies and service teams for strategic customers, key customers, and potential customers, formulated comprehensive financial service plans and offered full-cycle financial services. As a result, the number of strategic customers, key customers, and potential customers increased by 11.8%, 13.5%, and 27.5%, respectively, compared to the beginning of the year.

As at 31 December 2024, balance of the Group's loans and advances to corporate entities (including discount of bills) amounted to RMB340.678 billion, representing an increase of RMB45.427 billion or 15.39% as compared with the end of the previous year. Balance of corporate deposits¹ amounted to RMB211.412 billion, representing an increase of RMB6,125 million or 2.98% as compared with the end of the previous year.

7.6.2 Inclusive Finance Business

During the Reporting Period, The Bank thoroughly implemented the spirit of the Central Financial Work Conference, the Central Economic Work Conference, and the Central Rural Work Conference, fully complying with regulatory requirements, strengthening mechanism safeguards, optimizing product systems, and deepening digital empowerment, thereby effectively and vigorously supporting the development of small and micro enterprises, individual industrial and commercial households, and agriculture-related business entities, while steadfastly making "a major contribution to inclusive finance". As at 31 December 2024, according to the national statistic standards, the balance of our small and micro enterprise loans amounted to RMB149.129 billion, representing an increase of RMB34.904 billion 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 recorded a balance of RMB61.068 billion, representing an increase of RMB10.822 billion as compared with the end of the previous year, and the number of loan customers was 62,893, increasing by 5,004 as compared with the end of the previous year. The weighted average interest rate of inclusive small and micro enterprise loans issued in 2024 was 3.95%.

Strengthening mechanism guarantee and increasing credit investment. In order to improve the organizational structure, the inclusive finance department of head office took the lead in setting up special teams on inclusive finance, rural revitalization and technology finance, and strengthened "horizontal communication" across front, middle and back offices, and "vertical coordination" between headquarters and branches, so as to dynamically track the progress of key work. The branches established dedicated inclusive business teams, which gradually extended to their outlets, forming an organizational structure and system with headquarter-branch connection, top-down coordination and distinctive features. The Bank refined the assessment and incentives, and incorporated the inclusive "Two Increases" target in the Party building assessment and grade evaluation, so as to fulfill responsibilities and stimulate motivation. The Bank formulated preferential policies for inclusive loan FTP and economic capital, and implemented special incentives with competitive attitudes. The Bank established separate credit plans, and strengthened credit support to carry out prioritized review, approval and loan grant. Furthermore, the Bank reinforced policy support, explored operational standards and processes for internal recognition of liability exemption for due diligence, and reasonably defined liability exemption scenarios, so as to continuously guide the diligence of the staff in the inclusive financial credit business, and encourage employees with the security, willingness, capability and capacity of lending.

¹ Including corporate demand deposits, corporate time deposits and other corporate deposits.

Optimizing the product system and supporting key areas. Focusing on scientific and technological innovation, the Bank innovated and developed “Inclusive Keqi Loan” (普惠科企貸), created the “Keqi Fast Loan” (科企快貸) model, upgraded the “Specialized, Refined, Special and Novel Credit Loan” (專精特新信用貸), and increased the application of credit loans, medium-and-long-term loans and intellectual property pledge loans to establish an financial product system for inclusive technology enterprises that matches the development of new quality productivity. Focusing on modern manufacturing, based on the system of “33618” modern manufacturing industry clusters, the Bank innovated and developed the “Equipment Update Loan” (設備更新貸) for strategic emerging industries, advanced manufacturing industries and other key areas, fully supporting the equipment update and technological transformation of enterprises in key industries with lower interest rates, higher equipment collateral rates and faster approval processes. Focusing on rural revitalization, the Bank tailor-made digital credit loan products of “New Agricultural Loan” and “Agricultural Benefit Loan” (惠農貸) for new agricultural business entities such as large rural professional households and family farms in rural areas, in a bid to continuously enhance the efficiency and accuracy of our financial services. Focusing on the commerce trade industry, the Bank innovated and developed “Commercial Trade Loan” (商貿貸) (credit insurance e finance (信保融)) and upgraded “Chongqing Trade Loan” (渝貿貸) through repeated calculations to help small and micro foreign trade enterprises in their operation and development. Focusing on the private economy and individual industrial and commercial households, the Bank successfully launched the first “Chongqing Individual Loan” (渝個貸) and “Famous, Special, Eminent and Novel” (名特優新) individual credit loan in Chongqing, providing greater support to individual industrial and commercial households in terms of credit, interest rate and approval efficiency.

Deepening digital empowerment and enhancing service efficiency. The Bank improved digital channels to enhance precise marketing. Relying on “Huiyu Financial Service Mini-program” (鐫渝金服小程序), the Bank systematically upgraded the online pipeline matrix of “mini programs + micro-banks + public accounts” (小程序+微銀行+公眾號), and launched thematic marketing activities such as “referral gift” (推薦有禮) and “pursuing potential customers” (潛客挖掘) to realize data-driven and data-inspired precision marketing. The Bank reshaped business processes to assist in quantitative decision-making. For the funding needs of science and technology enterprises, the Bank launched the “Keqi Fast Loan” (科企快貸) model of online loan utilization and repayment, which realized the automatic collection of corporate information, intelligent analysis of financial data and one-click generation of due diligence reports, thus helping to improve the quality and reduce the burden on the frontline of the business. The Bank upgraded digital tools for efficient business development. The Bank optimized the “remote auxiliary adjustment” tool, which empowered the frontline to carry out efficient and convenient investigation and business development, and launched the “remote signing” function to realize one-click signing of various agreements and documents, so as to reduce in-person customer visits. The Bank increased data sharing and carried out online one-click loan renewal. The Bank integrated the systematic procedures and access conditions for various loan renewal businesses, such as “Hao Qi Dai” (好企貸) special loan renewal and re-support, realizing online one-click loan renewal for “Hao Qi Dai” business products. The Bank launched the “Rong Yi Xu” (融易續) online loan renewal function, effectively solving the financing needs of customers after the maturity of their offline inclusive personal business loans and achieving easy renewal.

7.6.3 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 actively promoting the high-quality transformation and development of our retail banking business.

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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 large certificate of deposit, 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. Thirdly, the Bank continued to further build the “Xing Fu” (幸福) brand by enriching its brand connotation and implementing emotional marketing strategies, thus to enhance the brand’s warmth and influence.

In terms of individual loans, firstly, the Bank maintained the rapid development momentum of self-operated digital consumption loan, expanded product portfolio, created such flagship products as Jie e Loan (捷e貸) and Huan Xin Loan (煥新貸), and continued to enhance customer experience by cultivating quality customer base and expanding general customer base. Secondly, the Bank developed the housing loan business in a steady manner, and enhanced the processing efficiency of housing loan through the direct connection mode of the “Real Estate Registration + Finance” system, effectively supporting the rigid and diversified housing needs for improvement of the public. Thirdly, the Bank continued to calculate the risk control strategies and models of digital products in a repeated manner, enriched multi-dimensional data sources, and developed intelligent voice robots to comprehensively empower post-loan management.

In terms of wealth management, the Bank released the “BCQ Wealth” (重銀財富) brand and upgraded the wealth management value system, product system and service system through repeated calculations. Firstly, the Bank launched the “BCQ Wealth Gathering” (重銀財富薈) life-cycle asset allocation service and published the Asset Allocation Strategy Report, aiming to enhance the accessibility of financial services and provide customers with more comprehensive and professional asset allocation advice and services. Secondly, the Bank vigorously expanded the agency sales business, selected and supplemented third-party cooperative institutions, continuously enriched and improved the product “shelf”, increased product categories and choices to satisfy the investment needs and risk preferences of different customers. Thirdly, the Bank deepened the offline franchise for VIP customers, and promoted refined process management, targeted marketing strategies and meticulous customer services, so as to provide exclusive and high-quality financial services to VIP customers, and continuously enhance customers’ satisfaction, loyalty and contribution.

In terms of debit 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. The Bank continued to increase the types of bank cards and issued special card types including the third-generation social insurance 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 launched a quantitative risk control model to balance risk and return. The Bank improved the business processing experience through digital intelligence empowerment. It carried out various activities that benefit the people and optimize the card usage environment. In order to promote healthy development of the business, the Anju E-Loan (安居e貸) and Aijia E-Loan (愛家e貸) consumer loan business undertook new businesses of the original credit card Anju Score (安居分) and Aijia Wallet (愛家錢包) products. Affected by product undertaking, in terms of data performance, the balance of credit card advances shrunk and the non-performing rate increased.

As of 31 December 2024, the balance of personal deposits of the Group was RMB249.558 billion, representing an increase of RMB48.593 billion or 24.18% as compared with the end of last year, and the market share in Chongqing continued to increase. The Group's balance of personal consumer loans (including personal consumer loans, mortgage loans and credit card advances) was RMB75.958 billion, representing an increase of RMB3.536 billion as compared with the end of last year. The total number of issued debit cards increased by 489,800 to 5,841,100 as compared with the end of the previous year. The total number of credit cards issued increased by 24,700 to 488,600 as compared with the end of the previous year, and the balance of credit card advances amounted to RMB21.956 billion.

7.6.4 Financial Market Business

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

Firstly, optimizing the investment structure. The Bank actively implemented policies related to financial support for the real economy, and provided in-depth services for the construction of the Chengdu-Chongqing Economic Circle, the new land-sea channel in China's western region and other major strategies. Through diversified asset allocation, the Bank achieved steady growth in scale. Through continuously optimizing the asset structure, the Bank further improved the anti-risk capability of the bond portfolio.

Secondly, 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. The Bank was awarded the "Top 100 Self-operated Settlers" (bond trading and investment category) by China Central Depository & Clearing Co., Ltd. for four consecutive years.

Thirdly, strengthening the inter-bank cooperation. The Bank 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 special member of the Shanghai Gold Exchange to further expand business channels.

7.6.5 Asset Management Business

During the Reporting Period, the Bank adhered to taking advantage of the situation and seeking progress in stability, with its asset management business sustaining a steady development.

Making efforts to strengthen internal control compliance management. During the Reporting Period, the Bank further improved the business institutional systems, optimised product and investment operation processes, strictly carried out internal and external compliance audits to continuously optimize business compliance management. The Bank strengthened the empowerment of technological systems to steadily promote the optimization of online system management.

Propelling reform on investment and research systems. During the Reporting Period, the Bank continued the product stress testing and liquidity risk monitoring, and proactively implemented market-oriented transformation. By increasing market judgment capability, asset allocation capability and transaction profitability, the Bank explored customer and market demands to push forward transformation in product strategy, refined management and profitable model.

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Doing a good job in cultivating investors. During the Reporting Period, the Bank popularized and publicized the features of net worth products through various channels such as online and offline, strengthened the business skills training of front-line sales staff, improved the professionalism of the sales force, and actively carried out customer marketing and expansion, resulting in the increasingly consolidation of the customer base.

7.6.6 Investment Banking Business

During the Reporting Period, the Bank deeply implemented the new development philosophy, focused on the national strategies and proactively engaged in the new development pattern. With focus on the construction of the investment banking business system and the improvement of service capabilities, the Bank was committed to developing an all-weather, full-cycle and full-chain model for the investment banking business to promote its high-quality and leap-frog development.

Significantly expanding the market share. With reference to the benchmarks of peers, the Bank spared no effort in promoting the upgrading of investment banking business, with a view to achieving leap-frog development. In 2024, the number of cumulative debt financing instruments of non-financial companies issued by the Bank as an underwriter exceeded 70, with an underwriting amount exceeding RMB15 billion, ranking first and second respectively among legal person financial institutions in the western region. The Bank ranked 3rd among all lead underwriters in Chongqing in terms of the number and underwriting amount of debt financing instruments of non-financial companies issued as an underwriter. In January 2025, the Bank was awarded the “Institution with the Most Market Cohesion” and the “Most Innovative Institution in the Market” in the 2024 bond market development selection organized by the Beijing Financial Assets Exchange; the Bank was honored with the “Bond Underwriting Rapid Progress Award” in the selection results of 2024 Wind Best Investment Bank.

Speeding up the improvement of the business system. Riding on opportunities in the investment banking market, the Bank further improved the strategic layout of businesses. During the Reporting Period, the Bank successively realized the first implementation of independent lead underwriting for debt financing instruments of non-financial companies, onshore coordinator for offshore bonds and creation of credit risk mitigation warrants (CRMW), further highlighting the “empowering” advantages of the investment banking business qualification licence. In the fourth quarter of 2023, the Bank was promoted to be a general lead underwriter for debt financing instruments of non-financial institutions in the China interbank market, expanding its business from the local area to Chongqing, Sichuan, Shaanxi and Guizhou, and the investment banking business achieved full coverage in its operating areas in 2024.

Accelerating the consolidation of customer base. During the contracting process, leveraging the advantages as a local corporate bank, the Bank took the lead in establishing a joint marketing mechanism in cooperation with other national lead underwriters. In the undertaking process, the Bank consciously rationalized the allocation of “lead” and joint “collaboration” roles, emphasizing both quality and quantity, and actively strived to play the role of lead underwriter for strategic customers and key projects. In the issuance process, the Bank adhered to building its own sales channels and actively pursued the role of bookrunner.

Comprehensively deepening the business linkage. The Bank further promoted the key reform task of “investment-underwriting synergies”, whereby the investment bank and the investment department shared project information with each other and maintained a full match with the project needs of the investment department. The Bank initially established an incentive and assessment mechanism for investment-underwriting synergies, further enhancing the incentive of branches to promote bond underwriting projects.

Accelerating the transformation of service models. The Bank has changed the business philosophy of its investment banking services, paid close attention to the innovation of customer service models, and promoted the transformation of its service model from “project-centred” to “customer-centered” one, in a more advanced and proactive approach. With a more open and positive attitude, the Bank promoted the transformation of service model from a “closed underwriter” to an “open consortium”, and continued to strengthen collaborative linkage with its branches, resulting in a continuous growth in the number of investment banking customers. The brand value of the investment banking business became more prominent. Since 2024, the debt financing instruments of non-financial companies underwritten by the Bank have successively set new record lows in the interest rates of customers’ bond financing to varying degrees, which has been recognized by issuers.

7.6.7 Trade Finance Business

During the Reporting Period, the Bank actively served major national strategies such as the construction of the new land-sea channel in western China, the real economy, and foreign economic and trade, and promoted high-quality development of trade finance business.

Serving major strategies and achieving transformational development. 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, launched the export credit insurance policy financing product of “credit insurance e finance” (信保e融), landed the cross-currency swap derivative business, and launched the Malaysian ringgit foreign exchange settlement and sale services. We enhanced the construction of cooperative channels, and invested heavily in foreign currency bonds along the new land-sea channel in western China, issuing domestic and foreign currency trade financing of more than RMB20 billion. The Bank expanded agency banks along the new land-sea channel in western China, with its global agency bank network reaching 260 banks.

Serving the real economy and achieving improvement in quality and quantity. With a focus on key customers, the Bank strengthened collaborative empowerment, optimized supply chain products such as Debt Bills, discounting of commercial bills, and domestic seller factoring, and iteratively updated the supply chain C-chain cloud platform. We vigorously expanded forfaiting transaction channels by adding several counterparties, and continuously optimized business processes to promote application of products such as letters of credit and forfaiting. We directly connected to the cross-border financial service platform of the State Administration of Foreign Exchange, and relied on the “cross-border easy finance” (跨境易融) digital financial service platform of the Chongqing NFRA, continuously enriching credit products and smoothening service channels, thus improved the efficiency of cross-border trade finance services.

Serving foreign economic and trade development and achieving functional improvement. We completed the migration of SWIFT ISO 20022 message standards, becoming the first financial institution in the central and western regions to successfully launch this service, and thus developed a full-process tracking function for SWIFT go small-amount cross-border currency payment and collection. The Bank improved and upgraded the Cross-border Golden Manager, promoted self-service foreign exchange settlement in corporate online banking, and improved personal foreign exchange services, thus enhancing customer experience in all aspects. The foreign exchange quotation system has been completely upgraded, with the frequency of quotation updates increasing to the minute level. The quotation channels cover multiple channels such as mobile banking and WeChat banking, and the products cover 10 foreign exchange spot currencies and 18 maturities of foreign exchange derivatives.

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7.6.8 Financial Technology

The Bank attached great importance to the development strategy of financial technology. Based on the Bank's "456" digital transformation strategy blueprint, the Bank deepened the implementation of the strategic plan for information technology during the 14th Five-Year Plan period. With focus on "skill improvement and empowerment enhancement" of financial technology, the Bank strived to promote the integration of industry, technology and digital development, further implemented the strategic layout of "1+3+10" financial technology development, and constantly explored cutting-edge technologies and enhanced independent innovation to promote the continuous development of its technological innovation. In 2024, the total technology investment of the Bank was RMB0.574 billion.

Optimizing the science and technology governance structure, and unleashing the potential of talent pool. Centering on the selection, cultivation, retention and use of technological and innovative talents, the Bank improved the talent management structure. The Bank focused on introducing professionals in artificial intelligence, data analysis and information security, and continuously optimized the structure of professionals of its financial technology team, and strengthened the construction of talent teams, introducing 18 scientific and technological talents through external recruitment. The Bank continued to strengthen the reserve of composite talents, with a master's degree or above accounting for 33.66%, representing an increase of 5.6% as compared with 2023. In line with corporate culture of "working together for shared growth" (心相伴、共成長), the Bank strengthened the training of employees' ability, and carried out diversified training in various fields such as new technology, new theory, scientific and technological system, technical standards and network security.

Deepening the research on cutting-edge technologies and expanding the application of financial innovation. The Bank deeply expanded the "6+X" capability platform, consolidated the foundation of technological innovation, and promoted the comprehensive transformation of the architecture. The Bank continued to build "AI+" full-scenario capabilities, and promoted the landing of key scenarios such as digital product, operation and risk control. The Bank deepened innovative application of artificial intelligence, deployed more than 180 RPA processes, and conducted research on multi-modal technology integrating OCR and open-source Large Language Model (LLM) and applied in 27 business scenarios to assist business development. The Bank consolidated the data foundation, completed the full coverage of all important business systems in the lake and data warehouse, formed the ability center for sharing data in the Bank, assisting the frontline data empowerment services.

Consolidating the foundation of financial technology and improving business assurance level. The Bank steadily carried out the construction of science and innovation centers and laid out smart infrastructure. The Bank successfully completed the construction of extended and expanded computer rooms, and further expanded the potential of computing power of infrastructures. The Bank built a dual-center dual-active NAS system to effectively consolidate infrastructure capacity. The Bank continued to carry out the PaaS cloud construction, established the cloud evaluation and access mechanism, and gradually promoted the system cloud services, providing stable support for the efficient operation of the application system.

Enhancing scientific and technological operation ability and improving the quality and efficiency of internal management.

The Bank completed the certification of information security management system and information technology service management system, and strengthened information security management. The Bank improved the application of outsourcing management tools, strengthened the governance of science and technology outsourcing, and promoted the dual improvement of quality and efficiency of outsourcing management. The Bank continued to carry out the applications of dual-active dual-center disaster recovery systems in the same city, and steadily improved the level of business support. The Bank deeply built lean innovative quality control, fully established an integrated management system for quality and testing, obtained the TMMi5 level testing capability maturity certification, becoming the first urban commercial bank to obtain TMMi5 level certification in China.

7.6.9 Digital Transformation

During the Reporting Period, the Bank thoroughly implemented the decisions and arrangements of the Third Plenary Session of the 20th CPC Central Committee and Central Financial Work Conference, deeply studied and understood the policy guidance of major area in “Digital Finance” and the construction of “Digital Chongqing”, focused on implementing the “Action Plan for High-Quality Development of Digital Finance” issued by the seven departments including the People’s Bank of China, comprehensively and systematically promoted the digital transformation and innovation work, continuously and effectively empowering the whole bank to develop high-quality and first-line business.

Firstly, a new blueprint for digital transformation was draw up and coordinated efforts were strengthened. The Bank held a digital transformation work conference and proposed important measures of “456” and specific requirements of “eight essentials”. The Bank draw on the construction methodology of “Digital Chongqing” to draw a new “5+6” digital transformation blueprint based on the step-by-step decomposition approach, and built a systematic and standardized work pattern for digital transformation and innovation. During the Reporting Period, the Bank coordinated and promoted the construction of 65 key projects in 25 departments, and a large number of digital achievements such as the intelligent centralized examination and approval of inclusive science and technology loan and personal loan, the direct connection of mortgage registration, the expansion of OCR image recognition, and the intelligent seal review were successfully implemented, effectively empowering the development of front-end business and the efficiency enhancement of middle and back end management.

Secondly, the application ability of data fusion was improved and data islands were broken down with great efforts. The Bank established a customer information sharing system, launched the precise marketing application of “Hall Customer Identification” (廳堂識客), and assisted in the “two-post integration” (兩崗融合) and hall reform. The Bank integrated 12 digital tool access portals to achieve “one click intelligent access” for frontline users. The Bank improved the refined and practical level of data classification and grading management, and completed the data grading of 10 major business systems. The Bank introduced various types of business data such as housing provident fund, individual income tax, bank statements and agricultural addresses, expanded various indicators and labels, and accelerated the integration of internal and external data assets. The Bank led the management cockpit to expand three sections including the “institutional screen”, “completion of key KPI indicators”, empowering frontline business decision-making.

Management Discussions and Analysis

Thirdly, online pipeline service capacity was enhanced and the promotion of customer acquisition and activation was accelerated. The Bank launched the Mobile Banking 7.0 platform, enriching life application scenarios, supporting hierarchical marketing strategies, upgrading security protection measures, and effectively enhancing customer experience. The Bank closely followed the national policy guidance, completed the upgrading and launch of mobile banking customer end of Huawei HarmonyOS version and new Elderly Care Financial Care version. The Bank deepened the ability of online and offline collaborative operation, carried out the pilot construction of digital intelligent business halls, and explored the use of artificial intelligence to provide business guidance, management and marketing services for incoming customers. Mobile banking and wechat banking provided a one-stop integration services of “online reservation, offline quick handling” for the account and business applications. The Bank expanded the open bank, and added 10 new services such as Chongqing Talent Loan and UnionPay U-Credit Chongqing, with a total of 63 service types. The Bank launched the “remote auxiliary adjustment” function at the mobile end, which saved customer managers’ visiting time, and was widely used in retail and inclusive lines. During the Reporting Period, “Yuying” supported frontline account managers reaching a total of 3,185,600 customer and had 7,993,600 inquiries, representing an increase of 30.20% and 2.50% respectively as compared with the previous year. “Bashi” mobile business platform recorded a total of 1,207.9 thousand transactions and opened 129.1 thousand personal accounts, representing an increase of 54.62% and 41.40% respectively as compared with the previous year.

Fourthly, the ability of credit-assisted decision-making was enhanced and public customer acquisition and marketing was promoted. The Bank upgraded the big data system of “Wind Chime Intelligent Review” (風鈴智評) to boost the implementation of major strategies and the development of industrial finance. The Bank built the first corporate ESG digital rating system for central and western banks centering on green finance; the Bank released 8 batches of characteristic customer group enterprise lists and portraits through the new land-sea channel in western China, and pushed 33,000 customers to the frontline; the Bank built digital due diligence tools to improve the efficiency of customer managers; the Bank provided risk control empowerment for Xinyu Financial Leasing, and assisted in pre-loan investigation and in-loan review to improve quality and efficiency; the Bank launched the “flow chain extension tool”, mined and exported a list of 13,000 potential customers throughout the year. The Bank created a digital credit product market, organized all lines to compile 32 digital credit product manuals, and uniformly standardized product application entrances. The digital credit product “Good Enterprise Loan” has developed and launched 4 innovative scenario products and upgraded 2 existing products.

7.6.10 Service channels

The Bank has always adhered to the principle of “customer-oriented”, 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 at 31 December 2024, the Bank operated and expanded its business and marketed its financial products and services through 199 sub-units, including the business department of its Head Office, its small enterprise loan center, five primary branches, 205 self-service banking centers, 460 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 at 31 December 2024, the Bank had 2,775.3 thousand mobile banking personal customers, representing an increase of 600.9 thousand as compared with the end of the previous year; the total number of transactions was 10,554.1 thousand, representing an increase of 575.7 thousand as compared with the same period of the previous year; the total transaction amount was RMB251.225 billion, representing a decrease of RMB3.135 billion as compared with the same period of the previous year. During the Reporting Period, the replacement rate for online businesses mainly focusing on transfer, payment, wealth management sales and other high-frequency transactions was 97.00%.

Online banking

As at 31 December 2024, the Bank had 45.8 thousand online banking corporate customers, representing an increase of 4.8 thousand as compared with the end of the previous year; the total number of transactions was 3,703.7 thousand, representing an increase of 89.1 thousand as compared with the same period of the previous year; the total transaction amount was RMB827.946 billion, representing an increase of RMB51.356 billion as compared with the same period of the previous year. The Bank had 2.746 million personal online banking customers, representing an increase of 595.1 thousand as compared with the end of the previous year; the total number of transactions was 321.7 thousand, representing a decrease of 39.4 thousand as compared with the same period of the previous year; the total transaction amount was RMB14.131 billion, representing a decrease of RMB5.676 billion as compared with the same period of the previous year.

7.6.11 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 76% of the total business volume, with the efficiency nearly three times higher than the average efficiency of manual work. The Bank implemented operational process reengineering, realized regular one-click deposit transfer, linkage signing and termination of private accounts, etc. through digital transformation, improving business efficiency and enhancing customer experience. The Bank realized enterprise “e” account opening, adopted the mode of “online reservation + due diligence + centralized processing + offline review” to provide efficient, automated and intelligent unit account services. The Bank strived to solve “all things after the death of a citizen”, optimized the business processes, connected business systems, strengthened data sharing, achieved online withdrawal of small deposits of deceased depositors, constantly enhancing people’s sense of gain, happiness and security.

7.6.12 Majority-owned Subsidiaries and Major Investee Companies

7.6.12.1 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.

Management Discussions and Analysis

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 RMB47.872 billion, the total liabilities of RMB42.412 billion, and the total owner’s equity of RMB5.460 billion. Its net profit was RMB824 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 69.09% of its shares held by the Bank. The scope of business of Xingyi Wanfeng includes taking public deposits; issuing short-term, medium-term and long-term loans; domestic settlement; acceptance and discounting of notes; interbank lending; bank card business; agency service for redeeming and underwriting government bonds; agency service for collection and payment, and for insurance businesses.

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

As at the end of the Reporting Period, Xingyi Wanfeng recorded the total assets of RMB880 million, the total liabilities of RMB756 million, and the total owner’s equity of RMB124 million. Its net profit was RMB378,300 for the Reporting Period.

7.6.12.2 Major Investee Companies

Mashang Consumer Finance Co., Ltd.

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

Adhering to the mission of “making life easier” and focusing on inclusive finance, Mashang Consumer 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 every effort 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.

7.6.13 Structured Entity Controlled

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.

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

7.7 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.

7.7.1 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. The Bank upheld the principle that financial industry should serve the real economy, assisted in national major strategy, integrated into the “one municipality and three provinces” strategic layout, and supported regional leading industries; closely surrounding technology finance, green finance, inclusive finance, pension finance and digital finance, so called “Five Major Articles” of finance, the Bank provided better supports for the development of the real economy; 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 early prevent, resolve and deal with risk-exposed business.

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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, the Bank deepened the management strategy of “a customized resolution plan for each category” and “class-based resolution plan for class-based category”, fully combined the characteristics of various assets and difficulties in settlement, formed targeted disposal strategies, so as to accelerate the disposal of non-performing assets and collect debts to generate income.

7.7.2 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 and improving the management structure, 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, 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 on the management on operational risk. Thirdly, the Bank continued to strengthen risk management and control in key areas. The Bank organized special inspections in areas such as case prevention and compliance, information security and credit management, and carried out rectification that combines targeted and broad approaches for the problems found, continuously consolidating the foundation for operational risk management and control.

7.7.3 Market risk management

7.7.3.1 Interest rate risk

Interest rate risk analysis

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.

Management Discussions and Analysis

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
31 December 2024							
Total financial assets	163,518,829	51,398,213	160,309,697	346,626,404	107,299,286	15,745,894	844,898,323
Total financial liabilities	(117,696,538)	(73,337,468)	(353,879,051)	(215,668,984)	(11,007,740)	(19,414,695)	(791,004,476)
Total interest rate sensitivity gap	45,822,291	(21,939,255)	(193,569,354)	130,957,420	96,291,546	(3,668,801)	53,893,847

(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 the end of 2024, the Group's accumulated gap for all maturities amounted to RMB53,894 million, representing an increase of RMB3,441 million or 6.82% as compared to the end of the previous year.

Management Discussions and Analysis

Interest rate sensitivity analysis

Assuming that overall market interest rates move in parallel, and not taking into account of the risk management activities that may be carried out by the management to reduce interest rate risk, the Bank's interest rate sensitivity analysis are as follows.

(All amounts expressed in thousands of RMB unless otherwise stated)	Change of net interest income	
	31 December 2024	31 December 2023
+100 basis points parallel move in all yield curves	(469,582)	(558,057)
– 100 basis points parallel move in all yield curves	469,582	558,057

(All amounts expressed in thousands of RMB unless otherwise stated)	Change of other comprehensive income	
	31 December 2024	31 December 2023
+100 basis points parallel move in all yield curves	(4,696,743)	(2,635,325)
– 100 basis points parallel move in all yield curves	5,365,739	2,793,471

7.7.3.2 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
31 December 2024					
Net position	51,499,840	1,400,425	4,412	989,170	53,893,847
(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

Exchange rate sensitivity analysis

Assuming that overall market exchange rates move in parallel, and not taking into account of the risk management activities that may be carried out by the management to reduce exchange rate risk, the Group's exchange rate sensitivity analysis are as follows.

(All amounts expressed in thousands of RMB unless otherwise stated)	Estimated change in profit/(loss) before income tax	
	31 December 2024	31 December 2023
+1% upward change of foreign exchange rate	23,579	30,253
– 1% downward change of foreign exchange rate	(23,579)	(30,253)

7.7.4 Liquidity risk management

Liquidity risk refers to the risk of the Group's 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 Group's liquidity risk management has well accommodated to the current development stage of the Bank based on 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.

During the Reporting Period, the Group continued to improve liquidity risk management framework by streamlining the policy system for liquidity risk management, and improved our capability in liquidity risk measurement and forecast and upgrade our 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 quarterly stress tests in 2024 indicated that the liquidity risks remained within a controllable range even under stressful conditions. As at the end of 2024, all of the major regulatory indicators reflecting the Group's liquidity position met the regulatory requirements.

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According to the requirements of regulatory authorities, the Bank has established and improved its management system for the quality of liabilities, formulated internal management measures for the quality of liabilities, and formulated liability management strategies at the beginning of the year. The Bank continued to improve the stability and diversity of liabilities, controlling the reasonable gap between assets and liabilities, reducing the cost of liabilities, and enhancing the capacity to acquire liabilities, so as to ensure the authenticity of liabilities and constantly improve the overall quality of liabilities.

The Group uses liquidity gap analysis to assess liquidity risk. As at the end of 2024, the liquidity gap of the Group calculated from our net assets and liabilities and classified according to relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date was as follows:

(All amounts expressed in thousands of RMB unless otherwise stated)	On demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	In perpetuity	Overdue	Total
31 December 2024	(76,396,636)	42,435,052	(21,030,999)	(201,606,126)	163,556,592	197,900,248	30,284,661	7,416,202	142,558,994
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 at the end of 2024, the Group's cumulative gap for all maturities was RMB142,559 million, representing an increase of RMB5,610 million as compared to the end of the previous year. Although there was a shortfall in on-demand repayment of RMB76,397 million, the Group had an extensive and solid deposit customer basis. Current deposit settlement rates were relatively high and funding sources were stable, so the impact of the shortfall on the Group's real liquidity was not significant.

Liquidity coverage ratio

The Group measures its liquidity coverage ratio according to the latest Administrative Measures for Liquidity Risk Management of 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 on 23 May 2018. As of 31 December 2024, the Group's liquidity coverage ratio was 553.64%, which was in compliance with the regulatory requirements of the NFRA.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2024	31 December 2023
Qualified high-quality liquid assets	153,182,179	132,623,032
Net cash outflow in the next 30 days	27,668,283	47,793,590
Liquidity coverage ratio (%)	553.64	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, which was implemented on 1 July 2018, the net stable funding ratio shall be no less than 100%.

As at 31 December 2024, available and stable funds and required stable funds of the Group amounted to RMB540.977 billion and RMB436.607 billion, respectively, which met the regulatory requirement with the net stable funding ratio standing at 123.90%.

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

7.7.6 Reputational risk management

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

During the Reporting Period, the 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. We also continued to carry out special trainings on reputational risk, thereby further enhancing our awareness and management level of reputational risk.

7.7.7 Compliance risk management

Compliance risk refers to the possibility that the Bank's business and management practices or its employees' performance of duties may violate compliance regulations, causing the Bank or its employees to bear criminal, administrative, or civil legal liabilities, or suffer property losses, reputational losses and other negative impacts. Focusing on the compliance management objectives, the Bank established a compliance management framework in line with the regulatory requirements and suitable for our business scope, corporate governance structure and business scale, which defines the compliance management duties of the Board of Directors, the Board of Supervisors, the senior management, the Internal Control and Compliance Department, all lines of management departments and the branches at all levels. 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. A number of main compliance management measures have been adopted. Firstly, 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. Secondly, the Bank steadily carried out the activity of "the Year for Improving Internal Control and Compliance Management" to deepen the construction of the long-term mechanism for internal control and compliance and invigorate the internal vitality in risk prevention and control. Thirdly, the Bank focused on system construction, carried out special work on the system process optimisation, realized full coverage of post-system assessment of the head office and branches, and ensured the compliant operation with the system that seeks constant evolution and innovation.

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Fourthly, the Bank strengthened compliance risk monitoring, focusing on customer complaints and new product complaints to improve the quality and effectiveness of compliance risk monitoring. Fifthly, 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. Sixthly, the Bank appointed compliance officers to incorporate compliance work in institutions at all levels of the Bank. Seventhly, the Bank organized knowledge tests across the Bank on compliance cases and special trainings on legal compliance knowledge, with an aim to constantly strengthen the compliance publicity and education and create a soft compliance environment for the Bank.

7.7.8 Anti-money laundering management

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

During the Reporting Period, the Bank endeavoured to increase the digitalization of anti-money laundering and effectively improved the effectiveness of anti-money laundering work by focusing on “empowerment to reduce burdens, increase in efficiency through management”. The Bank transferred more than 120 suspected clues to the public security organs and intercepted funds of more than RMB4.60 million involved in the case during the year, assisting them in catching 26 suspected criminals, with nearly 50 letters of thanks (commendation) received from such public security organs.

Firstly, by focusing on “burdens reduction at the grassroots level and increase in efficiency through management”, the Bank optimized the anti-money laundering management process and mechanism riding on the opportunity of integrated reform. The Bank clarified the departments and responsibilities for customer’s anti-money laundering, management and established a new anti-money laundering management model with clear division of labor and close collaboration among the “leading department”, “customer belonged department” and “business management department”. The Bank adjusted the anti-money laundering leading management departments of branch outlets to downsize their anti-money laundering manpower allocation. The Bank built an intelligent processing mechanism for large-amount transactions and customer money laundering risk ratings to reduce basic workload and significantly release business management potential; streamlined the anti-money laundering due diligence process to improve the work efficiency of front-line staff while enhancing customer experience.

Secondly, the Bank implemented the digital transformation strategy by completing the “four news” transformations of the anti-money laundering system to build an intelligent anti-money laundering system. For “new data”, we carried out special governance of data in specific transaction scenarios, adding transaction data quality monitoring tools, and building a long-term mechanism for capital chain governance. For “new model”, we built a suspicious transaction monitoring model based on machine learning, whose hit rate of black and gray samples is much higher than that of traditional-rule models. For “new computing power”, we completed the IT innovation transformation, increasing the system data processing capabilities dramatically. For “new functions”, we added digital tools such as on-site inspections and model laboratories to increase the efficiency of anti-money laundering.

Thirdly, the Bank maintained the problem-oriented approach, achieved full coverage of anti-money laundering inspection institutions and processes, and enhanced the execution of anti-money laundering work. The Bank continued to improve the inspection data screening standards, and innovatively used big data inspection methods following the concept of “technology-enhanced inspection”. The Bank designated a dedicated person to establish and maintain a register of anti-money laundering inspection problems, and realized a closed-loop management of “inspection counseling – rectification urging – follow-up”, guiding branch outlets to accurately implement anti-money laundering internal control systems.

Fourthly, the Bank has always adhered to the principle of customer-orientation, focusing on both service and money laundering risk control to fulfill its anti-money laundering obligations in a solid manner. The Bank improved the risk rating mechanism for high-risk customers by introducing the approval process of the head office’s customer management department, and prudently and dynamically assessed customers’ money laundering risk levels, having constantly conducted money laundering risk ratings for the broadest customer base.

Fifthly, the Bank insisted on team building and strengthened intellectual support for anti-money laundering. The Bank hired legal experts to conduct training on the interpretation of the new Anti-Money Laundering Law for directors, supervisors and senior management; invited anti-money laundering experts from third-party consulting companies to conduct duty performance training for middle management. We organized two special anti-money laundering training sessions for the heads of anti-money laundering leading departments of branches, as well as full-time and part-time anti-money laundering personnel, participated by a total of more than 260 people. Upholding the principle of “acquiring knowledge through competitions and enhancing work through learning”, we organized an anti-money laundering knowledge competition for grassroots frontline personnel through online preliminary rounds and offline finals. A total of more than 3,200 people participated in the competition, and 10 people won awards, which fully demonstrated the solid anti-money laundering skills of the frontline personnel of branch outlets.

Sixthly, the Bank adhered to the dual-track approach and enhanced the penetration of anti-money laundering publicity. Online, the Bank released a series of themed promotions such as “Financial Literacy Month” and “Yuxiaoxuan’s Monster Hunting Journey” through its official WeChat public account, Xiaohongshu, and Douyin online platforms, with a total of more than 9,000 page views. At the same time, it actively forwarded and pushed anti-money laundering knowledge tweets on WeChat Moments, and repeatedly played anti-money laundering electronic slogans and promotional videos on more than 800 LED display screens throughout the Bank. Offline, while using outlets as propaganda bases, the Bank established a special propaganda team to carry out activities such as distributing anti-money laundering leaflets and holding prize-winning guessing competitions in communities, schools, markets, public transportation hubs, enterprises and other places. The Bank actively participated in the joint thematic publicity activities organized by local financial offices, administrations of financial regulation and other departments to popularize anti-money laundering knowledge to the public.

7.8 Capital Management

With an aim to satisfy the regulatory requirements on capital management to 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.

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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, the Group has implemented capital budget management by introducing capital distribution and establishing a balancing mechanism between sound capital occupancy and risk assets, to ensure continuous compliance with capital adequacy requirements.

7.8.1 Capital adequacy ratio

The Group calculated its capital adequacy ratio at all levels as of 31 December 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.

	31 December 2024		31 December 2023	
(All amounts expressed in thousands of RMB unless otherwise stated)	The Group	The Bank	The Group	The Bank
Net capital:				
Core Tier I Capital, net	54,325,735	49,716,395	51,003,470	46,859,678
Tier I Capital, net	61,550,655	56,715,989	58,208,408	53,859,272
Net capital	79,470,686	73,544,155	69,708,993	63,913,717
Capital adequacy ratio (%):				
Core Tier I Capital adequacy ratio	9.88	9.86	9.78	9.78
Tier I Capital adequacy ratio	11.20	11.25	11.16	11.24
Capital adequacy ratio	14.46	14.58	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)	31 December 2024	31 December 2023
Core capital:		
Share capital	3,474,569	3,474,562
Counted part of capital surplus	9,378,241	8,881,694
Eligible portion of other equity instruments	1,071,663	1,071,670
Surplus reserve and general risk reserves	13,925,992	12,728,009
Counted part of retained earnings	25,363,111	23,762,205
Eligible portion of minority interests	1,689,943	1,540,079
Core Tier I Capital deductibles items:		
Full deductibles items	(577,784)	(454,749)
Threshold deduction items	—	—
Core Tier I Capital, net	54,325,735	51,003,470
Other Tier I Capital, net	7,224,920	7,204,938
Tier II Capital, net	17,920,031	11,500,585
Net capital	79,470,686	69,708,993
On-balance sheet risk-weighted assets	517,164,597	490,167,180
Off-balance sheet risk-weighted assets	6,728,580	3,049,656
Risk-weighted assets for exposure to counterparty credit risk	79,144	64,834
Total credit risk-weighted assets	523,972,321	493,281,670
Total market risk-weighted assets	3,081,108	2,551,278
Total operational risk-weighted assets	22,686,611	25,745,069
Total risk-weighted assets before applying capital base	549,740,040	521,578,017
Total risk-weighted assets after applying capital base	549,740,040	521,578,017
Core Tier I Capital adequacy ratio (%)	9.88	9.78
Tier I Capital adequacy ratio (%)	11.20	11.16
Capital adequacy ratio (%)	14.46	13.37

As of 31 December 2024, the Group's capital adequacy ratio was 14.46%, representing an increase of 1.09 percentage points as compared to the end of the previous year. Tier I Capital adequacy ratio was 11.20%, representing an increase of 0.04 percentage point as compared to the end of the previous year. Core Tier I Capital adequacy ratio was 9.88%, representing an increase of 0.10 percentage point as compared to the end of the previous year. The change in capital adequacy ratio during the Reporting Period was mainly because: (1) the accumulation of endogenous capital increased, and endogenous factors such as profit growth in 2024 led to an increase of approximately RMB3.322 billion in net core tier I capital; (2) the issuance of new Tier II capital debts in the amount of RMB6 billion during the year.

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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).

7.8.2 Leverage ratio

As of 31 December 2024, the Group’s leverage ratio was 6.66%, falling within regulatory requirements of the NFRA.

The following table sets forth the relevant information of the Group’s leverage ratio as of the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	31 December 2024	31 December 2023
Leverage ratio (%)	6.66	7.13
Tier I Capital, net	61,550,655	58,208,408
On-and off-balance sheet assets after adjustment	924,423,283	816,856,366

7.8.3 Capital financing management

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

In March 2022, the Bank publicly 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 regulatory authorities, the proceeds from such issuance were all used to replenish the Bank’s Tier II capital as planned. The Bank is entitled to redeem the bonds in March 2027.

In March 2022, the Bank publicly issued a total amount of RMB13.0 billion A Share Convertible Corporate Bonds at par with a par value of RMB100 each. 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-I 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 “13.3 Convertible Corporate Bonds” in this annual 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 I 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 I capital. The Bank is entitled to redeem the bonds in October 2028.

In August 2024, the Bank publicly issued RMB6.0 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 2.23% per annum before maturity. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital as planned. The Bank is entitled to redeem the bonds in August 2029.

7.8.4 Economic capital allocation and management

The Group's economic capital management mainly consists of measurement, allocation and application. Economic capital indicators include Economic Capital (EC) occupancy, return on capital and Economic Value Added (EVA) and other indicators, whose application fields include credit resource allocation, quota management, performance assessment, 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, the Group further improved the economic capital measurement policy, optimized the economic capital measurement standard and system. Secondly, the Group strictly implemented the economic capital quota management measures, continuously improved the refined management level of economic capital, and comprehensively strengthened the capital constraints on branches and holding institutions. Thirdly, the Group continued to optimize the economic capital measurement and assessment policy in our credit business, and actively facilitated our credit structure adjustment. Fourthly, the Group 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.

7.9 Environment and Outlook

7.9.1 Prospects for Macro Environment

In 2024, the world's changes unseen in a century accelerated. Under a complex situation of increasing external pressure and internal difficulties, our country's economy overcame difficulties, made steady progress, and achieved effective improvement in quality and reasonable growth in quantity. The annual GDP exceeded RMB130 trillion for the first time, successfully achieving the expected target. Looking forward, given that our country's economy has a solid foundation, many advantages, strong resilience and great potential, its long-term positive fundamentals have not changed and will not change, our country has the confidence and ability to achieve long-term stable development.

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Looking ahead to 2025, our country has the institutional advantage of a socialist market economy, the demand advantage of a super-large-scale market, the supply advantage of a complete industrial system, and the talent advantage of a large number of high-quality workers and entrepreneurs. With the above, combined with more proactive and effective macroeconomic policies, our country's economic development will still have strong endogenous driving force.

In terms of macroeconomic policies, fiscal policy will be more proactive, the fiscal deficit ratio will increase, ultra-long-term special government bonds and local government special bonds will increase, and the intensity of fiscal spending will increase, which would provide a strong impetus to economic growth. Moderately loose monetary policy and increased coordination with fiscal policy will drive funds to flow into the real economy faster. The policies of large-scale equipment upgrades and trade-ins of consumer goods will be expanded, the projects relating to major strategies and major areas will receive greater support, the domestic market potential is expected to be released faster, and the upgrading of factor endowments will promote scientific and technological innovation and lead a vigorous development of new quality productivity, which would provide strong support for the continued recovery of the economy.

In terms of regulatory environment, the institutional supervision, behavioral supervision, functional supervision, penetrating supervision and continuous supervision will be fully strengthened. Preventing and resolving risks in key areas, improving the quality and effectiveness of financial supervision, serving the recovery of the real economy and promoting high-quality development of the industry will remain important goals of supervision.

In terms of industry competition and development landscape, regional banks must persist in reform and innovation, promote competency upgrading, strengthen collaborative synergies, and maintain a solid risk bottom line, in order to cultivate their own new quality productivity. Focusing on technology finance, green finance, inclusive finance, pension finance and digital finance, so called "Five Major Articles", the Bank will strive for excellence in efficiency and service to provide better financial services for major strategies, key areas and weak links in the real economy.

In terms of regional development, the GDP and population of the "one municipality and three provinces" covered by the Bank both account for more than 50% of those in western provinces, cities and municipality respectively. In 2024, the GDP of Chongqing, Sichuan, Shaanxi and Guizhou grew by 5.7%, 5.7%, 5.3% and 5.3% year-on-year respectively, all higher than the national level. With the intersection and superposition of major national strategies, policy dividends of the large-scale development of China's western region in the new era, the development of the Chengdu-Chongqing Economic Circle, the construction of the new land-sea channel in western China, the establishment of a financial center in western China, and the high-quality development of the Yangtze River Economic Belt continued to be released, injecting strong impetus into the development of Chongqing and even the western region. In 2025, Chongqing will focus on implementing the "two positionings", playing the "three roles", and iteratively upgrading the "six zones and one highland" construction system, continue to expand and strengthen the "33618" manufacturing industry cluster system, and promote the deep integration of technological innovation and industrial innovation, advanced manufacturing and modern service industry, digital economy and real economy, bringing more momentum for regional economic development.

7.9.2 Business Plan

The year 2025 marks the conclusion of the 14th Five-Year Plan and the preparation for the 15th Five-Year Plan, which is also a critical year for the Group to achieve steady development and breakthrough. The Group will, in line with the decisions and arrangements of the municipal Party committee and the municipal government and regulatory requirements, focus on implementing the “two positionings”, playing the “three roles”, and building the “six zones” to ensure that financial services for major strategies and the real economy are implemented and effective. By adhering to the “five highs” strategic positioning and “five threes” key measures, the Group will reinforce its confidence, seize opportunities, complete the annual goals with high quality, and achieve satisfactory results in the successful conclusion of the 14th Five-Year Plan to lay a solid foundation for a good start to the 15th Five-Year Plan.

Seizing opportunities to accelerate development of its core businesses. Firstly, the Bank will grasp the trend of the market to ensure proper credit investment. Focusing on major infrastructure and urban construction projects of “one municipality and three provinces”, the Bank will innovate cooperation model with enterprises which have exited from government financing vehicles. Closely aligning with Chongqing’s efforts to build “33618” modern manufacturing industry cluster system and layout of developing regional new quality productivity, the Bank will ensure proper credit investment to key enterprises in advantageous industrial chains such as new energy vehicles, electronics and new materials. The Bank will increase its efforts to diversify allocation of assets such as credit bonds and interest rate bonds, and continue to increase its credit granting to counterparties and expand interbank credit. Closely following the central and local policies to promote consumption, the Bank will improve the “letter of credit + forfaiting” product portfolio and create a “inclusive credit to land-sea customers” (惠暢陸海) characteristic product system relying on the dual wheels of “policy + activity” to drive consumer credit investment. Secondly, the Bank will focus on service improvement and manage liabilities. It will optimize corporate account opening process and limit setting to enhance settlement convenience. The Bank will upgrade pipeline tools and strengthen promotion of cash management system and corporate treasury management system. The Bank will take advantage of products such as “Xing Fu Cun” (幸福存) and US dollar time deposits to expand customer base and increase deposits. For key customers such as enterprises, public institutions and group companies, we will innovatively create a bunch of exclusive scenarios that are replicable and easy to promote, and offer good supervision for key funds, striving to have more special accounts opened. Thirdly, the Bank will optimize the business management model. It will improve management decision-making mechanisms, optimize asset allocation strategies in a low interest rate environment, and achieve dynamic balance under multiple objectives, as well as strengthen liquidity risk control and diversify financing channels.

Enhancing coordination to increase revenue and create profits with multiple approaches. Firstly, the Bank will strengthen system evaluation and increase comprehensive benefits. Comprehensive calculations are made on deposits, loans, leases, bonds, discounts and intermediary income for high-quality customers, and we will accelerate the clarification of customer scope, differentiated guidance prices, and refinement of approval procedures to ensure effective implementation of the mechanisms. Secondly, the Bank will strengthen control over credit granting pace and ensure stable income. The Bank will strengthen analysis and judgment of the market situation, riding on market opportunities to promote early loan issuance for early returns. The Bank will enhance analysis and judgment of interest rate situation, optimize investment strategy and business portfolio, and steadily carry out foreign currency bond investment. Thirdly, the Bank will reinforce debt collection and profit creation to ensure that every dollar is recovered. By means of market-oriented restructuring, transfer of income rights of non-performing assets, transfer of debt rights and others, the Bank will intensify efforts on disposal and recovery of non-performing assets and mitigate the impact of non-performing assets to erode the profit. Fourthly, the Bank will enhance collaborative synergies to push overall revenue growth. The Bank will enhance collaboration among assets, liabilities and intermediary income business and others, establish a customer information

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sharing mechanism, and strengthen assessment and evaluation of the collaborative businesses within the institutions, the head office, branches and subsidiaries. Fifthly, the Bank will strengthen the coordination between quantity and price and control liability costs, highlighting a combined management of “quantity limit, quota, and price control” to effectively control the proportion of medium-and long-term savings deposits. The Bank will control the issuance pace of inter-bank certificates of deposit and actively strive for low-cost monetary policy tools. Sixthly, the Bank will reinforce refined management and maximize benefits. The Bank will implement assessment on economic capital based on new capital regulations, appropriately adjusting the FTP interest margin between deposits and loans, and guide operating institutions to develop strategic key businesses and key customer groups.

Speeding up transformation and adopting comprehensive measures to improve internal strength. Firstly, the Bank will step up efforts in the technology finance, green finance, inclusive finance, pension finance and digital finance, so called “Five Major Articles” to promote business transformation. The Bank will innovate and develop green finance and inclusive finance, and create a service brand with industry recognition. The Bank will speed up the expansion of customer base of high-tech enterprises and technology-based enterprises. It will further enrich the pension financial product system and actively support development of the pension industry. It will improve the digital financial system, strengthen infrastructure and data construction, and enhance smart financial services. Secondly, the Bank will step up efforts to operate outlets and promote marketing transformation. The Bank will focus on building fully functional outlets, continuously enhancing our comprehensive marketing and management capabilities to promote the transformation of outlets from “similarity in form” to “similarity in spirit”. The Bank will optimize comprehensive evaluation of outlets and improve comprehensive contribution of outlets. Meanwhile, the Bank will concentrate on capacity building, promote cross-certification of marketing personnel, and accelerate establishment of large and medium business with expansion of comprehensive businesses. Thirdly, the Bank will increase efforts on comprehensive operations and promote service transformation. The Bank will accelerate transformation from “conducting business and making products” to “serving customers”, and with good use of license resources, strengthen a comprehensive use of loan, bond, underwriting, leasing, settlement and other services, thus achieving integrated operation and comprehensive marketing of assets, liabilities and intermediary income business.

Focusing on services to further expand customer base. The first is to expand the model. The Bank will make good use of digital tools such as “Wind Chime Intelligent Review” and “good enterprise to see” to obtain lists of upstream and downstream companies in the industrial chain in batches. The Bank will enhance connection with enterprises and public institutions, actively participating in local investment promotion to reinforce our customer acquisition at the source. The Bank will expand online channels to reach and acquire customers, strengthen publicity and traffic generation, so as to expand the customer coverage. The second is to highlight key points. The Bank will focus on quality corporate customer groups such as companies listed or to be listed, group companies, introduced enterprises, national specialized, refined, distinctive and innovative “little giants” enterprises, and financial agency payment businesses, improve the marketing support policy system to match comprehensive service plans and promote cooperative relationships. The Bank will finetune the “1+3” customer group marketing strategy of one key customer group plus three scenario customer groups, enhance marketing efforts for the elderly customer group and social security, agency payment, and merchant accounts customer groups, increasing the operational level of individual customer groups. The third is to improve services. The Bank will firmly uphold the concept of “working together for shared growth” (心相伴、共成長), and support customers’ growth and development with high-quality, companionship services. It will strengthen stratified and grouped management to vertically expand customer marketing and services, as well as improve the product system to meet diversified service needs of customers in a targeted manner.

Safeguarding the bottom line and enhancing integrated risk management. Firstly, the Bank will maintain integrated management of risk information. The Bank will connect various credit business systems and core counter business systems to achieve efficient communication of customer and business information in each line, the head office and branches. In addition, the Bank will introduce external data through multiple channels and continuously optimize the risk information acquisition mechanism. Secondly, the Bank will maintain integrated management of risk control processes. The Bank will improve responsibility system, tool system, and coordination mechanism system covering the entire process of risk identification, monitoring, early warning, and disposal to ensure that various empowerment tools are effective, front-end, mid-end, and back-end coordination is efficient, and risk management and control objectives are effective. The Bank will endeavour to move risk checkpoints forward and prevent and resolve risks at the forefront of business development to prevent small hidden dangers from becoming big risks. The Bank will check early warning information promptly, supervise and promote the front-end to pay attention to small problems early, cancel accounts in a timely manner, and ensure that risks in key areas are controllable. Thirdly, the Bank will maintain integrated management of various business risks. The Bank will always take credit risk, interest rate risk, liquidity risk, operational risk, and reputation risk into full account, and comprehensively manage the whole life cycle of products and businesses. In addition, the Bank will permeate the whole process of credit business with risk compliance awareness, ensuring that asset investment complies with policy orientation and regulatory requirements, thus to effectively prevent operational risk and case risk.

Corporate Governance Report

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 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 (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 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.

8.1 General Meeting

8.1.1 Duties and Responsibilities of General Meetings

The general meeting of shareholders is an organ of power in the Bank which performs the following functions and powers according to law:

- (1) to decide the Bank's business policy and investment plans;
- (2) to elect and replace directors and supervisors served by non-employee representatives, and decide on matters related to the remuneration of directors and supervisors;
- (3) to examine and approve the report of the Board of Directors;
- (4) to examine and approve the report of the Board of Supervisors;
- (5) to examine and approve the Bank's annual financial budget and its final accounts proposals;
- (6) to examine and approve the Bank's plans for profit allocation and loss recovery;
- (7) to adopt a resolution on increase or decrease in the Bank's registered capital;
- (8) to adopt resolutions on merger, separation, dissolution, liquidation or change of company form of the Bank;
- (9) to adopt a resolution on the issuance of the Bank's bonds or other securities or the listing of the Bank;
- (10) to adopt a resolution on the acquisition of shares of the Bank in accordance with the laws;

- (11) to adopt resolutions on the hiring or firing an accounting firm that is responsible for the regular statutory audits of the Bank's financial reports;
- (12) to amend the Articles of Association;
- (13) to examine and approve the procedural rules for general meetings, the Board of Directors and the Board of Supervisors of the Bank;
- (14) to examine proposals made by the shareholders representing more than 3% of the voting shares in the Bank individually or in aggregate;
- (15) to examine and approve the matters of providing guarantee for shareholders or de facto controllers;
- (16) to examine the purchase or sale of material assets or guarantee amounts for financing accounting within one year of or more than 30% of the Bank's latest audited total assets;
- (17) to examine and approve financing guarantees provided to any guaranteed party whose debt to assets ratio is higher than 70%;
- (18) to examine and approve any single financing guarantee with an amount exceeding 10% of the latest audited net assets value of the Bank;
- (19) to examine related party transactions which shall be approved by the shareholders' general meeting in accordance with laws, administrative regulations, rules and provisions of the securities regulatory authority of the places where the shares of the Bank are listed;
- (20) to examine and approve changes in the use of proceeds;
- (21) to examine and approve the Bank's share repurchase plans and equity incentive plans;
- (22) to determine the issuance of preference shares; to determine or authorize the Board of Directors to determine the matters relating to the issuance of preference shares by the Bank, including but without limitation to redemption, conversion and dividend distribution etc.;
- (23) external donations of the Board of Directors exceeding the amount authorized by the shareholders' general meeting;
- (24) purchases of major assets, procurement of bulk materials and services by the Board of Directors exceeding the amount authorized by the shareholders' general meeting;
- (25) to mobilize and use funds for projects not included in the annual budget; to mobilize and use large amount of funds by the Board of Directors exceeding the amount authorized by the shareholders' general meeting;
- (26) other matters which should be determined by the general meeting of shareholders in accordance with the laws, regulations, regulatory requirements or the Articles of Association.

Corporate Governance Report

8.1.2 Information of General Meetings

In 2024, the Bank held one annual general meeting and two extraordinary general meetings, all of which were convened and held in accordance with relevant laws and regulations and Articles of Association, details of which are set out below:

Session	Date	Resolutions	Publication of Resolutions
The 2024 First Extraordinary General Meeting	19 February 2024	considered and approved two proposals, 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.	website of the Bank (www.cqcbank.com), website of the Shanghai Stock Exchange (www.sse.com.cn), website of the Hong Kong Stock Exchange (www.hkex.com.hk)
The 2023 Annual General Meeting	21 June 2024	considered and approved nine proposals, 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; heard eight reports, including Evaluation Report by the Board of Directors on the Performance of Duties of Directors for 2023, Evaluation Report by the Board of Supervisors on the Performance of Duties of Supervisors for 2023, Work Report of Independent Directors for 2023, Mutual Evaluation Report of External Supervisors for 2023, Report on Execution of Remuneration of Non-executive Directors for 2023, Report on Execution of Remuneration of Non-employee Supervisors for 2023, Report on Management of Related Transactions for 2023 and Report on the Performance of Duties and Obligations of Major Shareholders for 2023.	website of the Bank (www.cqcbank.com), website of the Shanghai Stock Exchange (www.sse.com.cn), website of the Hong Kong Stock Exchange (www.hkex.com.hk)

Session	Date	Resolutions	Publication of Resolutions
The 2024 Second Extraordinary General Meeting	20 December 2024	considered and approved four proposals, including the Proposal on the Profit Pre-distribution Plan for the First Three Quarters of 2024, the Proposal on the Election of the Executive Directors for the Seventh Session of the Board of Directors of Bank of Chongqing Co., Ltd., the Proposal on the Election of Non-executive Directors for the Seventh Session of the Board of Directors of Bank of Chongqing Co., Ltd. and the Proposal on the Election of Independent Non-executive Directors for the Seventh Session of the Board of Directors of Bank of Chongqing Co., Ltd.	website of the Bank (www.cqcbank.com), website of the Shanghai Stock Exchange (www.sse.com.cn), website of the Hong Kong Stock Exchange (www.hkex.com.hk)

8.2 The Board of Directors

8.2.1 Responsibilities of the Board

The responsibilities of the Board of the Bank mainly include, but not limited to, the following:

- (1) convening general meetings and reporting its performance to general meetings;
- (2) implementing the resolutions adopted by the shareholders' general meetings;
- (3) deciding on operational plans and investment proposals of the Bank;
- (4) deciding on development strategy and development plans of the Bank and overseeing the implementation of the strategy;
- (5) formulating the annual financial budget and its final accounts proposals of the Bank;
- (6) formulating profit distribution plans and loss recovery plans of the Bank;
- (7) formulating proposals for increase in, or reduction of the Bank's registered capital, issuance of bonds or other securities and listing plans;
- (8) formulating proposals for major acquisitions, share purchase, mergers, separation, dissolution and change in corporate form of the Bank;
- (9) examining and approving any financial guarantee to be provided by the Bank when the total amount of external financing guarantees of the Bank is less than or equal to 30% of the Bank's latest audited total assets;
- (10) deciding on establishment, dissolution and merger of the Bank's internal management departments and branches. The Board may delegate the rights of setting up, dismantling and merging the internal management organs of the Bank to the Strategy and Innovation Committee of the Bank;

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- (11) appointing or removing the president and the secretary to the Board and decide on their emoluments and their rewards and punishments; appointing or removing vice presidents, the chief financial officer, the chief officer and other senior management based on the recommendations of the president, and deciding on matters relating to their emoluments and their rewards and punishments; to appoint or dismiss the Bank's general counsel and other senior management based on the recommendations of the chairman of the Board of Directors, and to decide on their remunerations, rewards and punishments; to supervise the effective performance of duties of senior management;
- (12) establishing the Bank's basic management system;
- (13) formulating the Bank's policy for risk tolerances, risk management and internal controls, and assuming ultimate responsibility for comprehensive risk management;
- (14) preparing proposals for any amendments to the Articles of Association, establishing the procedural rules for general meetings and the procedural rules for the Board of Directors, and examining and approving the work rules of the special committees under the Board of Directors;
- (15) taking responsibility for the Bank's disclosure of information, and assuming ultimate responsibility for the authenticity, accuracy, completeness and timeliness of the Bank's accounting and financial reporting;
- (16) regularly evaluating and improving the Bank's corporate governance;
- (17) proposing the appointment or dismissal of accounting firms for regular statutory audits of the Bank's financial reports at the shareholders' general meeting;
- (18) reviewing working reports of the president and assessing the president's performance;
- (19) formulating the corporate capital plan, and assuming ultimate responsibility for the capital management;
- (20) safeguarding the legitimate rights and interests of financial consumers and other stakeholders;
- (21) establishing a mechanism for identifying, reviewing and managing the conflicts of interest between the Bank and its shareholders, especially substantial shareholders;
- (22) assuming management responsibility of shareholders' matters;
- (23) deciding on matters such as external investments, acquisition of assets, disposal and write-off of assets, pledge of assets, entrusted wealth management, material connected transactions and data governance of the Bank within the scope of authorization of the shareholders' general meeting;
- (24) deciding on matters relating to external donations within the scope of authorization of the shareholders' general meeting;
- (25) deciding on matters relating to purchase of major assets, procurement of bulk materials and services within the scope of authorization of the shareholders' general meeting;

- (26) deciding on matters relating to mobilization and use of large amount of funds; mobilization and use of large amount of funds exceeding the project budget in the annual budget within the scope of authorization of the shareholders' general meeting;
- (27) exercising other duties and powers prescribed by the laws, administrative regulations, department rules or the Articles of Association of the Bank or conferred by the general meetings.

8.2.2 Implementation of Resolutions of General Meetings by the Board

During the Reporting Period, the Board of the Bank strictly implemented the resolutions of general meetings and the matters entrusted by general meetings, and earnestly promoted the implementation of the proposals considered and approved at the general meeting regarding the Profit Distribution Plan for 2023, the Annual Financial Budget for 2024, and the Appointment of External Auditor for 2024.

8.2.3 Chairman and President

The roles and functions of the Chairman and the President of the Bank are carried out by different persons to comply with the requirements of the Hong Kong Listing Rules. The roles of the Chairman and the President are separated with a clear division of responsibilities.

The Chairman of the Bank is the legal representative of the Bank and responsible for presiding over the Board and formulating development strategic planning, to ensure that the Board works effectively and timely considers all significant matters.

The President of the Bank is responsible for business development and overall operation and management of the Bank. The President is appointed by and accountable to the Board, and shall perform his duties in accordance with the Articles of Association and authorization of the Board. The senior management led by the President is responsible for day-to-day operation and management.

8.2.4 Composition of the Board

As of the date of this report, the Board of the Bank comprised a total of 11 Directors, including 3 executive Directors, namely, Mr. YANG Xiuming (Chairman), Mr. GAO Song (President) and Ms. HOU Ximeng; 3 non-executive Directors, namely, Mr. WONG Hon Hing (Vice Chairman), Mr. GUO Xile and Mr. WU Heng; and 5 independent non-executive Directors, namely, Dr. LIU Xing, Mr. WANG Rong, Dr. FUNG Don Hau, Dr. ZHU Yanjian and Ms. LIU Ruihan.

The Board of the Bank has set up eight special committees. Please refer to "8.2.15 Special Committees under the Board" for details.

The diversity policy of the Board is summarized as follows:

The Board believes that a diverse board composition will enable the Bank to, in a more efficient manner, improve the work quality and efficiency of the Board, understand and meet customers' needs and enhance decision-making ability of the Board. In selecting candidates, the Board and the Nomination Committee consider a large number of factors including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge and years of service, in order to achieve the diversity of members of the Board. The Nomination Committee reports annually on the composition of the Board from the perspective of diversity, and monitors the implementation of this policy, including board diversity goals and progress.

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The Bank attaches great importance to continuous improvement of professionalism and structural rationality of the Board and the best combination of Board members matching the development strategy of the Bank to lay the foundation for the efficient operation and scientific decision-making of the Board. As of the date of this report, the Board comprises 11 Directors, including 2 females, 2 persons who are ordinarily resident in Hong Kong, 7 persons who have extensive banking experience, 2 person who have expertise in finance, 3 professors from renowned colleges and universities. The Board is still diverse in terms of gender, professional background and skills of its members. Therefore, there is no need to set any further measurable objectives for the implementation of the board diversity policy.

The list of Directors (by category of Directors) was disclosed in all corporate communications issued by the Bank in accordance with the Listing Rules.

The Board is responsible for developing the management system and monitoring the decisions on business and financial strategies, results and other matters of the Bank, and reports to the general meeting. Meanwhile, the Board has delegated to the management the powers and duties for management of the Bank. In addition, the Board has also defined respective terms of reference of the Special Committees. Details of such committees are set out in this report.

The Board is also responsible for performing corporate governance functions. During the Reporting Period, the Board performed the corporate governance functions as set out in the Corporate Governance Code.

8.2.5 Changes in Directors

Please refer to the section headed “Directors, Supervisors, Senior Management, Employees and Branch Outlets” of this annual report for details of changes in Directors.

8.2.6 Operation of the Board

Board meetings may be convened by way of on-site meetings or voting via video conference. The Board of the Bank shall convene regular board meetings at least once for every quarter. Agenda for a meeting of the Board is prepared after consulting Directors and the Board paper and relevant materials for such meeting are usually circulated to all Directors and Supervisors 5 days prior to the date of such meeting. Notice for a regular meeting of the Board is circulated to all Directors and Supervisors 14 days prior to the date of such meeting. All Directors maintain communication with the secretary to the Board and the secretary to the Bank to ensure compliance with the procedures of Board meetings and all applicable rules and regulations.

Directors can express their opinions freely at board meetings, and major decisions are made after detailed discussions. A Director shall abstain from discussion and voting at a Board meeting on any proposal in which he is materially interested, and shall not be counted in the quorum for such proposal. Detailed minutes of Board meetings are maintained, and minutes are circulated to all attending directors for review after the meeting. Directors that have attended the meetings will provide comments for modification after receiving the minutes, and sign for confirmation. The minutes will be circulated by the secretary to the Board to all directors as soon as they are finalised. The minutes of Board meetings are kept by the secretary to the Board of Directors and are available for inspection by Directors at any time.

A communication and reporting mechanism has been established among the Board, Directors and senior management of the Bank. The President reports regularly to and is overseen by the Board. Members of senior management attend board meetings to provide explanations and answers to inquiries of Directors.

The Board has set up an office as its working body, which is responsible for preparation and implementation of general meetings, Board meetings and meetings of the special committees under the Board as well as strategic planning, corporate governance, foreign investment management, connected transaction management, equity management, license management, investor relations management, information disclosure and other routine matters.

8.2.7 Appointment of Directors

The Directors (including non-executive Directors) of the Bank are appointed for a term of three years, and are eligible for re-election upon expiry of their term of office. Independent non-executive Directors are appointed for a term of three years, and shall handle the service matters as required by the relevant banking regulatory authorities in PRC upon expiry of terms. Independent non-executive Directors shall not serve for over six years in aggregate at the same commercial bank.

8.2.8 Board Meetings

During the Reporting Period, the Board convened 20 meetings in total (including 6 written resolutions and 14 onsite/video meetings), at which 99 proposals were considered and approved, including the audit plan, financial reports and profit distribution, 56 reports were heard and 2 matters were reported. None of Directors have proposed any dissenting opinions to relevant matters of the Bank. Details of Board meetings are set out below:

Session	Date	Resolutions
The 82nd meeting of the sixth session of the Board	11 January 2024	considered and approved four proposals, including the Proposal on the Nomination of Mr. YANG Xiuming as a Candidate for the Executive Director of Bank of Chongqing Co., Ltd. and the Proposal on the Nomination of Mr. GAO Song as an Authorized Representative of Bank of Chongqing Co., Ltd.
The 83rd meeting of the sixth session of the Board	25 January 2024	considered and approved the Proposal on Material Connected Transaction under Credit Facilities with Chongqing Real Estate Group Co., Ltd.
The 84th meeting of the sixth session of the Board	31 January 2024	considered and approved nine proposals, including the Proposal on Key Operating Indicators of Bank of Chongqing Co., Ltd. for 2024, the Proposal on Financial Budget of Bank of Chongqing Co., Ltd. for 2024 and the Proposal on Investment Plan for 2024.
The 85th meeting of the sixth session of the Board	18 February 2024	considered and approved the Proposal on Measures to Stabilize the A Share Price in 2024.
The 86th meeting of the sixth session of the Board	19 February 2024	considered and approved the Proposal on the Election of Chairman of the Board of Bank of Chongqing Co., Ltd.

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Session	Date	Resolutions
The 87th meeting of the sixth session of the Board	27 March 2024	considered and approved nineteen proposals, including the Proposal on the Financial Statements and Notes thereof for 2023, the Proposal on the Final Budget Report for 2023, the Proposal on the Profit Distribution Plan 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.
The 88th meeting of the sixth session of the Board	2 April 2024	considered and approved three proposals, including the Proposal on the Appraisal Report on Performance of Directors by the Board of Bank of Chongqing Co., Ltd. for 2023 and the Proposal on the Report of the Implementation of Remuneration of Non-Executive Directors for 2023.
The 89th meeting of the sixth session of the Board	17 April 2024	heard eight reports.
The 90th meeting of the sixth session of the Board	26 April 2024	considered and approved eight proposals, including the Proposal on the 2024 First Quarterly Report of Bank of Chongqing Co., Ltd. and the Proposal on the Capital Plan for 2024-2026.
The 91st meeting of the sixth session of the Board	24 May 2024	considered and approved two proposals, including the Proposal on Convening 2023 Annual General Meeting of Bank of Chongqing Co., Ltd.
The 92nd meeting of the sixth session of the Board	7 June 2024	considered and approved one proposal, including the Proposal on the Adjustment of the Membership of Some Special Committees under the Board of the Directors.
The 93rd meeting of the sixth session of the Board	21 June 2024	considered and approved six proposals, including the Proposal on the Amendment of the Measures for Operational Risk Management of Bank of Chongqing Co., Ltd., 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 94th meeting of the sixth session of the Board	31 July 2024	considered and approved five proposals, including the Proposal on the Appointment of Mr. LI Cong as the Vice President of Bank of Chongqing Co., Ltd. and the Proposal on the Amendment of Liquidity Risk Contingency Plan of Bank of Chongqing Co., Ltd.

Session	Date	Resolutions
The 95th meeting of the sixth session of the Board	30 August 2024	considered and approved six proposals, including the Proposal on the 2024 Interim Report of Bank of Chongqing Co., Ltd. and Highlights thereof and the Proposal on the Appointment of Mr. YAN Xiaochuan as the Vice President of Bank of Chongqing Co., Ltd.
The 96th meeting of the sixth session of the Board	25 September 2024	considered and approved four proposals, including the Proposal on the Consideration of the Work Report on the Internal Control System of Bank of Chongqing Co., Ltd. for 2024 and the Proposal on the Assessment Results of Operating Performance of Heads of Enterprises in 2023.
The 97th meeting of the sixth session of the Board	17 October 2024	considered and approved the Proposal on the Appointment of Mr. WANG Weilie as the Vice President of Bank of Chongqing Co., Ltd.
The 98th meeting of the sixth session of the Board	30 October 2024	considered and approved six proposals, including the Proposal on the 2024 Third Quarterly Report of Bank of Chongqing Co., Ltd. and the Proposal on the Profit Pre-distribution Plan for the First Three Quarters of 2024.
The 99th meeting of the sixth session of the Board	22 November 2024	considered and approved eleven proposals, including the Proposal for the Establishment of the Head Office's Direct Subsidiary, the Proposal on the Renewal of the Board of Directors of Bank of Chongqing Co., Ltd. and the Proposal on Convening the 2024 Second Extraordinary General Meeting of Bank of Chongqing Co., Ltd.
The 1st meeting of the seventh session of the Board	20 December 2024	considered and approved eight proposals, including the Proposal on Election of the Chairman of the Seventh Session of the Board of Bank of Chongqing Co., Ltd., the Proposal on the Election of the Vice Chairman of the Seventh Session of the Board of Bank of Chongqing Co., Ltd. and the Proposal on the Appointment of the President of Bank of Chongqing Co., Ltd.
The 2nd meeting of the seventh session of the Board	27 December 2024	considered and approved three proposals, including the Proposal on the Results of the 2023 Operational Performance Assessment and Payment of Remuneration to Senior Managers of Bank of Chongqing.

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Attendance records of the Directors at the Board meetings, meetings of the special committees under the Board and general meetings held in 2024 (Directors who were involved in connected transactions and required to abstain from voting at the relevant meetings are deemed as present) are set out below:

Members of the Board	Attendance in person/required (number of times)												
	The Board						Remuneration and Appraisal Committee	Strategy and Innovation Committee	Risk Management Committee	Connected Transactions	Information Technology	Consumer Protection	
	General Meeting	Total	On-site	By communication	By proxy	Audit Committee				Nomination Committee	Control Committee	Guidance Committee	
<i>Executive Directors</i>													
YANG Xiuming	2/2	13/15	10/12	3/3	2				5/5			1/1	
GAO Song	3/3	20/20	14/14	6/6	0				6/6	8/8		1/1	
<i>Non-executive Directors</i>													
WONG Hon Hing	3/3	20/20	14/14	6/6	0				11/11	12/12			3/3
GUO Xile	2/2	9/10	8/9	1/1	1				4/4	7/7			
WU Heng	3/3	20/20	14/14	6/6	0	3/3	9/9	2/2					
<i>Independent Non-executive Directors</i>													
LIU Xing	3/3	20/20	14/14	6/6	0	6/6	2/2	5/5				9/9	
WANG Rong	3/3	20/20	14/14	6/6	0		9/9	5/5		12/12	4/4		
FUNG Don Hau	3/3	19/20	13/14	6/6	1	6/6		3/3	11/11	4/4	4/4		
ZHU Yanjian	3/3	19/20	13/14	6/6	1				5/5		5/5	1/1	
<i>Outgoing Directors</i>													
LIN Jun	0/0	0/0	0/0	0/0	0								
WANG Fengyan	2/2	12/12	6/6	6/6	0	3/3							
LIU Jianhua	2/2	15/15	9/9	6/6	0						8/8	1/1	1/1
YOU Lili	2/2	15/17	9/11	6/6	2								3/3
WONG Wah Sing	3/3	18/18	12/12	6/6	0							1/1	3/3
ZHOU Qiang	3/3	18/18	12/12	6/6	0							1/1	
YUAN Xiaobin	3/3	18/20	12/14	6/6	2	6/6	9/9	2/2		8/8	1/1		

Notes:

- For details of changes in Directors, please refer to "9.1.4 Changes in Directors, Supervisors and Senior Management".
- Attendance in person includes participation by way of on-site attendance as well as electronic means such as telephone and online video conference.
- During the Reporting Period, there were no Directors who did not attend the Board meetings in person for two consecutive meetings.

8.2.9 Independent Non-executive Directors

The Bank are fully aware that independent opinions obtained by the Board are crucial to sound corporate governance and the efficiency of the Board. In order to ensure that the Board can obtain independent opinions as necessary, the Board has established a mechanism and reviews its implementation every year, so as to enhance the objectivity and effectiveness of decision-making.

During the Reporting Period, the composition of the Board at all times met the requirements of Hong Kong Listing Rules regarding the appointment of at least three independent non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors of the Bank represent no less than one-third of the Board, in effective compliance with the requirement of Rule 3.10A of the Hong Kong Listing Rules.

The independent non-executive Directors of the Bank do not have any business or financial interests, or hold any management positions, in the Bank. All the current independent non-executive Directors are elected and appointed for a term of three years, and shall handle the service matters as required by the relevant banking regulatory authorities in the PRC upon expiry of terms. Independent non-executive Directors shall not serve at the same commercial bank for over six years in aggregate.

The Bank has received the annual confirmation from each independent non-executive Director confirming his/her independence. The Bank considers that all independent non-executive Directors are independent.

The Bank attaches great importance to the safeguards for duty performance by independent non-executive Directors, and the Board, senior management and relevant staff have provided active co-operation and effective support to the independent non-executive Directors in the course of their duty performance. The Bank values the opinions and suggestions of the independent non-executive Directors. During the Reporting Period, the Bank organized seminars between the chairman and independent Directors to communicate and exchange views on the Bank's operation and development. The Bank also convened 5 special meetings of the independent Directors to fully understand and seek professional opinions and suggestions from the independent non-executive Directors on the Bank's operation, management and major issues.

The Board receives an annual report on the performance of the independent non-executive Directors. For information on the performance of the Bank's independent non-executive Directors' duties, please refer to the Duty Performance Report of Independent Directors of Bank of Chongqing Co., Ltd. for 2024 issued on 21 March 2025 by the Bank.

8.2.10 Directors' Responsibility for Preparation of Financial Statements

The Directors have acknowledged their responsibility for preparing the financial statements of the Bank for the year ended 31 December 2024.

The Directors are responsible for overseeing the preparation of financial statements for each accounting period to make sure that such financial statements give a true and fair view of the financial conditions, operating results and cash flows of the Bank. In preparing the financial statements for the year ended 31 December 2024, the Directors have adopted and consistently applied applicable accounting policies, and exercised prudent and reasonable judgment.

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8.2.11 Continuous Professional Development Program for Directors

Each newly appointed Director should receive a comprehensive, formal and tailored induction upon his/her first appointment, to ensure that he/she has a proper understanding of the operations and business of the Bank and that he/she is fully aware of his/her duties and responsibilities under applicable laws, regulatory rules and the Listing Rules.

Training for the Directors shall be carried out on an ongoing basis. The Bank encourages all Directors to participate in continuous professional development, to develop and update their knowledge and skills. During the Reporting Period, the Board of Directors of the Bank arranged all directors to participate in trainings on the new Company Law and the new Anti-Money Laundering Law. The Bank also provided all Directors with updates on the Listing Rules and other applicable regulatory requirements from time to time, to ensure that the Directors will make their contribution to the Board with informed and relevant information, abide by the Corporate Governance Code and enhance their awareness of sound corporate governance practices.

During the Reporting Period, details of participation in training of all Directors of the Bank are as follows:

On 31 July 2024, all Directors of the Bank participated in the training on the new Company Law;

From 6 to 30 November 2024, all Directors of the Bank participated in the training on 2024 “typical cases analysis of violations of laws and regulations of listed companies”;

From 23 to 31 December 2024, all Directors of the Bank participated in the training on the consolidated punishment and prevention of financial fraud in the capital market;

On 27 December 2024, all Directors of the Bank participated in 2024 anti-money laundering training.

8.2.12 Delegation of Power by the Board

The Board and the senior management led by the President exercise their respective powers in accordance with their responsibilities as set out in the Articles of Association of the Bank.

Apart from implementing resolutions of the Board, the senior management takes charge of the daily operation and management of the Bank. Major capital expenditure projects should be approved by the Board through the annual budget proposal and then be implemented. Any projects that are either not included in the budget proposal, or included in the budget proposal but without detailed expenditures, will be decided by the President with the authorization by the Board. Such other matters delegated by the Board to the management include non-interbank self-operated business, inter-bank self-operated business, intermediary business, acquisition of fixed assets, commodity and service purchase, disposal of assets, write-off of assets, transfer of assets, mortgage of assets, external financing guarantee, connected transactions, donations to external bodies, mobilization and use of funds and establishment of departments, provided that the amount of such transaction does not exceed a certain limit. For details, please refer to the section headed “Responsibilities of the Board” in the Corporate Governance Report of this annual report.

8.2.13 Corporate Governance Functions of the Board

The Board is responsible for ensuring the Bank to establish sound corporate governance practices and procedures. During the Reporting Period, the Board has:

1. formulated and examined the Bank's corporate governance policies and practices, and made recommendations;
2. examined and monitored the training and continuous professional development of Directors and senior management members;
3. examined and monitored the Bank's policies and practices in respect of compliance with laws, regulations and regulatory requirements;
4. formulated, examined and monitored the codes of conduct for Directors and employees;
5. examined compliance with the Corporate Governance Code and the disclosures in the Corporate Governance Report of the Bank.

8.2.14 Company Secretary

The Bank appointed Ms. HO Wing Tsz Wendy from Tricor Services Limited, an external service provider, as the company secretary of the Bank and Ms. HOU Ximeng (member of the Party Committee, executive Director, Vice President and secretary to the Board) of the Bank as the chief contact person for the external company secretary. Ms. HO Wing Tsz Wendy complied with the requirements under Rule 3.29 of the Hong Kong Listing Rules by receiving relevant professional training for not less than 15 hours for the financial year ended 31 December 2024.

8.2.15 Special Committees under the Board

The Board of the Bank has set up eight special committees: Strategy and Innovation Committee, Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, Risk Management Committee, Information Technology Guidance Committee, Connected Transactions Control Committee and Consumer Protection Committee. The special committees under the Board have operated in accordance with their respective terms of reference defined by the Board and the working rules of each special committee.

Strategy and Innovation Committee

As of the date of this report, the Bank's Strategy and Innovation Committee consisted of 4 Directors, including Mr. YANG Xiuming as chairman, Mr. WONG Hon Hing, Mr. GUO Xile and Mr. WU Heng as members.

The primary duties of the Strategy and Innovation Committee include:

1. to review the development strategy and financial innovation strategy of the Bank;
2. to review the annual business plan submitted by the management;
3. to review new arrangements and adjustments of the Bank's organizational structure;
4. to review the relevant systems and implementation plans of the Bank's external investment, mergers and acquisitions, examine major investments, for example, fixed assets investments and equity investments, and put forward suggestions or opinions;

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5. to oversee and inspect the implementation of the Bank's strategic planning, annual business plans and investment schemes;
6. to review the work on social responsibility, green finance and major financing of the Bank;
7. to review other matters prescribed in the laws and regulations, regulatory authorities and delegated by the Board.

During the Reporting Period, the 6th session of the Strategy and Innovation Committee under the Board of the Bank held the 55th meeting (25 January), the 56th meeting (7 February), the 57th meeting (21 March), the 58th meeting (29 March), the 59th meeting (15 April), the 60th meeting (22 April), the 61st meeting (22 May), the 62nd meeting (29 July), the 63rd meeting (26 August), the 64th meeting (18 November) and the 65th meeting (23 December), at which a total of 36 proposals including profitability analysis reports, market value management report, the development plan of outlets, and the business plans were considered.

Audit Committee

As of the date of this report, the Bank's Audit Committee consisted of 3 Directors, including Dr. LIU Xing as chairman, and Mr. WANG Rong and Dr. ZHU Yanjian as members, with all of the members being independent non-executive Directors. The establishment of the Audit Committee is in compliance with Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules.

The primary duties of the Audit Committee include:

1. to conduct audit analysis and monitoring assessment on significant matters of the Bank including implementation of strategic planning, business operation and development and the overall risks that may arise;
2. to provide guidance to and carry out special audits on risk management, compliance management, financial management and other aspects;
3. to perform duties with respect to external auditors;
4. to monitor accounting policies, financial position and financial reporting procedures, examine financial information and its disclosure, and to review significant financial reporting judgments contained therein;
5. to take charge of the Bank's annual audits, and supervise the rectification;
6. to ensure coordination between the internal and external auditors;
7. to examine the internal audit system and work;
8. to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 6th session of the Audit Committee under the Board of the Bank held the 44th meeting (26 January), the 45th meeting (22 March), the 46th meeting (23 April), the 47th meeting (19 July), the 48th meeting (27 August) and the 49th meeting (25 October), at which a total of 27 proposals including the annual results of 2023, quarterly results of 2024, profit distribution plan and the final financial accounts were considered, and 1 report was heard. Meanwhile, the Audit Committee held 2 meetings with the auditors in accordance with the code provisions of the Corporate Governance Code.

Remuneration and Appraisal Committee

As of the date of this report, the Bank's Remuneration and Appraisal Committee consisted of 3 Directors, including Mr. WANG Rong as chairman, Dr. LIU Xing and Mr. FUNG Don Hau as members, with all of the members being independent non-executive Directors. The establishment of the Remuneration and Appraisal Committee is in compliance with Rule 3.25 of the Hong Kong Listing Rules.

The primary duties of the Remuneration and Appraisal Committee include:

1. to propose the remuneration management measures or plans to the Board;
2. to examine and review the remuneration and remuneration plan of Directors and senior management, to make recommendations to the Board, and to supervise the implementation;
3. to review the duty performance of Directors and senior management and to make performance assessment on them;
4. to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 6th session of the Remuneration and Appraisal Committee under the Board of the Bank held the 19th meeting (22 March), the 20th meeting (1 April), the 21st meeting (26 August), the 22nd meeting (28 October) and the 23rd meeting (20 December), at which a total of 9 proposals including the appraisal report on performance of Directors by the Board for 2023, the duty performance report of independent Directors for 2023, and the assessment of business performance and remuneration payment of senior management for 2023 were considered.

Nomination Committee

As of the date of this report, the Bank's Nomination Committee consisted of 3 Directors, including Ms. LIU Ruihan as chairlady, Mr. WANG Rong and Dr. FUNG Don Hau as members, with all of the members being independent non-executive Directors. The establishment of the Nomination Committee is in compliance with the Rule 3.27A of the Hong Kong Listing Rules.

Corporate Governance Report

The primary duties of the Nomination Committee include:

1. to review the structure, size and composition of the Board and the management annually with reference to the Bank's business management, asset scale and share capital structure, and make recommendations regarding any proposed changes in the Board in line with the Bank's strategy;
2. to research and establish criteria and procedures for selection of Directors and senior management members;
3. to search for qualified candidates for Director and senior management posts;
4. to conduct preliminary review of the candidates for Director and senior management posts and make recommendations to the Board on their appointments;
5. to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors;
6. to perform other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 6th session of the Nomination Committee under the Board of the Bank held the 16th meeting (11 January), the 17th meeting (23 April), the 18th meeting (5 June), the 19th meeting (20 June), the 20th meeting (25 July), the 21st meeting (28 August), the 22nd meeting (16 October), the 23rd meeting (20 November) and the 24th meeting (16 December), at which a total of 20 proposals including the adjustment of the membership of special committees under the Board of Directors, the nomination of Directors, the appointment of senior management and renewal plan of the Board were considered.

Risk Management Committee

As of the date of this report, the Bank's Risk Management Committee consisted of 4 Directors, including Mr. GAO Song as chairman, and Mr. WONG Hon Hing, Mr. GUO Xile and Ms. LIU Ruihan as members.

The primary duties of the Risk Management Committee include:

1. to consider the comprehensive risk management structure;
2. to consider the Bank's risk management strategy, and determine risk preferences, tolerance and limit;
3. to consider or make recommendations on the risk management organization structure and function division;
4. to consider the Bank's policies of major risk management, classified risk management, internal control, compliance management, security work and anti-money laundering work;
5. to consider the power of the president delegated by the Board and risk-taking activities that go beyond the scope of authority of the management;

6. to receive and consider the report of the Bank's management on the implementation of risk policy, risk monitoring report, compliance risk report, security work report, anti-money laundering work report, and put forward suggestions and measures for improvement, continuously monitor and review the effectiveness of the risk management system, internal control policies, compliance management, security and anti-money laundering work;
7. to comprehensively promote the development of the rule of law of the Bank and supervise the implementation by the management of the Bank's policies on comprehensively promoting the development of the rule of law and operating and managing in accordance with the law;
8. to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 6th session of the Risk Management Committee under the Board of the Bank held the 55th meeting (26 January), the 56th meeting (22 March), the 57th meeting (25 March), the 58th meeting (19 April), the 59th meeting (23 May), the 60th meeting (17 June), the 61st meeting (30 July), the 62nd meeting (26 August), the 63rd meeting (14 September), the 64th meeting (25 October), the 65th meeting (11 November) and the 66th meeting (18 November), at which a total of 29 proposals including the risk monitoring report, the annual risk management strategy and the report on the management of liquidity risk were considered, and 2 reports were heard.

Connected Transactions Control Committee

As of the date of this report, the Bank's Connected Transactions Control Committee consisted of 3 Directors, including Dr. ZHU Yanjian as chairman, Ms. LIU Ruihan and Dr. LIU Xing as members.

The primary duties of the Connected Transactions Control Committee include:

1. to draft the management system of connected transactions, monitor and examine the implementation of the system;
2. to control the amount of connected transactions and regulate connected transactions to ensure the transactions comply with regulations;
3. to accept the filing of general connected transactions;
4. to conduct first review of the connected transaction proposals required of being submitted to the Board for consideration and approval, put forward professional review opinions before submitting to the Board for approval;
5. to collect, sort and confirm the list and information of the Bank's connected parties;
6. to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

Corporate Governance Report

During the Reporting Period, the 6th session of the Connected Transactions Control Committee under the Board of the Bank held the 37th meeting (22 January), the 38th meeting (29 January), the 39th meeting (25 March), the 40th meeting (24 April), the 41st meeting (22 May), the 42nd meeting (29 July), the 43rd meeting (27 August), the 44th meeting (28 October). The 7th session of the Connected Transactions Control Committee under the Board of the Bank held the 1st meeting (25 December), at which a total of 11 proposals including major connected transactions, and the report on the update of directory of related parties were considered, and 5 reports were heard.

Information Technology Guidance Committee

As of the date of this report, the Bank's Information Technology Guidance Committee consisted of 3 Directors, including Ms. HOU Ximeng as chairlady, and Mr. WU Heng and Dr. ZHU Yanjian as members.

The primary duties of the Information Technology Guidance Committee include:

1. to examine the information technology strategic planning and organization structure of information technology governance as well as major information technology projects and budgets which go beyond the authority of the senior management;
2. to regularly assess the overall performance of information technology work as well as the implementation progress of information technology strategic planning and major projects on an annual basis;
3. to guide the work of the Information Technology Management Committee, and conduct a first review of its annual report on information technology risk;
4. to receive the report on information technology situation, put forward improvement measures or suggestions and monitor their implementation;
5. to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 6th session of the Information Technology Guidance Committee of the Board of the Bank held the 14th meeting (1 April) and the 15th meeting (18 November), at which a total of 2 proposals including the Amendments of Information Technology Outsourcing Strategy and the 2023 Information Technology Work Report were considered.

Consumer Protection Committee

As of the date of this report, the Bank's Consumer Protection Committee consisted of 3 Directors, including Mr. WONG Hon Hing as chairman, Mr. GUO Xile and Mr. WU Heng as members.

The primary duties of the Consumer Protection Committee include:

1. to formulate the Bank's strategic planning of consumer protection;
2. to review the Bank's organization structure of consumer protection;

3. to oversee the work of senior management and the consumer protection department regarding its comprehensiveness, timeliness and effectiveness;
4. to guide the work of the leading group of consumer protection;
5. to exercise other duties prescribed in the laws, administrative regulations and rules, required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed and as delegated by the Board.

During the Reporting Period, the 6th session of the Consumer Protection Committee of the Board of the Bank held the 12th meeting (23 April), the 13th meeting (27 August) and the 14th meeting (25 October), at which a total of 4 proposals including the 2023 Consumer Protection Work Report, the 2024 Half-year Consumer Protection Work Report and Consumer Protection Management Responsibility Adjustment Plan were considered, and 2 reports were heard.

8.3 Board of Supervisors

8.3.1 Duties of the Board of Supervisors

The primary duties of the Bank's Board of Supervisors include, but are not limited to:

1. the Board of Supervisors shall supervise the Board of Directors and directors regarding the following important matters: compliance with applicable laws, regulations, rules and other regulatory documents; compliance with the Articles of Association of the Bank, rules of procedure for shareholders' general meetings, and rules of procedure for meetings of the Board of Directors; implementation of resolutions adopted by shareholders' general meetings and meetings of the Board of Supervisors and performance of powers and duties in accordance with laws in making significant decisions on operations and management; determination of major business management and strategy decisions; continued improvement in corporate governance, development strategy, business strategy, capital management, remuneration management, disclosure, and protection of deposit holders and other interested stakeholders; effective operation of the Board of Directors' specialized committees; the directors' attendance, comments and proposals at meetings; independent directors' independent advices on material connected transaction, profit distribution plan, matters that could potentially damage the interests of depositors or minority shareholders of the Bank, and matters that could potentially cause the Bank's material loss;
2. the Board of Supervisors shall supervise the senior management and its members regarding the following important matters: compliance with applicable laws, regulations, rules and other regulatory documents; compliance with the Articles of Association of the Bank and authorization of the Board of Directors; implementation of resolutions adopted by shareholders' general meetings, meetings of the Board of Directors, and meetings of the Board of Supervisors; performance of business management within their terms of reference, and continued improvement in business management, risk management, and internal control;
3. the Board of Supervisors shall request for rectification upon discovery of any breach of applicable laws, regulations or the Articles of Association by the Board of Directors, senior management and any of their members, and recommend investigations regarding liability for those responsible for such breaches;
4. the Board of Supervisors shall establish and improve a performance appraisal system with clearly defined performance criteria and standards, for the evaluation of all directors and senior management in the performance of their duties, and carry out resignation audit for directors and senior management;

Corporate Governance Report

5. the Board of Supervisors shall establish a record-keeping system to deposit performance reviews of directors and senior management to make the files of performance reviews complete;
6. to review and present written opinions on the regular reports prepared by the Board of Directors;
7. to examine and supervise the Bank's financial affairs;
8. to review financial information including financial reports, business reports, and profit distribution plan, which the Board of Directors intends to submit to the shareholders' general meeting. Where abnormalities arise, a certified public accountant or certified auditor may be entrusted to assist in re-auditing such financial information in the name of the Bank;
9. to propose the convening of extraordinary shareholders' general meetings, and, if the Board of Directors fails to call such a meeting as required under the PRC Company Law, to convene and host the shareholders' general meetings;
10. to present proposals to shareholders' general meetings;
11. to bring actions against directors and senior management according to the relevant provisions of the PRC Company Law;
12. to investigate any irregularities in the operations of the Bank, and if necessary, engage accounting firms, law firms, or other professional firms to assist its work with costs borne by the Bank;
13. to conduct audits relating to operation and decision-making, risk management, and internal control of the Bank when necessary;
14. to inquire into directors and senior management;
15. to draft remuneration plans for supervisors, and submit them to the shareholders' general meeting for approval;
16. to exercise other powers prescribed by applicable laws, administrative regulations, and departmental rules, as well as any other powers conferred by the Articles of Association of the Bank.

8.3.2 Composition of the Board of Supervisors

As of the date of this report, the Bank's Board of Supervisors consisted of 7 Supervisors, among which 3 were employee Supervisors, namely, Mr. YIN Jun, Mr. WU Ping and Mr. ZHOU Xiaohong; 1 was shareholder Supervisor, namely, Mr. QI Jun; 3 were external Supervisors, namely, Mr. CHEN Zhong, Mr. PENG Daihui and Mr. HOU Guoyue. The proportion of employee Supervisors and external Supervisors to the total number of members of the Board of Supervisors each meets the regulatory requirements. The members of the Board of Supervisors of the Bank possessed professional abilities required to perform their duties, and performed their duties with integrity, diligence and faithfulness, so as to ensure that the Board of Supervisors can perform its supervisory functions in an independent and effective manner.

The Board of Supervisors of the Bank has set up the Supervision and Nomination Committee.

8.3.3 Chairperson of the Board of Supervisors

During the Reporting Period, Mr. CHEN Zhong, an external Supervisor, acted as the temporary convener of the meetings of the Board of Supervisors. Before the new chairperson of the Board of Supervisors takes office, Mr. CHEN will convene and preside over the meetings of the Board of Supervisors until the election of the new chairperson of the Board of Supervisors by the Bank.

8.3.4 Meetings of the Board of Supervisors

In 2024, the Board of Supervisors held a total of 7 meetings, at which 34 proposals and informative reports were considered. Subject matters include the work reports of the Board of Supervisors, main tasks of the Board of Supervisors, regular reports, annual financial statements, profit distribution plan, review report, appraisal report on performance, nomination of supervisor candidate. During the Reporting Period, the Board of Supervisors has found no material risks of the Bank in its supervision activities and has proposed no dissenting opinions in relation to its supervision matters.

Attendance records of the Supervisors at the meetings of the Board of Supervisors during the Reporting Period are set out below:

Members of the Board of Supervisors	Attendance in person/ by proxy/required (number of times)
CHEN Zhong	7/0/7
PENG Daihui	7/0/7
HOU Guoyue	7/0/7
QI Jun	7/0/7
YIN Jun	7/0/7
WU Ping	7/0/7
ZHOU Xiaohong	3/0/3
Outgoing Supervisor	
HUANG Changsheng	3/0/3

Note: Attendance in person includes participation by way of on-site attendance as well as electronic means such as telephone and online video conference.

8.3.5 Special Committee under the Board of Supervisors

The Bank maintained a Supervision and Nomination Committee under the Board of Supervisors. The Supervision and Nomination Committee of the Board of Supervisors has operated in accordance with its terms of reference defined by the Board of Supervisors.

Supervision and Nomination Committee

As of the date of this report, the Bank's Supervision and Nomination Committee consisted of 5 Supervisors, including Mr. PENG Daihui (external Supervisor) as chairman, Mr. HOU Guoyue (external Supervisor), Mr. QI Jun (shareholder Supervisor), Mr. YIN Jun (employee Supervisor) and Mr. ZHOU Xiaohong (employee Supervisor) as members.

Corporate Governance Report

The primary duties of the Supervision and Nomination Committee include:

1. formulating specific proposal for the Board of Supervisors to exercise its supervisory functions and powers;
2. executing its functions of supervising and auditing with the authorization of the Board of Supervisors; formulating the audit proposal for supervising the performance of Directors, Chairman and senior management members; formulating proposal for supervising and auditing the Bank's treasury activities, operation decisions, risk management and internal control with the authorization of the Board of Supervisors, and organizing the implementation of such audit activities; to be responsible for the outgoing audit of directors and the senior management;
3. conducting investigation on specific matters of the Bank with the authorization of the Board of Supervisors and reporting the results to the Board of Supervisors;
4. formulating the procedures and criteria for conducting preliminary review on the qualifications and conditions for candidates of Supervisors and proposing to the Board of Supervisors;
5. exercising other duties prescribed in laws, administrative regulations and rules and required by applicable securities regulatory authorities in the jurisdiction where the Bank's Shares are listed, and as delegated by the Board of Supervisors.

In 2024, the Supervision and Nomination Committee held 2 meetings and reviewed 3 proposals, mainly reviewed the supervision of the inspection plan of the Supervisors, the evaluation plan of performance, and the qualifications for candidates of employee supervisors.

8.4 Senior Management

The senior management, as the executive body of the Bank, is accountable to the Board and supervised by the Board of Supervisors. The division of authority between the senior management and the Board is in strict accordance with the Articles of Association and other corporate governance documents of the Bank.

The President mainly exercises the following duties and powers in accordance with the requirements of the Articles of Association:

1. to take charge of the Bank's day-to-day operations and administration, organize the implementation of the Board's resolutions, and report work to the Board;
2. to organize the implementation of the Bank's annual business plan and investment proposals;
3. to draft plans for the establishment of the Bank's internal management structure;
4. to draft the Bank's basic management system;
5. to formulate concrete rules and regulations for the Bank;

6. to nominate candidates and recommend removal to the Board for vice presidents, the chief financial officer, the chief executive officer and other senior management members;
7. to appoint or remove other executive officers within internal management departments and branches (other than those required to be appointed or removed by the Board);
8. to authorize senior management members and executive officers of the internal functional departments and branches to engage in operation activities;
9. to take urgent measures to assist the Bank in case of a run on the Bank or other major emergencies, and report to the relevant banking regulatory authorities in the PRC, the Board, and the Board of Supervisors immediately;
10. to exercise other duties and powers prescribed in the Articles of Association or delegated by the Board.

8.5 Securities Transactions by Directors, Supervisors and Relevant Employees

The Bank has adopted the standards set out in the Model Code in the 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 has not discovered any breach of the guidelines by its relevant employees.

8.6 Internal Control

The Board of the Bank is responsible for establishing a sound internal control system and its effective implementation. The Board of Supervisors supervises the establishment and implementation of internal control by the Board and senior management. The senior management is responsible for organizing and leading the day-to-day operation of internal control across the Bank. Meanwhile, the Board of the Bank has established the Risk Management Committee to fulfill the respective responsibility for internal control management and evaluate the effectiveness of internal control.

The Board of the Bank attaches great importance to the construction of its internal control. Pursuant to internal control rules, including the Basic Rules on Internal Control of Enterprises and the Internal Control Guidelines for Commercial Banks, the Board established an internal control system covering the Bank's various business processes and operations as well as each department and position. The Board has identified five components of the internal control system, namely internal environment; risk assessment; control activities; information and communication; and internal supervision, focusing on the internal control requirements for credit, capital, deposits and bank card business as well as controls over accounting management, financial activities and information system.

Corporate Governance Report

The Board of the Bank will continue to promote the construction of internal control, facilitate the continuous improvement and perfection of internal control system, and pursue long-term, sustainable and steady operation and development, with a view to managing rather than eliminating the risk of failure to achieve business objectives. During the Reporting Period, the Board of the Bank conducted a review of the internal control of the Bank and its subsidiaries during the Reporting Period in accordance with the Basic Rules on Internal Control of Enterprises and the Internal Control Guidelines for Commercial Banks. The review covered all significant controls of the Bank, including financial, operational, compliance and risk controls. The Bank has established an internal audit mechanism which is effective and sufficient in the design or implementation of internal control and risk management, and no significant defects were found. For details, please refer to the Report on Assessment of Internal Control for 2024 published by the Bank on 21 March 2025 on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange and the official website of the Bank, and the unqualified Audit Report on Internal Control of Bank of Chongqing Co., Ltd. for 2024 issued by Ernst & Young Hua Ming LLP (Special General Partnership).

8.7 Management and Control of Subsidiaries

The Group has two subsidiaries, namely Chongqing Xinyu Financial Leasing Co., Ltd. and Xingyi Wanfeng Village Bank Co., Ltd. According to the Company Law and the relevant provisions of the articles of association of each of such subsidiaries, the Group has appointed one and two directors to Xinyu Financial Leasing and Xingyi Wanfeng respectively, and strictly and effectively exercised shareholder's rights through their general meeting and board of directors. The Group strictly complied with relevant provisions on consolidated management, by means of general meetings of subsidiaries (the meetings), the Board and joint meetings on the consolidated management of the Group, exercised comprehensive and continuous management and control over consolidated matters of the two subsidiaries covering corporate governance, capital and finance, have taken effective measures to identify, measure, monitor and control the overall risk of the Group, and gave full play to the synergy of internal businesses of the Group.

8.8 Shareholders' Rights

8.8.1 Convening an Extraordinary General Meeting

The Bank effectively protects Shareholders' rights in strict compliance with regulatory requirements and its basic corporate governance system.

An extraordinary general meeting shall be convened by the Board within two months upon request in writing by Shareholders holding more than 10% of the Bank's outstanding Shares with voting rights to convene an extraordinary general meeting. In addition, upon request in writing to the Board by Shareholders individually or collectively holding more than 10% of the total number of the Bank's Shares with voting rights to convene an extraordinary general meeting, the Board shall furnish a written reply stating its agreement or disagreement to convene an extraordinary general meeting within 10 days upon receipt of such request. In the event that the Board of Directors disagrees to convene an extraordinary general meeting or does not furnish any reply within 10 days upon receipt of such request, shareholders individually or jointly holding more than 10% of the total number of the Bank's Shares with voting rights shall be entitled to propose to the Board of Supervisors the convening of an extraordinary general meeting in writing. If the Board of Supervisors fails to issue the notice of extraordinary general meeting within the prescribed timeframe, shareholders individually or jointly holding more than 10% of the total number of the Bank's Shares with voting rights for more than 90 consecutive days may convene and preside over the meeting by themselves (Shareholders may refer to the Articles of Association published on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange and the official website of the Bank for details about the relevant requirements).

8.8.2 Proposals Put forward at General Meetings

The Board of Directors and the Board of Supervisors as well as Shareholders individually or collectively holding more than 3% of the total number of the Bank's Shares with voting rights shall have the right to put forward proposals at a general meeting of the Bank. Unless otherwise stated in these Articles of Association, the shareholders individually or jointly holding 3% or more of shares of the Bank shall have the right to propose such candidates to the Board of Directors and the Board of Supervisors, but the number of candidates proposed by such shareholders must comply with the provisions of the Articles of Association, and must not exceed the number of people to be selected.

Shareholders individually or jointly holding 3% or more of the total voting shares of the Bank may propose an ex tempore motion ten days prior to the general meeting or before the latest date of issuing supplemental notice of a shareholders' general meeting as required by the Listing Rules (whichever is shorter) by furnishing the same to the convener in writing. The convener shall issue a supplemental notice of general meeting setting out the content of such ex tempore motion within two days after the receipt of such motion pursuant to the Listing Rules. The substance of the ex tempore motion shall fall within the terms of reference of the shareholders' general meeting, which shall have a clear subject for discussion and specific issues for resolution.

8.8.3 Making enquiries with the Bank

According to the Articles of Association of the Bank, shareholders are entitled to obtain relevant information of the Bank, including the Articles of Association, share capital status, financial and accounting reports, resolutions of the Board of Directors, and resolutions of the Board of Supervisors.

8.9 Communication with Shareholders

8.9.1 Effective Communication with Shareholders and Work Relating to Investor Relations

The Bank places great emphasis on communication with the Shareholders, and strives to improve mutual understanding and communication with the Shareholders through various channels including general meeting, results announcement, road shows, visit reception and surveys, telephone and enquiry.

In 2024, the Bank continued to intensify effective communication with the market, and adopted a strategy of "Going-out" and "Inviting-in". Through various channels such as performance presentations and roadshows, active visits to investors, reception of investor visits, reply to investors' hotline calls and emails, we carefully listened to voices from the market, fully responded to market concerns, and disclosed to the market the achievements of the Bank's strategic development and the stable and balanced performance, which were fully recognized and highly praised by the market and investors. The Board of the Bank has regularly (including during the year) evaluated the shareholder communication policy to ensure its effectiveness and considered that the shareholder communication policy is effective and adequate.

8.9.2 Information Disclosure

The Board of Directors, the Board of Supervisors and senior management of the Bank attach great importance to information disclosure work of the Bank.

The Bank's information disclosure is based on sound corporate governance, robust internal control and solid information disclosure system, ensuring that investors can obtain information in a timely, accurate and equal manner. In terms of the management of insider information, the Bank strictly complied with relevant laws and regulations and internal policies, implemented the registration management and accountability mechanism for persons with knowledge of inside information, to ensure the confidentiality management and compliant disclosure of inside information.

Corporate Governance Report

8.9.3 Shareholders' Enquiries

Any enquiries related to your shareholding of Shares including transfer of Shares, change of address, loss reporting of share certificates and dividend notes,

should be sent in writing to the following address:

A Shares

Shanghai Branch of China Securities Depository and Clearing Corporation Limited

No. 188 Yanggaonan Road, Pudong New Area, Shanghai

Tel: 86-4008-058-058

H Shares

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: 852-2862-8555

8.9.4 Investors' Enquiries

Shareholders and investors may send enquiries to the Bank as follows:

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

No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the PRC

Tel: +86 (23) 63367688

Fax: +86 (23) 63799024

E-mail: ir@cqcbank.com

Principal place of business in Hong Kong of Bank of Chongqing Co., Ltd.:

Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong

Investors may view this annual report on the websites of the Shanghai Stock Exchange (www.sse.com.cn), the Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank (www.cqcbank.com).

8.9.5 Additional Information

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

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1 Directors, Supervisors and Senior Management

9.1.1 Basic Information of Directors, Supervisors and Senior Management

Directors

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	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				
			Executive Director	Since March 2024				
GAO Song	Male	February 1979	Deputy Secretary of the Party Committee	Since July 2023	–	3,200	3,200	Increasing shareholding to stabilize Share price
			President	Since September 2023				
			Executive Director	Since November 2023				
HOU Ximeng	Female	August 1970	Member of the Party Committee	Since June 2024	–	–	–	–
			Executive Director	Since February 2025				
			Vice President	Since November 2024				
			Secretary to the Board	Since November 2024				
WONG Hon Hing	Male	August 1952	Vice Chairman	Since July 2007	7,100	9,800	2,700	Increasing shareholding to stabilize Share price
			Non-executive Director					
GUO Xile	Male	December 1986	Non-executive Director	Since May 2024	–	–	–	–
WU Heng	Male	August 1976	Non-executive Director	Since April 2019	–	–	–	–
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	–	–	–	–
ZHU Yanjian	Male	January 1981	Independent Non-executive Director	Since December 2023	–	–	–	–
LIU Ruihan	Female	June 1962	Independent Non-executive Director	Since February 2025	–	–	–	–
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				
LIU Jianhua	Male	December 1965	Member of the Party Committee	Since February 2013 to September 2024	191,875	200,075	8,200	Increasing shareholding to stabilize Share price
			Executive Director	Since August 2016 to October 2024				
			Vice President	Since October 2014 to October 2024				
WONG Wah Sing	Male	July 1960	Executive Director	Since September 2016 to December 2024	24,600	30,400	5,800	Increasing shareholding to stabilize Share price
			Chief Risk Officer	Since September 2016 to December 2024				
			Chief Anti-money Laundering Officer	Since December 2019 to December 2024				
WANG Fengyan	Female	August 1977	Non-executive Director	Since April 2023 to July 2024	–	–	–	–
ZHOU Qiang	Male	May 1974	Non-executive Director	Since December 2023 to December 2024	–	–	–	–
YOU Lili	Female	August 1975	Non-executive Director	Since October 2022 to November 2024	–	–	–	–
YUAN Xiaobin	Male	August 1969	Independent Non-executive Director	Since May 2020 to February 2025	–	–	–	–

Directors, Supervisors, Senior Management, Employees and Branch Outlets

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	-	-	-	-
<i>Outgoing Supervisor</i>								
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

Senior Management

Name	Gender	Month and year of birth	Position	Time in role	Number of shares held at the beginning of the period (shares)	Number of shares held at the end of the period (shares)	Increase/decrease (shares)	Reasons for the increase/decrease
GAO Song	Male	February 1979	Deputy Secretary of the Party Committee	Since July 2023	–	3,200	3,200	Increasing shareholding to stabilize Share price
			President	Since September 2023				
			Executive Director	Since November 2023				
HOU Ximeng	Female	August 1970	Member of the Party Committee	Since June 2024	–	–	–	–
			Executive Director	Since February 2025				
			Vice President	Since November 2024				
			Secretary to the Board	Since November 2024				
ZHANG Song	Male	November 1977	Member of the Party Committee	Since October 2023	–	–	–	–
			Vice President	Since November 2024				
LI Cong	Male	April 1979	Member of the Party Committee	Since July 2024	–	–	–	–
			Vice President	Since November 2024				
YAN Xiaochuan	Male	November 1974	Member of the Party Committee	Since August 2024	–	–	–	–
			Vice President	Since December 2024				
WANG Weilie	Male	September 1979	Member of the Party Committee	Since September 2024	–	–	–	–
			Vice President	Since December 2024				
			Chief Risk Officer	Since February 2025				

Outgoing Senior Management

LIU Jianhua	Male	December 1965	Member of the Party Committee	Since February 2013 to September 2024	191,875	200,075	8,200	Increasing shareholding to stabilize Share price
			Executive Director	Since August 2016 to October 2024				
			Vice President	Since October 2014 to October 2024				
YANG Shiyin	Female	September 1965	Member of the Party Committee	Since February 2013 to September 2024	160,147	165,247	5,100	Increasing shareholding to stabilize Share price
			Vice President	Since October 2014 to October 2024				
PENG Yanxi	Female	June 1976	Member of the Party Committee	Since October 2015 to May 2024	23,700	29,300	5,600	Increasing shareholding to stabilize Share price
			Vice President	Since March 2016 to June 2024				
			Secretary to the Board	Since August 2018 to June 2024				
WONG Wah Sing	Male	July 1960	Executive Director	Since September 2016 to December 2024	24,600	30,400	5,800	Increasing shareholding to stabilize Share price
			Chief Risk Officer	Since September 2016 to December 2024				
			Chief Anti-money Laundering Officer	Since December 2019 to December 2024				

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.2 Biographies of Directors, Supervisors and Senior Management *Biographies of Directors*

YANG Xiuming (楊秀明)

Secretary to the Party Committee, Chairman, Executive Director

Mr. YANG Xiuming has been the Secretary to the Party Committee of the Bank since December 2023 and the chairman and an executive Director of the Bank since March 2024. Mr. YANG also serves as the chairman of the Strategy and Innovation Committee of the Bank.

Mr. YANG successively served as a cadre of Chongqing Yongchuan Sub-branch, the secretary of the Party Committee and president of Tongnan County Branch, the deputy director of Credit Management Division, the general manager of Real Estate Credit Department, the general manager of Corporate Business Department (Small Enterprise Business Department), the general manager of Investment Banking Department, the director of Party Committee Organization Department, the general manager of Human Resources Department (Three-rural Human Resources Management Center) of the Branch, the secretary to the Party Committee and president of Chongqing Yubei Sub-branch of Agricultural Bank of China; and he served as a member of the Party Committee and vice president of Chongqing Branch of Agricultural Bank of China from December 2017 to May 2023, and the deputy secretary to the Party Committee and vice president of the Chongqing Branch of the Agricultural Bank of China from May 2023 to December 2023.

Mr. YANG graduated from Beijing Agricultural University (北京農業大學) with a bachelor's degree in economics in August 1994, majoring in rural finance. Mr. YANG is a senior economist. He was awarded the National Financial System Labor Day Medal in 2016.

GAO Song (高嵩)

Deputy Secretary of the Party Committee, President and Executive Director

Mr. GAO Song has been the Deputy Secretary of the Party Committee of the Bank since July 2023, the president of the Bank since September 2023 and an executive Director of the Bank since November 2023. Mr. GAO is also the chairman of the Risk Management Committee of the Bank.

Mr. GAO served successively as the deputy president of the Xinpaifang sub-branch of the Chongqing branch of Bank of Communications, the deputy general manager of the asset preservation department and the general manager of the channel management department of Chongqing Rural Commercial Bank Co., Ltd., the secretary of the Party Committee, the president, and the general manager of the human resources department of Changshou sub-branch; and he served as a member of the Party Committee and vice president of Chongqing Rural Commercial Bank Co., Ltd. from September 2016 to July 2023, during which period he concurrently served as the deputy director of the Bureau of Policies, Laws and Regulations of SASAC from July 2020 to December 2021.

Mr. GAO graduated from Southwest University of Political Science and Law with a bachelor's degree in law in July 2001 and a master's degree in law in January 2005. Mr. GAO is a senior economist, a political worker and a corporate lawyer.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

HOU Ximeng (侯曦蒙)

Member of Party Committee, executive Director, Vice President, Secretary to the Board

Ms. HOU Ximeng has been a member of the Party Committee of the Bank since June 2024, a vice president and secretary to the Board of the Bank since November 2024, and an Executive Director of the Bank since February 2025. Ms. HOU also serves as the chairman of the Information Technology Guidance Committee of the Bank.

Ms. HOU successively served as deputy general manager of the human resources department and deputy director of Party Committee Organization Department, deputy general manager of the brokerage business department, director of the office of Southwest Securities Company Limited (西南證券有限責任公司), and served as a member of the Party Committee and vice president (deputy general manager) of Southwest Securities Co., Ltd. (西南證券股份有限公司) from June 2010 to June 2024.

Ms. HOU graduated from Southwest China Normal University in July 1993 majoring in Chinese language and literature and obtained a bachelor's degree of arts, and obtained an executive master of business administration degree from Xiamen University in September 2015.

WONG Hon Hing (黃漢興)

Vice Chairman and Non-executive Director

Mr. WONG Hon Hing, nominated by Dah Sing Bank, a Shareholder of the Bank, has been the vice chairman and non-executive Director of the Bank since 25 July 2007. Mr. WONG also serves as the chairman of the Consumer Protection Committee, and a member of the Strategy and Innovation Committee and the Risk Management Committee under the Board of the Bank.

Mr. WONG joined Dah Sing Bank in 1977 and currently serves as vice chairman of its board of directors. Between 1977 and 1989, Mr. WONG served as heads of various departments at Dah Sing Bank. He was appointed as an executive director in 1989, promoted to managing director in 2000 and then appointed as vice chairman of the board of directors of Dah Sing Bank in April 2011. He is currently a director of Banco Commercial De Macau and an executive director of Dah Sing Insurance Company Ltd. (大新保險有限公司). He served as the chairman of Dah Sing Bank (China) Co., Ltd. from June 2008 to August 2023.

Mr. WONG is the vice chairman of the board of directors, the managing director and chief executive officer of Dah Sing Banking Group Limited (listed on the Hong Kong Stock Exchange, stock code: 2356), the holding company of Dah Sing Bank, and of Dah Sing Financial Holdings Limited (listed on the Hong Kong Stock Exchange, stock code: 0440).

Mr. WONG obtained a higher diploma in business studies from the Hong Kong Polytechnic College (now known as Hong Kong Polytechnic University) in October 1977. Mr. WONG is also an associate of The Institute of Bankers (U.K.) and a founding member of The Hong Kong Institute of Bankers and The International Retail Banking Council of the U.K. He has over 45 years of banking experience.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

GUO Xile (郭喜樂)

Non-executive Director

Mr. GUO Xile, as nominated by Chongqing Yufu Capital Operation Group Co., Ltd., a shareholder of the Bank, has served as the Bank's non-executive Director from 20 May 2024. Mr. GUO is also a member of the Strategy and Innovation Committee, the Risk Management Committee and the Consumer Protection Committee under the Board of the Bank.

Mr. GUO currently serves as the secretary to the board of directors, the general manager of the financial services department, the head of the office, and the director of the safety and environmental protection supervision office of Chongqing Yufu Holding Group Co., Ltd. Mr. GUO worked in the Human Resources Department, the General Office, the Discipline Inspection and Supervision Office, the Market and Investment Department and Office of Chongqing Branch of China Development Bank from July 2011 to March 2018 successively; he served as a deputy director of the General Office of Chongqing Branch of China Development Bank from March 2018 to February 2022 (during which he was temporarily assigned on communications duty as the deputy director of the Development and Reform Commission of Nanchuan District of Chongqing Municipality from May 2018 to May 2019); a deputy director of the Fourth Customer Service Section of Chongqing Branch of China Development Bank from February 2022 to February 2023; a deputy director of the General Office of Chongqing Branch of China Development Bank from February 2023 to July 2023; a secretary to the board of directors, the head of General Office and the director of the Safety and Environmental Protection Supervision Office of Chongqing Yufu Holding Group since July 2023; and the general manager of the Financial Services Department of Chongqing Yufu Holding Group since November 2023.

Mr. GUO graduated from Sichuan University in June 2009 majoring in international economy and trade (bilingual) and obtained a bachelor's degree in economics, and graduated from Tsinghua University majoring in public policy & management in June 2011 and obtained a master's degree in management. Mr. GUO is a senior economist.

WU Heng (吳珩)

Non-executive Director

Mr. WU Heng, nominated by SAIC Motor Corporation Limited, a Shareholder of the Bank, has been a non-executive Director of the Bank since April 2019. Mr. WU is also a member of each of the Strategy and Innovation Committee, the Information Technology Guidance Committee and the Consumer Protection Committee under the Board of the Bank.

Mr. WU currently serves as a general manager of the financial affairs department of SAIC Motor Corporation Limited, and concurrently as a general manager of SAIC Motor Financial Holding Management Co., Ltd. and chairman of the board of directors, general manager and legal person of SAIC Venture Capital Corporation. Mr. WU served successively as a deputy manager and a manager of the planning and finance department as well as a manager of fixed income department of Shanghai Automotive Group Finance Company, Ltd. from March 2000 to March 2005. Mr. WU served successively as a division head, assistant to executive controller and concurrently a manager of the financial accounting division of the finance department of SAIC Motor Corporation Limited from April 2005 to April 2009, the chief financial officer of Huayu Automotive Systems Co., Ltd. from April 2009 to April 2015, during which he concurrently served as a director and general manager of Huayu Automotive Systems (Shanghai) Co., Ltd. from April 2014 to April 2015.

Mr. WU obtained a bachelor's degree in economics from the department of business administration of Shanghai University of Finance and Economics in July 1997, and a master's degree in management from the department of accounting of Shanghai University of Finance and Economics in January 2000. Mr. WU is a senior accountant.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

LIU Xing (劉星)

Independent Non-executive Director

Dr. LIU Xing has been an independent non-executive Director of the Bank since March 2020. Dr. LIU is also the chairman of the Audit Committee and a member of each of the Connected Transactions Control Committee and the Remuneration and Appraisal Committee under the Board of the Bank.

Dr. LIU is currently a professor and doctoral supervisor at the School of Economics and Business Administration of Chongqing University. Dr. LIU served as head of the Accounting Department of the School of Economics and Business Administration of Chongqing University from June 1993 to August 1998, dean of the School of Economics and Business Administration of Chongqing University from February 2005 to July 2017, and Chinese director of Chongqing University – Wharton Joint Financial Research Center from May 2012 to May 2018. He served as the president of Educational Panel of China Accounting Society from July 2013 to June 2015. He has been a director of Finance and Accounting Research Center of Chongqing University since June 2012, expert of the review panel of the National Social Science Fund since November 2013, and expert of the review panel of the National Natural Science Foundation since July 2014. Dr. LIU was a member of the seventh business administration discipline review panel of the Academic Degrees Committee of the State Council, member of the fifth steering committee for education of business administration degree of the Ministry of Education, the member of fourth steering committee for education of business administration degree (accounting) of Ministry of Education, and the deputy director of the Overseas Academic Exchange Committee of the Accounting Society of China.

Dr. LIU is currently an external director of New Dazheng Property Group Co., Ltd. (新大正物業集團股份有限公司) (a listed company on the Shenzhen Stock Exchange, Stock Code: 002968), an independent director of CETC Chip Technology Co., Ltd. (中電科芯片技術股份有限公司) (a listed company on the Shanghai Stock Exchange, stock code: 600877) and Lijiang Yulong Tourism Co., Ltd. (麗江玉龍旅遊股份有限公司) (a listed company on the SME Board of the Shenzhen Stock Exchange, stock code: 002033).

Dr. LIU graduated from Chongqing University in July 1983 with a bachelor's degree in engineering, graduated from Xi'an Jiaotong University in July 1990 with a master's degree in management, and graduated from Chongqing University in July 1997 with a doctorate degree in management. Dr. LIU is a non-practicing certified public accountant and an expert entitled to the special allowances awarded by the State Council.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

WANG Rong (王榮)

Independent Non-executive Director

Mr. WANG Rong has been an independent non-executive Director of the Bank since March 2020. Mr. WANG is also the chairman of the Remuneration and Appraisal Committee, and a member of each of the Nomination Committee and the Audit Committee under the Board of the Bank.

Mr. WANG served in the army before August 1994. He served as leader of the Discipline Inspection Commission in the Jiulongpo Branch of Chongqing Branch of the Agricultural Bank of China from August 1994 to October 1996. From October 1996 to March 2004, he served as director general and director of Jiulongpo Credit Cooperatives in Chongqing. From March 2004 to June 2008, he served as Party Committee member and deputy director of Association of Rural Credit Cooperatives in Chongqing. From June 2008 to April 2015, he served as vice president and Party Committee member of Chongqing Rural Commercial Bank Co., Ltd. From April 2015 to April 2016, he served as first-level senior manager of Chongqing Rural Commercial Bank Co., Ltd.

Mr. WANG graduated from Chongqing Municipal Party School with a bachelor's degree in finance in December 1998. Mr. WANG is a senior economist.

FUNG Don Hau (馮敦孝)

Independent Non-executive Director

Dr. FUNG Don Hau has been an independent non-executive Director of the Bank since March 2020. Dr. FUNG is also a member of each of the Nomination Committee and the Remuneration and Appraisal Committee under the Board of the Bank.

Dr. FUNG is currently a senior advisor of China Banking Association, a senior advisor of The Hong Kong Institute of Bankers, an adjunct professor of NFRA and a contact research fellow of Asian Financial Think Tank under Asian Financial Cooperation Association. Dr. FUNG served as the manager of the Banking Supervision Department and the Office of the Exchange Fund in the former Banking Supervision Division of the Hong Kong Government from October 1978 to March 1993, and served as senior manager of the former Banking Supervision Department and External Department of the Hong Kong Monetary Authority from March 1993 to December 2012 (during which he was seconded by the Hong Kong Monetary Authority to Bank of England responsible for the banking supervision work from November 1994 to December 1995), and as chairman of the Advisory Group for Bank Supervisors of Financial Regulators Training Initiative under the former Asia Pacific Economic Cooperation from January 2006 to January 2008 and as member of the Advisory Group for Bank Supervisors of Financial Regulators Training Initiative under the former Asia Pacific Economic Cooperation from January 2008 to December 2012. In addition, he also served as the adjunct professor of each of the College of Business and the College of Economics and Finance of City University of Hong Kong from September 2005 to August 2019.

Dr. FUNG graduated from The Hong Kong Polytechnic University with an advanced diploma in banking in November 1983. He obtained the professional diploma and membership of the Chartered Institute of Bankers in London, United Kingdom in December 1984. He graduated from the Department of Economics and Finance of City University of Hong Kong with a master's degree in banking in November 2004. He graduated from Bulacan State University in Philippines with a Ph.D. degree in business administration in November 2011.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

ZHU Yanjian (朱燕建)

Independent Non-executive Director

Dr. ZHU Yanjian has been an independent non-executive Director of the Bank since December 2023. Dr. ZHU also serves as the chairman of the Connected Transactions Control Committee and a member of each of the Audit Committee and the Information Technology Guidance Committee under the Board of the Bank.

Dr. ZHU currently serves as the head, a professor and a doctoral supervisor of the Faculty of Finance at the School of Economics of Zhejiang University and the vice dean of Academy of Financial Research at Zhejiang University. Dr. ZHU served as a post-doctoral fellow and lecturer at the School of Economics of Zhejiang University from February 2008 to February 2010, a lecturer of the Faculty of Finance at the School of Economics of Zhejiang University from February 2010 to December 2013, and an associate professor of the Faculty of Finance at the School of Economics of Zhejiang University from January 2014 to December 2018. From 2014 to April 2019, he served as the deputy head of the Faculty of Finance at the School of Economics of Zhejiang University. Since January 2019, he has been serving as a professor of the Faculty of Finance at the School of Economics of Zhejiang University. Since May 2019, he has been serving as the head of the Faculty of Finance at the School of Economics of Zhejiang University. Since 2015, he has been serving as a doctoral supervisor of the Faculty of Finance at the School of Economics of Zhejiang University.

Dr. ZHU is currently an independent director of Yongan Futures Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 600927), and an independent director of Zhejiang Huangma Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 603181).

Dr. ZHU obtained a bachelor's degree in national economic management from Renmin University of China in July 2002, a master's degree in finance from PBC School of Finance of Tsinghua University in June 2004 and a Ph.D. degree in finance from Nanyang Technological University (Singapore) in January 2008.

LIU Ruihan (劉瑞晗)

Independent Non-executive Director

Ms. LIU Ruihan has been an independent non-executive Director of the Bank since February 2025. Ms. LIU is also the chairlady of Nomination Committee and a member of each of the Connected Transactions Control Committee and Risk Management Committee under the Board of the Bank.

Ms. LIU successively served as section chief in the Financial Market Management Department and section chief in the Non-Banking Financial Institutions Supervision Department of the Beijing Branch of the People's Bank of China, deputy director of the Non-Banking Financial Institutions Supervision Department of the Business Management Division of the People's Bank of China, deputy director of the Agricultural Bank of China Supervision Department (in charge of work), deputy director of the Joint-Stock Banks Supervision Department (in charge of work), director of the Joint-Stock Banks Supervision Department of the Beijing Banking Regulatory Bureau (北京銀監局), director of the Joint-Stock Banks Supervision Department I and director of the City Commercial Bank Supervision Department. She served as a member of the preparatory group, a member of Party Committee, and deputy president of the Beijing Branch of Bank of Nanjing from November 2008 to June 2017 and has served as an independent director of Ningbo Donghai Bank since March 2020.

Ms. LIU graduated from the Party School of the CPC Beijing Municipal Committee (中共北京市委黨校) in July 2001, where she majored in economics and management and obtained a postgraduate degree.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Biographies of Supervisors

YIN Jun (尹軍)

Employee Supervisor

Mr. YIN Jun has been an employee Supervisor of the Bank since May 2019. Mr. YIN joined the Bank in February 2016 and currently serves in the discipline inspection and the deputy leader supervision group of Bank of Chongqing under the Chongqing Commission for Discipline Inspection and Chongqing Supervisory Commission. Prior to that, Mr. YIN served as the Assistant to the Director of the Party Group Work and Supervision Office, Assistant to the Director of the Discipline Inspection and Supervision Department, and Deputy Director, Deputy Director (presiding) and Director of the Discipline Inspection and Supervision Department of the Bank. Prior to joining the Bank, Mr. YIN served as a member of the Secretary of the Office of the Standing Committee of Jiangbei District People's Congress in Chongqing, a member, deputy director and director of the Fourth Inspection Team of the Chongqing Municipal Committee, a director of the Fifth Discipline Inspection and Supervision Office of the Chongqing Municipal Commission for Discipline Inspection, and a deputy director of the Fifth Discipline Inspection and Supervision Office of the Chongqing Municipal Commission for Discipline Inspection.

Mr. YIN obtained a bachelor's degree in international economic law from Southwest University of Political Science and Law in July 2002, and a postgraduate degree in regional economics from Chongqing Party School in July 2007.

WU Ping (吳平)

Employee Supervisor

Mr. WU Ping has been an employee Supervisor of the Bank since December 2019. Mr. WU is currently commissioner of the Liangjiang Branch of the Bank. He served successively as the director of the office and assistant to general manager of the credit card department of Chongqing branch, and president assistant and the secretary member of the Party Committee of Jiulongpo sub-branch of Agricultural Bank of China from November 1992 to May 2003, and the assistant to the director of office of personal finance of Chongqing branch and the president assistant of Yuzhong sub-branch of Huaxia Bank from June 2003 to April 2004, the deputy general manager of the personal banking department and the president of the Lianglukou sub-branch of Chongqing Commercial Bank from May 2004 to December 2007, and the deputy general manager and general manager of the business department of head office of the Bank from January 2008 to December 2018, the secretary of the Party Committee and the president of the Liangjiang Branch of the Bank from January 2019 to February 2023.

Mr. WU obtained a bachelor's degree of science from Nanjing Aeronautics Institute (currently the Nanjing University of Aeronautics and Astronautics) in July 1989, and obtained an Executive Master of Business Administration degree from Chongqing University in 2012. Mr. WU is an economist.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

ZHOU Xiaohong (周曉紅)

Employee Supervisor

Mr. ZHOU Xiaohong has served as an employee Supervisor of the Bank since July 2024. Mr. ZHOU Xiaohong is currently the branch commissioner of the Bank's Pilot Free Trade Zone. Prior to that, Mr. ZHOU served as an accountant in the finance department of The First Affiliated Hospital of Chongqing Medical University from July 1985 to April 1993, an officer of deputy director level at the economic coordination office of Chongqing Municipal Government from May 1993 to April 1995, during which he was stationed in the Northeast China office of Chongqing Municipal Government, and a director of planning and credit department of Daxigou sub-branch of Chongqing Urban Cooperative Bank from May 1995 to October 1996. He worked in the credit department of Chongqing Commercial Bank from October 1996 to January 2000. He successively served as the assistant to president and deputy president (in charge) of Jianxindong Road sub-branch of Chongqing Commercial Bank from January 2000 to December 2002, the president of Jianxindong Road sub-branch of Bank, the president of Jianxinbei Road sub-branch, the Party Committee secretary and general manager of Yuzhong management department, and the Party Committee secretary and president of Pilot Free Trade Zone Branch from December 2002 to February 2024.

Mr. ZHOU graduated from Jiangxi University of Finance and Economics in July 1999 and obtained a bachelor's degree in Economics; he obtained an Executive Master of Business Administration degree from Chongqing University in December 2012. Mr. ZHOU is a chief senior economist and a registered credit analyst.

QI Jun (漆軍)

Shareholder Supervisor

Mr. QI Jun, jointly nominated by Chongqing Beiheng Investment and Development Co., Ltd. and Chongqing Chuanyi Automation Co., Ltd., Shareholders of the Bank, has been a shareholder Supervisor of the Bank since December 2019.

Mr. QI is currently the manager of Ruizi asset operation department of Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd. (重慶兩江新區產業發展集團有限公司). Mr. QI served as the accountant manager of Chongqing Zhongke Construction Group Co., Ltd. (重慶中科建設集團有限公司) from March 2011 to July 2012, the investment accountant of Chongqing Xinghong Education Investment Co., Ltd. (重慶星宏教育投資有限公司) from August 2012 to April 2015, the deputy manager of the audit department of Chongqing Guangtai Investment Group Co., Ltd. (重慶廣泰投資集團有限公司) from May 2015 to December 2016, deputy manager of the financial department of Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd. from January 2017 to October 2023 and since October 2023, he has been serving as the manager of Ruizi asset operation department of Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd. (重慶兩江新區產業發展集團有限公司), as well as the supervisor of Chongqing Beiheng Investment and Development Co., Ltd. (重慶北恒投資發展有限公司) and Chongqing Shale Gas Industry Investment Fund Co., Ltd. (重慶頁岩氣產業投資基金有限責任公司).

Mr. QI obtained a bachelor's degree of infrastructure finance from Military Economics Academy of the Chinese People's Liberation Army in June 2002. He is a senior accountant, auditor and Grade I constructor.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

CHEN Zhong (陳重)

External Supervisor

Mr. CHEN Zhong has been an external Supervisor of the Bank since June 2016.

Mr. CHEN has been the deputy chairman of board of directors of Brightstone Investment and Management Co., Ltd. since May 2019, and served as the chairman of board of directors of New China Fund Management Co., Ltd from April 2008 to April 2019. Prior to that, Mr. CHEN served as deputy director and director of the research division of China Enterprise Management Association, director and vice president of China Commerce Association, deputy secretary general of Chongqing Municipal People's Government, and standing deputy president of China Commerce Association.

Mr. CHEN is an independent director of Doushen (Beijing) Education & Technology INC. (a company listed on the Shenzhen Stock Exchange, stock code: 300010).

Mr. CHEN graduated from Jilin University with a bachelor's degree of economics in August 1979, and a master's degree of economics in March 1985. He graduated from Peking University with a doctoral degree of economics in June 2000.

PENG Daihui (彭代輝)

External Supervisor

Mr. PENG Daihui has been an external Supervisor of the Bank since May 2018.

Mr. PENG successively served as the special member and the deputy chairman of the Ethnic and Religious Affairs Commission of Chongqing Municipal Political Consultative Conference from January 2008 to December 2017. Mr. PENG worked as director of asset liability management department, and vice president and Party Committee member of Chongqing branch of Agricultural Bank of China from February 2000 to November 2014. Mr. PENG served successively as office deputy director and section chief of agricultural credit section in Nanchong Central Sub-branch, president and Party Committee secretary of Yuechi sub-branch, vice president and party member of Fuling branch, president and secretary of Party Committee of Fuling branch of Agricultural Bank of China from January 1984 to January 2000. He served as cashier, accountant and director of Leshan Credit Cooperatives and Yihe Credit Cooperatives in Wusheng County from December 1976 to December 1983. Mr. PENG also served as adjunct professor of School of Civil and Commercial Law, Southwest University of Political Science and Law from January 2007 to December 2010.

Mr. PENG graduated from an undergraduate program, majoring in economics and management, through Correspondence School of Sichuan Provincial Communist Party School in December 1996. He graduated from a postgraduate program in market economics from Chinese Academy of Social Sciences in September 2000. Mr. PENG is a senior economist.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

HOU Guoyue (侯國躍)

External Supervisor

Mr. HOU Guoyue has been an external Supervisor of the Bank since December 2019.

Mr. HOU currently is a professor and doctoral supervisor of the Civil and Commercial Law School of Southwest University of Political Science and Law, a research scholar of the Supreme People's Court (2019-2020) and a council member of China Health Law Society (中國衛生法學會), China Behavior Law Association (中國行為法學會理事) and Chongqing Construction and an executive council of Real Estate Law Research Board (重慶市建築房地產法研究會). Mr. HOU has served successively as a lecturer, associate professor and professor of Southwest University of Political Science and Law since 2003. He served as part-time lawyer of Xinli Law Office in Chongqing (重慶欣力律師事務所) from January 2001 to April 2006 and part-time lawyer of Z&Z Attorneys At Law in Chongqing (重慶志和智律師事務所) from April 2006 to May 2014. He has been a part-time lawyer of K&H Law Firm in Chongqing (重慶坤源衡泰律師事務所) since May 2014.

Mr. HOU graduated from Chongqing University with a bachelor's degree in engineering in 1996, obtained a master of law degree in civil and commercial law from Southwest University of Political Science and Law in July 2002 and a doctor of law degree in civil and commercial law from Southwest University of Political Science and Law in July 2006.

Biographies of Senior Management

For the biographies of **Mr. GAO Song** (高嵩) and **Ms. HOU Ximeng** (侯曦蒙), please refer to the section headed "Biographies of Directors" in this annual report.

ZHANG Song (張松)

Member of the Party Committee and Vice President

Mr. ZHANG Song has been a member of the Party Committee of the Bank since October 2023 and a vice president of the Bank since November 2024.

Mr. ZHANG successively served as the assistant to the general manager of the market development department, the assistant to the general manager and the deputy general manager of the personal business department, the deputy general manager of personal banking department, the deputy president (in charge) of Jiandong sub-branch, the president of Jiandong sub-branch, the president of Nanping sub-branch, director of the office of the Board and director of the general office, director of financial licence application unit, secretary of the Party Committee and president of Guiyang Branch and general manager of trade finance department of the Bank.

Mr. ZHANG graduated from Southwestern University of Finance and Economics in June 2005 with a doctorate degree in economics, majoring in finance. Mr. ZHANG is a chief senior economist.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

LI Cong (李聰)

Member of the Party Committee and Vice President

Mr. LI Cong has been a member of the Party Committee of the Bank since July 2024 and a vice president of the Bank since November 2024.

Mr. LI successively served as the assistant to the manager of the office of the Board, the deputy general manager, the deputy general manager (in charge of work) and the general manager of the finance department, the general manager of asset and liability management department of the Bank. From May 2015 to May 2016, he served as deputy director of the Monetary and Credit Management Department of the Chongqing Business Management Department of People's Bank of China.

Mr. LI graduated from Chongqing College of Technology (重慶工學院) (now known as Chongqing University of Technology) in June 2003, majoring in accounting, and obtained an Executive Master of Business Administration degree from Chongqing University in December 2014. Mr. LI is a chief senior economist, certified public accountant and certified tax agent.

YAN Xiaochuan (顏小川)

Member of the Party Committee and Vice President

Mr. YAN Xiaochuan has been a member of the Party Committee of the Bank since August 2024 and a vice president of the Bank since December 2024.

Mr. YAN successively served as a member of party branch and vice president of Tongliang Branch of China Construction Bank, vice president of Changshou Sub-branch, the deputy general manager of the financial market department, president of Xiushan Sub-branch and president of Changshou Sub-branch of the Bank.

Mr. YAN graduated from Chongqing University of Commerce (now known as Chongqing Technology and Business University) in July 1997 with a bachelor's degree in economics, majoring in trade and economics. Mr. YAN is an accountant.

WANG Weilie (王偉列)

Member of the Party Committee, Vice President and Chief Risk Officer

Mr. WANG Weilie has been a member of the Party Committee of the Bank since September 2024, and has served as vice president of the Bank since December 2024 and chief risk officer of the Bank since February 2025.

Mr. WANG successively served as assistant to the president, vice president, vice president (in charge of work) and president of Bishan Sub-branch, president, the general manager of the administration department and general manager of the internal control and compliance department of the Wenhuaogong Sub-branch of the Bank.

Mr. WANG graduated from Xiamen University in July 2002 with a bachelor's degree in economics, majoring in statistics.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.3 Positions of Directors, Supervisors and Senior Management

Position held in shareholder

Name	Name of shareholder	Position(s) 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
WU Heng	SAIC Motor Corporation Limited	General manager of the financial affairs department	August 2019	To date
QI Jun	Chongqing Beiheng Investment & Development Limited	Supervisor	May 2015	To date

Position held in other companies

Name	Name of other companies	Position(s) held in other companies
WONG Hon Hing	Dah Sing Banking Group Limited	Executive director, vice chairman of the board of directors and managing director and chief executive officer
	Dah Sing Financial Holdings Limited	Executive director, vice chairman of the board of directors, managing director and chief executive officer
	Banco Commercial De Macau	Director
	Dah Sing Insurance Company Limited	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
	DSLII (2) Limited	Director
	DSLII (BVI) (1) Limited	Director
	Macau Insurance Company Limited	Director
	MEVAS (1931) Limited	Director
	WOF Escrow Limited	Director
	The Chinese Banks' Association Limited	Director
GUO Xile	Chongqing Yufu Holding Group Co., Ltd.	Secretary to the board of directors, head of the office, director of the safety and environmental protection supervision office, general manager of the financial services department

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position(s) held in other companies
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
	SAIC Anji Logistics Co., Ltd.	Director
	Shanghai Automotive Group Finance Company, 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.	Vice 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
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

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Name of other companies	Position(s) held in other companies
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	Contract research fellow (Part-time)
ZHU Yanjian	NFRA	Adjunct professor (Part-time)
	Faculty of Finance at the School of Economics of Zhejiang University	Head, professor and doctoral supervisor
	Academy of Financial Research of Zhejiang University	Vice dean
	Yongan Futures Co., Ltd.	Independent director
	Zhejiang Huangma Technology Co., Ltd.	Independent director
CHEN Zhong	Hangzhou Shanglv Financial Investment Co., Ltd.	External director
	Brightstone Investment and Management Co., Ltd.	Deputy chairman
	Bright Stone Innovation Technology Group Co., Ltd.	Director
	Doushen (Beijing) Education & Technology INC.	Independent director
	Chongqing International Trust Co., Ltd.	Independent director
	Harvest Fund Management Co., Ltd.	Independent director
HOU Guoyue	China Life Pension Company Limited	Independent director
	Southwest University of Political Science and Law	Professor
	K&H Law Firm in Chongqing	Chairman of the executive committee
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

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.1.4 Changes in Directors, Supervisors and Senior Management *Changes in Directors*

On 11 January 2024, Ms. LIN Jun resigned from her positions as the Chairlady, an executive Director of the Bank, the chairlady 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 the Chairman and an executive Director of the Bank from the date of such approval and confirms that he has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 13 March 2024, and understands his obligations as a Director of the Bank.

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 and confirms that he has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 17 May 2024, and understands his obligations as a Director of the Bank.

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.

On 16 October 2024, Mr. LIU Jianhua resigned from his positions as an executive Director of the Bank, Vice President and a member of the Connected Transactions Control Committee under the Board due to change in his work arrangements.

On 14 November 2024, Ms. YOU Lili resigned from her positions as a non-executive Director of the Bank and a member of the Consumer Protection Committee under the Board due to work adjustment.

On 20 December 2024, Mr. WONG Wah Sing ceased to be an executive Director of the Bank and a member of the Consumer Protection Committee under the Board due to the expiry of the term of directorship.

On 20 December 2024, Mr. ZHOU Qiang ceased to be a non-executive Director of the Bank and a member of the Information Technology Guidance Committee under the Board due to the expiry of the term of directorship.

On 24 February 2025, as approved by the Approval of the Qualification on Appointment of HOU Ximeng as a Director in Bank of Chongqing (Yu Jin Guan Fu [2025] No. 26) from the Chongqing NFRA, Ms. HOU Ximeng served as an executive Director of the Bank from the date of such approval and confirms that she has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 20 February 2025, and understands her obligations as a Director of the Bank.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

On 25 February 2025, pursuant to the requirements of the related documents and working requirements of the regulatory authority of the banking industry, as Ms. LIU Ruihan is qualified to serve as an independent director of urban commercial banks, the Bank has officially published the appointment document for LIU Ruihan as an independent Director of the Bank, and has completed the relevant filings in compliance with regulatory requirements. Ms. LIU Ruihan served as an independent non-executive Director of the Bank from the date of such procedures and confirms that she has obtained the legal advice referred to under rule 3.09D of the Hong Kong Listing Rules on 18 February 2025, and understands her obligations as a Director of the Bank.

On 25 February 2025, Mr. YUAN Xiaobin ceased to be an independent non-executive Director of the Bank, and the chairman of the Nomination Committee and a member of the Connected Transactions Control Committee under the Board due to the expiry of the term of directorship.

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.

Changes in Senior Management

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

On 16 October 2024, Mr. LIU Jianhua resigned from his positions as executive Director, Vice President of the Bank and a member of the Connected Transactions Control Committee under the Board due to change in his work arrangements.

On 16 October 2024, Ms. YANG Shiyin resigned from her position as Vice President of the Bank due to change in her work arrangements.

On 6 November 2024, as approved by the Approval of the Qualification on Appointment of HOU Ximeng as the Vice President and the Secretary to the Board of Bank of Chongqing (Yu Jin Guan Fu [2024] No. 127) from the Chongqing NFRA, Ms. HOU Ximeng served as the Vice President and the Secretary to the Board of the Bank from the date of such approval.

On 6 November 2024, as approved by the Approval of the Qualification on Appointment of ZHANG Song as the Vice President of Bank of Chongqing (Yu Jin Guan Fu [2024] No. 128) from the Chongqing NFRA, Mr. ZHANG Song served as the Vice President of the Bank from the date of such approval.

On 6 November 2024, as approved by the Approval of the Qualification on Appointment of LI Cong as the Vice President of Bank of Chongqing (Yu Jin Guan Fu [2024] No. 129) from the Chongqing NFRA, Mr. LI Cong served as the Vice President of the Bank from the date of such approval.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

On 9 December 2024, as approved by the Approval of the Qualification on Appointment of YAN Xiaochuan as the Vice President of Bank of Chongqing (Yu Jin Guan Fu [2024] No. 153) from the Chongqing NFRA, Mr. YAN Xiaochuan served as the Vice President of the Bank from the date of such approval.

On 17 December 2024, as approved by the Approval of the Qualification on Appointment of WANG Weilie as the Vice President of Bank of Chongqing (Yu Jin Guan Fu [2024] No. 154) from the Chongqing NFRA, Mr. WANG Weilie served as the Vice President of the Bank from the date of such approval.

On 20 December 2024, Mr. WONG Wah Sing ceased to be the Chief Risk Officer of the Bank due to the expiration of his term as senior management.

On 24 February 2025, as approved by the Approval of the Qualification on Appointment of WANG Weilie as the Chief Risk Officer of Bank of Chongqing (Yu Jin Guan Fu [2025] No. 23) from the Chongqing NFRA, Mr. WANG Weilie served as the Chief Risk Officer of the Bank from the date of such approval.

9.1.5 Emolument of Directors, Supervisors and Senior Management *Emolument of Directors*

(Unit: RMB10,000)

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2024	Whether to receive remuneration from related parties	Notes
Executive directors							
YANG Xiuming	41.48	14.36	0.00	–	55.84	No	–
GAO Song	41.48	14.06	4.80	–	60.34	No	–
HOU Ximeng	19.36	8.16	2.24	–	29.76	No	The payroll period in the Bank for the current year is from June to December.
Non-executive Directors							
WONG Hon Hing	–	–	–	15.25	15.25	Yes	–
GUO Xile	–	–	–	7.30	7.30	Yes	Served as a non-executive Director of the Bank since May 2024. According to the relevant management requirements of Chongqing Yufu Capital Operation Group Co., Ltd., the nominating shareholder, the remuneration of GUO Xile as a director of the Bank, was directly transferred to the account of Chongqing Yufu Capital Operation Group Co., Ltd.
WU Heng	–	–	–	–	–	Yes	According to the requirement of SAIC Motor Corporation Limited, the nominating shareholder, no allowances and emolument will be paid.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2024	Whether to receive remuneration from related parties	Notes
<i>Independent Non-executive Directors</i>							
LIU Xing	–	–	–	20.35	20.35	Yes	–
WANG Rong	–	–	–	20.35	20.35	No	–
FUNG Don Hau	–	–	–	19.30	19.30	No	–
ZHU Yanjian	–	–	–	16.95	16.95	Yes	–
<i>Outgoing Directors</i>							
LIN Jun	3.46	1.50	0.00	–	4.96	No	The payroll period in the Bank for the current year is January.
LIU Jianhua	27.65	11.89	3.20	–	42.74	No	The payroll period for the service is from January to October.
WONG Wah Sing	33.18	0.39	0.00	–	33.57	Yes	The payroll period in the Bank for the current year is from January to December.
WANG Fengyan	–	–	–	5.78	5.78	Yes	No longer served as the non-executive Director since July 2024. According to the relevant management requirements of Chongqing Water Conservancy Investment Group Co., Ltd., the nominating shareholder, the remuneration of WANG Fengyan as a director of the Bank, was directly transferred to the account of Chongqing Water Conservancy Investment Group Co., Ltd.
YOU Lili	–	–	–	8.39	8.39	Yes	No longer served as the non-executive Director since November 2024. According to the relevant management requirements of Chongqing Real Estate Group Co., Ltd., the nominating shareholder, the remuneration of You Lili as a director of the Bank, was directly transferred to the account of Chongqing Real Estate Group Co., Ltd..
ZHOU Qiang	–	–	–	9.30	9.30	Yes	No longer served as the non-executive Director since December 2024.
YUAN Xiaobin	–	–	–	19.15	19.15	Yes	No longer served as the independent non-executive Director since February 2025.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Emolument of Supervisors

(Unit: RMB10,000)

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2024	Whether to receive remuneration from related parties	Notes
Employee Supervisors							
YIN Jun	-	-	-	-	-	No	-
WU Ping	-	-	-	-	-	No	-
ZHOU Xiaohong	-	-	-	-	-	No	-
Shareholder Supervisor							
QI Jun	-	-	-	7.00	7.00	No	-
External Supervisors							
CHEN Zhong	-	-	-	8.60	8.60	Yes	-
PENG Daihui	-	-	-	10.30	10.30	No	-
HOU Guoyue	-	-	-	9.30	9.30	Yes	-
Outgoing Supervisor							
HUANG Changsheng	13.83	6.01	1.60	-	21.44	No	The payroll period in the Bank for the current year is from January to May.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

Emolument of Senior Management

(Unit: RMB10,000)

Name	Paid remuneration (before tax)	Social insurance, housing fund, enterprise annuity and supplementary medical insurance paid by the Bank	Other monetary income	Part-time Fee	Total Salary Before Tax in the year 2024	Whether to receive remuneration from related parties	Notes
Senior Management							
GAO Song	41.48	14.06	4.80	–	60.34	No	–
HOU Ximeng	19.36	8.16	2.24	–	29.76	No	The payroll period in the Bank for the current year is from June to December.
ZHANG Song	33.18	14.14	3.84	–	51.16	No	–
LI Cong	13.83	6.01	1.60	–	21.44	No	The payroll period for the service is from August to December.
YAN Xiaochuan	11.06	4.89	1.28	–	17.23	No	The payroll period for the service is from September to December.
WANG Weilie	8.30	3.76	0.96	–	13.02	No	The payroll period for the service is from October to December.
Outgoing Senior Management							
LIU Jianhua	27.65	11.89	3.20	–	42.74	No	The payroll period for the service is from January to October.
YANG Shiyin	27.65	11.89	3.20	–	42.74	No	The payroll period for the service is from January to October.
PENG Yanxi	13.83	5.99	1.60	–	21.42	No	The payroll period in the Bank for the current year is from January to May.
WONG Wah Sing	33.18	0.39	0.00	–	33.57	Yes	The payroll period in the Bank for the current year is from January to December.

Notes:

1. According to the relevant regulatory regulations, the remuneration of the Chairman, President, Chairperson of the Board of Supervisors and other heads of the Bank shall be implemented in accordance with the regulatory opinions on restructuring remuneration system for heads of enterprises, which took effect on 1 January 2015.
2. The final assessment-based remuneration of some Directors, Supervisors and senior management of the Bank for 2024 is still under confirmation and will be disclosed in the announcement separately published by the Bank.
3. Paid remuneration refers to the remuneration of Directors, Supervisors and senior management for the year paid according to internal and external regulatory regulations and as approved by the regulatory authorities, including the basic annual salary and the prepaid performance-based annual remuneration for 2024 paid according to external regulatory regulations. The Directors have recused themselves from discussions on their remunerations at the Board meeting.
4. The employee supervisors of the Bank do not receive remuneration as representative supervisors.
5. Other monetary income refers to the business transportation subsidies paid to senior management in the form of currency according to the requirements of the regulatory authorities.
6. According to relevant requirements of SAIC Motor Corporation Limited on part-time jobs of leaders, and as confirmed by Mr. WU Heng, he will not receive any remuneration for acting as a non-executive Director of the Bank. Also, there is no arrangement in which other Directors of the Bank have waived or agreed to waive any emoluments.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

The Board authorized the Remuneration and Appraisal Committee of the Board to formulate the remuneration criteria for the shareholders' directors and independent non-executive Directors of the Bank and to arrange detailed implementation. The remuneration of the shareholders' directors and independent non-executive Directors of the Bank shall be decided by the resolutions passed by the Remuneration and Appraisal Committee of the Board, the Board and the general meetings.

The remuneration policy of non-employee Supervisors of the Bank shall be considered and decided by the general meetings. The remuneration of the non-employee Supervisors was determined pursuant to the Resolution on the Remuneration Criteria of the Fourth Session of Non-Executive Directors and Non-Employee Supervisors as considered and approved at the 2010 Annual General Meeting convened on 29 April 2011 and the Resolution on the Payment of Variable Remuneration of the External Directors and Shareholder Supervisors of the Bank as considered and approved at the 2015 Annual General Meeting convened on 17 June 2016.

The Board authorized the Remuneration and Appraisal Committee of the Board to formulate the appraisal criteria for Directors and senior management of the Bank and to arrange detailed implementation. The remuneration of senior management of the Bank was determined in accordance with the Interim Measures for the Administration on Remuneration for People in Charge of Key State-Owned Enterprises Owned by Municipal Governments of Chongqing (重慶市市屬國有重點企業負責人薪酬管理暫行辦法) issued by Chongqing SASAC, the Administrative Measures on the Evaluation and Remuneration of Senior Management of Bank of Chongqing (重慶銀行高級管理人員考核及薪酬管理辦法) and other policies.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.2 Details of employees

9.2.1 Number and composition of employees

As of 31 December 2024, the Bank had a total of 5,337 regular employees, 5,119 of whom held bachelor's degree or above, representing 95.91% of all the Bank's regular employees. In addition, the Bank had 132 dispatch workers, 38 internally retired employees and 383 retired employees. Furthermore, our subsidiaries had 182 regular employees, including 117 employees in Chongqing Xinyu Financial Leasing Co., Ltd. and 65 employees in Xingyi Wanfeng Village Bank Co., Ltd..

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

Item	Number of employees	Percentage (%)
<i>Composition of professions</i>		
Supporting	792	14.84
Risk control	504	9.44
Business marketing	2,553	47.84
Financial Technology	245	4.59
Management	1,243	23.29
<i>Educational background</i>		
Master's degree or above	965	18.08
Bachelor's degree	4,154	77.83
College's degree or below	218	4.09
<i>Range of ages</i>		
30 and below	1,053	19.73
31-40	2,824	52.91
41-50	1,001	18.76
51 and above	459	8.60
<i>Composition of genders</i>		
Male	2,290	42.91
Female	3,047	57.09
Total	5,337	100.00

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.2.2 Overall management of human resources

The Bank proactively improved its relationship with employees to reduce the exposure to labor employment risks. With a view to establish a more harmonious employment relationship, the Bank constantly enhanced its benefit and insurance coverage measures and incentives and restraints mechanism to motivate its employees and protect their interests in a proactive way. Meanwhile, the Bank sticks to the principle of fixed position, fixed schedule, fixed staff, strengthened the employment and deployment of employees and optimized the functions of departments and offices and position responsibility to enhance its human resources structure. The Bank developed innovative talent cultivation programs to improve the standard of the employees, the working atmosphere and their service quality and management standard. By focusing on constructing a modern human resources management mechanism, the Bank successfully fulfilled its objectives of promoting its management through reforms and in turn, promoting enhancement through management.

9.2.3 Employee Remuneration Policy

In order to enhance and improve its incentive and restraint mechanisms, achieve corporate strategies, enhance organizational performance, and restrain operating risks, the Bank follows the remuneration management principles of “sticking to strategic orientation, reflecting performance, restraining risks, maintaining internal fairness, and adapting to markets”, and insists on the remuneration concept of “position and labour-based salary”. In accordance with national policies, we have established a remuneration mechanism that matches remuneration incentives with performance-based risks, continued to improve the performance remuneration deferred payment system for middle and senior managers and key position personnel, and established a recovery and deduction of performance-based remuneration system. For employees who are exposed to risks, violate regulations and disciplines, their corresponding performance-based remuneration will be deducted based on accountability decisions.

9.2.4 Training and development of employees

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank established the College of Bank of Chongqing in February 2020, with the philosophy of “Fun in Study • Fun in Sharing • Growing Together”, the tenet of talent empowerment, management enhancement and service development, and the goal of becoming a booster of the Bank’s strategic change, an important base for talent cultivation and development and the dissemination of corporate culture, so as to promote the Bank’s achievement of high-quality development. Relying on the online learning platform of the College of Bank of Chongqing, the Bank continuously improved training efficiency, strengthened the construction of “five libraries” with its own characteristics, namely course library, lecturer library, case library, examination question library and supplier library, gradually built a good learning ecosystem, and fully created a learning organization. Through innovating training mechanisms and methods, the Bank has preliminarily set up a multiple dimension and level-and-category based employee training and development system by creating quality training projects, to keep promoting the overall standard of all the employees, thus building the Bank’s advantages in talent competition.

Directors, Supervisors, Senior Management, Employees and Branch Outlets

9.3 Branch Outlets

Item	Number of branches	Number of employees	Asset scale (RMB100 million)	Place of business
Head Office	–	1,124	3,748.76	No. 6 Yongpingmen Street, Jiangbei District, Chongqing
Liangjiang Branch	11	267	215.05	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing
Chongqing Pilot Free Trade Zone Branch	8	253	197.44	No. 153 Zourong Road, Yuzhong District, Chongqing
Other institutions in Chongqing Region	147	2,570	3,386.05	Please refer to Chapter 18 “List of Branch Outlets” for details
Chengdu Branch	14	446	417.52	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech District, Chengdu
Xi'an Branch	12	383	377.21	1/F to 3/F, Building 2, Yinhe Xinzubiao Building, No. 25 Tangyan Road, Xi'an
Guiyang Branch	7	294	224.39	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
Total	199	5,337	8,566.42	–

Environmental and Social Responsibility

10.1 Environmental Protection

10.1.1 Promotion of Green Finance

During the Reporting Period, the Bank continued to implement the “dual carbon” strategy and used green finance to support construction of a beautiful Chongqing. In recent years, the Bank has been committed to the strategic goal of building a sustainable bank. Relying on multiple favorable policies such as the construction of the Chengdu-Chongqing Economic Circle and the new land-sea channel in western China, the Bank integrates into green development of the Yangtze River Economic Belt and promotes the Bank’s green financial services to be more professional, integrated and group-based. In 2024, the Bank was rated as a Level 1 bank for green financing by the Chongqing NFRA.

As at the end of the Reporting Period, according to the PBOC’s green finance statistics, the Bank’s green finance scale increased by 40.05% as compared to the end of the previous year, and the green credit scale increased by 39.72% as compared to the end of the previous year. The Bank was awarded the “Innovation Award of the IFF Global Green Finance Award” and the “GF60-Best Practice Case Award”, and was selected as the typical case of green and low-carbon 2024 in Chongqing and the typical case of social responsibility of the Chongqing City Enterprises Confederation (重慶市企業聯合會).

Maintaining higher positioning and strict deployment and clarifying development path. The Bank further implemented the strategic 14th Five-Year Plan for green finance, continuously improved institutional systems, used the Green Finance Task Force mechanism to assign work to specific individuals within their department, breaking down progress by quarter, and achieving results in horizontal coordination. The Bank optimized incentives, strengthened constraints, and further refined vertical management. The Bank continue to improve organizational structure, with the Strategy and Innovation Committee taking charge, the Green Finance Department leading supervision, green branches setting an example, and full-time staff working in a unified manner, so that all levels work together to improve the “Major Articles” (大文章) of green finance.

Speeding up development with high-quality services. There have been breakthroughs in green bonds, with US\$40 million invested in overseas green bonds and RMB5 billion of green financial bonds issued. The coupon rate is the lowest in the western region, and the cumulative issuance scale ranks first among local corporate banks. Green credit has been innovated, creating four special product systems of “energy conservation, carbon reduction, pollution reduction, and greening expansion”. The Bank has launched sustainability-linked loans to stimulate energy conservation, promoted carbon emission rights pledge loans to encourage carbon reduction, innovatively launched the city’s first GEP pledge loan, and continuously used forest rights mortgage loans to promote greening expansion.

Enhancing development potential with high-level guarantee. The first ESG rating system for corporate banks in the central and western regions was launched, setting differentiated indicator weights based on industry characteristics and usage scenarios, and evaluating the ESG performance of more than 1 million enterprises in “one municipality and three provinces” from multiple dimensions. The Bank optimized the green finance management system, connected its three major business systems, incorporated innovative products into the scope of smart certification, thus further consolidating the Bank’s green finance data base.

Consolidating the foundation for development with high standards of construction. The Bank launched the first national group standard for mortgage (pledge) financing of emission rights, formulated the first batch of financial group standards for “Green Bond Information Disclosure Specifications” (《綠色債券資訊披露規範》) in Chengdu and Chongqing, and participated in formulation of group standards such as “Chongqing Green Small and Micro Enterprise Evaluation Index Specifications” (重慶綠色小微企業評價指標規範) and “Evaluation Guidelines for Financial Support of Green Enterprises in the Power Grid Supply Chain” (《金融支援電網供應鏈綠色企業評價指南》), actively contributing wisdom to the standardization of industry development.

Building consensus on development with tightened publicity. The Bank strengthened green demonstration by sharing the Bank’s specialized industry solutions through multiple channels to promote replicable experiences, and deliver key green finance services to the public. The Bank pushed forward green operations, advocated green offices, and during the campaign of “meeting the summer peak and saving electricity” carried out in Chongqing, our daily load reduction results during periods of extreme high temperature weather exceeded the given target by five times, which was recognized in writing by the Chongqing SASAC.

10.1.2 Green Operation

The Bank made efforts to promote the philosophy of low-carbon and green office, and thus the philosophy of energy saving and environmental protection took root in its employees.

The Bank formulated the User Manual for Bank of Chongqing Building has been formulated. Through a series of measures such as adopting the renewable energy from the river water source for centralized heating and cooling, intelligent lighting in employee workstation areas and garages, sensor faucets, and paperless office, the Bank clarified the goals, principles, and specific implementation paths of green operations, and standardized energy consumption and environmental management of office buildings. The head office building was awarded the Golden Label for green building design by the Chongqing Urban and Rural Development Committee. During the Reporting Period, in order to help local power security and to highlight the role state-owned enterprises, our daily load reduction results in the work of meeting the summer peak and saving electricity exceeded the given target by five times. Our electricity saving ranking has always been at the forefront of Chongqing Municipal state-owned assets system, and we received a letter of thanks from Chongqing SASAC for our work in ensuring power supply during the summer peak period. The Bank initiated the purchase of new energy vehicles to promote greening of business vehicles. The Bank set up classified trash cans in the office area to classify and collect recyclables, hazardous waste, kitchen waste and other waste.

In procurement management, the Bank continually practices the green and environmental protection philosophy. The Bank cultivates environmental awareness of resource recycling among procurement personnel within the industry, and strictly implements the requirement that “priority should be given to purchasing energy saving and environmental protection products” as stipulated in the Bank of Chongqing Co., Ltd. Procurement Management Measures (《重慶銀行股份有限公司採購管理辦法》). The Bank clarifies energy-saving and environmental requirements in procurement, and has strict requirements on admission of suppliers in terms of environmental protection, energy conservation and emission reduction, etc.. The environmental qualifications and energy-saving performance of purchasing office supplies, electrical appliances, computers, work clothes and other products are taken as important considerations during procurement. When selecting suppliers, priority is given to suppliers with environmental certification or that meet environmental standards, to optimize supply chain management, reduce unnecessary logistics and transportation, and reduce energy consumption. Procurement approval is conducted by adopting an electronic means to reduce procurement costs and increase green procurement capabilities.

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 Performance of Social Responsibility

Please refer to the 2024 Social Responsibility (Environmental, Social and Governance) Report of the Bank issued on 21 March 2025 for detailed information.

10.3 Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization

During the Reporting Period, the Bank studied and applied the experiences from the “Qianwan Projects” (千萬工程), and by closely following the needs of rural development, improved systems and mechanisms, strengthened internal coordination, optimized financial services, and increased credit support, aiming to provide excellent financial services for rural revitalization. As of 31 December 2024, the balance of agriculture-related loans was RMB44,782 million, representing an increase of RMB5,975 million or 15.40% as compared with the end of the previous year, serving more than 54,000 “agriculture, rural areas, and farmers” customers. Among them, the balance of inclusive agriculture-related loans was RMB18,680 million, representing an increase of RMB3,180 million or 20.52% as compared with the beginning of the year.

Improving systems and mechanisms and laying a solid foundation for rural development. The Bank incorporates financial services for rural revitalization into annual highlights of the Party committee and performance appraisal of grassroots Party building, and by establishing Party member demonstration posts and responsibility areas, carry out financial knowledge activities in rural areas, and play a key role of Party organizations and Party members in rural revitalization. A special team for rural revitalization was set up, and a working mechanism of “head office-led, institutional promotion, full participation” was established to create a collaborative financial service system across departments, lines and fields, and improve the quality and efficiency of financial services for rural revitalization. Policy empowers the mechanism. The Implementation Plan for Key Works of Rural Revitalization Financial Services of Bank of Chongqing in 2024 (《2024年重慶銀行鄉村振興金融服務重點工作實施方案》) was issued, which makes precise efforts in areas ranging from credit approval and permission setting to pricing mechanisms, as well as capital and human resources allocation, training and supervision, etc., to provide solid guarantees for financial services for rural revitalization. The Bank incorporated key indicators such as the increase in inclusive agriculture-related loans, the amount of loans for rural revitalization, and the increase in small and micro loans to new agricultural operators into comprehensive performance appraisal of branches and sub-branches. With the mindset of “competitive attitudes” (賽馬比拼), the Bank stimulated competitive awareness among branches and sub-branches and enthusiasm of all employees to devote themselves to rural revitalization work.

Highlighting support and drive to activate endogenous development momentum. Through targeted procurement by the head office staff canteen and trade union organizations, the Bank directly helped sales of agricultural and sideline products in support regions and explored stable sales channels for them. The Bank organized agricultural and sideline product exhibitions to encourage employees to go to the countryside for consumption, which effectively contributed to farmers' income growth. Relying on the "Yu Le Hui" (渝樂惠) mall, the Bank has created a "consumer support" (消費幫扶) section, building 16 county-level agricultural specialty themed halls and putting more than 200 goods on the shelves, promoted online circulation of rural agricultural products, and assisted agricultural products from poverty alleviation regions to expand their market share. The Bank selected outstanding cadres with high political literacy, practical work style and rich experience to villages for assistance, develop characteristic industries according to local conditions, strengthen team building, cultivate local talents, formulated financial support plans for various agricultural scenarios, and continuously enhanced the sense of gain from assistance work. The Bank strengthened financial support according to the idea of "a customized resolution plan for each county", inclined credit resources toward key support counties for rural revitalization, poverty alleviation regions, and relocated poverty alleviation resettlement regions, supporting local infrastructure improvements and cultivation of leading industries, and thus injecting financial impetus into the accelerated development of poverty alleviation regions.

Deepening technological empowerment and expanding financial service coverage. The Bank have innovatively launched "Xin Nong Dai" (新農貸) and "Agricultural Benefit Loan" (惠農貸), and built a new agriculture-related financing model of "online loan application, bank visits for loan processing, self-service signing, and real-time borrowing and repayment", which promoted digital upgrade of agricultural financial products, service channels, and business processes to accurately meet the needs of farmers. The Bank continued to improve the identifications of agriculture, rural areas and farmers, fine-tuned the logic of information on the whitelist of agriculture-related credit products and post-loan warnings, etc., and significantly increased the efficiency of agricultural credit approval. The Bank have optimized functions such as voice broadcast, mini-program notifications, and account reconciliation to create a convenient payment experience for farmers, allowing them to enjoy the benefits of digital development. The Bank independently developed the "Bashi Business" and "Yuying Link" (渝鷹Link) for customer manager use, which integrated 70% of branch business into mobile devices, and went into remote areas to provide door-to-door services to "agriculture, rural areas and farmers" customers, effectively increasing the availability of financial services in remote areas. The Bank created an integrated service matrix of "physical outlets + inclusive financial services to village base stations + farmer-friendly POS + mobile banking vehicles + Internet online channels" to meet financial needs of farmers in all aspects.

Focusing on increasing credit allocation in key areas. The Bank optimized credit policies to list food security and stable supply of agricultural products as key support targets, giving play to the advantages of products such as "New Agricultural Loan" to precisely grant loans to planting and breeding industries, which ensured stable supply from the "rice bag" and "shopping basket", and provided strong financial support for building a solid foundation for food security. The Bank worked closely with the Municipal Agricultural Guarantee Company (市農擔公司) to sort out a financing list of the food and agricultural product processing industry, basing on which to carry out product training and publicity, provide door-to-door services to key agricultural customers, which improved industry service efficiency, and promoted cultivation of advantageous and characteristic industries worth RMB100 billion. The Bank continued to optimize business models such as "Water and Electricity Loan" (小水電貸), guiding branches to accurately connect based on the list of agricultural and rural infrastructure projects, increase credit support for rural transportation, medical care, education, logistics and other fields, thus helping create thousands of livable, business-friendly and beautiful rural demonstrations. Targeting new agricultural operation entities and new citizen groups, the Bank have innovatively launched "Agricultural Benefit Loan" (惠農貸) and "Yubao Loan" (渝保貸), upgraded "Xin Nong Dai" (新農貸) and other financing models, achieved batch and targeted support and increased the efficiency of financial services.

Environmental and Social Responsibility

10.4 Consumer Protection

10.4.1 Overview on Consumer Protection

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

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

At the organizational and operation guarantee level, the Bank established a special department for consumer protection at the head office in 2016. This department is responsible for the planning, management, organization and coordination of consumer protection work, and sets up a leading work group for consumer protection at the operation and management level according to internal duty distribution. The leading work group consists members from 20 relevant departments and offices, and comprises five professional teams including information disclosure coordination, knowledge dissemination and education, consumer information protection, product design coordination and coordination of complaints of consumer protection, so as to protect the 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, and deeply understanding the political and people-oriented nature of financial work. By building a new working mechanism, making new progress in addressing complaints, improving new publicity image, and optimizing new working pattern, the Bank focused 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.

10.4.2 Strengthening the handling of complaints

The Bank keeps close eyes on key issues that have received strong public response, attracted high social attention, and received relatively concentrated complaints to systematically studies solutions, strengthen control at the source, thus increasing the people's sense of gain, happiness, and security in the financial sector. On the one hand, we adhere to the principle of treating both the symptoms and the root causes, so that we carry out traceability and rectification work on a regular basis, include complaints in the scope of compliance risk monitoring, which can promote normalized and long-term rectification of problems and turn the "problem list" into a "service list", optimize 30 product functions, and further improve customer satisfaction. On the other hand, for reducing complaints and resolving disputes, we utilize the mechanism of "forward dispute resolution + interconnection between upper and lower levels + coalition of complaints and mediation" to address customer concerns, promptly eliminate customer dissatisfaction, striving to deal with conflicts in the bud, resolve them at the grassroots level, and defuse them within the industry.

In 2024, the Bank received a total of 1,718 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 reasons for complaints, it was mainly due to customers' lack of knowledge of rules, pricing and charges, and the customers in the hope that the Bank would further improve the efficiency of its business operations. In terms of geographical location, there were 1,520 complaints in Chongqing, accounting for 88.47%; 69 complaints in Sichuan, accounting for 4.02%; 64 complaints in Guizhou, accounting for 3.73%; and 65 complaints in Shaanxi, accounting for 3.78%.

Significant Events

11.1 Plans for Profit Distribution for Ordinary Shares or Conversion of Capital Reserve into Share Capital

11.1.1 Profit Distribution Plan for 2024

The Bank plans to withdraw 10% of the audited net profit of RMB4.793 billion in 2024, valued at RMB479 million as statutory surplus reserve, and withdraw 1.5% of the balance of risk assets valued at RMB525 million as general reserve. Based on the total share capital of A shares and H shares on the equity registration date for profit distribution, cash dividends of RMB0.248 (tax inclusive) per share will be distributed to all registered shareholders, and based on the total number of 3,474,569,581 ordinary shares at the end of 2024, the total cash dividends of RMB862 million proposed to be distributed, which shall be denominated and declared in RMB, paid to A-share shareholders in RMB and paid to H-share shareholders in Hong Kong dollars. The remaining undistributed profits will be carried forward to the next year. In 2024, the Bank did not implement the conversion of capital reserve into share capital. The above profit distribution plan is subject to consideration and approval at the 2024 annual general meeting of the Bank.

The Bank implemented the Profit Pre-distribution for the First Three Quarters of 2024, with a cash dividend of RMB0.166 per share (inclusive of tax), and a total cash dividend of RMB577 million. The profit distribution was completed on 24 January 2025. The Bank's proposed cash dividend per share in 2024 is RMB0.414 (inclusive of tax), and the total cash dividend will amount to RMB1.438 billion for the year.

Number of bonus shares per share (share)	–
Dividend per share (RMB) (inclusive of tax)	0.414
Number of shares issued for each share upon the conversion (share)	–
Cash dividend (RMB) (inclusive of tax)	1,438,471,855.84
Net profit attributable to the holders of the Company's ordinary shares	
in consolidated statements for the year of distribution	4,793,290,590.19
% of the net profit attributable to the holders of the Company's ordinary shares	
in consolidated statements	30.01

Note: Since the convertible bonds issued by the Bank are in the conversion period, the total cash dividends actually paid will be determined based on the total number of shares registered on the equity registration date, and the cash dividends per share will remain unchanged.

11.1.2 Cash Dividend in the Last Three Fiscal Years

Cumulative cash dividends in the last three fiscal years (tax inclusive) (1)	4,228,544,160.35
Average annual net profit attributable to ordinary shareholders in the last three fiscal years (2)	4,692,541,711.60
Cash dividend ratio for the last three fiscal years (%) (3)=(1)/(2)	90.11
Net profit attributable to common shareholders of a listed company in the consolidated	
statement at the end of the last fiscal year	4,793,290,590.19
Undistributed profit in the statements of the parent company at the end of the last fiscal year	24,497,782,664.57

11.1.3 Formulation and Implementation of the Cash Dividend Policy of the Bank

In accordance with relevant policies of the Bank such as the Articles of Association, the profit distribution policy for ordinary shares of the Bank is as follows:

- (1) The Bank may, subject to a resolution approved at the general meeting, set aside a portion of the after-tax profit as the arbitrary reserve fund after setting aside a portion of the after-tax profit as the statutory common reserve fund and the general reserve and paying the dividend to preference shareholders out of the after-tax profit. The remaining after-tax profit is paid according to the classes of shares held by the shareholders and their shareholding percentages, after the Bank makes up for the losses, sets aside a portion of the after-tax profit as the statutory common reserve fund, the general reserve and the arbitrary reserve fund, and pays dividends to preference shareholders out of the after-tax profit.
- (2) No profit shall be distributed to investors if the capital adequacy ratio of the Bank fails to meet the requirements of relevant regulatory authorities. The Bank may distribute profits subject to the regulatory requirements on the capital adequacy ratio and if there are distributable profits.
- (3) The Bank may distribute dividends in cash, shares or a combination thereof. Any amount paid up in advance of calls on any of the Bank's shares may carry interest, but shall not entitle the holder of such share(s) to participate in respect thereof in a dividend subsequently declared.
- (4) Cash profits are denominated, declared and paid in RMB by the Bank to A Shareholders. Cash profits are denominated and declared in RMB, and paid in HKD by the Bank to H Shareholders.
- (5) The Bank shall disclose the implementation of the cash dividend policy and other relevant information in the periodic report in accordance with relevant regulations.

The implementation of the profit distribution policy of the Bank is as follows:

During the Reporting Period, the profit distribution plan of the Bank for 2023 and the profit pre-distribution plan of the Bank for the first three quarters of 2024 with a specific dividend distribution standard and proportion, and complete relevant decision-making procedures and mechanisms, which fully protected the legitimate rights and interests of minority investors, were considered and approved at the 87th meeting of the sixth session of the Board and the 98th meeting of the sixth session of the Board of the Bank, respectively, and submitted for consideration and approved at the 2023 annual general meeting and the 2024 second extraordinary general meeting, respectively, and were implemented by the Board of the Bank in strict accordance with the relevant provisions of the Articles of Association of the Bank.

The profit distribution plan of the Bank for 2024 will also be implemented in strict accordance with the relevant provisions of the Articles of Association of the Bank. The independent directors of the Bank expressed their independent opinions on the Profit Distribution Plan for 2023, the Profit Pre-distribution Plan for the First Three Quarters of 2024 and the Profit Distribution Plan for 2024, and the legitimate rights and interests of minority investors were fully protected in the profit distribution plan of the Bank and its implementation process.

Significant Events

11.2 Performance of Undertakings

During the Reporting Period, the Bank, its shareholders, directors, supervisors and senior management strictly performed undertakings made in the Prospectus of Bank of Chongqing Co., Ltd. for Initial Public Offering of Shares (A Shares) disclosed on 30 December 2020:

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

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>4. The company undertakes that the proceeds from the disposal of the shares held by it in Bank of Chongqing in violation of the above undertakings or the mandatory provisions of laws shall remain with Bank of Chongqing. If the company fails to pay Bank of Chongqing, the proceeds from the non-compliant disposal, Bank of Chongqing has the right to withhold and dispose of the cash dividends payable to the company equal to such proceeds payable by the company to Bank of Chongqing, so as to offset such proceeds. In case of dividend distribution, bonus issue, conversion of capital reserve into share capital, placement of shares and other ex-right and ex-dividend matters of Bank of Chongqing during the above period of undertaking, the above offering price will be adjusted accordingly."</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Chongqing Water Conservancy Investment Group Co., Ltd., Chongqing Co., Ltd., Chongqing Real Estate Group Co., Ltd., Chongqing Qianli Technology Co., Ltd. ² , Peking University Founder Group Co., Ltd., Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司) ³ , Chongqing Expressway 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., Chongqing Qianli Technology 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

² Formerly known as Lifan Industrial (Group) Co., Ltd., which was renamed as Lifan Technology (Group) Co., Ltd. on 3 March 2021, and renamed as Chongqing Qianli Technology Co., Ltd. on 12 February 2025.

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

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Share lock up	Directors, supervisors and senior management holding shares of the Bank	<p>RAN Hailing, LIU Jianhua, YANG Yusong, YANG Shiyin, ZHOU Guohua and HUANG Ning, who serve as the directors and senior management members of the Bank and hold shares of the Bank, undertake as follows:</p> <p>"1. I will comply with the Provisions on Reduction of Shareholding by Shareholders, Directors, Supervisors and Senior Management of Listed Companies published by China Securities Regulatory Commission.</p> <p>2. Within 36 months following the date of listing on the stock exchange of A Shares issued in the initial public offering of Bank of Chongqing, I will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me.</p> <p>3. If the closing price of A Shares issued by Bank of Chongqing in the initial public offering is lower than the offering price for 20 consecutive trading days within 6 months following the listing on the stock exchange or at the end of 6 months after the listing (or the first trading date after the date if the date is not a trading day), the lock-up period for the shares of Bank of Chongqing held by me will be automatically extended for 6 months from the expiry date of the lock-up period specified in Article 2 of the Letter of Undertaking. During the extension period, i will not transfer or engage other persons to manage, or require Bank of Chongqing to repurchase, the shares issued prior to the initial public offering of A Shares of Bank of Chongqing which are held by me.</p>	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:</p> <p>(1) The number of shares transferred each year during my term of office will not exceed 25% of the total number of shares held by me in Bank of Chongqing, and I will not transfer the shares held by me in Bank of Chongqing within six months following my separation; (2) The number of shares transferred by me each year shall not exceed 15% of the total number of shares held by me in Bank of Chongqing, and the total number of shares transferred within 5 years will not exceed 50% of the total number of shares held by me in Bank of Chongqing; (3) I will not purchase the shares of Bank of Chongqing within six months after they are disposed of, or dispose of the shares of Bank of Chongqing within six months after they are purchased.</p>			

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

Significant Events

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

Significant Events

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

Significant Events

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

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>			

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 prospectus of the Bank, Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>“1. There are no false representations, misleading statements offering 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 exdividend matters after the offering and listing of shares of Bank of Chongqing).</p> <p>3. If there are false representations, misleading statements or material omissions in the prospectus for the offering of Bank of Chongqing, which causes any losses to investors in securities transaction, the company will compensate the investors for the losses by law.</p> <p>The company provides as the security for the performance of the above undertakings, the dividend to which the company is entitled under the profit distribution plan for the year in which A Shares of Bank of Chongqing are listed and subsequent years, and the shares held by the company in Bank of Chongqing shall not be transferred after the incurrence of relevant obligations in the above undertakings of the company and prior to the performance of the obligations.”</p>	5 February 2021	Long term	Yes

Significant Events

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

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Horizontal competition	Chongqing Yufu Capital Operation Group Co., Ltd., the largest shareholder of the Bank	<p>Chongqing Yufu Capital Operation Group Co., Ltd. undertakes as follows:</p> <p>"(I) The existing principal businesses of the company and its subsidiaries (including wholly-owned subsidiaries, majority-owned subsidiary and enterprises over which the company has actual control) do not involve commercial banking business, and are not in horizontal competition with the issuer.</p> <p>(II) During the period in which the company is the major shareholder of the issuer, the company and its subsidiaries (including wholly-owned subsidiaries, majority-owned subsidiary and enterprises over which the company has actual control) will not engage, directly or indirectly, in any business activities that compete or may compete with the principal business of the issuer in any form. The company will supervise its subsidiaries in accordance with the undertakings and exercise necessary rights to urge them to comply with the undertakings.</p> <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 engaged in comprehensive investment and management of state-owned asset and carries out businesses including financial businesses such as investment in securities companies, banks and insurance companies, and manages relevant financial assets, the company and the enterprises controlled by the company may invest in enterprises engaged in commercial banking business, to the extent authorized by Chongqing Municipal People's Government, in any form permitted by 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>	5 February 2021	Long term	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>(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

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

Significant Events

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

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>			

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) Restraints against the failure to perform the obligation to increase shareholdings or repurchase shares</p> <p>1. If the Bank fails to formulate and announce its share price stabilization plan within 10 trading days following the date of triggering the obligation of the Bank to stabilize its share price as indicated in the share price stabilization plan, or fails to act according to the plan announced, the Bank will, within 5 trading days, automatically freeze funds equal to 10% of the net profit attributable to shareholders of the Bank in the previous year, so as to perform the above undertakings to stabilize the share price. The Bank will, in accordance with law, compensate investors for losses arising out of its failure to perform the obligation to stabilize the share price.</p> <p>2. If the directors and senior management of the Bank fail to propose a specific plan of increasing the shareholdings or act according to the disclosed plan within 10 trading days following the date of triggering the obligation to increase the shareholding, the Bank shall deduct 15% of the monthly salary of the parties concerned, as well as cash dividends (if any), from the month in which the agreed obligation is not performed, until the total amount of deductions reaches 15% of the total salary (after tax) obtained from the Company in the previous accounting year in which the obligation to stabilize the share price shall be performed, and the deductions shall remain with the Bank.</p>			

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

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
			<p>II. If the closing price of A Shares of Bank of Chongqing is less than the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days, and the share price stabilization plan is not announced by the Board of Bank of Chongqing as scheduled, or approved by competent authorities or departments, the obligation of the company to increase its shareholding in Bank of Chongqing is triggered, and the company will take the following measures:</p> <p>1. The company will, within 15 trading days following the date of triggering, submit to Bank of Chongqing, the plan of increasing its shareholding in Bank of Chongqing, which will be announced by Bank of Chongqing. The notice of acquisition of additional shares shall indicate the number of additional shares to be acquired, the price, period, target for and other information on the acquisition.</p> <p>2. Within 6 months following the date of triggering the obligation to stabilize the share price, the company will increase its shareholding in the Bank, for a total consideration not less than 15% of the cash dividend of Bank of Chongqing in the latest year to which it is entitled upon the announcement of the plan of increasing its shareholding in Bank of Chongqing.</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. The company may suspend the plan of increasing its shareholding if the closing price of A Shares of Bank of Chongqing exceeds the latest audited net assets per share of Bank of Chongqing for 10 consecutive trading days in implementing the above plan. The company will continue to implement the above plan of increasing its shareholding if after the plan is suspended, the closing price of shares of Bank of Chongqing remains below the latest audited net assets per share of Bank of Chongqing for 20 consecutive trading days within 12 months following the date of triggering the above obligation to increase the shareholding.</p> <p>4. Within six months following the completion of the plan of increasing its shareholding, the company will not dispose of the additional shares acquired by it; and after the company increases its shareholding, the distribution of equity interests in Bank of Chongqing shall comply with the listing conditions, and the increase in the shareholding shall comply with relevant laws, regulations and normative documents.</p> <p>III. If the company fails to propose a specific plan of increasing the shareholding, within 15 trading days from the date of triggering the obligation to increase the shareholding, or fails to act according to the disclosed plan of increasing the shareholding, Chongqing Bank has the right to own the cash dividends payable to the company in the year and subsequent years which are equal to the amount paid by the company for the performance of such obligation, until the company performs such obligation; the company will, in accordance with law, compensate Bank of Chongqing and investors for any losses arising out of its failure to perform such obligation.”</p>			

Significant Events

Background of the Undertaking	Type of the Undertaking	Party Making the Undertaking	Description of the Undertaking	Effective Date of the Undertaking	Term of the Undertaking	Is It Performed Strictly in a Timely Manner
Undertaking in relation to the initial public offering	Others	Directors and senior management of the Bank	<p>With regard to the share price stabilization within three years following the initial public offering and listing of A Shares of the Bank, directors (excluding independent directors, and directors who do not receive remuneration from the Bank) and senior management of the Bank undertake as follows:</p> <p>“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
II. Specific Measures for Stabilization of A Share Price						
			<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> <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>			

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

11.3 Occupation 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 occupied by controlling shareholders of the Bank and other related parties for non-operating purposes, in respect of which Ernst & Young Hua Ming LLP (Special General Partnership), auditor of the Bank, has issued special audit opinions.

Significant Events

11.4 Material Related Party Transaction

11.4.1 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Management Measures for Related Party Transactions of Bank of Chongqing Co., Ltd.

At the 2023 Annual General Meeting held on 21 June 2024, the Bank considered and approved the Proposal on the Estimated Annual Cap for Regular Related Party Transactions for 2024. Information on the Bank's regular 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 31 December 2024
Chongqing Foreign Trade and Economic Cooperation (Group) Co., Ltd. and its associates	Credit	10.50	4.00
Among which, Chongqing Foreign Trade and Economic Cooperation (Group) Co., Ltd.	Credit	4.50	1.94
Chongqing Yumaotong Supply Chain Management Co., Ltd.	Credit	2.97	2.06
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	0.00
Chongqing Water Conservancy Investment Group Co., Ltd. and its associates	Credit	6.30	4.50
Among which, Chongqing Water Conservancy Investment Group Co., Ltd.	Credit	5.00	4.50
Chongqing Real Estate Group Co., Ltd. and its associates	Credit	30.01	22.28
Among which, Chongqing Real Estate Group Co., Ltd.	Credit	22.80	19.80
Chongqing Yudi Assets Management Co., Ltd.	Credit	4.29	2.48

Related Party	Type of Related Party Transaction	Proposed Annual Caps for Related Party Transactions in 2024	As of 31 December 2024
Chongqing Qianli Technology Co., Ltd. and its associates	Credit	3.50	0.82
Chongqing Yufu Holding Group Co., Ltd. and its associates	Credit	59.10	9.26
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	2.82
China Silian Instrument Group Co., Ltd.	Credit	7.04	0.68
Chongqing Silian Technical Import & Export Co., Ltd.	Credit	2.20	0.01
Chongqing Yuzi Guangdian Industrial Investment Co., Ltd.	Credit	4.20	1.40
Harvest Fund Management Co., Ltd.	Credit	50.00	22.81
China Merchants Bank Co., Ltd.	Credit	310.00	9.59
	Non-credit	10.00	4.00
Chongqing Liang Jiang New Area Industrial Development Group Co., Ltd.	Credit	15.00	0.84
Changan Auto Finance Co., Ltd.	Credit	27.00	2.00
Yinhua Fund Management Co., Ltd.	Credit	20.00	0.00
Southwest Securities Company, Ltd.	Credit	10.00	0.00
Chongqing Sanxia Financing Guarantee Group Corporation	Non-credit	55.00	28.99
Chongqing Xingnong Financing Guarantee Group Co., Ltd.	Credit	25.00	0.00
	Non-credit	65.00	14.54
Chongqing Rural Commercial Bank Co., Ltd.	Credit	304.00	2.11
	Non-credit	80.00	19.00
Chongqing Export-Import Financing Guarantee Co., Ltd.	Non-credit	10.00	2.50
Chongqing Financing Re-guarantee Co., Ltd.	Non-credit	5.00	0.03
China Resources YuKang Asset Management Co., Ltd.	Non-credit	10.00	1.29
Chongqing Three Gorges Bank Co., Ltd.	Credit	154.00	1.89
	Non-credit	20.00	1.00
Natural persons	Credit	6.24	0.28

Significant Events

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. As of the end of the Reporting Period, the net credit balance of the related party on and off balance sheet was RMB1.1 billion. The above related party transactions either do not constitute connected transactions or are fully exempted connected transactions under the Hong Kong Listing Rules.

11.4.2 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.

11.4.3 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.

11.4.4 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.

11.4.5 Financial businesses in relation to connected financial companies, financial companies controlled by the Company 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 financial companies under its control.

11.4.6 Other Material Related Party Transactions

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

11.5 Engagement of Intermediaries

11.5.1 Engagement of Accounting Firms

On 27 March 2024, the 87th meeting of the sixth session of the Board of the Bank considered and approved the Proposal of Bank of Chongqing Co., Ltd. on the Appointment and Remuneration of External Auditor for 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. On 21 June 2024, the 2023 Annual General Meeting of the Bank considered and approved the above proposal.

Ernst & Young Hua Ming LLP (Special General Partnership) is the domestic accounting firm that audits the 2024 financial statements of the Bank, while Ernst & Young is the international accounting firm that audits the 2024 financial statements of the Bank. Ernst & Young Hua Ming LLP (Special General Partnership) is the accounting firm that audits the internal control of Bank the Bank in 2024.

Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young had provided audit services for the Bank for four consecutive years from 2021 to 2024.

In 2024, the total audit fees of the Group (including subsidiaries) were approximately RMB5.63 million, including the audit fee of RMB0.5 million for internal control audit. During the Reporting Period, the non-audit services provided by Ernst & Young Hua Ming mainly consisted of professional services in relation to bond issuances, and the total non-audit professional service fees were RMB0.522 million.

11.6 Material Contracts and Their Performance

Material Custody, Contracting and Lease

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

Material Guarantee

Guarantee business is ordinary business of the 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.

11.7 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 9 outstanding legal claims (including the Bank as a third party) of RMB587 million as of 31 December 2024. The Bank believes that the above litigations and arbitrations would not have a material adverse impact on the financial position or operation results of the Bank.

11.8 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 during the Reporting Period.

11.9 Integrity

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

Significant Events

11.10 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.

11.11 Major Asset Purchases, Sales and Mergers

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

11.12 Review of Annual Results

The Bank has engaged Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young respectively as external auditors to audit the financial reports of the Bank prepared under the PRC GAAP (China Accounting Standards) and the IFRSs, and they issued auditor reports with no qualified opinions, respectively. The Board of Directors of the Bank and the Audit Committee of the Board have reviewed the 2024 Annual Report of the Bank.

11.13 Publication of Annual Report

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

The Annual Reports, 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.

Change in Share Capital and Shareholders

12.1 Changes in the Ordinary Shares

12.1.1 General situation of the Ordinary Shares

As at the end of the Reporting Period, the Bank had a total of 3,474,569,581 Ordinary Shares, comprising 1,895,548,769 A Shares and 1,579,020,812 H Shares.

	31 December 2023		Increase/decrease (+, -)					31 December 2024	
	Number	Percentage (%)	Issue of new shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number	Percentage (%)
I. Shares subject to selling restrictions	1,204,126,450	34.66	-	-	-	-1,184,499,906	-1,184,499,906	19,626,544	0.56
1. Shareholding of the State	-	-	-	-	-	-	-	-	-
2. Shareholding of state-owned legal persons	781,033,909	22.48	-	-	-	-781,033,909	-781,033,909	-	-
3. Other Domestic Shares	423,092,541	12.18	-	-	-	-403,465,997	-403,465,997	19,626,544	0.56
Of which: Shareholding of domestic non-state-owned legal persons	397,316,745	11.44	-	-	-	-397,316,745	-397,316,745	-	-
Shareholding of domestic natural persons	25,775,796	0.74	-	-	-	-6,149,252	-6,149,252	19,626,544	0.56
4. Foreign shares	-	-	-	-	-	-	-	-	-
Of which: Shareholding of offshore legal persons	-	-	-	-	-	-	-	-	-
Shareholding of offshore natural persons	-	-	-	-	-	-	-	-	-
II. Outstanding shares not subject to selling restrictions	-	-	-	-	-	-	-	-	-
1. RMB ordinary shares	2,270,435,669	65.34	-	-	-	1,184,507,368	1,184,507,368	3,454,943,037	99.44
2. Foreign shares listed domestically	691,414,857	19.90	-	-	-	1,184,507,368	1,184,507,368	1,875,922,225	53.99
3. Foreign shares listed overseas	-	-	-	-	-	-	-	-	-
4. Others	1,579,020,812	45.45	-	-	-	-	-	1,579,020,812	45.45
III. Total number of ordinary shares	-	-	-	-	-	-	-	-	-
	3,474,562,119	100.00	-	-	-	7,462	7,462	3,474,569,581	100.00

Note: As at the end of the Report Period, pledged shares of the Bank amounted to 130,616,534 shares, representing 3.76% of the Bank's total share capital; frozen shares amounted to 431,024 shares, representing 0.01% of the Bank's total share capital.

Change in Share Capital and Shareholders

12.1.2 Statement on Changes in Ordinary Shares

From 30 September 2022, the “BCQ Convertible Bonds” of the Bank began to be converted into ordinary A shares of the Bank. During the Reporting Period, the total number of shares arising from conversion was 7,462, and the total share capital of the Bank increased from 3,474,562,119 shares to 3,474,569,581 shares.

12.1.3 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. As at the end of the Reporting Period, the Bank had 19,626,544 shares subject to selling restrictions. For details of the changes in the Bank’s shares subject to selling restrictions during the Reporting Period, please refer to the “Announcement on the Release for Trading of Partial Shares subject to Selling Restrictions of the Initial Public Offering” published by the Bank on 29 January 2024 and 30 July 2024 on the Shanghai Stock Exchange, the Hong Kong Stock Exchange and the Bank’s website.

12.2 Particulars of Shareholders and Actual Controllers

12.2.1 Total Number of Shareholders

As at the end of the Reporting Period, the Bank had a total of 41,744 ordinary shareholder accounts, of which, 40,702 are A Shareholder accounts and 1,042 are H Shareholder accounts.

As at the end of the previous month prior to the disclosure date of this report (i.e. 28 February 2025), the Bank had a total of 41,228 ordinary shareholders, of which, 40,191 are A Shareholder accounts and 1,037 are H Shareholder accounts.

Change in Share Capital and Shareholders

12.2.2 Particulars of Shareholdings of the Top Ten Shareholders

Particulars of Shareholdings of the Top Ten Ordinary Shares Shareholders of the Bank and Top Ten Ordinary Shares Shareholders not subject to Selling Restrictions 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
1	HKSCC Nominees Limited	Offshore legal person	1,172,591,952	33.75	H Shares	55,000	–	–	–
2	Chongqing Yufu Capital Operation Group Co., Ltd.	State-owned legal person	496,316,727	14.28	A Shares + H Shares	3,996,910	–	–	–
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	295,335,802	8.50	A Shares	1,500	–	–	–
5	Chongqing Qianli Technology Company Limited	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	–	–	–	–
10	Chongqing Beiheng Investment & Development Limited	State-owned legal person	84,823,500	2.44	H Shares	–	–	–	–

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 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), China Silian Instrument Group Co., Ltd. (中國四聯儀器儀表集團有限公司), 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), Chongqing Yuli Materials Co., Ltd. (重慶渝立物資有限公司) and Chongqing Water & Environment Holdings Group Ltd. held 41,870,644 A Shares of the Bank. Chongqing Yufu Capital Operation Group Co., Ltd. thus held an aggregate of 538,187,371 shares of the Bank, representing 15.49% of the Bank's total shares. For details on the changes in shareholders' shareholding of Chongqing Yufu Capital Operation Group Co., Ltd., please refer to the "Indicative Announcement Regarding Changes in Shareholders' Shareholding" issued by the Bank.
- (3) Chongqing Qianli Technology Company Limited (重慶千里科技股份有限公司) 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. Chongqing Qianli Technology Company Limited 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 Bayu Homestay Group Co., Ltd. (重慶市巴渝民宿集團有限公司) 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. thus 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 associate 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 thus 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	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
2	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
3	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
4	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
5	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)	
6	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
7	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
8	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
9	Huang Qingsheng	182,727	Release in batches: February 2025: 32,245 shares February 2026: 32,245 shares February 2027: 10,751 shares February 2029: 107,486 shares	32,245	48, 60, 72 and 96 months from the date of the Bank's listing
10	Li Songtao	168,329	Release in batches: February 2025: 29,704 shares February 2026: 29,704 shares February 2027: 9,904 shares February 2029: 99,017 shares	29,704	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.

Change in Share Capital and Shareholders

12.2.3 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 who 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, agreement of arrangement or other arrangements with the Bank. Therefore, there was no de facto controllers of the Bank.

12.2.4 Particulars of Shareholders Holding More than 5% of the Shares

Chongqing Yufu Capital Operation Group Co., Ltd.

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

As at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Co., Ltd. directly held 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 41,870,644 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), China Silian Instrument Group Co., Ltd. (中國四聯儀器儀表集團有限公司), 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), Chongqing Yuli Materials Co., Ltd. (重慶渝立物資有限公司) and Chongqing Water & Environment Holdings Group Ltd., thus held an aggregate of 538,187,371 shares of the Bank, representing 15.49% of the Bank's total shares.

Dah Sing Bank, Limited

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

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

Change in Share Capital and Shareholders

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 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 295,335,802 A Shares of the Bank, representing 8.50% of the Bank's total shares.

Chongqing Qianli Technology Company Limited

Chongqing Manjianghong Private Equity Investment Fund Partnership (Limited Partnership) (重慶滿江紅私募股權投資基金合夥企業(有限合夥)) is the controlling shareholder of Chongqing Qianli Technology Company Limited. Chongqing Qianli Technology Company Limited was established on 1 December 1997, and were listed on the Shanghai Stock Exchange in November 2010. As at the end of the Reporting Period, Lifan Group has a registered capital of RMB4.521 billion. Its legal representative is Yin Qi, 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 projects that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws).

As at the end of the Reporting Period, Chongqing Qianli Technology Company Limited 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 Chongqing Qianli Technology Company Limited were pledged.

Change in Share Capital and Shareholders

SAIC Motor Corporation Limited

Shanghai Automotive Industry Corporation (Group) Co., Ltd. (上海汽車工業(集團)有限公司) 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 technologies that are restricted or prohibited from import and export by the Chinese government), rental of cars and machinery and equipment, industrial investment, periodical publishing, advertisements in its own media, import and export business of goods and technology (any item that requires to be approved by law can only be carried out after approval by relevant authorities).

As at the end of the Reporting Period, SAIC Motor Corporation Limited held 240,463,650 H Shares through its wholly-owned subsidiary SAIC Motor HK Investment Limited, representing 6.92% of the Bank's total 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 at the end of the Reporting Period, Funde Sino Life Insurance Co., Ltd. directly held 150,000,000 H Shares and held 67,570,150 H Shares through its wholly-owned subsidiary Fund Resources Investment Holding Group Company Limited, thus held an aggregate of 217,570,150 H Shares, representing 6.26% of the Bank's total 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 RMB10 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 at 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 Bayu homestay Group Co., Ltd. (重慶市巴渝民宿集團有限公司) 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.

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

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

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

Name of shareholder	Class of shares	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of relevant share class (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Financial Holdings Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Banking Group Limited ⁽¹⁾	H Share	Long position	Interest of a controlled corporation	458,574,853	29.04	13.20
Dah Sing Bank, Limited ⁽¹⁾	H Share	Long position	Beneficial owner	458,574,853	29.04	13.20
David Shou-Yeh WONG ⁽¹⁾	H Share	Long position	Settlor of a discretionary trust/interest of the beneficiary of a trust	458,574,853	29.04	13.20
Christine Yen WONG ⁽¹⁾	H Share	Long position	Interest of spouse	458,574,853	29.04	13.20
Harold Tsu-Hing WONG ⁽¹⁾	H Share	Long position	Deemed interest	458,574,853	29.04	13.20
HSBC International Trustee Limited ⁽²⁾	H Share	Long position	Interest of a trustee	458,574,853	29.04	13.20
Chongqing Yufu Holding Group Co., Ltd. ⁽³⁾	A Share	Long position	Interest of a controlled corporation	444,145,064	23.43	12.78
	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
Chongqing Qianli Technology Company Limited ⁽⁵⁾	A Share	Long position	Beneficial owner	129,564,932	6.84	3.73
	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽⁵⁾	H Share	Long position	Interest of a controlled corporation	165,254,000	10.47	4.76
Lifan International (Holdings) Limited ⁽⁵⁾	H Share	Long position	Beneficial owner	165,254,000	10.47	4.76
Funde Sino Life Insurance Co., Ltd. ⁽⁶⁾	H Share	Long position	Beneficial owner	150,000,000	9.50	4.32
	H Share	Long position	Interest of a controlled corporation	67,570,150	4.28	1.94
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	295,335,802	15.58	8.50
Chongqing Beiheng Investment & Development Limited	H Share	Long position	Beneficial owner	84,823,500	5.37	2.44

Change in Share Capital and Shareholders

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 at 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 Yuli Materials Co., Ltd. (重慶渝立物資有限公司), China Silian Instrument Group Co., Ltd. (中國四聯儀器儀表集團有限公司) 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, 629,499 A Shares, 12,679 A Shares and 914,351 A Shares in the Bank, 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 Yuli Materials Co., Ltd., China Silian Instrument Group Co., Ltd. and Southwest Securities Co., Ltd. in the Bank.*
- (4) *SAIC Motor HK Investment Limited directly held 240,463,650 H Shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares held by SAIC Motor HK Investment Limited in the Bank.*
- (5) *Chongqing Qianli Technology Company Limited directly held 129,564,932 A Shares of the Bank. Lifan International (Holdings) Limited directly held 165,254,000 H Shares of the Bank. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Chongqing Qianli Technology Company Limited. For the purpose of the SFO, Chongqing Qianli Technology Company 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.*

Change in Share Capital and Shareholders

- (7) *To the knowledge of the Bank, as at the end of the Reporting Period, Chongqing Real Estate Group Co., Ltd. (重慶市地產集團有限公司) directly held 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 Bayu homestay Group Co., Ltd. (重慶市巴渝民宿集團有限公司) 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 Bayu homestay Group Co., Ltd. in the Bank.*

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

The Bank and its subsidiaries had not purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Bank during the Reporting Period. As of the end of the Reporting Period, the Bank did not hold any treasury shares.

Securities Issuance and Listing

13.1 Issuance and Listing of Ordinary Shares

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

13.2 Debt Securities Issued

13.2.1 Debt Securities Issued During the Reporting Period

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 first phase of green financial bonds of RMB5 billion in the domestic inter-bank bond market of China on 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 will be used for green projects specified in the Green Bond Support Project Catalogue (2021 Edition) in accordance with applicable laws and subject to the approval of the regulatory authorities.

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 on 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.

Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Jin Guan Fu [2024] No. 101) by the Chongqing NFRA on 25 July 2024, the Bank issued RMB6 billion Tier II capital bonds in the domestic inter-bank bond market of China on 20 August 2024. Such Tier II capital bonds have a maturity of 10 years, with a fixed coupon rate of 2.23% per annum before maturity, payable annually. Subject to the applicable laws and the approvals by relevant regulatory authorities, the proceeds from such issuance were all used to replenish the Bank's Tier II capital as planned. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 22 August 2029.

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 RMB5 billion special financial debt for small and micro business loans in the domestic inter-bank bond market of China on 25 October 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.23% per annum before maturity, payable annually. The proceeds from this issue shall be used for loans to small and micro enterprises.

13.2.2 Bonds as of the End of Reporting Period

For details of bonds of the Group as of the end of Reporting Period, please refer to the section headed "Notes to the Financial Report – Debt securities payable".

13.3 Convertible Corporate Bonds

13.3.1 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 Hong Kong Stock Exchange 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

13.3.2 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	35,816
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)	2,283,151,000	17.56
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Industrial and Commercial Bank of China)	1,494,636,000	11.50
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China Merchants Bank Co., Ltd.)	1,071,834,000	8.25
Specific accounts for bonds repurchase and pledge under the registration and settlement system (CITIC Securities Co., Ltd.)	715,407,000	5.50
China Merchants Bank Co., Ltd. – Bosera CSI Convertible Bonds and Exchangeable Bonds Trading Open-ended Index Fund	566,611,000	4.36
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China Construction Bank)	448,304,000	3.45
Special accounts for bonds repurchase and pledge under the registration and settlement system (Agricultural Bank of China)	284,420,000	2.19
New China Life Insurance Co., Ltd. – Traditional – Ordinary Insurance Products – 018L – CT001 Shanghai	263,009,000	2.02
Specific accounts for bonds repurchase and pledge under the registration and settlement system (China Minsheng Banking Corp., Ltd.)	246,939,000	1.90
Specific accounts for bonds repurchase and pledge under the registration and settlement system (Bank of Communications)	230,512,000	1.77

Securities Issuance and Listing

13.3.3 Changes in Convertible Bonds

Unit: RMB

Name of convertible bonds	Before the change	Increase/decrease			After the change
		Converted	Redeemed	Sold back	
BCQ Convertible Bonds	12,999,381,000	77,000	–	–	12,999,304,000

13.3.4 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, 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 RMB696,000 were converted to Ordinary A-Share of the Bank accumulatively.

Name of convertible corporate bonds	BCQ Convertible Bonds
Amount of converted bonds during the Reporting Period (RMB)	77,000
Number of shares converted during the Reporting Period (shares)	7,462
Cumulative number of shares converted (shares)	64,242
Percentage of the cumulative number of shares converted to the total number of shares in issue prior to the conversion (%)	0.0018
Amount of unconverted bonds (RMB)	12,999,304,000
Percentage of the number of unconverted convertible bonds to the total amount of issued convertible bonds (%)	99.9946

13.3.5 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 offering, placement of shares and other matters (excluding the increase in share capital due to the issuance of Convertible Corporate Bonds), or any distribution of cash dividends after this issuance, the Bank will adjust the conversion price based on the principles of fairness, justice and equity as well as fully protecting the rights of holders of Convertible Corporate Bonds.

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

Name of convertible corporate bonds				BCQ Convertible Bonds
Date of the adjustment of conversion price	Adjusted conversion price	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
24 January 2025	9.92	18 January 2025	China Securities Journal Shanghai Securities News Securities Times Securities Daily	Adjustment due to profit distribution in third quarter of 2024
Latest conversion price as of the end of the Reporting Period				10.09

13.3.6 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.

13.4 Existing Internal Employee Shares

The shares held by internal employees of the Bank are mainly obtained through the following methods: 1. at the time of the establishment of the Bank, the former 39 districts and counties' on-the-job full-time employees or short-term contract workers in the business category participated in the establishment of the Bank as promoters and shareholders; 2. shares obtained through the employee stock ownership plan in 1997 and transferred from previous dividends; and 3. the Bank's shares obtained through agreement transfer, gift, inheritance and judicial judgments. The Bank's existing restricted internal employee shares resulted from the conversion of shares held by employees of original credit cooperative into shares of the Bank at its establishment, so that the issuance date and price of Shares held by internal employees cannot be accurately verified. As of the end of the Reporting Period, some of the Bank's restricted shares have been released from restriction and listed for circulation, and it is not possible to accurately verify the shareholding after circulation.

Report of the Board of Directors

The Board is pleased to present the report of the Board of Directors together with the audited financial statements of the Bank for the year ended 31 December 2024.

Principal Activities

The Bank is principally engaged in a range of banking business and related financial services in China.

Business Review

For the summary of business review of the Bank, please refer to the subsection of “7.1 Overview” in the section headed “Management Discussions and Analysis” in this annual report.

Prospects for the Future Development of Banking Business

For the prospects for the future development of Banking Business, please refer to the subsection of “7.9 Environment and Outlook” in the section headed “Management Discussions and Analysis” in this annual report.

Major Risks and Uncertainties

For the major risks and uncertainties faced by the Bank, please refer to the subsection of “7.7 Risk Management” in the section of “Management Discussions and Analysis” in this annual report.

Employment Relations and Retirement Benefit

The Bank placed utmost emphasis on the enterprise cultural construction, employee management and training, and is committed to building harmonious and stable employment relations. The Bank treasures employees as one of the most important and valuable assets and has been always cherishing the employees’ contribution and support. The Bank has made great efforts to provide comfortable and harmonious working environment, sound welfare and compensation system and reasonable career plan. By means of appropriate trainings and opportunity offering, the Bank has helped a lot of employees in their career development and promotion in the Bank.

Details of the retirement benefits provided by the Bank to employees are set out in the note “Retirement Benefit Obligations” to the “Financial Statements” of this annual report.

Relations with Customers and Suppliers

The Bank has been always perfecting the financial services to all customers to win the customers’ understanding, trust and support. The Bank insists on the market principle for all customers who apply for loans, especially customers related to the Bank to whom the Bank would not provide credit support on terms more favorable to other customers.

In 2024, the aggregate amount of interest income and other operating income generated from the five largest customers of the Bank represented an amount not exceeding 30% of the total interest income and other operating income of the Bank.

Due to the nature of its business, the Bank had no major suppliers.

Environmental Protection Policy and Implementation

The Bank kept close attention and focus on environmental protection, initiated and provided green credit financial services, including supporting industries engaged in environmental protection, new-energy industries and new material industries, and strictly controlled and gradually reduced the credit scale of high-pollution, high-energy-consumption and overcapacity industries.

The Bank also adheres to the concept of environmental protection in internal operation, in particular, recycling use of papers by printing on both sides, promoting paperless office, purchasing energy-saving equipment, turning off water and power when leaving the offices. The Bank is continuously making efforts to reduce energy consumption and carbon emission, and actively carried out works to protect the environment.

Compliance with Laws and Regulations

The Group is subject to several laws and regulations, mainly 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 Civil Code of the People's Republic of China, as well as domestic and overseas securities laws, regulations and exchange rules, and other laws and regulations and regulatory documents. The Board of Directors of the Bank paid close attention to the policies and practices, under relevant laws and regulations which the Bank is subject to. The Bank has engaged legal advisers for domestic and foreign laws to ensure the transactions and businesses of the Bank are carried out in compliance with the applicable laws. Relevant employees and operation units will be informed by updates on applicable laws and regulations from time to time.

Subsequent Major Events with Significant Influence on the Bank

The Bank conducted a comprehensive review on the financial performance of 2024 pursuant to the national laws and regulatory requirements and prepared annual report for the year of 2024. After the end of the annual financial review, the Bank did not have any incidents or cases that had a significant impact on the Bank.

Profits and Dividends

The Bank's revenue for the year ended 31 December 2024 and the Bank's financial position as at the same date are set out in the section headed "Financial Statements" of this annual report.

As approved at the 2023 annual general meeting held on 21 June 2024, the Bank paid all shareholders a final dividend of RMB0.408 (inclusive of tax) per share for the year ended 31 December 2023 ("2023 Final Dividend"), amounting to a total dividend of RMB1,418 million (inclusive of tax) based on the profit and total number of shares on the equity registration date for the year ended 31 December 2023. The 2023 Final Dividend has been paid to A shareholders and H shareholders on 19 July 2024.

As approved at the second extraordinary general meeting of 2024 held on 20 December 2024, the Bank paid all shareholders a quarterly dividend of RMB0.166 (inclusive of tax) per share for the nine months ended 30 September 2024 (the "First Three Quarters of 2024 Dividend"), amounting to a total dividend of RMB577 million (inclusive of tax) based on the profit and total number of shares on the equity registration date for the nine months ended 30 September 2024. The First Three Quarters of 2024 Dividend has been paid to A shareholders and H shareholders on 24 January 2025.

Report of the Board of Directors

The Bank's Board of Directors has proposed to pay all shareholders a final dividend of RMB0.248 (inclusive of tax) per share for the year ended 31 December 2024 ("2024 Final Dividend"). Based on the total number of ordinary shares at the end of 2024, the total dividend amounted to RMB862 million (inclusive of tax). The dividend distribution plan will be submitted to the 2024 annual general meeting of the Bank for consideration. Upon the consideration and approval of the general meeting, the Bank will implement the dividend distribution plan in details. The dividend is expected to be paid no later than 30 June 2025. The Bank will publish a separate announcement on matters relating to the time of dividend distribution.

Change in the Reserves

Details of the changes in the reserves of the Bank for the year ended 31 December 2024 are set out in the "Consolidated Statement of Changes in Equity" in the "Financial Statements" and the note "Other Reserves" to the "Financial Statements" of this annual report.

Summary of Financial Information

The summary of the operating results and assets and liabilities of the Bank for the five years ended 31 December 2024 is set out in the "Financial Highlights" of this annual report.

Donations

The charitable and other donations made by the Bank for the year ended 31 December 2024 amounted to RMB3.20 million.

Property and Equipment

Details of the changes in property and equipment of the Bank for the year ended 31 December 2024 are set out in the note "Property, Plant and Equipment" to the "Financial Statements" of this annual report.

Substantial Shareholders

Details of the Bank's substantial shareholders as at 31 December 2024 are set out in "Change in Share Capital and Shareholders" of this annual report.

Purchase, Sale and Redemption of Listed Securities of the Bank

The Bank and its subsidiaries had not purchased, sold or redeemed any listed securities of the Bank (including sale of treasury shares) during the Reporting Period. As at the end of the Reporting Period, the Bank did not hold any treasury shares.

Pre-emptive Rights, Securities Issued

There are no provisions in the Articles of Association and the relevant PRC laws for granting pre-emptive rights to shareholders of the Bank. The Articles of Association provides that the Bank may increase its capital by raising new shares to non-specific investors, placing or distributing new shares to its existing shareholders, transferring capital reserve into share capital or by any other ways permitted by laws, administrative regulations and relevant regulatory authorities.

Details of securities issued by the Bank during the Reporting Period are set out in "Securities Issuance and Listing" of this annual report.

Share Capital

Details of the change in share capital of the Bank during the Reporting Period are set out in the “Change in Share Capital and Shareholders” and the note “Share Capital” to the “Financial Statements” in this annual report.

Equity-linked Agreement

No equity-linked agreements were entered into by the Bank during the year or subsisted at the end of the year.

Directors, Supervisors and Senior Management

Details of the Directors, Supervisors and senior management of the Bank are set out in the “Directors, Supervisors and Senior Management” of this annual report.

Confirmation of Independence by the Independent Non-executive Directors

The Bank has received from each of its independent Directors the annual confirmation of his/her independence made in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Bank was of the view that all of its independent Directors are independent pursuant to the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

Directors’, Supervisors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Bank

As at 31 December 2024, the interests of the Directors, the Supervisors and the chief executives of the Bank and their associates in the shares of the Bank as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules are as follows:

Name	Position	Type of share	Long position/ short position	Capacity	Number of shares held (shares)	Percentage of the total share capital of the Bank (%)
GAO Song	Deputy Secretary of the Party Committee President Executive Director	A Share	Long position	Beneficial owner	3,200	0.00009
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
Zhou Xiaohong	Employee Supervisor	A Share	Long position	Beneficial owner	144,585	0.00416

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 (within the meaning of Part XV of the SFO) as at 31 December 2024.

Report of the Board of Directors

Financial, Business and Family Relationships Between Directors, Supervisors and Senior Management

Except for the working relationship, there are no other relationships between each of the Directors, Supervisors and senior management of the Bank, including financial, business, family or other material relationships.

Arrangements to Purchase Shares or Debentures

At no time during the Reporting Period was the Bank, its holding company or any of its fellow subsidiaries, a party to any arrangements to enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

Directors' and Supervisors' Interests in Contracts and Service Contracts

Saved for the connected transactions which are fully exempted under Chapter 14A of the Hong Kong Listing Rules, none of the Directors or Supervisors or their related entities had any interest, whether directly or indirectly, in any material transaction, arrangement or contract in relation to the Group's business to which the Bank or any of its subsidiary is a party at the end of the Reporting Period and at any time during the Reporting Period. None of the Directors and Supervisors of the Bank has entered into a service contract with the Bank that cannot be terminated by the Bank within one year without payment of compensation (other than statutory compensation).

Permitted Indemnity Provision

Appropriate Directors' liability insurance cover has been arranged by the Bank to indemnify the Directors for liabilities arising out of corporate activities. The Directors' liability insurance was effective during the Reporting Period and remains effective as at the date of this report.

Management Contract

Save for the service contracts entered into with the management of the Bank, the Bank has not entered into any other contract with any individual, company or body corporate in relation to the management or administration of the whole or any substantial part of any business of the Bank.

Directors and Supervisors' Interests in Competing Business of the Bank

None of the Directors and Supervisors has any interest in a business that competes directly or indirectly, or is likely to compete with the business of the Bank.

Corporate Governance

The Bank is committed to maintaining high standards in corporate governance. Our approach to applying and implementing the principles and provisions of the corporate governance code is set out in the "Corporate Governance Report" of this annual report.

Connected Transactions

Transactions between the Bank and the Bank's connected persons (as defined under the Hong Kong Listing Rules) and certain third parties specified under the Hong Kong Listing Rules constitute connected transactions of the Bank under Chapter 14A of the Hong Kong Listing Rules. However, the connected transactions of the Bank in the Reporting Period can be fully exempted from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Hong Kong Listing Rules. The Bank has reviewed all of its connected transactions and confirmed that it had complied with the requirements under Chapter 14A of the Hong Kong Listing Rules.

The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under International Accounting Standard 24, "Related Party Disclosures", and its interpretations by the IASB. None of the related party transactions set out in the financial statements constitute discloseable connected transactions as required under the Hong Kong Listing Rules.

Remuneration Policies for Directors, Supervisors and Senior Management

Under the guidance of the relevant policies of the PRC, the Bank endeavors to improve its remuneration management measures and performance evaluation system for Directors, Supervisors and senior management.

The remuneration system for the executive Directors, employee Supervisors and senior management of the Bank adheres to the principle of balancing incentives and restraints, focusing on both short-term and long-term incentives and integrating governmental control with market regulation. The structure of the remuneration system consists of basic salary, annual performance bonus, term incentives. The Bank makes contribution to various statutory pension plans organized by governments at all levels in the PRC for its Directors, Supervisors and senior management.

Public Float

Based on the public information available to the Bank and to the knowledge of the Directors, as of the latest practicable date, the Bank has maintained sufficient public float as required by the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange.

By order of the Board
Bank of Chongqing Co., Ltd.
YANG Xiuming
Chairman

Report of the Board of Supervisors

In 2024, following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Board of Supervisors of the Bank of Chongqing thoroughly studied and implemented the guiding principles of the 20th National Congress of the Communist Party of China and the Third Plenary Session of the 20th Central Committee of the Communist Party of China, and fulfilled its supervisory responsibilities seriously, effectively played the supervisory role, and promoted the high quality development of the Bank of Chongqing pursuant to the Company Law, Corporate Governance Code for Banks and Insurance Institutions (銀行保險機構公司治理準則) and the Articles of Association.

I. Report on Major Tasks

During the Reporting Period, 9 meetings were held by the Board of Supervisors and the Supervision and Nomination Committee, at which an aggregate of 37 supervision matters, briefings and reports were received and considered, including, among others, Proposals and Reports on Inspection, Assessment Report on Performance, Annual Financial Reports, and Profit Distribution Plan were considered. Supervisors attended shareholders' meeting three times, and were present at a total of 70 meetings of the Board and special committees under it to ensure that the resolutions and meeting procedures were in compliance with laws and regulations. Supervisors timely expressed supervisory opinions.

With regard to the supervision of internal controls, risk management, financial activities, the performance of the Board of Directors and senior management and their members, the Board of Supervisors mainly carried out the following works:

(I) Conducting project inspections and strengthening supervision over key businesses and risks

During the Reporting Period, the Board of Supervisors conducted the centralized supervision and inspection of the Bank for 2023, covering major decisions, internal controls, risk management, financial situation, strategy execution, and performance of the Board of Directors and senior management and their members, etc. Through the inspections, 3 management loopholes and risk hazards were revealed, covering system construction, credit business and consumer rights protection, etc.

(II) Supervising the duty performance and paying attention to major decisions and their implementation

During the Reporting Period, the Board of Supervisors continued to deepen the supervision over the performance of duties by the Board of Directors, senior management and their members. Firstly, the Board of Supervisors conducted an annual performance evaluation on the performance of duties by the Board of Directors and senior management in 2023 as well as individual evaluations on the Chairman, President, and head of finance department of the Bank. Secondly, the Board of Supervisors performed individual evaluations of 14 Directors and 7 Supervisors based on quantitative and qualitative indicators through the combination of self-evaluation, peer evaluation, the evaluation from the Board of Directors and the evaluation from the Board of Supervisors in 2023. Such evaluations covered five dimensions, namely faithfulness, due diligence, professional performance, independence and morality, and compliance. The evaluation results were notified to the general meeting and submitted to the regulatory authorities in a timely manner. Thirdly, the Board of Supervisors established individual performance files for the Bank's Directors, Supervisors, and members of senior management, and sorted out and recorded their performance behaviors in an objective manner.

(III) Tracking the rectification of identified problems and enhancing the effectiveness of supervision

During the Reporting Period, the Board of Supervisors conducted follow-up reviews in respect of the 6 problems revealed in the two special inspections in 2023, verified the rectification measures one by one, issued evaluation opinions, and all the problems found during the inspection have been rectified. The identification, supervision and rectification of these problems effectively enhanced the effectiveness of internal control of the Bank and improved management levels. In 2024, the Board of Supervisors continued to strengthen its own construction, successively organized the Supervisors to participate in trainings on new Company Law, anti-money laundering, typical cases of listed companies violating laws and regulations, comprehensive punishment and prevention of financial fraud in capital market and other aspects. Through trainings and learnings, the overall performance capability of the Board of Supervisors was further improved.

II. Independent Opinions on Relevant Matters

(I) Performance of Duties by the Board of Directors and Senior Management

During the Reporting Period, the Board of Directors actively implemented the spirit of General Secretary Xi Jinping's important speeches and instructions and major decisions of the Party Central Committee. Around the deployment of the municipal Party committee and the municipal government, it strengthened analysis and judgment of the external situation, and made timely strategic adjustments based on the implementation of the Bank's previous strategic plans and new reform and development goals. The repeated update of the "14th Five-Year Plan" was completed, and accordingly the scientificity, rationality and stability of development strategies were further improved. In accordance with regulatory requirements, the Board of Directors continues to improve the corporate governance mechanism, earnestly implements resolutions of the general meeting, abides by relevant regulations on honest employment, and consciously accepts the supervision of the Board of Supervisors. In 2024, the Board of Directors implemented major decisions and deployments, and in line with a package of incremental policies, served the construction of the Chengdu-Chongqing Economic Circle, the new land-sea channel in western China, the financial center in western China, and full promotion of the rural revitalization strategy, and increased support for the manufacturing industry, so as to improve technology finance, green finance, inclusive finance, pension finance and digital finance, so called "Five Major Articles". The Board of Directors persisted in reform and innovation, making every effort to promote reform breakthroughs of "Three Breakthroughs with One Revitalization" (三攻坚一盘活) and "streamlining and strengthening" (瘦身健体). The Board of Directors carried out 12 key annual reform tasks and continuously optimized operating system and mechanism. The Board of Directors kept on optimizing corporate governance structure, completed changes in the term of Board session, amended and improved relevant systems for the Board's operation, increasing the level of corporate governance. The Board of Directors promotes an organic integration of Party's leadership and corporate governance, revises the "Three Major and One Big Events" collective decision-making system, and specifies the Board's authorization to the management. The Board of Directors continues to improve risk management and internal control by formulating risk management and internal control policies, enhancing the construction of risk prevention and compliance management systems, reinforcing comprehensive risk management, for purpose of preventing and resolving risks, highlighting key industries and areas and eliminating risks or hidden dangers. The Board of Directors regularly listen to work reports on important aspects, and effectively implement measures on capital management, consolidated management, internal control and compliance management, case risk prevention, expected credit loss approach management, data governance, security management, anti-money laundering, consumer rights protection and employee behavior management of the Bank of Chongqing, to earnestly fulfill the main responsibility for decision-making. The Board of Directors has sufficient basis for its decision-making whose procedures are in compliance with provisions of the Bank's Articles of Association. The Directors of the Bank perform their duties faithfully, honestly, lawfully and diligently, and make scientific and prudent decisions on major matters of the Bank of Chongqing based on their professional advantages and rich experience in various fields. In accordance with the Measures for Performance Evaluation of the Directors by the Board of Supervisors of Bank of Chongqing Co., Ltd., the Board of Supervisors has assessed and scored the performance of 15 Directors, and the evaluation results were all "competent".

Report of the Board of Supervisors

During the Reporting Period, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the senior management fully implemented central and local economic and financial policies, conscientiously implemented resolutions of the Board of Directors, strictly followed regulatory requirements and regulations on professional integrity, and actively cooperated with the Board of Supervisors in the supervision work. In the face of complicated development situation and arduous development tasks, the senior management united and led the management members of the Bank at all levels to make breakthroughs in a pragmatic and committed attitude, effectively pushed forward the implementation of the strategic plan and successfully completed the annual operation plan. In 2024, based on major strategies, the senior management closely followed critical reform tasks with a focus on key areas, and strengthened product research and development to improve service quality and efficiency: supported more than 250 major projects in Chengdu-Chongqing area, the business volume for construction of the new land-sea channel in China's western region increased by RMB20 billion year-on-year, and granted loans of RMB21.4 billion and bonds of RMB4.5 billion for rural revitalization, achieving an increase of 32%, 40% and 22% in technology, green and inclusive loans respectively, and continued to realize the "two increases" target, with pension financial assets and digital credit business increasing by 20% and 9% respectively, and manufacturing and agriculture-related loans increasing by 14% and 15% respectively. The senior management further promoted reform and innovation, and implemented two-post integration (兩崗融合) and outlet transformation to enhance the comprehensive competitiveness of outlets; accelerated digital transformation, drawn up the "5+6" digital blueprint, and advanced 65 key projects; deepened the streamlining reform to build efficient and capable headquarters; set up a volume-price coordination assessment mechanism, and strengthened the guidance of comprehensive income assessment; optimized the authorization and credit-granting mechanism, and re-built the operation and management processes to significantly enhance business efficiency. The senior management strengthened risk management, further improved risk management structure, regularly organized and conducted stress tests; improved multi-dimensional risk monitoring system, and created an intelligent risk control center, increasing the efficiency of risk detection by 30%; vigorously promoted settlement and disposal of non-performing assets, realizing cash settlement of RMB1,697 million. The senior management enhanced compliance management, dynamically improved the internal control system, launched in-depth case risk investigation, deepened employee behavior management, and implemented vertical reform on internal audit to enhance the penetration of internal audit supervision. The senior management continued to improve operation safety, technology safety and production safety, coordinated efforts to maintain stability in petitions and public opinion control, so as to dynamically eliminate major safety hazards and ensure that major security risks can be preventable and controllable. The senior management implemented the requirements of regulatory authorities in capital management, consolidation management, expected credit loss management, anti-money laundering, consumer protection and data governance and other aspects. Adhering to the goal of high-quality development, the senior management of the Bank performed their duties responsibly and diligently in accordance with the law, and led all employees of the Bank to work hard and forge ahead, effectively promoting steady development of the Bank of Chongqing.

Report of the Board of Supervisors

(II) Operations in Compliance with Laws and Regulations

During the Reporting Period, the Bank conducted business in compliance with relevant laws and regulations. Its decision-making procedures complied with laws, regulations and the Articles of Association. The Directors, Supervisors and senior management were faithful, honest and diligent in carrying out their duties. They were not found to have contravened any laws, regulations or the Articles of Association or to have committed any act detrimental to the interests of the Bank.

(III) Financial Report

The 2024 financial report of the Bank gave a true and fair view of the financial position and operating results of the Bank.

(IV) Acquisition and Disposal of Assets

During the Reporting Period, the Board of Supervisors was not aware of any insider transactions or any acts detrimental to the interests of Shareholders or leading to loss of assets in the course of acquiring or disposing assets.

(V) Related Party Transactions

During the Reporting Period, the Bank further regulated the management of related party transactions. The Board of Supervisors was not aware of any acts detrimental to the interests of the Bank in related party transactions.

(VI) Internal Control

During the Reporting Period, the Bank continued to strengthen and improve internal control. The Board of Supervisors was not aware of any material defect in the Bank's internal control system and its implementation.

(VII) Social Responsibility

During the Reporting Period, the Bank earnestly undertook social responsibilities. The Board of Supervisors had no dissenting opinions to the 2024 Social Responsibility (Environment, Society, Governance) Report of Bank of Chongqing Co., Ltd..

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Independent Auditor's Report

To the shareholders of Bank of Chongqing Co., Ltd.

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

Opinion

We have audited the consolidated financial statements of Bank of Chongqing Co., Ltd. (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Expected credit losses for loans and advances to customers and financial investments at amortised cost</p> <p>The Group uses a number of judgements and assumptions in the measurement of expected credit losses, for example:</p> <ul style="list-style-type: none"> • Significant increase in credit risk – Criteria for determining whether significant increase in credit risk has occurred are highly judgemental, and may have a significant impact on expected credit losses for loans and advances to customers (“loans”) and financial investments at amortised cost with longer outstanding maturities; • Models and parameters – Complex models, numerous inputs and parameters are used to measure expected credit losses, involving plenty of management judgements and assumptions; • Forward-looking information – Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for probability weighted multiple economic scenarios; • Individual impairment assessment – Identifying credit impaired loans requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows. 	<p>We evaluated and tested the effectiveness of design and implementation of key internal controls related to expected credit losses for loans and financial investments at amortised cost, including relevant data quality and information systems.</p> <p>We adopted a risk-based sampling approach in our review procedures for loans and financial investments at amortised cost. We assessed the debtors’ repayment capacity and evaluated the Group’s stage division for loans and financial investments at amortised cost, taking into consideration post-lending/investment investigation reports, debtors’ financial information, collateral valuation reports and other available information.</p> <p>With the support of internal credit risk modelling experts, we evaluated and tested the expected credit loss model, key parameters, management’s major judgements and related assumptions, mainly focusing on the following aspects:</p> <p>1. Expected credit loss model:</p> <ul style="list-style-type: none"> • Taking into account macroeconomic changes, we assessed the reasonableness of the expected credit loss model methodology and related parameters, including probability of default, loss given default, risk exposure, risk grouping and whether there had been significant increase in credit risk; and

Key audit matter	How our audit addressed the key audit matter
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Expected credit losses for loans and advances to customers and financial investments at amortised cost (continued)

Since the measurement of expected credit losses of loans and financial investments at amortised cost involves many significant judgements and assumptions, and in view of the significance of the amount (as at 31 December 2024, gross loans and financial investments at amortised cost amounted to RMB610,961 million, representing 71.32% of total assets, and impairment allowance for loans and financial investments at amortised cost amounted to RMB14,270 million), we consider expected credit losses for loans and financial investments at amortised cost a key audit matter.

Relevant disclosures are included in Note 3.1.4, Note 4(d), Note 21 and Note 22 to the consolidated financial statements.

- We assessed the forward-looking information that management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumption and the weights of multiple macroeconomic scenarios; and
- We evaluated the models and the related assumptions used in individual impairment assessment and analysed the amount, timing and likelihood of management's estimated future cash flows from collateral.

2. Design and operating effectiveness of key controls:

- We evaluated and tested the data and processes used to determine expected credit losses, including business data of loans and financial investments at amortised cost, internal credit rating data, macroeconomic statistics, as well as the computational logic, data inputs and system interfaces of the impairment assessment system; and
- We evaluated and tested key controls over the expected credit loss model, including approval of model changes, ongoing monitoring model performance, model validation and parameter calibration.

We evaluated the appropriateness of disclosures of credit risk exposures and expected credit losses.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Consolidation assessment and disclosures of structured entities	
<p>The Group holds interests in various structured entities, including wealth management products, funds, trust plans, asset management plans, and asset-backed securities, in conducting businesses such as financial investments, asset management, and credit asset transfers. The Group needs to comprehensively consider the power it possesses, its exposure to variable returns, and the link between the power and the returns to determine whether it has control over such structured entities, and therefore whether it should include them in the scope of consolidation.</p>	<p>We evaluated and tested the design and operating effectiveness of the key internal controls related to the Group's assessment of whether it controls a structured entity.</p>
<p>The assessment of the Group's control over structured entities involves significant judgements on factors such as the purpose and design of structured entities, its ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fee, benefits received or losses incurred from providing credit enhance or liquidity support. Comprehensive analysis of these factors and concluding on whether the Group has control involve significant management judgements and estimates.</p>	<p>We assessed the Group's analysis and conclusions on whether it controlled structured entities based on the Group's analysis on its power over structured entities, and the magnitude and variability of variable returns from its involvement with structured entities.</p>
	<p>We also assessed whether the Group had obligation to ultimately take the risk of structured entities by reviewing relevant term sheets, and assessed whether the Group has provided liquidity support or credit enhancement to structured entities.</p>
	<p>We evaluated the appropriateness of disclosures of unconsolidated structured entities.</p>
<p>In view of the materiality and the complexity of management judgements, we consider consolidation assessment and disclosures of structured entities a key audit matter.</p>	
<p>Relevant disclosures are included in Note 4(b) and Note 37 to the consolidated financial statements.</p>	

Other information included in the Annual Report

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Bank are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Bank either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Bank are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Chi Keung.

Ernst & Young
Certified Public Accountants
Hong Kong

21 March 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

	Note	For the year ended 31 December	
		2024	2023
Interest income		28,690,811	28,285,529
Interest expense		(18,514,682)	(17,838,526)
Net interest income	6	10,176,129	10,447,003
Fee and commission income		1,120,724	630,299
Fee and commission expense		(233,125)	(218,861)
Net fee and commission income	7	887,599	411,438
Net trading gains	8	787,523	440,556
Net gains on investment securities	9	1,269,584	1,312,381
Other operating income	10	142,332	234,137
Operating income		13,263,167	12,845,515
Operating expenses	11	(4,097,551)	(3,889,859)
Credit impairment losses	12	(3,188,648)	(3,242,972)
Other impairment losses		(2,972)	2,606
Operating profit		5,973,996	5,715,290
Share of profits of associates	23	419,935	372,352
Profit before income tax		6,393,931	6,087,642
Income tax	15	(872,900)	(858,687)
Net profit for the year		5,521,031	5,228,955
Net profit attributable to:			
Shareholders of the Bank		5,117,290	4,929,787
Non-controlling interests		403,741	299,168
		5,521,031	5,228,955

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

	Note	For the year ended 31 December	
		2024	2023
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains/(losses) on debt investments at fair value through other comprehensive income		1,771,197	2,337,710
Less: Relevant income tax effect		(442,798)	(584,428)
Subtotal		1,328,399	1,753,282
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net losses on equity investments designated at fair value through other comprehensive income		36,540	(26,002)
Less: Relevant income tax effect		(9,136)	6,501
Remeasurement gains/(losses) on retirement benefit plans		(660)	1,600
Less: Related income tax effect		165	(400)
Subtotal		26,909	(18,301)
Total other comprehensive income, net of tax	40	1,355,308	1,734,981
Total comprehensive income for the year		6,876,339	6,963,936
Total comprehensive income attributable to:			
Shareholders of the Bank		6,472,598	6,664,768
Non-controlling interests		403,741	299,168
		6,876,339	6,963,936
Earnings per share attributable to the shareholders of the Bank(expressed in RMB per share)	16		
Basic		1.38	1.36
Diluted		1.10	1.09

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

(In RMB thousands, unless otherwise stated)

		As at 31 December	
	Note	2024	2023
ASSETS			
Cash and balances with central bank	17	34,510,468	40,026,407
Due from and placements with banks and other financial institutions	18	34,468,211	46,286,128
Financial assets at fair value through profit or loss (“FVPL”)	19	64,680,693	27,090,566
Derivative financial instruments	20	44,443	89,981
Loans and advances to customers	21	427,263,845	380,795,540
Investment securities	22		
– Fair value through other comprehensive income (“FVOCI”)		113,800,112	94,175,349
– Amortised cost		169,427,008	159,469,808
Investments in associates	23	3,173,826	2,818,162
Property, plant and equipment	24	2,898,032	2,963,711
Deferred tax assets	30	4,210,831	4,426,083
Other assets	25	2,164,371	1,742,135
Total assets		856,641,840	759,883,870
LIABILITIES			
Due to and placements from banks and other financial institutions	26	119,420,436	126,599,915
Financial liabilities at fair value through profit or loss	20	597,601	54,608
Customer deposits	27	474,116,904	414,812,696
Current tax liabilities		120,393	148,268
Debt securities issued	28	191,559,600	153,373,831
Other liabilities	29	7,062,988	5,595,125
Total liabilities		792,877,922	700,584,443
EQUITY			
Share capital	32	3,474,569	3,474,562
Other equity instruments:	33	8,071,257	8,071,264
– of which: Perpetual bonds		6,999,594	6,999,594
Capital surplus	34	7,734,021	7,734,979
Other reserves	35	16,428,015	13,874,724
Retained earnings		25,363,111	23,762,205
Equity attributable to shareholders of the Bank		61,070,973	56,917,734
Non-controlling interests		2,692,945	2,381,693
Total equity		63,763,918	59,299,427
Total liabilities and equity		856,641,840	759,883,870

The accompanying notes form an integral part of these consolidated financial statements.

YANG XIUMING
CHAIRMAN

GAO SONG
PRESIDENT

LI CONG
VICE PRESIDENT

WU ZHU
HEAD OF FINANCE
DEPARTMENT

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

	Equity attributable to shareholders of the Bank										
	Share capital (Note 32)	Other equity instruments		Capital surplus (Note 34)	Surplus reserve (Note 35)	General reserve (Note 35)	Revaluation reserve for financial assets at FVOCI (Note 35)	Remeasure-ment of retirement benefit plans (Note 35)	Retained earnings	Non-controlling interests	Total
		Perpetual bonds (Note 33)	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 year	-	-	-	-	-	-	-	-	5,117,290	403,741	5,521,031
Other comprehensive income (Note 40)	-	-	-	-	-	-	1,355,803	(495)	-	-	1,355,308
Total comprehensive income	-	-	-	-	-	-	1,355,803	(495)	5,117,290	403,741	6,876,339
Conversion of convertible bonds	7	-	(7)	808	-	-	-	-	-	-	808
Others	-	-	-	(1,766)	-	-	-	-	-	(1,349)	(3,115)
Dividends to ordinary shareholders (Note 36)	-	-	-	-	-	-	-	-	(1,994,401)	(91,140)	(2,085,541)
Dividends to other equity instrument holders (Note 36)	-	-	-	-	-	-	-	-	(324,000)	-	(324,000)
Transfer to other reserves	-	-	-	-	479,282	718,701	-	-	(1,197,983)	-	-
Balance at 31 December 2024	3,474,569	6,999,594	1,071,663	7,734,021	5,328,022	8,597,970	2,506,465	(4,442)	25,363,111	2,692,945	63,763,918

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

	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	Remeasure-ment of retirement benefit plans	Retained earnings	Non-controlling interests	Total
	(Note 32)	Perpetual bonds	Others	(Note 34)	(Note 35)	(Note 35)	(Note 35)	(Note 35)			
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 year	-	-	-	-	-	-	-	-	4,929,787	299,168	5,228,955
Other comprehensive income (Note 40)	-	-	-	-	-	-	1,733,781	1,200	-	-	1,734,981
Total comprehensive income	-	-	-	-	-	-	1,733,781	1,200	4,929,787	299,168	6,963,936
Conversion of convertible bonds	22	-	(20)	207	-	-	-	-	-	-	209
Capital contribution by other equity instruments holders	-	2,500,194	-	-	-	-	-	-	-	-	2,500,194
Dividends to ordinary shareholders (Note 36)	-	-	-	-	-	-	-	-	(1,372,449)	(76,440)	(1,448,889)
Dividends to other equity instrument holders (Note 36)	-	-	-	-	-	-	-	-	(211,500)	-	(211,500)
Transfer to other reserves	-	-	-	-	469,928	488,510	-	-	(958,438)	-	-
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

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

	For the year ended 31 December	
	2024	2023
Cash flows from operating activities:		
Profit before income tax	6,393,931	6,087,642
Adjustments:		
Depreciation and amortisation	508,919	442,756
Impairment losses on loans	3,570,831	3,075,910
Provision for impairment losses on other assets	(379,211)	164,456
Net gains on disposal of long-term assets	(6,090)	(22,072)
Gains on changes in fair value	(107,582)	(115,941)
Net gains arising from financial investments	(1,941,962)	(1,683,768)
Share of profits of associates	(419,935)	(372,352)
Interest income arising from investment securities	(8,630,247)	(9,315,337)
Interest expense arising from financing activities	4,049,255	3,922,806
Changes in operating assets:		
Net decrease/(increase) in restricted deposit balances with central bank	534,313	(90,393)
Net decrease/(increase) in due from and placements to banks and other financial institutions	134,200	(7,322,105)
Net decrease in financial assets held under resale agreements	13,635,697	5,399,611
Net increase in loans and advances to customers	(50,780,360)	(41,362,501)
Net increase in other operating assets	(39,913,384)	(762,943)
Changes in operating liabilities:		
Net (decrease)/increase in borrowings from central bank	(7,761,065)	22,917,913
Net increase in due to and placements from banks and other financial institutions	8,550,170	4,604,329
Net decrease in financial assets sold under repurchase agreements	(7,810,028)	(12,976,775)
Net increase in customer deposits	54,718,140	29,148,712
Net increase in other operating liabilities	6,034,736	3,795,035
Income tax paid	(1,127,214)	(1,085,631)
Net cash from operating activities	(20,746,886)	4,449,352
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	77,647	56,370
Purchase of property, plant and equipment, intangible assets and other long-term assets	(670,484)	(415,467)
Return on investments	86,392,672	70,288,946
Purchase of investment securities	(110,302,000)	(101,041,967)
Proceeds from sale and redemption of investments	10,002,144	10,135,016
Net cash from investing activities	(14,500,021)	(20,977,102)
Cash flows from financing activities:		
Cash received from issuance of other equity instruments	–	2,500,194
Proceeds from issuance of debt securities	174,435,723	159,886,647
Cash paid to redeem debt securities issued	(139,730,000)	(143,820,000)
Cash paid for lease liabilities	(74,343)	(64,967)
Interest paid on debt securities	(886,897)	(699,144)
Dividends paid to shareholders	(1,536,213)	(1,483,094)
Net cash from financing activities	32,208,270	16,319,636
Impact from exchange rate changes on cash and cash equivalents	6,050	24,064
Net decrease in cash and cash equivalents	(3,032,587)	(184,050)
Cash and cash equivalents at the beginning of the year	19,302,429	19,486,479
Cash and cash equivalents at the end of the year (Note 41)	16,269,842	19,302,429

The accompanying notes form an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

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 31 December 2024, the Bank operated its business through 199 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.

These consolidated financial statements were authorized for issuance by the Bank’s Board of Directors (the “Board”) on 21 March 2025.

2 MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with all the applicable International Financial Reporting Standards (“IFRSs”) and disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of presentation (Continued)

(a) Amended standards issued and applied

From 1 January 2024, the Group adopted the following standards, amendments and interpretations.

Amendments to IFRS 16	Lease liability in a sale and leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Financing Arrangements

The adoption of the amended standards above does not have a material impact on the Group's consolidated financial statements.

Except for those described above, the significant accounting policies adopted by the Group for the annual financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

(b) Amended standards issued but not yet effective

		Effective for annual period beginning on or after
Amendments to IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 9 and IFRS 7	The classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, replacing IAS 1 Presentation of Financial Statements. Compared with the current IAS 1, the new requirements in IFRS 18 mainly include: introducing three new categories for income, expenses – operating, investing and financing to improve the structure of the income statement, entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals of operating profit, profit before financing and income tax; requiring the disclosures of management – defined performance measures to improve the transparency of performance indicators defined by management, and separately disclose the reconciliation process between each management performance indicator and the most directly comparable total or subtotal items specified in IFRSs in the notes, the calculation method of each management performance indicator and the description of its changes, the income tax impact of reconciliation items and the impact on non-controlling interests; strengthening information aggregation and disaggregation to further improve the usefulness of information in financial statements in decision-making.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of presentation (Continued)

(b) Amended standards issued but not yet effective (Continued)

IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 – The classification and measurement of financial instruments

The amendments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

The above amendments are expected to have no material impact on the financial statements of the Group.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Bank and the subsidiaries (including structured entities) controlled by the Bank. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group obtains control until the date when the Group ceases to control the subsidiary.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are recognised in profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets of the acquiree in the case of a bargain purchase, the difference is recognised in profit or loss.

Total comprehensive income of the subsidiary is attributed to the shareholders of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets. Goodwill is not amortised. Goodwill arising from a business combination is allocated to each cash-generating unit (“CGU”) or group of CGUs, that is expected to benefit from the synergies of the combination. The Group performs an impairment test on goodwill at least once a year.

On disposal of the related CGU or group of CGUs, any attributable amount of goodwill net of allowances for impairment losses, if any, is included in the calculation of the profit or loss on disposal.

2.4 Associates

Associates are all entities over which the Group has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policy decisions.

Investments in associates are accounted for using the equity method of the accounting and are initially recognised at cost. The carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition.

The Group assesses at each financial reporting date whether there is objective evidence that investments in associates are impaired. Impairment losses are recognised for the amounts by which the investments in associates’ carrying amounts exceed its recoverable amounts. The recoverable amounts are the higher of investments in associates’ fair value less costs to sell and the present value of expected future cash flows.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition and derecognition of financial instruments

The Group shall recognise a financial asset or a financial liability in its statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- (1) the contractual rights to the cash flows from the financial asset expire; or
- (2) the contractual rights to the cash flows from the financial asset are transferred, or the Group undertake the obligation to pay the cash flows collected to a third party in full and on time under the “pass-through agreement” and the Group (a) transfers substantially all the risks and rewards of ownership of the financial assets or (b) where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

The Group recognises and de-recognises financial assets on the trading day when trading financial assets in a conventional way. Trading financial assets in a conventional way refers to collecting on delivering financial assets within the time limit prescribed by laws or common practices in accordance with contract provisions. The trading day refers to the date on which the Group undertakes to buy or sell financial assets.

Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged or cancelled, or expires. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

Classification and measurement of financial assets

The Group classifies financial assets as at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Only if when the Group changes the business model for managing financial assets, the Group shall reclassify the affected financial assets.

For financial assets at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For other financial assets, transaction costs are recognised in the initial measurement.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Financial instruments (Continued)

Business models

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the business model of the financial assets is "other". The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on a reasonable expected scenario, taking into account: how cash flows were generated in the past, how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Group's key management personnel; how risks are evaluated and managed; and how managers of the business are compensated.

The contractual cash flow characteristics

The assessment of contractual cash flow characteristics is to determine whether the cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However, that principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The subsequent measurement of financial assets depends on the classification:

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method for such financial assets. The gains or losses from derecognition, amendments or impairment on such financial assets are recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

Debt instruments at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A gain or loss on a financial asset measured at the fair value through other comprehensive income should be recognised in other comprehensive income, except for interests calculated using effective interest method, impairment and foreign exchange gains and losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

Equity instruments at fair value through other comprehensive income

The Group has irrevocably designated equity instruments that are not held for trading as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are recognised in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive income shall be reclassified to retained earnings under equity.

Financial assets at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Such financial assets that the Group holds are subsequently measured at fair value. Gains or losses on such financial assets are recognised in profit or loss.

Classification and measurement of financial liabilities

The Group classifies financial liabilities as at fair value through profit or loss and financial liabilities at amortised cost at initial recognition. For financial liabilities at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For financial liabilities at amortised cost, transaction costs are recognised in the initial measurement.

The subsequent measurement of financial liabilities depends on the classification:

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Financial instruments (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative financial instruments) and financial liabilities designated at fair value through profit or loss at initial recognition. Financial liabilities held for trading (including derivative financial instruments) are subsequently measured at the fair value. A gain or loss on such financial liability is recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at the fair value. A gain or loss on such financial liability is recognised in profit or loss, except that the changes in the fair value of the financial liability arising from changes in the Group's own credit risk should be recognised in other comprehensive income. If the recognition of the impact arising from changes in the financial liabilities' own credit risk in other comprehensive income will create or enlarge the accounting mismatch in profit or loss, the Group shall recognise the entire gain or loss of the financial liabilities (including the impact of changes in its own credit risk) in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Impairment of financial instruments

The Group evaluates and confirms relevant impairment allowance for financial assets measured at amortised cost, debt instrument investments at fair value through other comprehensive income, loan commitments and financial guarantee contracts based on ECL.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. For financial guarantee contracts which are not designated as at fair value through profit or loss subsequently measured at the higher of the expenditure determined by the ECL model that is required to settle any financial obligation arising at the financial reporting date, and the value initially recognised less the accumulated amortisation recognised in accordance with the guidance for revenue recognition.

Derivative financial instruments

The Group uses derivative financial instruments, for example, to hedge exchange-rate risks and interest rate risks through foreign exchange forward contracts and interest rate swaps, which are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of these derivatives are recognised in profit or loss unless it is related to hedge accounting.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Financial instruments (Continued)

Convertible bonds

When the Group issues convertible bonds, the Group determines whether they contain both liability and equity components based on the terms. If a convertible bond is issued with both liability and equity components, the liability and equity components are separated at initial recognition and treated separately. The fair value of the liability component is determined as the initial recognition amount, and the initial recognition amount of the equity component is determined by deducting the initial recognition amount of the liability component from the issue price of the convertible bond as a whole. Transaction costs are apportioned between the liability component and the equity component based on their respective fair values. The liability component is presented as a liability and is subsequently remeasured at amortised cost until it is revoked, converted or redeemed. Equity components are presented as equity and are not subsequently remeasured.

Perpetual Bonds

The perpetual bonds issued by the Group do not include contractual obligations to pay cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potentially unfavourable conditions, and there are no arrangements under which the perpetual bonds are required to be settled by or may be settled by the Group's own equity instruments, thus the perpetual bonds issued by the Group are classified as equity instruments. Fees, commissions, and transaction costs incurred in issuing the perpetual bonds are deducted from equity. Interest on the perpetual bonds is treated as profit distribution when declared.

Transfer of financial assets

If the Group has transferred substantially all the risks and rewards of ownership of financial assets to the transferee, it shall derecognise the financial assets; if it retains substantially all the risks and rewards of ownership of financial assets, it shall not derecognise the financial assets.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, it shall deal with the following situations separately: if it abandons its control over the financial assets, it should derecognise the financial assets and recognise the assets and liabilities that arose; if it does not abandon its control over the financial assets, it shall recognise the relevant financial assets in accordance with the extent to which it continues to be involved in the transferred financial assets, and relevant liabilities are recognised accordingly.

If the Group continues to be involved in the transferred financial assets by providing a financial guarantee, the assets that arose from the continued involvement shall be determined at the lower of the book value of the financial assets and the amount of the financial guarantee. The amount of the financial guarantee refers to the maximum amount that will be required to be repaid among the consideration received.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Interest income and expense

Interest income and expense are recognised in profit or loss on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit-impaired (“POCI”) financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount.

2.7 Fee and commission income

For the performance obligation implemented at a certain point of time, the Group recognises revenue when the customer obtains control of the service. For the performance obligation implemented during a certain period, the Group recognises the income according to the progress of the performance during the period.

2.8 Dividend distribution

Common stock cash dividends are recognised as liabilities in the current period of the approval of the general meeting. Preferred stock cash dividends are recognised as liabilities in the current period of the approval of the Board.

2.9 Sale/purchase and repurchase/resale agreements

Assets sold subject to a linked repurchase agreements with banks and other financial institutions are retained in the consolidated financial statements as financial assets held for trading or investment securities, as the Group still retains substantially all risk and rewards of the ownership of the underlying assets. The related liability is recorded as “due to and placements from banks and other financial institutions”.

Resale agreements (“Reverse repos”) refers to the agreement under which the Group purchases an asset with an obligation to resell it to the same counterparty at a pre-determined price on a specified date. Reverse repos are recorded as “due from and placements with banks and other financial institutions” while assets bought are not recognised.

Interest earned from resale agreement and interest paid under repurchase agreement are recorded as interest income or interest expense respectively using effective interest method during the agreement period.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Property, plant and equipment

The Group's property, plant and equipment mainly comprise buildings, motor vehicles, electronic equipment, office equipment, assets under operating leases, and construction in progress.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in an asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are reviewed for impairment at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and present value of expected future cash flows.

Gains or losses on disposals are determined by the difference between proceeds and carrying amount, after deduction of relevant sales taxes and expenses. These are recognised in profit or loss.

Buildings comprise primarily head and branch network premises and office premises. The estimated useful lives, estimated residual value rate and depreciation rate of buildings, motor vehicles, electronic equipment, office equipment and operating leasing assets are as follows:

Type of assets	Estimated useful lives	Estimated residual value rate	Depreciation rate
Buildings	30 years	3.0%	3.23%
Motor vehicles	5 years	3.0%	19.40%
Electronic equipment	5 years	3.0%	19.40%
Office equipment	5 years	3.0%	19.40%
Operating leasing assets	4-25 years	0.0%-30.0%	4.00%-24.25%

Construction in progress consists of assets under construction or being installed and is stated at cost. Cost includes equipment cost, cost of construction, cost of installation and other direct costs. Items classified as construction in progress are transferred to property, plant and equipment when such assets are ready for their intended use and the depreciation charge commences from then.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Foreclosed assets

When the Group's obligor use foreclosed asset to compensate the principal and interest of loan, foreclosed asset was initially recognised and measured at fair value, then it was subsequently measured at the lower of carrying amount and recoverable amount. At each reporting date, the Group will assess if a foreclosed asset has been impaired individually. If recoverable amount of foreclosed asset is lower than carrying amount, the difference should be charged to profit or loss for the current period.

2.12 Land use rights

Land use rights, listed under "right-of-use assets", are recognised initially at "cost", being the consideration paid for the rights to use and occupy the land. Land use rights are amortised using the straight-line method over their authorized useful lives.

2.13 Intangible assets

An intangible asset is measured initially at cost, including direct expenses incurred in connection with the acquisition. When an intangible asset with a finite useful life is available for use, its original cost is amortised over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortised.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of each reporting period, and makes adjustments when necessary.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.14 Investment property

Investment properties, including buildings that are held for the purpose of leasing, and buildings that are being constructed or developed for the purpose of leasing in future, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss in the period in which they are incurred.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.14 Investment property (Continued)

Investment properties are initially measured at cost, including costs that are directly attributable to the properties, at the time of acquisition. The Group adopts the cost model for subsequent measurement of investment properties. The type of assets, estimated useful lives, estimated residual value rate and annual depreciation rate of investment properties are as follows:

Type of assets	Estimated useful lives (years)	Estimated residual value rate	Annual depreciation rate
Buildings	30 years	3.0%	3.23%

When an investment property is transferred to an owner-occupied property, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer.

Investment properties are reviewed for impairment at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the expected future net cash flows generated by the asset.

2.15 Impairment of non-financial assets

The Group determines the impairment of assets, other than the impairment of deferred tax assets and financial assets, using the following methods:

The Group assesses at the reporting date whether there is any indication that assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired and it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the CGU to which the asset belongs.

CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or groups of assets.

The recoverable amount of an asset (or CGU, group of CGUs) is the higher of its fair value less costs to sell and the present value of the expected future cash flows. The Group considers all relevant factors in estimating the present value of future cash flows, such as the expected future cash flows, the useful life and the discount rate.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Impairment of non-financial assets (Continued)

(a) Testing CGU with goodwill for impairment

For the purposes of impairment testing, goodwill is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired.

(b) Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss and charged to the profit or loss.

For a CGU or a group of CGUs, the amount of impairment loss firstly reduces the carrying amount of any goodwill allocated to the CGU or group of CGUs, and then reduces the carrying amount of other assets (other than goodwill) within the CGU or group of CGUs, pro rata on the basis of the carrying amount of each asset.

(c) Reversing an impairment loss

If, in a subsequent period, the amount of impairment loss of the non-financial asset except for goodwill decreases and the decrease can be linked objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

An impairment loss in respect of goodwill is not reversed.

2.16 Leases

Lease refers to a contract in which the lessor transfers the right of use of the assets to the lessee for a certain period of time to obtain the consideration.

The Group as lessee

The Group recognises the right-of-use asset on the start date of the lease term and recognises the lease liability at the present value of the remaining lease payments. The lease payments include fixed payments and payments to be made in the case that it is reasonably determined that the purchase option will be exercised or the lease option will be terminated. The Group calculates the interest expense on the lease liabilities for each period of the lease term based on a fixed periodic interest rate, which is recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Leases (Continued)

The Group as lessee (Continued)

The right-of-use asset is initially measured at cost, which includes the initial measurement of the lease liability, the lease payments already paid on or before the lease start date, the initial direct costs etc, and deducts any lease incentives. The asset is depreciated over the remaining useful life of the leased asset if Group could reasonably determine the ownership of the leased asset at the expiration of the lease term; if it is not possible to reasonably determine whether the ownership of the leased asset can be obtained at the expiration of the lease term, the right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. When the recoverable value is lower than the book value of the right-of-use asset, the Group reduces its book value to the recoverable value.

As for the short-term leases with a lease term less than 12 months and low-value asset leases with a lower value of individual assets, the Group will not recognise the right-of-use assets and lease liabilities, and the relevant rental expenses are recognised in profit or loss on the straight-line basis for each period of the lease term or in the related assets costs.

The Group accounts for a modification to a finance lease as a separate lease if both:(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the lease term and the lease liability by discounting the revised lease payments using a revised discount rate. The Group decreases the carrying amount of the right-of-use asset for lease modifications that decrease the scope or term of the lease, and recognises the gain or loss relating to the partial or full termination of the lease in profit or loss. The Group makes a corresponding adjustment to the right-of-use asset for all other lease modifications.

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Leases (Continued)

The Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) Operating lease

When the Group leases out its own buildings, equipment and motor vehicles, the rental income arising from operating leases is recognised on the straight-line basis over the lease term. Initial direct costs are capitalised and amortised over the lease term on the same basis as rental income is recognised, and are charged to profit or loss.

(ii) Finance lease

When the Group is the lessor in a finance lease, an amount representing the minimum lease payment receivables and unguaranteed residual value, net of initial direct costs, and all discounted at the implicit lease rate (the “net lease investment”), is recorded in the consolidated statement of financial position as “Loans and advances to customers”. The difference between the net lease investment and the undiscounted amount is recorded as unearned finance income, which is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return. Impairment losses on lease receivables are accounted for in accordance with the accounting policies as financial instruments impairment.

2.17 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise balances with less than three months’ maturity from the date of acquisition, including: cash, excess reserve with central bank and amounts due from and placements with banks and other financial institutions.

2.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable and the amount can be reliably measured, it will then be recognised as provisions.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the risks specific to the obligation, the uncertainties and the time value of money.

2.20 Current and deferred income taxes

The tax expense for the year comprises current and deferred income tax. Tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. As at the consolidated financial statements date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the related deferred income tax asset is realised or the deferred income tax liability is settled pursuant to tax laws.

The temporary differences primarily arise from impairment allowance for loans and advances, impairment allowance for financial assets at amortised cost, and unrealised gains/losses of financial assets at FVOCI.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax losses can be utilised. Deferred income tax liabilities are the amounts of income tax payable in respect of taxable temporary differences, which are measured at the amount expected to be paid to the tax authorities in the future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Share capital

Share capital of equity comprises ordinary shares issued.

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.22 Employee benefits

Salaries and bonuses, housing benefits and costs for social security benefits are accrued in the financial period in which the services are rendered by employees of the Group. The Group also participates in various defined contribution retirement plans principally organised by municipal and provincial governments.

In addition, the Group pays supplementary retirement benefits to employees, 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 pay 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 equivalent government bonds at the reporting date, the maturity dates of which approximate to the terms of the Group's obligations. Actuarial gains and losses, and changes in actuarial assumptions are charged or credited to the other comprehensive income as they occur. Current service cost and net interest on the net defined benefit liability (asset) is recognised in profit and loss.

After 1 January 2010, employees can also voluntarily participate in a defined contribution plan established by the Group ("the Annuity Plan") according to state corporate annuity plan besides the pension plan of the social security. The Group contributes to the Annuity Plan based on certain percentages of the employees' gross salaries in the previous year. The Group's contributions to annuity plans are charged to profit or loss in the financial period to which they relate.

2.23 Foreign currency translation

(a) *Functional and recording currency*

The Group's recording currency is Renminbi ("RMB"), the legal currency of the PRC. Items included in the consolidated financial statements of each of the Group are measured using the currency that best reflects the economic environment of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements are presented in RMB which is the functional and recording currency of the Group.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Foreign currency gains or losses in monetary assets measured at FVOCI are recognised in profit or loss.

Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised in the consolidated statement of comprehensive income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities measured at FVOCI, are included in other comprehensive income.

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Fiduciary activities

Assets and income arising thereon together with related undertakings to return such assets to customers are excluded from the consolidated financial statements where the Group acts in a fiduciary capacity such as nominee, trustee, custodian or agent.

The Group grants entrusted loans on behalf of third-party lenders. The Group grants loans to borrowers, as agent, at the direction of the third-party lenders, who fund these loans. The Group has been contracted by these third-party lenders to manage the administration and collection of these loans on their behalf. The third-party lenders determine both the underwriting criteria for and all terms of the entrusted loans including their purposes, amounts, interest rates, and repayment schedule. The Group charges a commission related to its activities in connection with the entrusted loans which are recognised ratably over the period the service is provided. The risk of loss is born by the third-party lenders, thus the principal amounts of the entrusted loans are recorded on the off-balance sheet.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the senior management team represented by the President as its chief operating decision maker.

An operating segment is a component of the Group with all of the following conditions are satisfied: (1) that component can earn revenues and incur expenses from ordinary activities; (2) the component's operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (3) discrete consolidated financial statements for the component are available to the Group. If two or more operating segments have similar economic characteristics, and certain conditions are satisfied, they may be aggregated into a single operating segment.

Intra-segment revenue and costs are eliminated. Income and expenses directly associated with each segment are included in determining segment performance.

The classification of reporting segments are based on the operating segments, and the assets and expenses shared by all the segments are allocated according to their scales.

2.26 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specially, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

2.26 Government grants (Continued)

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.

3 FINANCIAL RISK MANAGEMENT

Overview

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

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

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 fulfil some of its obligations regarding overall risk management. Senior management is responsible 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's main financial risks comprise credit risk, market risk (including currency risk and interest rate risk), liquidity risk and operational risk.

3.1 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.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 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 Measures for the Risk-based Classification of Financial Assets by Commercial Banks formulated by the 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 Measures for the Risk-based Classification of Financial Assets by Commercial Banks require financial institutions to divide credit assets into five categories, namely pass, special-mentioned, 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 Measures for the Risk-based Classification of Financial Assets by Commercial Banks:

Pass: the debtor is able to perform the contract, and there is no objective evidence showing that it is unable to repay the principal, interest or earnings in full and on time.

Special-mentioned: although there are some factors which are likely to have adverse impact on the performance of the contract, the debtor is currently able to repay the principal, interest or earnings.

Substandard: the debtor is unable to repay the principal, interest or earnings in full, or the financial asset has suffered from credit impairment.

Doubtful: the debtor is unable to repay the principal, interest or earnings in full, and the financial asset has suffered from significant credit impairment.

Loss: after all possible measures are taken, only a very small part of financial assets is recovered, or all of the financial assets are lost.

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

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.1 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 and other treasury business, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments.

3.1.2 Risk limit control and mitigation policies

(a) Credit business

The Group takes 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, due-diligence on non-performing loans.

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

The Group takes action to strengthen controls over credit risk in relation to group customers and related party customers. The Group manages the concentration risk 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 transaction.

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

Most of the borrowers are required to provide proper collateral for loans. The type of collateral mainly includes mortgage, pledge and guarantee. The Group employs property appraisal companies with certificates to evaluate the collateral. The detailed collateral type and amount are determined by credit risk of counterparty or customers. Please refer to Note 3.1.5(c) for specific guidelines on collateral and guarantee.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.2 Risk limit control and mitigation policies (Continued)

(b) Treasury business

Financial inter-bank division centralises control over 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 period and evaluates risk and loss of trading bonds. The Group places limits for interbank borrowing and lending. The Group manages the credit risk exposures of interbank borrowing and lending strictly within the limit of regulation and credit authorisation.

For bonds, the Group manages the credit risk exposures by setting limits to the external credit ratings of its investments, par value of single debt security purchase, 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 guidance. If there is any violation of interest rate in the market or any significant credit risk encountered to debtors, the business department responsible for bond investments will ask for holding extraordinary asset and liability management meeting to conclude an emergency plan. The debt 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 counter party banks and third party companies to mitigate the risk associated therewith.

3.1.3 Credit risk assessment

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

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.3 Credit risk assessment (Continued)

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

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

Aiming to bond investment and interbank business, the Group uses external credit risk gradings to reflect its probability of default 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's associated with each grade are 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 risk, the Group uses historical data to estimate the historical default data, which is the prediction base of future PD, under various overdue period 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 levels (AAA+ to C) and 1 default grades (D). The main scale table matches the default probability 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.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 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 3.1.4(a) for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instruments is credit-impaired, the financial instrument is then moved to “Stage 3”. Please refer to Note 3.1.4(b) for a description of how the Group determines when a significant increase in credit risk has occurred.
- The provision method of impairment allowance at different stages is as follows: Financial instruments in Stage 1 have their ECL allowance measured at an amount equal to portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL allowance measured based on expected credit losses on a lifetime basis. Please refer to Note 3.1.4(c) for a decryption of inputs, assumptions and estimation techniques used in measuring the ECL allowance.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 3.1.4(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.

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For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 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 “overdue” 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 borrower is more than 90 days past due on its contractual payments.

Qualitative criteria:

- i) Borrower of loan-related financial instrument is on the Monitoring List, which is used to monitor credit risks and assessment at the counterparty level is conducted regularly;
- 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 internal management.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

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

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- 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 model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculation.

(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"

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

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

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined set out 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 3.1.4(b).
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by availability of collateral and other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

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

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

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

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

Forward-looking economic information is also included in determining the 12M and Lifetime PDs, EADs, and LGDs. These assumptions vary by product types. Refer to Note 3.1.4(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 in 2024 (2023: Nil).

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 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 cumulative year-on-year growth rate of gross domestic product ("GDP") 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. In 2024, the Group adjusted the forecast of forward-looking economic indicators by using statistical analysis methods and expert judgements. 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. As at 31 December 2024, the key macroeconomic parameters used by the Group in various macroeconomic scenarios and the forecasting values for the next year are listed as follows:

	Economic Scenario		
	Central	Upside	Downside
CPI: accumulated year on year	0.66	1.30	(0.60)
GDP: accumulated year on year	4.63	5.00	4.00
PMI	50.10	51.36	48.84

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instruments. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base/central economic scenario") are provided by the Group on year basis and provide the best estimate view and prediction in scenarios of the future economy. To project the economic variables out 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 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.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

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

The Group conducts sensitivity analysis on the key economic indicators used in forward-looking measurement. As at 31 December 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 provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. 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 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 31 December 2024, the weights assigned to various economic scenarios were: “central” 70%, “upside” 10%, and “downside” 20% (31 December 2023: the weights assigned to various economic scenarios were: “central” 70%, “upside” 10%, and “downside” 20%).

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%.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.4 Expected credit loss measurement (Continued)

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

As at 31 December 2024, the ECL calculated for the above three scenarios and the weighted average ECL of the Group are as follows:

	As at 31 December 2024		
	Loans and advances to corporate entities	Retail loans	Investment securities
Weighted average	10,092,281	3,260,235	1,737,996
Central	10,069,497	3,243,551	1,735,699
Upside	9,821,314	3,139,350	1,717,449
Downside	10,307,510	3,379,069	1,756,308

	As at 31 December 2023		
	Loans and advances to corporate entities	Retail loans	Investment securities
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

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 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.

	As at 31 December	
	2024 Carrying amount	2023 Carrying amount
On-balance-sheet items		
Balances with central bank (Stage 1)	33,622,552	39,168,480
Due from and placements with banks and other financial institutions	34,468,211	46,286,128
Stage 1	34,296,404	46,117,219
Stage 3	45,471	45,471
Accrued interest	126,336	123,438
Loans and advances to customers		
– Amortised cost	399,589,447	335,943,144
Stage 1	385,273,635	318,764,391
Stage 2	8,684,093	11,262,841
Stage 3	3,310,839	3,181,343
Accrued interest	2,320,880	2,734,569
– FVOCI (Stage 1)	27,674,398	44,852,396
Investment securities – Amortised cost	169,427,008	159,469,808
Stage 1	165,495,848	154,782,091
Stage 2	1,243,873	1,831,553
Stage 3	233,881	161,989
Accrued interest	2,453,406	2,694,175
Investment securities – FVOCI	113,677,997	94,089,774
Stage 1	111,798,424	91,671,214
Stage 2	–	151,440
Stage 3	96,000	277,239
Accrued interest	1,783,573	1,989,881
Other receivables	314,480	178,244
Stage 1	300,147	167,253
Stage 2	3,203	1,511
Stage 3	11,130	9,480
On-balance-sheet total	778,774,093	719,987,974
Off-balance-sheet total	76,838,647	64,127,088
Total	855,612,740	784,115,062

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 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 financial assets used in the expected credit loss is classified as “low risk”, “medium risk” and “high risk” according to internal rating 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 there exist unfavourable factors that 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
	Stage 1 12M ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2024				
Credit rating				
Low risk	249,566,806	79,070	–	249,645,876
Medium risk	139,687,913	9,271,072	1,432,169	150,391,154
High risk	–	2,832,349	7,751,704	10,584,053
Gross principal balance	389,254,719	12,182,491	9,183,873	410,621,083
Impairment allowance	(3,981,084)	(3,498,398)	(5,873,034)	(13,352,516)
Total	385,273,635	8,684,093	3,310,839	397,268,567
As at 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

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 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 – amortised cost classified by credit grade:

	ECL Stage			Total
	Stage 1 12M ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
As at 31 December 2024				
Credit rating				
Low risk	158,569,142	–	–	158,569,142
Medium risk	7,103,896	863,700	148,746	8,116,342
High risk	–	595,700	609,550	1,205,250
Gross principal balance	165,673,038	1,459,400	758,296	167,890,734
Impairment allowance	(177,190)	(215,527)	(524,415)	(917,132)
Total	165,495,848	1,243,873	233,881	166,973,602
As at 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

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 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 31 December 2024				
Credit rating				
Low risk	107,999,245	–	–	107,999,245
Medium risk	3,799,179	–	–	3,799,179
High risk	–	–	96,000	96,000
Gross principal balance	111,798,424	–	96,000	111,894,424
Impairment allowance	(157,254)	–	(663,610)	(820,864)
Total	111,641,170	–	(567,610)	111,073,560
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

(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. at FVPL):

	Maximum exposure to credit risk	
	As at 31 December	
	2024	2023
Bond investments	28,622,466	9,595,213
Trust investments	2,885,840	3,884,172
Asset management plans	5,183,076	8,231,181
Wealth management products purchased from financial institutions	1,008,736	–
Fund investments	24,752,744	4,303,474
Total	62,452,862	26,014,040

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 Credit risk exposure (Continued)

(c) Collateral and other credit enhancements

The Group has a range of policies and practices for mitigating credit risk. The common practice is to accept collateral. The Group implements guidelines on the acceptability of specific classes of collateral. The principal types of collateral for loans and advances to customers are: residential properties; business assets such as premises, inventories and accounts receivable; 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%
Properties	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 credit rating, 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 39.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.5 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 the related collateral held in order to mitigate potential losses are shown below:

	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
As at 31 December 2024				
Credit-impaired assets (Stage 3)				
Loans and advances to customers				
– Corporate loans	6,521,383	(4,376,685)	2,144,698	5,575,564
– Retail loans	2,662,490	(1,496,349)	1,166,141	1,447,842
Investment securities measured at amortised cost	758,296	(524,415)	233,881	318,915
Gross amount of credit-impaired assets	9,942,169	(6,397,449)	3,544,720	7,342,321
As at 31 December 2023				
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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.6 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 current year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs for the current year, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind 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 current year 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 of loans and advances to customers made from the beginning to the end of this year is set out in Note 21(c). 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 22. 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 22.

3.1.7 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 having been in place for a necessary period and (ii) the Group’s recovery method foreclosing on collateral and the value of the collateral 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 amounts of such assets written off for the year ended 31 December 2024 was RMB2,717,793 thousand (2023: RMB1,340,256 thousand).

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For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.8 Loans and advances to customers

(a) Restructured loans and advances

Rescheduled loans are loans that have been renegotiated due to deterioration in the borrower's financial position to the extent that the borrower is unable to repay according to the original terms and where the Group has made concessions that it would not otherwise consider under normal circumstances. Rescheduled loans are subject to ongoing monitoring. The balance of restructured loans and advances as at 31 December 2024 was RMB1,378,757 thousand (31 December 2023: RMB1,155,137 thousand).

(b) Concentration risk analysis for loans and advances to customers (gross) by geographic sector

	As at 31 December 2024		
	Gross amount	%	Non-performing loan ratio
Chongqing City	334,655,355	75.94	1.39%
Shaanxi Province	38,093,362	8.65	0.76%
Guizhou Province	23,870,016	5.42	1.34%
Sichuan Province	41,676,748	9.46	0.51%
Accrued interest	2,320,880	0.53	N/A
Total	440,616,361	100.00	1.25%

	As at 31 December 2023		
	Gross amount	%	Non-performing loan ratio
Chongqing City	302,355,279	76.95	1.46%
Shaanxi Province	33,173,314	8.44	0.47%
Guizhou Province	24,529,823	6.24	1.78%
Sichuan Province	30,141,981	7.67	0.72%
Accrued interest	2,734,569	0.70	N/A
Total	392,934,966	100.00	1.34%

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For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.8 Loans and advances to customers (Continued)

(c) The composition of loans and advances to customers by industry or nature

	As at 31 December			
	2024		2023	
	Amount	%	Amount	%
Corporate loans – Amortised cost				
Leasing and commercial services	104,653,880	30.72	78,195,749	26.49
Water conservation, environment and public facility administration	78,857,689	23.15	63,081,708	21.37
Manufacturing	31,345,400	9.20	27,598,449	9.35
Wholesale and retail	30,259,485	8.88	21,555,067	7.30
Construction	24,890,411	7.31	25,893,709	8.77
Real estate	10,112,881	2.97	9,569,930	3.24
Electricity, heat, gas and water production and supply	7,000,843	2.05	4,217,532	1.43
Transportation, storage and postal service	5,670,157	1.66	4,181,646	1.42
Agriculture, forestry, animal husbandry and fishery	4,219,395	1.24	3,724,983	1.26
Information transmission, software and information technology services	3,288,476	0.97	1,932,494	0.65
Scientific research and technology services	2,650,492	0.78	1,299,292	0.44
Culture, sports and entertainment	2,560,066	0.75	2,492,654	0.84
Accommodation and catering	1,998,770	0.59	1,550,386	0.53
Health and social welfare	1,777,130	0.52	1,772,915	0.60
Mining	1,352,280	0.40	1,359,909	0.46
Financing	1,045,555	0.31	860,399	0.29
Education	691,159	0.20	532,019	0.18
Household services, repairing and other services	621,144	0.18	566,006	0.19
Public administration, social security and social organizations	8,000	0.00	13,226	0.00
Corporate loans – FVOCI				
Discounted bills	27,674,398	8.12	44,852,396	15.19
Total corporate loans	340,677,611	100.00	295,250,469	100.00
Retail loans – Amortised cost				
Mortgage loans	39,282,720	40.24	40,321,906	42.47
Personal business loans	21,660,113	22.19	22,528,071	23.73
Credit card advances	21,956,013	22.49	22,325,095	23.51
Personal consumption loans	14,719,024	15.08	9,774,856	10.29
Total retail loans	97,617,870	100.00	94,949,928	100.00
Accrued interest	2,320,880		2,734,569	
Gross amount of loans and advances to customers	440,616,361		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.

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For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.8 Loans and advances to customers (Continued)

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

	As at 31 December	
	2024	2023
Guaranteed loans	208,159,317	165,080,731
Collateralised loans	96,631,089	91,788,054
Unsecured loans	87,988,991	72,123,514
Pledged loans	45,516,084	61,208,098
Accrued interest	2,320,880	2,734,569
Total	440,616,361	392,934,966

3.1.9 Investment securities

The Group's bonds are rated by Zhongchengxin International Credit Rating Co. Ltd., China Lianhe Credit Rating Co., Ltd., Shanghai Far East Credit Rating Co., Ltd., Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., Pengyuan Credit Rating Co., Ltd. and Golden Credit Rating International Co., Ltd.

The rate of the Group's investment securities made by the independent credit agencies is as follows:

	Financial assets at FVPL	Investment securities at FVOCI	Investment securities at amortised cost	Total
As at 31 December 2024				
AAA	24,848,818	39,472,535	29,296,705	93,618,058
AA- to AA+	2,391,843	53,985,233	8,507,719	64,884,795
A+ and below	53,148	237,841	–	290,989
Unrated ^(a)	35,159,053	18,198,815	129,169,178	182,527,046
Accrued interest	–	1,783,573	2,453,406	4,236,979
Total	62,452,862	113,677,997	169,427,008	345,557,867
As at 31 December 2023				
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 ^(a)	17,030,882	11,079,647	131,282,379	159,392,908
Accrued interest	–	1,989,881	2,694,175	4,684,056
Total	26,014,040	94,089,760	159,469,808	279,573,608

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For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Credit risk (Continued)

3.1.9 Investment securities (Continued)

- (a) These mainly represent debt securities at FVPL, debt securities at FVOCI and debt securities at amortised cost issued by PRC Ministry of Finance, the central bank and policy banks who are creditworthy issuers in the market, but are not rated by independent rating agencies. In addition, debt securities at FVOCI and debt securities at amortised cost mainly include non-principal-guaranteed wealth management products issued by other banks, and the beneficiary rights of trust plans and asset management plans.

As at 31 December 2024, the impairment allowance for debt securities at FVOCI amounted to RMB820,864 thousand and the impairment allowance for debt securities at amortised cost amounted to RMB917,132 thousand (31 December 2023: RMB925,142 thousand and RMB1,389,090 thousand).

Trust investments/asset management plans classification by underlying asset are summarised as follow:

	As at 31 December	
	2024	2023
Financial assets at FVPL		
– Credit assets	8,068,916	12,115,353
Financial assets at amortised cost		
– Credit assets	4,128,342	5,748,318
– Bond assets	12,577,410	21,638,856
Total	16,705,752	27,387,174

As at 31 December 2024, the gross principal balance of the Group's Stage 3 investments in trust plans and asset management plans at amortised cost was RMB758,296 thousand, whose underlying assets were all credit assets, of which the accrued ECL allowance amounted to RMB524,415 thousand (31 December 2023: RMB1,023,612 thousand and RMB861,623 thousand).

3.2 Market risk

3.2.1 Overview

The Group is exposed to market risk from fluctuations in fair value or future cash flows of financial instruments resulting from changes in market prices (interest rates, exchange rates, stock prices and prices of goods). The Group classifies its market risk into trading and non-trading market risk.

In accordance with the requirements of the National Financial Regulatory Administration, the Group divides its transaction book and bank book. The transaction book includes financial instruments, foreign exchange and commodity positions held for the purpose of transactions or hedging the risks of other items in the transaction book and other instruments recognized by regulatory authorities, while the bank book includes all on- and off-balance sheet financial instruments of the Group that are not included in the transaction book.

The market risks arising from trading and non-trading activities are monitored by two teams separately. Regular reports are submitted to the Board and head of each business unit.

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the market value of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate risk of the Group mainly comes from the impact of interest rate change on net interest income, which was caused by the mismatch between the interest-rate-sensitive assets and liabilities' maturity date or the re-pricing date.

The Group records the assets in trading book and non-trading book. The freely tradable financial instruments held for trading purpose or avoiding the risks of other items in trading book were recorded under the trading book; others were recorded under the non-trading book.

The Financial Market Department manages and conducts treasury transactions within the interest rate limit approved by the senior management, and monitors the market risk of the trading book and its risk limit compliance. The Financial Markets Department manages and implements capital trading business in accordance with the interest rate risk limit approved by the senior management, and monitors the market risk of the trading book and the risk limit compliance.

The Board or its special committees review and approve policies, strategies, and procedures related to interest rate risk management in the banking book based on risk appetite. The senior management or its subordinate Asset and Liability Management Committee is responsible for formulating and evaluating policies, strategies, and procedures related to interest rate risk management in the banking book. Asset and Liability Management Department implements the daily management of interest rate risk in the banking book, and is responsible for the analysis of RMB interest rate risk, submission of interest rate analysis report to the Asset and Liability Management Committee, and timely reporting and dealing with extraordinary situations of interest rate risks identified.

The Group uses the RMB interest rate risk management system to monitor and manage the overall interest rate risk of the assets and liabilities under the non-trading book. At the current stage, the Group manages the interest rate risk mainly through raising suggestion about the re-pricing date of assets and liabilities, setting market risk limit and other methods. The Group analyses the interest rate gap and assesses the difference between the interest-bearing assets and liabilities which would mature or re-price within certain time period, to provide instruction for the adjustment of interest-bearing assets and liabilities' re-pricing date. Meanwhile, the Group controls and manages interest risk by establishing the instruction and authorisation limit of investment portfolio. The Group's treasury management conducts real-time market value assessment to monitor the investment risk more accurately. In addition, the Group manages the interest rate risk of branches by the head office using the internal fund transfer-pricing system.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk (Continued)

The tables below summarise the Group's exposures to interest rate risks and present the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing and maturity dates.

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
As at 31 December 2024							
Assets							
Cash and balances with central bank	33,610,928	-	-	-	-	899,540	34,510,468
Due from and placements with banks and other financial institutions	25,203,215	5,033,580	4,059,609	-	-	171,807	34,468,211
Derivative financial assets						44,443	44,443
Financial assets at FVPL	40,654,886	8,785,661	7,626,110	3,019,442	1,985,864	2,608,730	64,680,693
Loans and advances to customers	62,969,775	30,814,724	108,715,219	202,657,779	15,777,498	6,328,850	427,263,845
Investment securities							
– FVOCI	705,490	1,824,893	12,423,999	57,398,376	39,680,009	1,767,345	113,800,112
– Amortised cost	374,535	4,939,355	27,484,760	83,550,807	49,855,915	3,221,636	169,427,008
Other financial assets	-	-	-	-	-	703,543	703,543
Total financial assets	163,518,829	51,398,213	160,309,697	346,626,404	107,299,286	15,745,894	844,898,323
Liabilities							
Due to and placements from banks and other financial institutions	(11,398,832)	(13,759,939)	(92,872,112)	(900,000)	-	(489,553)	(119,420,436)
Financial liabilities at FVPL	(590,361)	-	-	-	-	-	(590,361)
Derivative financial liabilities	-	-	-	-	-	(7,240)	(7,240)
Customer deposits	(103,118,853)	(42,722,598)	(131,968,969)	(183,151,075)	(8,650)	(13,146,759)	(474,116,904)
Debt securities issued	(2,588,492)	(16,854,931)	(129,037,970)	(31,617,909)	(10,999,090)	(461,208)	(191,559,600)
Other financial liabilities	-	-	-	-	-	(5,309,935)	(5,309,935)
Total financial liabilities	(117,696,538)	(73,337,468)	(353,879,051)	(215,668,984)	(11,007,740)	(19,414,695)	(791,004,476)
Total interest rate risk gap	45,822,291	(21,939,255)	(193,569,354)	130,957,420	96,291,546	(3,668,801)	53,893,847

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For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk (Continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
As at 31 December 2023							
Assets							
Cash and balances with central bank	39,154,037	–	–	–	–	872,370	40,026,407
Due from and placements with banks and other financial institutions	38,479,013	4,014,692	3,623,514	–	–	168,909	46,286,128
Derivative financial assets	–	–	–	–	–	89,981	89,981
Financial assets at FVPL	9,990,970	4,909,975	2,584,836	5,554,064	2,689,720	1,361,001	27,090,566
Loans and advances to customers	65,144,322	40,722,060	94,490,819	159,076,250	14,606,591	6,755,498	380,795,540
Investment securities							
– FVOCI	911,390	1,373,269	6,753,061	69,832,144	12,952,790	2,352,695	94,175,349
– Amortised cost	–	961,595	27,469,883	106,726,898	21,261,551	3,049,881	159,469,808
Other financial assets	–	–	–	–	–	728,615	728,615
Total financial assets	153,679,732	51,981,591	134,922,113	341,189,356	51,510,652	15,378,950	748,662,394
Liabilities							
Due to and placements from banks and other financial institutions	(22,670,387)	(13,897,890)	(88,782,164)	(600,000)	–	(649,474)	(126,599,915)
Financial debt at fair value through profit or loss	–	–	–	–	–	(54,608)	(54,608)
Customer deposits	(108,017,105)	(37,528,953)	(80,477,748)	(180,197,965)	(30,234)	(8,560,691)	(414,812,696)
Debt securities issued	(8,053,512)	(25,488,865)	(97,245,018)	(17,214,565)	(4,999,513)	(372,358)	(153,373,831)
Other financial liabilities	–	–	–	–	–	(3,368,241)	(3,368,241)
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 risk gap	14,938,728	(24,934,117)	(131,582,817)	143,176,826	46,480,905	2,373,578	50,453,103

The Group assesses the impact of interest rate changes on net profit and equity through sensitivity analysis. The following table illustrates the interest rate sensitivity analysis result based on the structure of assets and liabilities as at the reporting date.

Interest rate sensitivity test

The result of the interest rate sensitivity tests set out in the table below is based on the following assumptions: yield curves move parallel to the change of interest rate; the assets and liabilities portfolio has a static structure of interest rate; all positions are held and renewed after maturity. The Group has not considered the following: changes after the reporting date; the impact of interest rate fluctuations on the customers' behaviours; the complicated relationship between complex structured products and interest rate fluctuations; the impact of interest rate fluctuations on market prices; the impact of interest rate fluctuations on off-balance sheet products; and impact of risk management.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.2 Interest rate risk (Continued)

Interest rate sensitivity test (Continued)

On the basis of the above gap analysis on the interest rate, the Group implemented sensitivity test to analyse the sensitivity of bank's net interest income against change in interest rate. The table below illustrates the analysis of potential pre-tax impact on the Group's net interest income within the next year on the assumption of a 100 basis point parallel move of the yield curves on each reporting date.

	Changes of net interest income	
	As at 31 December	
	2024	2023
+ 100 basis points parallel move in all yield curves	(469,582)	(558,057)
– 100 basis points parallel move in all yield curves	469,582	558,057

The table below illustrates the potential pre-tax impact of a 100 basis point parallel move on the other comprehensive income of the Group.

	Changes of other comprehensive income	
	As at 31 December	
	2024	2023
+ 100 basis points parallel move in all yield curves	(4,696,743)	(2,635,325)
– 100 basis points parallel move in all yield curves	5,365,739	2,793,471

3.2.3 Foreign exchange risk

The Group's main business is located in China, and its main business is settled in RMB. However, the foreign currency assets and liabilities recognised by the Group and foreign currency transactions in the future still remain exposed to foreign exchange risk. The exchange rate risk is that the foreign exchange exposure level and cash flow of the Group will also be affected by fluctuations in the main foreign exchange rate. The Group's daily management of exchange rate risk is the responsibility of Trade and Finance Department. The Group mitigates and controls foreign exchange rate risk by setting foreign currency exposure limits and stop-loss limits.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.3 Foreign exchange risk (Continued)

The following tables show the Group's financial assets and liabilities at carrying amounts in RMB, categorised by the original currency:

	RMB	US Dollar	HK Dollar	Others	Total
31 December 2024					
Assets					
Cash and balances with central bank	34,361,061	146,645	407	2,355	34,510,468
Due from and placements with banks and other financial institutions	31,901,017	1,777,591	4,087	785,516	34,468,211
Derivative financial assets	44,443	–	–	–	44,443
Financial assets at FVPL	64,680,693	–	–	–	64,680,693
Loans and advances to customers	427,263,845	–	–	–	427,263,845
Investment securities					
– FVOCI	101,726,966	11,868,340	–	204,806	113,800,112
– Amortised cost	169,427,008	–	–	–	169,427,008
Other financial assets	703,543	–	–	–	703,543
Total financial assets	830,108,576	13,792,576	4,494	992,677	844,898,323
Liabilities					
Due to and placements from banks and other financial institutions	(108,657,928)	(10,762,508)	–	–	(119,420,436)
Financial liabilities at FVPL	(590,361)	–	–	–	(590,361)
Derivative financial liabilities	(7,240)	–	–	–	(7,240)
Customer deposits	(472,483,727)	(1,629,617)	(54)	(3,506)	(474,116,904)
Debt securities issued	(191,559,600)	–	–	–	(191,559,600)
Other financial liabilities	(5,309,880)	(26)	(28)	(1)	(5,309,935)
Total financial liabilities	(778,608,736)	(12,392,151)	(82)	(3,507)	(791,004,476)
Net position	51,499,840	1,400,425	4,412	989,170	53,893,847
Financial guarantees and credit related commitments	76,336,375	582,462	–	14,061	76,932,898

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.3 Foreign exchange risk (Continued)

The following tables show the Group's financial assets and liabilities at carrying amounts in RMB, categorised by the original currency: (Continued)

	RMB	US Dollar	HK Dollar	Others	Total
31 December 2023					
Assets					
Cash and balances with central bank	39,957,678	68,524	81	124	40,026,407
Due from and placements with banks and other financial institutions	44,259,766	614,658	3,175	1,408,529	46,286,128
Derivative financial assets	89,981	–	–	–	89,981
Financial assets at FVPL	27,090,566	–	–	–	27,090,566
Loans and advances to customers	380,756,844	38,696	–	–	380,795,540
Investment securities					
– FVOCI	86,892,052	7,141,281	–	142,016	94,175,349
– Amortised cost	159,469,808	–	–	–	159,469,808
Other financial assets	728,615	–	–	–	728,615
Total financial assets	739,245,310	7,863,159	3,256	1,550,669	748,662,394
Liabilities					
Due to and placements from banks and other financial institutions	(122,745,273)	(3,854,642)	–	–	(126,599,915)
Financial liabilities at FVPL	(54,608)	–	–	–	(54,608)
Customer deposits	(412,313,163)	(2,498,572)	(33)	(928)	(414,812,696)
Debt securities issued	(153,373,831)	–	–	–	(153,373,831)
Other financial liabilities	(3,368,187)	(26)	(27)	(1)	(3,368,241)
Total financial liabilities	(691,855,062)	(6,353,240)	(60)	(929)	(698,209,291)
Net position	47,390,248	1,509,919	3,196	1,549,740	50,453,103
Financial guarantees and credit related commitments	64,019,495	191,000	–	8,946	64,219,441

The Group assesses the impact of foreign exchange rate changes on net profit through sensitivity analysis. The following table illustrates the foreign exchange rate sensitivity analysis result based on the structure of assets and liabilities as at the reporting date.

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Market risk (Continued)

3.2.3 Foreign exchange risk (Continued)

Foreign exchange sensitivity test

The Group performs exchange rate sensitivity analysis on net profit before tax for the Group by measuring the impact of a change in exchange rate on foreign exchange sensitivity gap. The analysis is based on the assumptions below: the sensitivities of foreign currencies are exchange gains or losses of RMB against the foreign currency fluctuating by 1% absolute value in closing price at the reporting date. The foreign currency exchange rates against RMB move by the same amount and same trends. The portfolio of assets and liabilities has a static structure of foreign exchange risk and all positions are held and renewed after maturity. The Group has not considered the following: business changes after the reporting date, the impact of exchange rate fluctuations on the customers' behaviours; the complicated relationship between complex structured products and exchange rate fluctuations; the impact of exchange rate fluctuations on market prices, the impact of exchange rate fluctuations on off-balance sheet products; and the impact of risk management.

The table below illustrates the potential impact of 1% change of rates of RMB against foreign currencies on the Group's net profit before tax:

	Changes of expected net profit before tax	
	As at 31 December	
	2024	2023
1% upward change of foreign exchange rates	23,579	30,253
1% downward change of foreign exchange rates	(23,579)	(30,253)

3.3 Liquidity risk

3.3.1 Overview

Liquidity risk is the risk that the Group will be unable to obtain sufficient funds on a timely basis at a reasonable cost to deal with asset growth, repayment of due debts or other payment obligations. The Group's objective in liquidity management is to ensure the availability of adequate funding to meet its needs for deposit withdrawals and repayment of other liabilities as they fall due and to ensure that it is able to meet its obligations to fund loan originations and commitments while taking advantage of new investment opportunities.

The Group needs to respond to daily calls on its available cash resources from overnight deposits, current accounts, matured deposits, loan drawdowns, guarantees and cash deposit held as collateral. The Board set the minimum proportion of funds to be made available to meet such calls and the minimum level of interbank and other borrowing facilities that should be in place to cover different levels of unexpected withdrawals. As at 31 December 2024, 6% (31 December 2023: 7%) of the Bank's total RMB-denominated and 4% (31 December 2023: 4%) of the total foreign-currency-denominated customer deposits were required to be deposited with the PBOC.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.2 Liquidity risk management process

The Board or the subordinate special committee approves the policies, strategies, procedures, limits and contingency plans related to the overall management of liquidity risk according to risk preference. The asset and liability management committee is established under the top management, which is responsible for formulating and assessing the policies, strategies, procedures, limits and the contingency plans related to the overall management of the liquid risk management, and implementing the daily operations in liquidity risk management. The Asset and Liability Management Department cooperates with the Financial Market Department and other departments to form a well-organised, fully functional and efficient liquidity risk management system.

The Group proactively applies new technology to enhance the involvement of IT in liquidity risk management. A system is introduced to monitor the liquidity index and exposure, which forms a mechanism for regular, automatic liquidity risk assessment, and arrange the Bank's asset and liability operations according to current liquidity exposure. The Group actively modifies the assets and liabilities maturity structure by applying internal fund transfer pricing, while taking control of the limit of the liquidity risk positively by carrying out performance assessment. The Group pays constant attention to its liquidity risk management process, holds meetings for assets and liabilities integration, enhances and improves liquidity risk related policy, and adjusts policies in a timely manner, eventually achieving its goal in liquidity risk management.

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.3 Cash flows of non-derivative financial instruments

The table below presents the undiscounted cash flows of the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts listed in the table present the undiscounted cash flows as per the contracts.

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2024									
Liabilities									
Due to and placements from banks and other financial institutions	(116,462)	(11,358,651)	(14,010,118)	(94,417,171)	(910,868)	-	-	-	(120,813,270)
Financial liabilities at FVPL	-	(590,361)	-	-	-	-	-	-	(590,361)
Customer deposits	(80,151,203)	(23,614,908)	(43,825,401)	(138,439,057)	(202,333,626)	(10,132)	-	-	(488,374,327)
Debt securities issued	-	(2,590,000)	(17,246,493)	(131,119,350)	(34,528,800)	(12,228,500)	-	-	(197,713,143)
Other financial liabilities	(1,091,543)	(1,033,202)	(236,530)	(695,119)	(2,096,024)	(157,517)	-	-	(5,309,935)
Total financial liabilities	(81,359,208)	(39,187,122)	(75,318,542)	(364,670,697)	(239,869,318)	(12,396,149)	-	-	(812,801,036)
Assets									
Cash and balances with central bank	887,916	5,848,923	-	-	-	-	27,773,629	-	34,510,468
Due from and placements with banks and other financial institutions	4,066,231	20,959,272	5,106,868	4,368,047	-	-	-	51,176	34,551,594
Non-derivative financial assets at FVPL	-	37,233,736	6,603,258	7,670,114	10,030,867	2,519,394	2,227,831	120,696	66,405,896
Loans and advances to customers	-	12,682,960	28,219,746	110,276,942	235,584,518	105,933,539	-	6,131,313	498,829,018
Investment securities									
- FVOCI	-	3,850,474	7,847,536	8,758,216	65,537,053	46,659,656	122,115	96,000	132,871,050
- Amortised cost	-	1,013,504	6,465,785	31,931,120	92,108,307	55,183,808	-	785,937	187,488,461
Other financial assets	8,425	33,305	44,350	60,132	165,165	-	161,086	231,080	703,543
Total financial assets	4,962,572	81,622,174	54,287,543	163,064,571	403,425,910	210,296,397	30,284,661	7,416,202	955,360,030
Net liquidity gap	(76,396,636)	42,435,052	(21,030,999)	(201,606,126)	163,556,592	197,900,248	30,284,661	7,416,202	142,558,994

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.3 Cash flows of non-derivative financial instruments (Continued)

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2023									
Liabilities									
Due to and placements from banks and other financial institutions	(198,017)	(22,542,265)	(14,065,707)	(90,435,781)	(620,976)	-	-	-	(127,862,746)
Customer deposits	(87,352,736)	(21,079,580)	(38,505,200)	(83,262,895)	(201,082,784)	(39,453)	-	-	(431,322,648)
Debt securities issued	-	(8,130,000)	(25,899,898)	(98,793,000)	(19,376,363)	(5,746,000)	-	-	(157,945,261)
Other financial liabilities	(605,110)	(121,218)	(51,234)	(242,627)	(2,177,547)	(158,009)	(12,496)	-	(3,368,241)
Total financial liabilities	(88,155,863)	(51,873,063)	(78,522,039)	(272,734,303)	(223,257,670)	(5,943,462)	(12,496)	-	(720,498,896)
Assets									
Cash and balances with central bank	857,927	10,860,537	-	-	-	-	28,307,943	-	40,026,407
Due from and placements with banks and other financial institutions	6,697,139	31,841,070	4,094,818	3,712,130	-	-	-	51,176	46,396,333
Non-derivative financial assets at FVPL	-	6,879,313	1,045,226	3,125,297	14,537,687	5,048,810	1,076,526	-	31,712,859
Loans and advances to customers	-	18,702,230	43,146,256	96,438,871	194,167,775	92,355,534	-	5,659,017	450,469,683
Investment securities									
- FVOCI	-	1,483,014	2,681,242	10,978,620	78,405,784	14,164,468	85,575	277,239	108,075,942
- Amortised cost	-	486,030	2,490,578	33,097,034	116,804,047	26,791,615	-	368,279	180,037,583
Other financial assets	2,887	25,975	38,073	63,415	245,119	-	103,936	249,210	728,615
Total financial assets	7,557,953	70,278,169	53,496,193	147,415,367	404,160,412	138,360,427	29,573,980	6,604,921	857,447,422
Net liquidity gap	(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

Assets available to meet all of the liabilities include cash, balances with central bank, items in the course of collection and treasury, amounts due from and placements with banks and other financial institutions, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, certain debt securities have been pledged for liabilities. The Group would also be able to meet unexpected net cash outflows by selling securities, using credit commitments from other financial institutions, early termination of borrowings from other financial institutions and repurchase agreements and using the mandatory reserve deposits upon the PBOC's approval.

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.4 Cash flows of derivative financial instruments

Derivatives settled on a net basis

The Group's derivatives that will be settled on a net basis include interest rate swap contracts. The table below analyses the Group's derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2024				
Net outflows	1,387	1,305	–	2,692
	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2023				
Net outflow	1,722	3,392	–	5,114

Derivatives settled on a full basis

The Group's derivatives that will be settled on a full basis include interest rate swap contracts, precious metal swap contracts, currency swap contracts, and others. The table below analyses the Group's derivative financial instruments that will be settled on a full basis by relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2024				
Foreign exchange swap				
Cash inflow	1,860,064	–	222,945	2,083,009
Cash outflow	(1,817,988)	–	(203,425)	(2,021,413)
As at 31 December 2024				
Precious metal swap				
Cash inflow	–	805,774	–	805,774
Cash outflow	–	(801,450)	–	(801,450)
Other derivative financial instruments				
Cash inflow	–	–	72,231	72,231
Cash outflow	–	–	(72,231)	(72,231)

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.4 Cash flows of derivative financial instruments (Continued)

Derivatives settled on a full basis (Continued)

	Up to 3 months	3 months to 1 year	1 to 5 years	Total
As at 31 December 2023				
Foreign exchange swap				
Cash inflow	1,794,557	461,429	–	2,255,986
Cash outflow	(1,762,743)	(441,874)	–	(2,204,617)
Foreign exchange forward				
Cash inflow	699,255	–	–	699,255
Cash outflow	(698,996)	–	–	(698,996)

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.5 Maturity analysis

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2024									
Assets									
Cash and balances with central bank	887,916	5,848,923	-	-	-	-	27,773,629	-	34,510,468
Due from and placements with banks and other financial institutions	4,066,231	21,145,792	5,083,351	4,121,661	-	-	-	51,176	34,468,211
Derivative financial assets	-	-	-	-	-	-	44,443	-	44,443
Financial assets at FVPL	-	37,168,170	6,498,954	7,262,504	9,106,108	2,296,430	2,227,831	120,696	64,680,693
Loans and advances to customers	-	11,382,623	25,084,138	98,329,196	211,362,100	76,627,959	-	4,477,829	427,263,845
Investment securities									
– FVOCI	-	3,612,345	7,139,196	5,752,071	57,398,376	39,680,009	122,115	96,000	113,800,112
– Amortised cost	-	610,863	5,714,011	28,907,782	83,550,807	49,857,608	-	785,937	169,427,008
Other financial assets	8,425	33,305	44,350	60,132	165,165	-	161,086	231,080	703,543
Total financial assets	4,962,572	79,802,021	49,564,000	144,433,346	361,582,556	168,462,006	30,329,104	5,762,718	844,898,323
Liabilities									
Due to and placements from banks and other financial institutions	(116,462)	(11,343,522)	(13,865,615)	(93,193,602)	(901,235)	-	-	-	(119,420,436)
Financial liabilities at FVPL	-	(590,361)	-	-	-	-	-	-	(590,361)
Derivative financial liabilities	-	-	-	-	-	-	(7,240)	-	(7,240)
Customer deposits	(80,151,203)	(23,589,411)	(43,643,528)	(136,319,210)	(190,404,866)	(8,686)	-	-	(474,116,904)
Debt securities issued	-	(2,588,492)	(17,098,897)	(129,255,212)	(31,617,909)	(10,999,090)	-	-	(191,559,600)
Other financial liabilities	(1,091,543)	(1,033,202)	(236,530)	(695,119)	(2,096,024)	(157,517)	-	-	(5,309,935)
Total financial liabilities	(81,359,208)	(39,144,988)	(74,844,570)	(359,463,143)	(225,020,034)	(11,165,293)	(7,240)	-	(791,004,476)
Net liquidity gap	(76,396,636)	40,657,033	(25,280,570)	(215,029,797)	136,562,522	157,296,713	30,321,864	5,762,718	53,893,847

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.5 Maturity analysis (Continued)

	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Overdue	Total
As at 31 December 2023									
Assets									
Cash and balances with central bank	857,927	10,860,537	-	-	-	-	28,307,943	-	40,026,407
Due from and placements with banks and other financial institutions	6,697,139	31,804,237	4,074,539	3,659,037	-	-	-	51,176	46,286,128
Derivative financial assets	-	-	-	-	-	-	89,981	-	89,981
Financial assets at FVPL	-	6,797,087	900,380	2,493,577	12,814,815	3,008,181	1,076,526	-	27,090,566
Loans and advances to customers	-	17,596,931	40,374,662	85,952,185	170,551,166	61,938,928	-	4,381,668	380,795,540
Investment securities									
– FVOCI	-	1,209,283	1,962,811	7,855,507	69,832,144	12,952,790	85,575	277,239	94,175,349
– Amortised cost	-	230,645	1,668,615	29,213,820	106,726,898	21,261,551	-	368,279	159,469,808
Other financial assets	2,887	25,975	38,073	63,415	245,119	-	103,936	249,210	728,615
Total financial assets	7,557,953	68,524,695	49,019,080	129,237,541	360,170,142	99,161,450	29,663,961	5,327,572	748,662,394
Liabilities									
Due to and placements from banks and other financial institutions	(198,017)	(22,518,953)	(14,033,025)	(89,249,920)	(600,000)	-	-	-	(126,599,915)
Financial liabilities at FVPL	-	-	-	-	-	-	(54,608)	-	(54,608)
Customer deposits	(87,352,736)	(21,054,337)	(38,308,137)	(82,079,793)	(185,985,006)	(32,687)	-	-	(414,812,696)
Debt securities issued	-	(8,118,716)	(25,728,304)	(97,312,733)	(17,214,565)	(4,999,513)	-	-	(153,373,831)
Other financial liabilities	(605,110)	(121,218)	(51,234)	(242,627)	(2,177,547)	(158,009)	(12,496)	-	(3,368,241)
Total financial liabilities	(88,155,863)	(51,813,224)	(78,120,700)	(268,885,073)	(205,977,118)	(5,190,209)	(67,104)	-	(698,209,291)
Net liquidity gap	(80,597,910)	16,711,471	(29,101,620)	(139,647,532)	154,193,024	93,971,241	29,596,857	5,327,572	50,453,103

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

3.3.6 Off-balance-sheet items

The table below lists the off-balance-sheet items of the Group according to their remaining term to maturity, and also includes the future minimum lease payments under non-cancellable operating leases where the Group are the lessees. The financial commitments are listed by the earliest maturity date in notional principal.

	Up to 1 year	1 to 5 years	Over 5 years	Total
As at 31 December 2024				
Bank acceptance bills	59,148,780	–	–	59,148,780
Letters of credit	9,874,916	–	–	9,874,916
Letters of guarantee	552,866	766,123	1,539	1,320,528
Confirmation	1,089,491	–	–	1,089,491
Other financial guarantees and credit related commitments	5,499,183	–	–	5,499,183
Capital expenditure commitments	228,453	15,391	–	243,844
Total	76,393,689	781,514	1,539	77,176,742
As at 31 December 2023				
Bank acceptance bills	48,207,232	–	–	48,207,232
Letters of credit	7,473,000	–	–	7,473,000
Letters of guarantee	1,099,880	307,700	200	1,407,780
Confirmation	1,068,790	–	–	1,068,790
Other financial guarantees and credit related commitments	6,062,639	–	–	6,062,639
Capital expenditure commitments	82,135	49,979	–	132,114
Total	63,993,676	357,679	200	64,351,555

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 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 consolidated statement of financial position mainly include: balances with central bank, amounts due from and placements with banks and other financial institutions, loans and advances to customers, financial assets at amortised cost, amounts 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 amount of financial assets and liabilities that are not measured at fair value is a reasonable approximation of their fair value.

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

	As at 31 December 2024				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investment securities					
– Amortised cost	169,427,008	–	155,353,811	19,579,635	174,933,446
Financial liabilities					
Debt securities issued	191,559,600	15,379,000	179,087,108	–	194,466,108
	As at 31 December 2023				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
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

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

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

Investment securities

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

Debt securities issued

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

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

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(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).

The following table presents the Group's financial assets and liabilities that are measured at fair value on a recurring basis:

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Loans and advances to customers				
– Discounted bills	–	27,674,398	–	27,674,398
Financial assets at FVPL				
– Debt securities	–	17,259,258	–	17,259,258
– Fund investments	24,752,744	–	–	24,752,744
– Inter-bank certificate of deposit	–	11,363,208	–	11,363,208
– Trust investments	–	–	2,885,840	2,885,840
– Asset management plans	–	–	5,183,076	5,183,076
– Wealth management products purchased from financial institutions	–	–	1,008,736	1,008,736
– Equity investments at fair value	546,103	1,226,380	455,348	2,227,831
– Derivative financial instruments	–	44,443	–	44,443
Total	25,298,847	29,893,289	9,533,000	64,725,136
Financial investments at FVOCI				
– Debt securities	–	113,677,997	–	113,677,997
– Equity investments	–	–	122,115	122,115
	–	113,677,997	122,115	113,800,112
Total	25,298,847	171,245,684	9,655,115	206,199,646

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value on a recurring basis: (Continued)

As at 31 December 2023	Level 1	Level 2	Level 3	Total
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
– Inter-bank certificate of deposit	–	984,859	–	984,859
– Trust investments	–	–	3,884,172	3,884,172
– Asset management plans	–	–	8,231,181	8,231,181
– Equity investments at fair value	621,922	–	454,604	1,076,526
– Derivative financial instruments	–	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

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 years ended 31 December 2024 and 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 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 include risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, lack of liquidity discount and so on.

Specific valuation techniques used to value financial instruments include:

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

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

Changes in Level 3 financial assets are analysed below:

	Financial assets at FVPL	Investment securities at FVOCI
Balance at 31 December 2023	12,569,957	85,575
Total gains or losses		
– Current profits and losses	(245,066)	–
– Other comprehensive income	–	36,540
Purchases	1,000,000	–
Sales and settlement	(3,791,891)	–
Balance at 31 December 2024	9,533,000	122,115
Total unrealised gains for the year included in profit and loss for financial assets held as at 31 December 2024	(163,656)	–
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)
Purchases	401,784	–
Sales and settlement	(2,908,446)	–
Balance at 31 December 2023	12,569,957	85,575
Total unrealised gains for the year included in profit and loss for financial assets held as at 31 December 2023	12,415	–

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 model and market method. The models incorporate various non-observable assumptions such as discount rate and market rate volatilities.

As at 31 December 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 Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Capital management

The Group's objectives when managing capital, which is a broader concept than 'equity' on the consolidated statement of financial position, are:

- To comply with the capital requirements set by the regulators of the banking markets where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Group has calculated the capital adequacy ratio since 1 January 2024 in accordance with the *Rules for Regulating the of Capital of Commercial Banks* issued by the NFRA in 2023. As required, the Group measured the credit risk-weighted assets using the weighting method, market risk-weighted assets using the simplified standard method, and operational risk-weighted assets using the standard method during the reporting period.

According to the capital regulatory requirements set forth in the *Rules for Regulating the of Capital of Commercial Banks*, the minimum core tier I capital adequacy ratio must not be less than 7.5%, the tier I capital adequacy ratio must not be less than 8.5%, and the capital adequacy ratio must not be less than 10.5%. At present, the Group is fully compliant with legal and regulatory requirements.

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Capital management (Continued)

The capital adequacy ratios calculated by the Group based on the *Rules for Regulating the Capital Adequacy of Commercial Banks* are as follows:

	As at 31 December	
	2024	2023
Core capital:		
Share capital	3,474,569	3,474,562
Counted part of capital surplus	9,378,241	8,881,694
Eligible portion of other equity instruments	1,071,663	1,071,670
Surplus reserve and general reserve	13,925,992	12,728,009
Counted part of retained earnings	25,363,111	23,762,205
Capital contribution by non-controlling interests	1,689,943	1,540,079
Core tier I Capital deductibles items:		
Full deduction items	(577,784)	(454,749)
Threshold deduction items	–	–
Core tier I Capital, net	54,325,735	51,003,470
Other tier I Capital, net	7,224,920	7,204,938
Tier II Capital, net	17,920,031	11,500,585
Net capital	79,470,686	69,708,993
On-balance sheet risk-weighted assets	517,164,597	490,167,180
Off-balance sheet risk-weighted assets	6,728,580	3,049,656
Risk-weighted assets for exposure to counterparty credit risk	79,144	64,834
Total credit risk-weighted assets	523,972,321	493,281,670
Total market risk-weighted assets	3,081,108	2,551,278
Total operational risk-weighted assets	22,686,611	25,745,069
Total risk-weighted assets before applying capital base	549,740,040	521,578,017
Total risk-weighted assets after applying capital base	549,740,040	521,578,017
Core tier I Capital adequacy ratio	9.88%	9.78%
Tier I Capital adequacy ratio	11.20%	11.16%
Capital adequacy ratio	14.46%	13.37%

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.6 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 31 December 2024, the Group's entrusted loans amounted to RMB5,138,143 thousand (31 December 2023: RMB5,477,165 thousand).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation models (e.g. discounted cash flow model). To the extent of practicality, only observable data is used in the discounted cash flow model. However, areas such as expected future cash flows, credit risks (from both parties of transactions), market volatilities and correlations require the management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(b) Consolidation of structured entity

Structured entity refers that when judging the control side of the entity, the key elements to consider are the contracts which the entities' main activities are based on or the corresponding arrangements rather than the voting rights or similar rights (for example: the voting rights are just associated with administrative matters only).

When the Group acts as the asset manager in structured entity, the Group needs to identify its own role as the agent or the trustee to make decisions for the structured entity. If the Group's role is just an agent, the Group's primary responsibility is to exercise decision-making authority for other parties (other investors of the structured entity), and therefore the Group does not control the structured entity. However, if the Group's primary responsibility is to exercise decision-making authority for itself, thus the Group controls the structured entity. During the evaluation to identify its own role as the agent or the trustee, the Group considers many factors, such as the purpose and design of structured entities, the Group's ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fees, and benefits received or losses incurred from providing credit enhancement or liquidity support.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

(c) Income taxes

There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. The Group has made estimates for items of uncertainty and application of new tax legislation taking into account existing tax legislation and policies given by authorities in charge in previous years. Where the final tax outcomes of these matters are different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

(d) Measurement of the expected credit loss

The measurement of the expected credit loss for financial assets including loans and advances to customers and investment securities measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant estimates and judgements are also required in applying the accounting requirements to measuring ECL, such as:

- Significant increase in credit risk – Criteria for determining whether significant increase in credit risk has occurred are highly judgemental, and may have a significant impact on expected credit losses for loans and advances to customers (“loans”) and financial investments at amortised cost with longer outstanding maturities;
- Models and parameters – Complex models, numerous inputs and parameters are used to measure expected credit losses, involving plenty of management judgements and assumptions;
- Forward-looking information – Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for probability weighted multiple economic scenarios;
- Individual impairment assessment – Identifying credit impaired loans requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 3.1.4.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

5 SUBSIDIARIES

As at 31 December 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	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	69.09%	69.09%	Financial services

	Assets	Liabilities	Revenue	Net profit
Chongqing Xinyu Financial Leasing Co., Ltd.	47,871,943	42,412,309	1,565,211	823,656
Xingyi Wanfeng Village Bank Co., Ltd.	880,207	756,131	34,978	378
	48,752,150	43,168,440	1,600,189	824,034

As at 31 December 2023, 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	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	Liabilities	Revenue	Net profit
Chongqing Xinyu Financial Leasing Co., Ltd.	40,639,942	35,817,962	1,377,588	615,085
Xingyi Wanfeng Village Bank Co., Ltd.	860,012	736,436	36,129	88
	41,499,954	36,554,398	1,413,717	615,173

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

Notes to Consolidated Financial Statements

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6 NET INTEREST INCOME

	2024	2023
Interest income		
Balances with central bank	474,756	478,922
Due from and placements with banks and other financial institutions	1,256,685	806,174
Loans and advances to customers	18,329,123	17,685,096
Investment securities	8,630,247	9,315,337
Subtotal	28,690,811	28,285,529
Interest expense		
Due to and placements from banks and other financial institutions	(3,083,068)	(2,915,657)
Customer deposits	(11,382,359)	(11,000,038)
Debt securities issued	(4,043,751)	(3,918,038)
Other liabilities	(5,504)	(4,793)
Subtotal	(18,514,682)	(17,838,526)
Net interest income	10,176,129	10,447,003

7 NET FEE AND COMMISSION INCOME

	2024	2023
Fee and commission income		
Wealth management agency service	679,275	348,337
Guarantees and credit commitments	81,361	59,802
Settlement and agency services	231,040	95,696
Bank card services and annual fee	101,330	98,087
Custodian service	27,718	28,377
Subtotal	1,120,724	630,299
Fee and commission expense		
Settlement and agency services	(77,850)	(73,920)
Bank card services	(104,597)	(113,130)
Others	(50,678)	(31,811)
Subtotal	(233,125)	(218,861)
Net fee and commission income	887,599	411,438

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

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8 NET TRADING GAINS

	2024	2023
Foreign exchange losses	11,623	9,809
Bond and fund investments	764,676	548,830
Equity investments	22,084	(111,947)
Derivatives	(10,860)	(6,136)
Total	787,523	440,556

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

9 NET GAINS ON INVESTMENT SECURITIES

	2024	2023
Net gains arising from financial assets at FVPL and net gains on disposal of investment securities at FVOCI	736,588	942,528
Net gains on derecognition of investment securities at amortised cost	532,996	369,853
Total	1,269,584	1,312,381

10 OTHER OPERATING INCOME

	2024	2023
Government grants ^(a)	102,318	158,661
Rental income ^(b)	24,741	34,759
Dividend income	4,624	11,040
Gains on disposal of long-term assets	6,596	22,938
Other miscellaneous income ^(c)	4,053	6,739
Total	142,332	234,137

(a) The government grants mainly include enterprise development support bonus, 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 and machinery equipment.

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

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11 OPERATING EXPENSES

	2024	2023
Staff costs (Note 13)	2,297,211	2,124,527
General and administrative expenses	938,340	915,154
Tax and surcharges	180,742	185,411
Depreciation of property, plant and equipment (Note 24)	227,179	216,304
Amortisation of intangible assets (Note 25(b))	170,446	135,955
Depreciation of right-of-use assets (Note 25(c))	79,315	66,493
Depreciation of investment properties (Note 25(f))	838	293
Amortisation of long-term prepaid expenses	31,141	23,711
Rental expenses	4,384	4,982
Professional fees	149,655	125,637
Auditors' remuneration		
– Audit services	5,804	5,280
Donations	3,200	4,180
Others	9,296	81,932
Total	4,097,551	3,889,859

12 CREDIT IMPAIRMENT LOSSES

	2024	2023
Loans and advances to customers carried at amortised cost	3,599,868	3,093,926
Loans and advances to customers at FVOCI	(29,037)	(18,016)
Investment securities – Amortised cost	(270,084)	602,642
Investment securities – FVOCI	(104,278)	62,513
Loan commitments and financial guarantee contracts	1,898	(150,006)
Due from and placements with banks and other financial institutions	(2,862)	10,732
Other credit impairment losses	(6,857)	(358,819)
Total	3,188,648	3,242,972

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(In RMB thousands, unless otherwise stated)

13 STAFF COSTS

	2024	2023
Salaries and bonuses	1,647,512	1,514,864
Pension expenses (Note 31)	239,909	231,219
Housing benefits and subsidies	147,741	140,779
Labour union and staff education funds	40,924	36,667
Other social security and benefit costs	221,125	200,998
Total	2,297,211	2,124,527

Five highest paid individuals

The five individuals with highest emoluments exclude one of directors and supervisors for the year ended 31 December 2024 (2023: nil), whose emoluments were included in Note 14 below. The aggregate emolument of the remaining four (2023: five) highest paid individuals who were neither directors nor supervisors of the Bank is as follows.

	2024
Paid remuneration	8,014
Contribution to pension schemes	520
Total	8,534

	2023
Paid remuneration	10,401
Contribution to pension schemes	661
Total	11,062

The emoluments payable to the senior management and individuals fell within the following bands:

	Number of individuals	
	2024	2023
RMB1,500,001 – RMB2,000,000	1	1
RMB2,000,001 – RMB2,500,000	3	3
RMB2,500,001 – RMB3,000,000	–	1
Total	4	5

No emoluments had been paid by the Group to any of the directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for demission.

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14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors' and supervisors' emoluments

Details of the directors' and supervisors' emoluments for the year ended 31 December 2024 are as follows:

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Executive directors						
Yang Xiuming	41.48	14.36	–	–	55.84	
Gao Song	41.48	14.06	4.80	–	60.34	
Non-executive directors						
WONG Hon Hing	–	–	–	15.25	15.25	According to the requirement of SAIC Group Co., Ltd., the nominating shareholder, no emolument will be paid
Wu Heng	–	–	–	–	–	
Guo Xile	–	–	–	7.30	7.30	
Liu Xing	–	–	–	20.35	20.35	
Wang Rong	–	–	–	20.35	20.35	
Yuan Xiaobin	–	–	–	19.15	19.15	
Fung Don Hau	–	–	–	19.30	19.30	
Zhu Yanjian	–	–	–	16.95	16.95	
Supervisors						
Yin Jun	–	–	–	–	–	
Wu Ping	–	–	–	–	–	
Zhou Xiaohong	–	–	–	–	–	

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(In RMB thousands, unless otherwise stated)

14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Details of the directors' and supervisors' emoluments for the year ended 31 December 2024 are as follows:
(Continued)

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Supervisors						
Chen Zhong	–	–	–	8.60	8.60	
Peng Daihui	–	–	–	10.30	10.30	
Hou Guoyue	–	–	–	9.30	9.30	
Qi Jun	–	–	–	7.00	7.00	
Resigning director						
Lin Jun	3.46	1.50	–	–	4.96	Chairman and executive director resigned in January 2024
Liu Jianhua	27.65	11.89	3.20	–	42.74	Executive director resigned in October 2024
Huang Huasheng	33.18	0.39	–	–	33.57	Executive director expired in December 2024
Wang Fengyan	–	–	–	5.78	5.78	Non-executive director resigned in July 2024
You Lili	–	–	–	8.39	8.39	Non-executive director resigned in November 2024
Zhou Qiang	–	–	–	9.30	9.30	Non-executive director expired in December 2024
Resigning Supervisor						
Huang Changsheng	13.83	6.01	1.60	–	21.44	Employee Supervisor resigned in May 2024
Total	161.08	48.21	9.60	177.32	396.21	

The total remuneration packages (including discretionary bonus) for directors and supervisors for the year ended 31 December 2024 have not yet been finalised in accordance with relevant regulations of the relevant authorities in PRC. The amount of the remuneration not provided for is not expected to have any significant impact on the Group's consolidated financial statements for the year ended 31 December 2024.

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14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Details of the directors' and supervisors' emoluments for the year ended 31 December 2023 are as follows:

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Executive directors						
Gao Song	17.28	5.59	2.00	–	24.87	The payday in our bank was from August 2023 to December 2023
Liu Jianhua	33.18	13.53	3.84	–	50.55	
WONG Wah Sing	33.18	0.39	–	–	33.57	
Non-executive directors						
WONG Hon Hing	–	–	–	17.20	17.20	According to the requirement of SAIC Group Co., Ltd., the nominating shareholder, no emolument will be paid
Wu Heng	–	–	–	–	–	
Wang Fengyan	–	–	–	9.11	9.11	
You Lili	–	–	–	9.90	9.90	Non-executive Director since December 2023
Liu Xing	–	–	–	22.00	22.00	
Wang Rong	–	–	–	21.85	21.85	
Yuan Xiaobin	–	–	–	18.55	18.55	Non-executive Director since December 2023
Zhou Qiang	–	–	–	–	–	
Fung Don Hau	–	–	–	23.20	23.20	
Zhu Yanjian	–	–	–	0.93	0.93	

Notes to Consolidated Financial Statements

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(In RMB thousands, unless otherwise stated)

14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Details of the directors' and supervisors' emoluments for the year ended 31 December 2023 are as follows:
(Continued)

Expressed in ten thousands of RMB

Name	Paid remuneration	Contribution to pension schemes	Other monetary income	Part-time fee	Total emoluments before tax	Notes
Supervisors						
Huang Changsheng	33.18	13.53	3.84	—	50.55	
Yin Jun	—	—	—	—	—	
Wu Ping	—	—	—	—	—	
Chen Zhong	—	—	—	8.90	8.90	
Peng Daihui	—	—	—	11.60	11.60	
Hou Guoyue	—	—	—	9.80	9.80	
Qi Jun	—	—	—	7.30	7.30	
Resigning director						
Lin Jun	41.48	13.72	—	—	55.20	Chairman and executive director resigned in January 2024
Ran Hailing	24.20	8.17	—	—	32.37	Executive director and president resigned in August 2023
Yang Yusong	—	—	—	8.83	8.83	Executive director resigned in October 2023
Zhong Xian	—	—	—	1.38	1.38	Non-executive director resigned in February 2023
Zou Hong	—	—	—	11.18	11.18	Independent non-executive director resigned in September 2023
Total	182.50	54.93	9.68	181.73	428.84	

(b) Directors' and supervisors' retirement benefits

For the year ended 31 December 2024, no retirement benefits were paid to the directors or supervisors by the defined benefit pension plan operated by the Group (2023: Nil).

(c) Directors' and supervisors' termination benefits

For the year ended 31 December 2024, no termination benefits were paid to the directors or supervisors by the Group (2023: Nil).

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14 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(d) Consideration provided to third parties for making available directors' and supervisors' services

For the year ended 31 December 2024, no consideration was provided to third parties for making available directors' and supervisor' services by the Group (2023: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, supervisors and body corporates controlled by such directors and supervisors

For the year ended 31 December 2024, no loan, quasi-loan and other dealing was entered into by the Group, where applicable, in favour of body corporates controlled by directors and supervisors. The information about loans, quasi-loans and other dealings entered into by the Group, where applicable, in favour of a director and a supervisor is as follows:

Name of director	Nature of connection	Outstanding at the beginning of the year	Outstanding at the end of the year	Maximum outstanding during the year	Amounts due but not been paid	Provisions for doubtful/bad debts made	Term	Interest rate	Security
Liu Jianhua	Executive director	563	-	563	-	-	18 years, average capital plus interest	3.565%	mortgaged by real estate

For the year ended 31 December 2023, no loan, quasi-loan and other dealing was entered into by the Group, where applicable, in favour of body corporates controlled by directors and supervisors. The information about loans, quasi-loans and other dealings entered into by the Group, where applicable, in favour of a director and a supervisor is as follows:

Name of director	Nature of connection	Outstanding at the beginning of the year	Outstanding at the end of the year	Maximum outstanding during the year	Amounts due but not been paid	Provisions for doubtful/bad debts made	Term	Interest rate	Security
Liu Jianhua	Executive director	604	563	604	-	-	18 years, average capital plus interest	3.565%	mortgaged by real estate

(f) Directors' and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business, to which the Group was a party and in which a director or a supervisor of the Group had a material interest, whether directly or indirectly, subsisted at the end of 2024 or at any time during the year (2023: Nil).

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15 INCOME TAX EXPENSE

	2024	2023
Current income tax	1,099,249	1,128,535
Deferred income tax (Note 30)	(226,349)	(269,848)
Total	872,900	858,687

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

A reconciliation 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 is as follows:

	2024	2023
Profit before income tax	6,393,931	6,087,642
Income tax calculated at statutory tax rate of 25%	1,598,483	1,521,911
The effect of a preferential tax rate of subsidiaries	–	(72,668)
Tax effect arising from non-taxable income ^(a)	(985,875)	(852,400)
Tax effect of expenses that are not deductible for tax purposes ^(b)	456,640	258,724
Income tax adjustment for prior years	538	3,120
The impact of tax rate changes on the balance of deferred income tax at the beginning of the period	(196,886)	–
Income tax expense	872,900	858,687

(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 that do not meet the pre-tax deduction conditions, as well as the part of certain expenditures, such as entertainment expenses, which exceed the tax deduction limits pursuant to PRC Laws.

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16 BASIC AND DILUTED EARNINGS PER SHARE

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

	2024	2023
Net profit attributable to shareholders of the Bank	5,117,290	4,929,787
Less: Net profit attributable to other equity holders of the Bank	(324,000)	(211,500)
Net profit attributable to ordinary shareholders of the Bank	4,793,290	4,718,287
Weighted average number of ordinary shares issued (in thousands)	3,474,565	3,474,552
Basic earnings per share (in RMB)	1.38	1.36

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

	2024	2023
Net profit attributable to ordinary shareholders of the Bank	4,793,290	4,718,287
Add: Interest expense on convertible bonds, net of tax	431,141	431,720
Net profit used to determine diluted earnings per share	5,224,431	5,150,007
Weighted average number of ordinary shares issued (in thousands)	3,474,565	3,474,552
Add: Weighted average number of ordinary shares with the assumption of the conversion of all dilutive shares (in thousands)	1,288,335	1,238,036
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	4,762,900	4,712,588
Diluted earnings per share (in RMB)	1.10	1.09

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17 CASH AND BALANCES WITH CENTRAL BANK

	As at 31 December	
	2024	2023
Cash	887,916	857,927
Mandatory reserve deposits with central bank	27,773,600	28,077,005
Surplus reserve deposits with central bank	5,837,298	10,846,094
Fiscal deposits	30	230,938
Subtotal	34,498,844	40,011,964
Accrued interest	11,624	14,443
Total	34,510,468	40,026,407

The Group is required to place mandatory reserve deposits with central bank. The deposits are calculated based on the amount of customer deposits placed with the Group. As at 31 December 2024, the mandatory reserve rate of the Bank for deposits denominated in RMB was 6% (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.

18 DUE FROM AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2024	2023
Bills purchased under resale agreements	2,147,353	7,026,684
Securities purchased under resale agreements	14,656,224	23,412,590
Due from banks and other financial institutions	6,002,720	6,733,923
Placements with banks and other financial institutions	11,698,459	9,155,236
Subtotal	34,504,756	46,328,433
Accrued interest	126,336	123,438
Less: ECL allowance	(162,881)	(165,743)
Total	34,468,211	46,286,128

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

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19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
Financial assets at FVPL		
– Listed outside Hong Kong	546,103	621,922
– Unlisted	64,134,590	26,468,644
Total	64,680,693	27,090,566

Unlisted financial assets measured at FVPL are set out below:

	As at 31 December	
	2024	2023
Unlisted financial assets at FVPL		
– Corporate bonds	4,076,268	–
– Trust investments ^(a)	2,885,840	3,884,172
– Asset management plans ^(b)	5,183,076	8,231,181
– Wealth management products purchased from financial institutions	1,008,736	–
– Fund investments	24,752,744	4,303,474
– Inter-bank certificates of deposit	11,363,208	984,859
– Commercial bank bonds	8,714,523	4,402,124
– Government bonds	1,349,734	560,431
– Policy bank bonds	3,118,733	3,647,799
– Equity Investment	1,681,728	454,604
Total	64,134,590	26,468,644

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

As at 31 December 2024, there were no financial assets at FVPL of the Group pledged to third parties under repurchase agreements (31 December 2023: Nil).

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(In RMB thousands, unless otherwise stated)

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

(a) Trust investment

	As at 31 December	
	2024	2023
Trust investments purchased from trust companies		
– Guaranteed by third-party companies	2,341,918	3,300,827
– Unsecured	543,922	583,345
Total	2,885,840	3,884,172

(b) Asset management plans

	As at 31 December	
	2024	2023
Asset management plans purchased from securities companies		
– Guaranteed by third-party companies	5,183,076	8,231,181

Financial assets at fair value through profit or loss by the issuer are set out below:

	As at 31 December	
	2024	2023
Financial assets at FVPL		
– Trust companies	2,885,840	3,884,172
– Securities companies	5,183,076	8,231,181
– Commercial banks	21,086,467	5,386,983
– Fund companies	24,752,744	4,303,474
– Corporations	4,076,268	–
– Governments	1,349,734	560,431
– Policy banks	3,118,733	3,647,799
– Equity investment	2,227,831	1,076,526
Total	64,680,693	27,090,566

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20 DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2024	Notional amount	Fair value	
		Assets	Liabilities
Interest rate swap	40,090,727	4,589	(5,118)
Foreign exchange swap	2,021,413	36,708	(238)
Precious metal swap	805,774	1,318	–
Others	82,175	1,828	(1,884)
Total	43,000,089	44,443	(7,240)

As at 31 December 2023	Notional amount	Fair value	
		Assets	Liabilities
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)
Total	53,979,055	89,981	(54,608)

21 LOANS AND ADVANCES TO CUSTOMERS

	As at 31 December	
	2024	2023
Loans and advances to customers		
– Amortised cost	410,621,083	345,348,001
– FVOCI	27,674,398	44,852,396
Total	438,295,481	390,200,397
Accrued interest	2,320,880	2,734,569
Less: ECL allowance	(13,352,516)	(12,139,426)
Carrying amount of loans and advances to customers	427,263,845	380,795,540

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(a) Loans and advances to customers analysis

	As at 31 December	
	2024	2023
Loans and advances to corporate entities – Amortised cost		
– Corporate loans and advances	313,003,213	250,398,073
Loans and advances to corporate entities – FVOCI		
– Discounted bills	27,674,398	44,852,396
Subtotal	340,677,611	295,250,469
Loans and advances to individuals – Amortised cost		
– Mortgage loans	39,282,720	40,321,906
– Individual business loans	21,660,113	22,528,071
– Individual consumption loans	14,719,024	9,774,856
– Credit card advances	21,956,013	22,325,095
Subtotal	97,617,870	94,949,928
Total	438,295,481	390,200,397
Accrued interest	2,320,880	2,734,569
Gross amount of loans and advances to customers	440,616,361	392,934,966
Less: ECL allowance	(13,352,516)	(12,139,426)
Carrying amount of loans and advances to customers	427,263,845	380,795,540

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Credit quality of loans and advances to customers

	As at 31 December 2024				
	Overdue within 90 days (inclusive)	Overdue for 90 days to 1 year (inclusive)	Overdue for 1 to 3 years (inclusive)	Overdue for more than 3 years	Total
Collateralised loans	1,774,672	1,768,459	1,170,054	74,668	4,787,853
Guaranteed loans	618,706	228,279	234,169	5,537	1,086,691
Unsecured loans	281,999	843,650	334,717	32,640	1,493,006
Pledged loans	156,180	4,150	74,270	–	234,600
Total	2,831,557	2,844,538	1,813,210	112,845	7,602,150

	As at 31 December 2023				
	Overdue within 90 days (inclusive)	Overdue for 90 days to 1 year (inclusive)	Overdue for 1 to 3 years (inclusive)	Overdue for more than 3 years	Total
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

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements on impairment allowance for loans and advances to customers

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

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Loans and advances to corporate entities				
As at 31 December 2023	2,546,229	2,246,685	4,736,800	9,529,714
New financial assets originated or purchased	1,826,722	–	–	1,826,722
Remeasurement	(445,484)	1,169,233	1,115,084	1,838,833
Repayments	(1,013,485)	(376,089)	(318,243)	(1,707,817)
Write-offs and disposals	–	–	(1,863,591)	(1,863,591)
Transfers:				
Transfer from Stage 1 to Stage 2	(62,181)	62,181	–	–
Transfer from Stage 1 to Stage 3	(9,730)	–	9,730	–
Transfer from Stage 2 to Stage 1	332,905	(332,905)	–	–
Transfer from Stage 2 to Stage 3	–	(547,307)	547,307	–
Transfer from Stage 3 to Stage 1	52,251	–	(52,251)	–
Transfer from Stage 3 to Stage 2	–	266,571	(266,571)	–
Recoveries of loans and advances written off in previous years	–	–	517,488	517,488
Unwind impact of discount	–	–	(49,068)	(49,068)
As at 31 December 2024	3,227,227	2,488,369	4,376,685	10,092,281

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Loans and advances to corporate entities				
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-offs and disposals	–	–	(919,659)	(919,659)
Transfers:				
Transfer from Stage 1 to Stage 2	(105,289)	105,289	–	–
Transfer from Stage 1 to Stage 3	(22,932)	–	22,932	–
Transfer from Stage 2 to Stage 1	131,632	(131,632)	–	–
Transfer from Stage 2 to Stage 3	–	(265,407)	265,407	–
Transfer from Stage 3 to Stage 1	4,988	–	(4,988)	–
Transfer from Stage 3 to Stage 2	–	50,517	(50,517)	–
Recoveries of loans and advances written off in previous years	–	–	382,608	382,608
Unwind impact of discount	–	–	(22,854)	(22,854)
As at 31 December 2023	2,546,229	2,246,685	4,736,800	9,529,714

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements on impairment allowance for loans and advances to customers (Continued)

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

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
	12M ECL	(No Credit	ECL (Credit	Total
Retail loans		Impairment)	Impairment	
			Occurred)	
As at 31 December 2023	610,247	908,947	1,090,518	2,609,712
New financial assets originated or purchased	385,104	–	–	385,104
Remeasurement	(13,601)	643,962	1,291,219	1,921,580
Repayments	(290,684)	(224,113)	(149,757)	(664,554)
Write-offs and disposals	–	–	(1,185,756)	(1,185,756)
Transfers:				
Transfer from Stage 1 to Stage 2	(38,717)	38,717	–	–
Transfer from Stage 1 to Stage 3	(33,587)	–	33,587	–
Transfer from Stage 2 to Stage 1	123,987	(123,987)	–	–
Transfer from Stage 2 to Stage 3	–	(255,122)	255,122	–
Transfer from Stage 3 to Stage 1	11,108	–	(11,108)	–
Transfer from Stage 3 to Stage 2	–	21,625	(21,625)	–
Recoveries of loans and advances written off in previous years	–	–	221,968	221,968
Unwind impact of discount	–	–	(27,819)	(27,819)
As at 31 December 2024	753,857	1,010,029	1,496,349	3,260,235

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
	12M ECL	(No Credit	ECL (Credit	Total
Retail loans		Impairment)	Impairment	
			Occurred)	
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-offs and disposals	–	–	(663,157)	(663,157)
Transfers:				
Transfer from Stage 1 to Stage 2	(50,403)	50,403	–	–
Transfer from Stage 1 to Stage 3	(51,306)	–	51,306	–
Transfer from Stage 2 to Stage 1	36,192	(36,192)	–	–
Transfer from Stage 2 to Stage 3	–	(165,379)	165,379	–
Transfer from Stage 3 to Stage 1	7,525	–	(7,525)	–
Transfer from Stage 3 to Stage 2	–	15,810	(15,810)	–
Recoveries of loans and advances written off in previous years	–	–	163,310	163,310
Unwind impact of discount	–	–	(21,919)	(21,919)
As at 31 December 2023	610,247	908,947	1,090,518	2,609,712

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(c) Movements on impairment allowance for loans and advances to customers (Continued)

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

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL (No Credit Impairment)	Lifetime ECL (Credit Impairment Occurred)	
Discounted bills	12M ECL			Total
As at 31 December 2023	65,761	–	–	65,761
New financial assets originated or purchased	36,724	–	–	36,724
Repayments	(65,761)	–	–	(65,761)
As at 31 December 2024	36,724	–	–	36,724
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

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Loans and advances to corporate entities				
As at 31 December 2023	231,678,264	11,621,999	7,097,810	250,398,073
New financial assets originated or purchased	155,954,301	–	–	155,954,301
Proceeds received	(87,646,107)	(2,691,530)	(487,144)	(90,824,781)
Financial assets derecognised other than write-offs	–	–	(665,540)	(665,540)
Write-offs	–	–	(1,858,840)	(1,858,840)
Transfers:				
Transfer from Stage 1 to Stage 2	(3,990,359)	3,990,359	–	–
Transfer from Stage 1 to Stage 3	(564,830)	–	564,830	–
Transfer from Stage 2 to Stage 1	1,807,949	(1,807,949)	–	–
Transfer from Stage 2 to Stage 3	–	(2,374,624)	2,374,624	–
Transfer from Stage 3 to Stage 1	76,000	–	(76,000)	–
Transfer from Stage 3 to Stage 2	–	428,357	(428,357)	–
As at 31 December 2024	297,315,218	9,166,612	6,521,383	313,003,213

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Loans and advances to corporate entities				
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-offs	–	–	(727,295)	(727,295)
Transfers:				
Transfer from Stage 1 to Stage 2	(5,910,989)	5,910,989	–	–
Transfer from Stage 1 to Stage 3	(1,144,657)	–	1,144,657	–
Transfer from Stage 2 to Stage 1	929,503	(929,503)	–	–
Transfer from Stage 2 to Stage 3	–	(1,768,243)	1,768,243	–
Transfer from Stage 3 to Stage 1	6,650	–	(6,650)	–
Transfer from Stage 3 to Stage 2	–	144,334	(144,334)	–
As at 31 December 2023	231,678,264	11,621,999	7,097,810	250,398,073

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
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	37,150,559	–	–	37,150,559
Proceeds received	(32,225,556)	(733,214)	(326,460)	(33,285,230)
Financial assets derecognised other than write-offs	–	–	(16,292)	(16,292)
Write-offs	–	–	(1,181,095)	(1,181,095)
Transfers:				
Transfer from Stage 1 to Stage 2	(2,076,233)	2,076,233	–	–
Transfer from Stage 1 to Stage 3	(1,563,254)	–	1,563,254	–
Transfer from Stage 2 to Stage 1	391,999	(391,999)	–	–
Transfer from Stage 2 to Stage 3	–	(768,734)	768,734	–
Transfer from Stage 3 to Stage 1	19,383	–	(19,383)	–
Transfer from Stage 3 to Stage 2	–	37,119	(37,119)	–
As at 31 December 2024	91,939,501	3,015,879	2,662,490	97,617,870

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Retail loans				
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-offs	–	–	(663,157)	(663,157)
Transfers:				
Transfer from Stage 1 to Stage 2	(1,936,517)	1,936,517	–	–
Transfer from Stage 1 to Stage 3	(1,057,648)	–	1,057,648	–
Transfer from Stage 2 to Stage 1	254,729	(254,729)	–	–
Transfer from Stage 2 to Stage 3	–	(528,075)	528,075	–
Transfer from Stage 3 to Stage 1	15,332	–	(15,332)	–
Transfer from Stage 3 to Stage 2	–	34,447	(34,447)	–
As at 31 December 2023	90,242,603	2,796,474	1,910,851	94,949,928

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21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

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

	Stage 1	Stage 2	Stage 3	
	12M ECL	Lifetime ECL (No Credit Impairment)	Lifetime ECL (Credit Impairment Occurred)	Total
Discounted bills				
As at 31 December 2023	44,852,396	–	–	44,852,396
New financial assets originated or purchased	27,716,469	–	–	27,716,469
Proceeds received	(44,852,396)	–	–	(44,852,396)
Fair value measurement	(42,071)	–	–	(42,071)
As at 31 December 2024	27,674,398	–	–	27,674,398
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

22 INVESTMENT SECURITIES

	As at 31 December	
	2024	2023
Investment securities – FVOCI		
Debt securities – measured at fair value		
– Listed outside Hong Kong	73,001,374	60,147,991
– Listed in Hong Kong	7,278,171	5,563,904
– Unlisted	31,614,865	26,387,984
Subtotal	111,894,410	92,099,879
Accrued interest	1,783,573	1,989,881
Equity securities – measured at fair value		
– Unlisted	122,115	85,575
Others	14	14
Total	113,800,112	94,175,349

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22 INVESTMENT SECURITIES (Continued)

Unlisted financial investments measured at FVOCI are set out below:

	As at 31 December	
	2024	2023
Debt securities – measured at fair value (unlisted)		
– Corporate bonds	19,091,479	22,025,344
– Policy bank bonds	4,939,417	254,486
– Commercial bank bonds	7,583,969	4,108,154
Subtotal	31,614,865	26,387,984
Equity securities – measured at fair value (unlisted)		
– Equity investments	122,115	85,575
Total	31,736,980	26,473,559

	As at 31 December	
	2024	2023
Investment securities – Amortised cost		
Debt securities – measured at amortised cost		
– Listed outside Hong Kong	142,568,896	123,352,269
– Unlisted	25,321,838	34,812,454
Subtotal	167,890,734	158,164,723
Accrued interest	2,453,406	2,694,175
Less: ECL allowance	(917,132)	(1,389,090)
Total	169,427,008	159,469,808

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

	As at 31 December	
	2024	2023
Debt securities – measured at amortised cost (unlisted)		
– Bonds	6,496,086	2,745,280
– Trust investments ^(a)	3,658,996	4,696,712
– Asset management plans ^(b)	13,046,756	22,690,462
– Debt financing plans	2,120,000	4,680,000
Total	25,321,838	34,812,454

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22 INVESTMENT SECURITIES (Continued)

(a) Trust investments

	As at 31 December	
	2024	2023
Trust investments purchased from trust companies		
– collateralised by properties	2,622,815	3,150,531
– guaranteed by third-party companies	850,800	1,360,800
– unsecured	185,381	185,381
Total	3,658,996	4,696,712

(b) Asset management plans

	As at 31 December	
	2024	2023
Asset management plans purchased from securities companies		
– guaranteed by third-party companies	463,846	463,906
– collateralised by properties	5,500	487,700
Subtotal	469,346	951,606
Asset management plans purchased from asset management companies		
– unsecured	11,436,160	18,525,606
– guaranteed by third-party companies	1,141,250	3,213,250
Subtotal	12,577,410	21,738,856
Total	13,046,756	22,690,462

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(In RMB thousands, unless otherwise stated)

22 INVESTMENT SECURITIES (Continued)

Movements on impairment allowance for investment securities are set out below:

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – FVOCI				
As at 31 December 2023	255,102	6,430	663,610	925,142
New financial assets originated or purchased	59,434	–	–	59,434
Remeasurement	(83,941)	–	–	(83,941)
Repayments	(73,341)	(6,430)	–	(79,771)
Transfers:	–	–	–	–
As at 31 December 2024	157,254	–	663,610	820,864

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – FVOCI				
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:				
Transfer from Stage 1 to Stage 2	(2,397)	2,397	–	–
Transfer from Stage 2 to Stage 3	–	(54,714)	54,714	–
As at 31 December 2023	255,102	6,430	663,610	925,142

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22 INVESTMENT SECURITIES (Continued)

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
As at 31 December 2023	275,020	252,447	861,623	1,389,090
New financial assets originated or purchased	33,322	–	–	33,322
Remeasurement	(20,142)	60,964	(129,754)	(88,932)
Repayments	(111,010)	(97,884)	(5,580)	(214,474)
Assignment:	–	–	(201,874)	(201,874)
Transfers:	–	–	–	–
As at 31 December 2024	177,190	215,527	524,415	917,132

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Investment securities – Amortised cost				
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:				
Transfer from Stage 1 to Stage 2	(35,694)	35,694	–	–
Transfer from Stage 2 to Stage 1	2,721	(2,721)	–	–
Transfer from Stage 2 to Stage 3	–	(5,886)	5,886	–
As at 31 December 2023	275,020	252,447	861,623	1,389,090

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(In RMB thousands, unless otherwise stated)

22 INVESTMENT SECURITIES (Continued)

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

As at 31 December 2024, investment securities – FVOCI of RMB700,000 thousand of the Group were in stage 3, and the ECL allowance on the above-mentioned securities amounted to RMB663,610 thousand; The rest were in stage 1. As at 31 December 2023, investment securities – FVOCI of RMB700,000 thousand of the Group were in stage 3, and the ECL allowance on the above-mentioned securities amounted to RMB663,610 thousand; FVOCI of RMB146,600 thousand of the Group were in stage 2, and the ECL allowance on the above-mentioned securities amounted to RMB6,430 thousand. The rest were in stage 1.

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
		(No Credit	ECL (Credit	
		Impairment)	Impairment	
Investment securities – Amortised cost	12M ECL		Occurred)	Total
As at 31 December 2023	155,057,111	2,084,000	1,023,612	158,164,723
New financial assets originated or purchased	48,027,281	–	–	48,027,281
Proceeds received	(37,411,354)	(624,600)	(15,942)	(38,051,896)
Assignment:	–	–	(249,374)	(249,374)
Transfers:	–	–	–	–
As at 31 December 2024	165,673,038	1,459,400	758,296	167,890,734

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime	
		(No Credit	ECL (Credit	
		Impairment)	Impairment	
Investment securities – Amortised cost	12M ECL		Occurred)	Total
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:				
Transfer from Stage 1 to Stage 2	(1,437,100)	1,437,100	–	–
Transfer from Stage 2 to Stage 1	190,000	(190,000)	–	–
Transfer from Stage 2 to Stage 3	–	(254,000)	254,000	–
As at 31 December 2023	155,057,111	2,084,000	1,023,612	158,164,723

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22 INVESTMENT SECURITIES (Continued)

Investment securities are analysed by issuer as follows:

	As at 31 December	
	2024	2023
Investment securities – FVOCI		
– Corporations	65,657,618	67,276,743
– Policy banks	4,939,417	254,486
– Commercial banks	7,390,742	4,437,917
– Governments	33,906,633	20,130,733
– Equity investments at fair value	122,115	85,575
– Others	14	14
Subtotal	112,016,539	92,185,468
Accrued interest	1,783,573	1,989,881
Total	113,800,112	94,175,349
Investment securities – Amortised cost		
– Governments	136,244,377	123,963,549
– Asset management companies	12,577,410	21,738,856
– Corporations	13,805,048	6,184,000
– Trust companies	3,658,996	4,696,712
– Policy banks	535,557	30,000
– Securities companies	469,346	951,606
– Commercial banks	600,000	600,000
Subtotal	167,890,734	158,164,723
Accrued interest	2,453,406	2,694,175
Less: ECL allowance	(917,132)	(1,389,090)
Total	169,427,008	159,469,808

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23 INVESTMENTS IN ASSOCIATES

	As at 31 December	
	2024	2023
Balance at the beginning of the year	2,818,162	2,500,712
Share of profits of associates	419,935	372,352
Declared cash dividends	(64,271)	(54,902)
Balance at the end of the year	3,173,826	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 equity interest. On 13 July 2017, Mashang Finance further increased its registered capital to RMB2,210,294 thousand, and the Group increased the investment to RMB338,346 thousand, which accounted for 15.31% of total registered capital. On 9 August 2018, Mashang Finance further increased its registered capital to RMB4 billion, and the Group increased the investment to RMB655,142 thousand, which accounted for 15.53% of equity interest.

Pursuant to the resolution of the board of directors of Chongqing Three Gorges Bank Co., Ltd. ("Three Gorges Bank") on 21 April 2017, the Group appointed a director to the board of directors of Three Gorges Bank that day, and therefore the Group had significant influence on Three Gorges Bank. Three Gorges Bank became an associate of the Group. The investment of the Group amounted to RMB379,024 thousand, accounting for 4.97% of equity interest. The registered capital of Three Gorges Banks was RMB5,573,974 thousand.

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24 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Assets under operating leases	Construction in progress	Total
Cost							
As at 31 December 2023	3,342,051	9,886	714,838	174,796	118,901	262,174	4,622,646
Additions	436	–	133,192	23,479	59,272	1,031	217,410
Transfers from construction in progress	15,614	–	–	–	–	(15,614)	–
Disposals	(33,094)	(591)	(22,902)	(10,994)	–	–	(67,581)
Transfer to investment property	(62,152)	–	–	–	–	–	(62,152)
As at 31 December 2024	3,262,855	9,295	825,128	187,281	178,173	247,591	4,710,323
Accumulated depreciation							
As at 31 December 2023	(1,016,012)	(8,145)	(463,459)	(122,535)	(47,284)	–	(1,657,435)
Charge for the year (Note 11)	(109,289)	(459)	(81,700)	(18,221)	(17,510)	–	(227,179)
Disposals	21,093	573	22,168	10,682	–	–	54,516
Transfer to investment property	22,269	–	–	–	–	–	22,269
As at 31 December 2024	(1,081,939)	(8,031)	(522,991)	(130,074)	(64,794)	–	(1,807,829)
Impairment allowance							
As at 31 December 2024	(4,462)	–	–	–	–	–	(4,462)
Net book value							
As at 31 December 2024	2,176,454	1,264	302,137	57,207	113,379	247,591	2,898,032
As at 31 December 2023	2,324,539	1,741	251,379	52,261	71,617	262,174	2,963,711

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Assets under operating leases	Construction in progress	Total
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
Transfers 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)
Charge for the year (Note 11)	(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
As at 31 December 2022	2,429,090	2,347	198,824	51,890	108,950	268,380	3,059,481

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24 PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2024, the cost of motor vehicles and machinery equipment leased out by the Group under operating lease arrangements was RMB178,173 thousand (31 December 2023: RMB118,901 thousand). The depreciation charged for the year amounted to RMB17,510 thousand (for the year ended 31 December 2023: RMB20,983 thousand). There were no clauses regarding to residual value guarantee under the lease contracts signed by the Group as a lessor.

As at 31 December 2024, the net value of the buildings whose registration procedures had not been completed was RMB59,983 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.

25 OTHER ASSETS

	As at 31 December	
	2024	2023
Other receivables ^(a)	335,739	195,145
Less: Impairment allowance ^(a)	(21,259)	(16,901)
Intangible assets ^(b)	568,138	454,749
Right-of-use assets ^(c)	447,943	289,770
Interest receivable	231,079	249,212
Continuing involvement in transferred assets	131,466	229,551
Fee and commission receivables	176,245	142,429
Foreclosed assets ^(d)	38,185	96,223
Leasehold improvements	94,127	87,603
Prepaid rental expenses ^(e)	157	2,625
Investment properties ^(f)	41,914	2,869
Input tax to be deducted	117,336	4,218
Others	3,301	4,642
Total	2,164,371	1,742,135

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25 OTHER ASSETS (Continued)

(a) Other receivables

Movements on impairment allowance for other receivables:

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Other receivables				
As at 31 December 2023	3,332	323	13,246	16,901
New financial assets originated or purchased	1,463	–	–	1,463
Remeasurement	(37)	895	13,048	13,906
Write-offs	–	–	(10,014)	(10,014)
Repayments	(299)	(186)	(512)	(997)
Transfers:				
Transfer from Stage 1 to Stage 2	(28)	28	–	–
Transfer from Stage 1 to Stage 3	(102)	–	102	–
Transfer from Stage 2 to Stage 3	–	(180)	180	–
As at 31 December 2024	4,329	880	16,050	21,259

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Other receivables				
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-offs	–	–	(73,797)	(73,797)
Repayments	(860)	(75)	(931)	(1,866)
Transfers:				
Transfer from Stage 1 to Stage 2	(14)	14	–	–
Transfer from Stage 1 to Stage 3	(82)	–	82	–
Transfer from Stage 2 to Stage 1	0	(0)	–	–
Transfer from Stage 2 to Stage 3	–	(126)	126	–
As at 31 December 2023	3,332	323	13,246	16,901

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25 OTHER ASSETS (Continued)

(a) Other receivables (Continued)

Movements on gross amount of other receivables:

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Other receivables				
As at 31 December 2023	170,585	1,834	22,726	195,145
New financial assets originated or purchased	257,354	–	–	257,354
Proceeds received	(105,013)	(866)	(867)	(106,746)
Write-offs	–	–	(10,014)	(10,014)
Transfers:				
Transfer from Stage 1 to Stage 2	(3,952)	3,952	–	–
Transfer from Stage 1 to Stage 3	(14,498)	–	14,498	–
Transfer from Stage 2 to Stage 3	–	(837)	837	–
As at 31 December 2024	304,476	4,083	27,180	335,739

	Stage 1 12M ECL	Stage 2 Lifetime ECL (No Credit Impairment)	Stage 3 Lifetime ECL (Credit Impairment Occurred)	Total
Other receivables				
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-offs	–	–	(9,878)	(9,878)
Financial assets derecognised other than write-offs	–	–	(88,937)	(88,937)
Transfers:				
Transfer from Stage 1 to Stage 2	(1,887)	1,887	–	–
Transfer from Stage 1 to Stage 3	(11,040)	–	11,040	–
Transfer from Stage 2 to Stage 1	3	(3)	–	–
Transfer from Stage 2 to Stage 3	–	(716)	716	–
As at 31 December 2023	170,585	1,834	22,726	195,145

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25 OTHER ASSETS (Continued)

(b) Intangible assets

	2024	2023
Cost		
Balance at the beginning of the year	1,079,918	849,262
Additions	283,835	230,656
Disposals	(5,509)	–
Balance at the end of the year	1,358,244	1,079,918
Accumulated amortisation		
Balance at the beginning of the year	(625,169)	(489,214)
Amortisation for the year (Note 11)	(170,446)	(135,955)
Disposals	5,509	–
Balance at the end of the year	(790,106)	(625,169)
Net book value		
Balance at the end of the year	568,138	454,749
Balance at the beginning of the year	454,749	360,048

(c) Right-of-use assets

	Buildings	Electronic equipment	Land use rights	Total
Cost				
As at 31 December 2023	285,958	–	186,923	472,881
Additions	106,249	–	131,575	237,824
Deductions	(30,266)	–	–	(30,266)
As at 31 December 2024	361,941	–	318,498	680,439
Accumulated depreciation				
As at 31 December 2023	(115,925)	–	(67,186)	(183,111)
Depreciation (Note 11)	(71,790)	–	(7,525)	(79,315)
Deductions	29,930	–	–	29,930
As at 31 December 2024	(157,785)	–	(74,711)	(232,496)
Net book value				
As at 31 December 2024	204,156	–	243,787	447,943
As at 31 December 2023	170,033	–	119,737	289,770

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25 OTHER ASSETS (Continued)

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

	Buildings	Electronic equipment	Land use rights	Total
Cost				
As at 31 December 2022	251,038	–	186,905	437,943
Additions	77,544	–	18	77,562
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)
Depreciation (Note 11)	(61,820)	–	(4,673)	(66,493)
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
As at 31 December 2022	154,439	–	124,392	278,831

(d) Foreclosed assets

	As at 31 December	
	2024	2023
Business properties	29,808	87,846
Residential properties	8,377	8,377
Total	38,185	96,223

The Group intends to dispose of foreclosed assets through various methods including auction, competitive bidding and transfer. For the year ended 31 December 2024, the Group disposed of the foreclosed assets with an original value of RMB63,521 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.

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25 OTHER ASSETS (Continued)

(f) Investment properties

	2024	2023
Cost		
Balance at the beginning of the year	8,275	9,800
Transfer from property, plant and equipment	62,152	–
Disposals	–	(1,525)
Balance at the end of the year	70,427	8,275
Accumulated depreciation		
Balance at the beginning of the year	(5,406)	(5,514)
Transfers from property, plant and equipment	(22,269)	–
Depreciation for the year (Note 11)	(838)	(293)
Disposals	–	401
Balance at the end of the year	(28,513)	(5,406)
Net book value		
Balance at the end of the year	41,914	2,869
Balance at the beginning of the year	2,869	4,286

26 DUE TO AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2024	2023
Loans from central bank	54,388,530	62,149,595
Placements from banks and other financial institutions	54,666,544	39,452,630
Deposits from banks	870,492	6,953,034
Deposits from other financial institutions	108,566	688,403
Bills sold under repurchase agreements	2,982,165	7,006,779
Securities sold under repurchase agreements	5,914,586	9,700,000
Subtotal	118,930,883	125,950,441
Accrued interest	489,553	649,474
Total	119,420,436	126,599,915

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27 CUSTOMER DEPOSITS

	As at 31 December	
	2024	2023
Corporate demand deposits	53,879,467	64,096,964
Corporate time deposits	132,127,766	129,718,412
Individual demand deposits	23,678,149	20,686,248
Individual time deposits	225,880,099	180,278,653
Other deposits	25,404,664	11,471,728
Subtotal	460,970,145	406,252,005
Accrued interest	13,146,759	8,560,691
Total	474,116,904	414,812,696

28 DEBT SECURITIES ISSUED

	As at 31 December	
	2024	2023
Subordinated debts		
Fixed rate tier II capital debt – 2032 ^(a)	4,999,572	4,999,513
Fixed rate tier II capital debt – 2034 ^(b)	5,999,518	–
Financial debts		
Fixed rate small and micro business debt – 2027 ^(c)	3,999,702	–
Fixed rate small and micro business debt – 2027 ^(d)	4,999,529	–
Fixed rate small and micro business debt – 2026 ^(e)	4,499,881	4,499,812
Fixed rate small and micro business debt – 2024 ^(f)	–	1,999,990
Fixed rate green financial debt – 2024 ^(g)	–	1,999,985
Fixed rate green financial debt – 2027 ^(h)	4,999,815	–
Fixed rate financial debt – 2024 ⁽ⁱ⁾	–	1,499,850
Convertible Bonds ^(j)	13,118,982	12,714,753
Inter-bank certificates of deposit ^(k)	148,481,393	125,287,570
Subtotal	191,098,392	153,001,473
Accrued interest	461,208	372,358
Total	191,559,600	153,373,831

- (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. Such tier II bonds have a maturity of 10 years, with a fixed coupon rate of 3.73% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 28 March 2027.

The 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, and any accumulated interest payables will not be paid as well. According to the related regulations issued by the CBIRC, the tier II capital bonds meet the standards of the qualified tier II capital instrument.

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28 DEBT SECURITIES ISSUED (Continued)

- (b) Pursuant to a resolution at the general meeting passed on 31 January 2024 and the Approval for Bank of Chongqing Co., Ltd. to Issue Tier II Capital Bonds (Yu Jin Guan Fu [2024] No. 101) by the National Financial Regulatory Administration Chongqing Bureau on 25 July 2024, the Bank issued RMB6 billion tier II capital bonds in the domestic inter-bank bond market of China on 20 August 2024. Such tier II bonds have a maturity of 10 years, with a fixed coupon rate of 2.23% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on 22 August 2029.

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, and any accumulated interest payables will not be paid as well. According to the related regulations issued by the National Financial Regulatory Administration, the tier II capital bonds meet the standards of the qualified tier II capital instrument.

- (c) Pursuant to a resolution at the general meeting passed on 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 enterprise loans in the domestic inter-bank bond market of China on 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.
- (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 RMB5 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 27 October 2024. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.23% 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 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, such 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.
- (f) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the *Approval for Bank of Chongqing Co., Ltd. to Issue Special Financial Bonds for Small and Micro Business Loans* (Yu Yin Bao Jian Fu [2020] No. 205) by the CBIRC Chongqing Bureau on 17 September 2020, the Bank issued RMB2 billion special financial bonds for small and micro business loans in the domestic inter-bank bond market of China on 22 January 2021. Such 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 bond matured and was redeemed on January 26, 2024.

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28 DEBT SECURITIES ISSUED (Continued)

- (g) Pursuant to a resolution at the general meeting passed on 30 April 2019 and the *Approval for Bank of Chongqing Co., Ltd. to Issue Green Financial Bonds* (Yu Yin 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. 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 bond matured and was redeemed on March 18, 2024.
- (h) Pursuant to a resolution at the general meeting passed on 31 January 2024 and with 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. Such bonds have a maturity of 3 years, with a fixed coupon rate of 2.27% per annum before maturity, payable annually. The funds raised from this bond will be used for green projects as defined in the Green Bond Support Project Catalogue (2021 Edition), subject to applicable laws and regulatory approvals.
- (i) Pursuant to a resolution at the extraordinary general meeting passed on 27 December 2019 and the *Approval for Chongqing Xinyu Financial Leasing Co., Ltd. to Issue Financial Bonds* (Yu Yin Bao Jian Fu [2020] No. 175) by the CBIRC Chongqing Bureau on 27 August 2020, Chongqing Xinyu Financial Leasing Co., Ltd. issued RMB1.5 billion financial bonds in the domestic inter-bank bond market of China on 23 June 2021. Such debt has 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. The bond matured and was redeemed on June 25, 2024.
- (j) 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 year ("conversion period") beginning six months after the date of issuance until the maturity date. 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.

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28 DEBT SECURITIES ISSUED (Continued)

(j) (Continued)

The liabilities and equity components of the convertible bonds issued are as follows:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
Nominal value of convertible bonds	11,926,926	1,073,074	13,000,000
Direct transaction costs	(15,033)	(1,353)	(16,386)
Balance as at the issuance date	11,911,893	1,071,721	12,983,614
Accumulated amortization at the beginning of the year	803,459	–	803,459
Accumulated conversion amount at the beginning of the year	(599)	(51)	(650)
Balance at the beginning of the year	12,714,753	1,071,670	13,786,423
Amortisation	404,306	–	404,306
Conversion	(77)	(7)	(84)
Balance at the end of the year	13,118,982	1,071,663	14,190,645

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

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

As at 31 December 2024, convertible bonds of RMB696 thousand had been converted into 64,242 ordinary shares (31 December 2023: convertible bonds of RMB619 thousand had been converted into 56,780 ordinary shares).

For the year ended 31 December 2024, the Bank paid interest of RMB52,923 thousand on the convertible bonds (for the year ended 31 December 2023: the Bank paid interest of RMB25,999 thousand on the convertible bonds).

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28 DEBT SECURITIES ISSUED (Continued)

- (k) For the year ended 31 December 2024, the Bank issued 83 inter-bank certificates of deposit at discounts with maturities from six month to one year and annual interest rates between 1.69% and 2.55% (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 31 December 2024, 79 items of them were not yet due with a total par value of RMB150.07 billion (31 December 2023: 110 items were not due with a total par value of RMB126.76 billion).

For the year ended 31 December 2024, there were no defaults of principal and interest or other breaches with respect to these debts since their issuance (2023: Nil).

29 OTHER LIABILITIES

	As at 31 December	
	2024	2023
Lease deposits	2,736,316	2,435,153
Other payables	1,267,011	655,961
Notes payable	507,394	452,639
Employee benefits payable	920,995	828,181
Deferred income	114,630	249,720
Value-added tax and other taxes payable	306,816	312,430
Continuing involvement in transferred liabilities	131,466	229,551
Provisions	209,194	207,296
Clearing funds for wealth management products	51,202	30,099
Lease liabilities	189,494	152,084
Dividends payable	571,608	22,280
Others	56,862	19,731
Total	7,062,988	5,595,125

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30 DEFERRED INCOME TAXES

Movements in the deferred income tax are listed as follows:

	As at 31 December	
	2024	2023
Balance at the beginning of the year	4,426,083	4,734,162
Charge to profit or loss (Note 15)	226,349	269,848
Changes in fair value of financial assets at FVOCI	(474,930)	(566,802)
Changes in ECL allowance of financial assets at FVOCI	33,329	(11,125)
Balance at the end of the year	4,210,831	4,426,083

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

	As at 31 December	
	2024	2023
Deferred tax assets		
Asset impairment allowances	4,565,674	4,303,913
Changes in fair value of financial assets at FVPL	8,353	37,110
Others ^(a)	510,326	410,076
Subtotal	5,084,353	4,751,099
Deferred tax liabilities		
Changes in fair value of financial assets at FVOCI	(610,699)	(135,769)
Share of the profit from associates under the equity method	(144,067)	(144,067)
Others	(118,756)	(45,180)
Subtotal	(873,522)	(325,016)
Net deferred tax assets	4,210,831	4,426,083

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

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30 DEFERRED INCOME TAXES (Continued)

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

	2024	2023
Asset impairment allowances	228,432	211,633
Changes in fair value of financial assets at FVPL	(28,757)	(18,074)
Others	26,674	76,289
Total	226,349	269,848

31 RETIREMENT BENEFIT OBLIGATIONS

The Group pays 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 pay 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 and changes in actuarial assumptions 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 minus any unrecognised past service cost.

Employees who retire after 1 January 2010 can voluntarily participate in an annuity plan set up by the Group pursuant to related state corporate annuity regulations. The Group contributes to the annuity plan based on certain percentage of the employees' gross salary of previous year and the contribution is recognised in other comprehensive income as incurred.

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 31 December 2024, there are no forfeited contributions under the Group's retirement benefit plans which can be used to deduct contributions payable for future years.

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31 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	2024	2023
Expenses incurred for retirement benefit plans	167,109	162,928
Expenses incurred for supplementary retirement benefits	201	393
Expenses incurred for corporate annuity plan	72,599	67,898
Total (Note 13)	239,909	231,219

	As at 31 December	
	2024	2023
Consolidated statement of financial position obligations for:		
– Retirement benefits	14,488	15,115

	2024	2023
Consolidated statement of comprehensive income charge for:		
– Retirement benefits	201	393

The amounts recognised in the consolidated statements of financial position are determined as follows:

	As at 31 December	
	2024	2023
Present value of unfunded obligations	14,488	15,115
Unrecognised past service cost	–	–
Net amount of liabilities in the consolidated statement of financial position	14,488	15,115

Movements of the present value of unfunded obligations are as follows:

	2024	2023
Balance at the beginning of the year	15,115	17,832
Retirement benefits paid	(1,488)	(1,510)
Interest cost	201	393
Net actuarial losses/(gains)	660	(1,600)
Balance at the end of the year	14,488	15,115

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31 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Amounts of retirement benefits recognised in the consolidated statement of comprehensive income are as follows:

	2024	2023
Current service cost	–	–
Interest cost	201	393
Past service cost	–	–
Retirement benefit expense – total	201	393

Remeasurement of retirement benefit plans recognised in the consolidated statement of comprehensive income is as follows:

	2024	2023
Remeasurement of retirement benefit plans (Note 40)	(495)	1,200

The mortality assumptions are determined based on the statistics published by China Banking and Insurance Regulatory Commission.

The following table lists an average remaining life expectancy in years of a pensioner retiring at age 60 for male and 55 for female:

	As at 31 December	
	2024	2023
Male	22.08	22.08
Female	29.58	29.58

32 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	31 December 2024
Quantity in shares (in thousands)	3,474,562	7	–	3,474,569
Carrying amount	3,474,562	7	–	3,474,569

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

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33 OTHER EQUITY INSTRUMENTS

	As at 31 December	
	2024	2023
Perpetual bonds (note 33(a))	6,999,594	6,999,594
Equity of convertible bonds (note 28(g))	1,071,663	1,071,670
Total	8,071,257	8,071,264

Movements of perpetual bonds and preference shares are as follows:

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

	31 December 2022	Additions	Deductions	31 December 2023
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 Ke Zhun Yu Jue Zi [2022] No. 182) on 22 November 2022, the Bank issued in the domestic inter-bank bond market of China RMB4.5 billion perpetual bonds on 16 December 2022, and RMB2.5 billion perpetual bonds on 18 October 2023. The annual coupon rates of the Bonds are 4.70% and 4.50% respectively for the first five years, and are 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 National Administration of Financial Regulation (“NAFR”), 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 NAFR, 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.

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33 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.

34 CAPITAL SURPLUS

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

- (i) Share premium arising from the issue of shares at prices in excess of their par value;
- (ii) Donations received from shareholders; and
- (iii) Any other items required by the PRC regulations to be so treated.

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

The Bank issued shares at share premium. Share premium was recorded in the capital surplus after deducting direct issuance costs, which mainly included underwriting fees and professional fees.

The Group's capital surplus is shown as follows:

	As at 31 December	
	2024	2023
Share premium	7,728,755	7,727,947
Others	5,266	7,032
Total	7,734,021	7,734,979

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35 OTHER RESERVES

	Surplus reserve ^(a)	General reserve ^(b)	Revaluation reserve of equity instruments at FVOCI	Revaluation reserve of debt instruments at FVOCI	Impairment allowances for financial assets at FVOCI	Remeasurement of retirement benefit plans	Total
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	–	–	27,404	1,428,385	(99,986)	(495)	1,355,308
Appropriation reserve	479,282	718,701	–	–	–	–	1,197,983
Balance at 31 December 2024	5,328,022	8,597,970	85,136	1,778,138	643,191	(4,442)	16,428,015
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 surplus reserve until such time when this reserve represents 50% of the share 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 31 December 2024 amounted to RMB5,328,022 thousand (31 December 2023: RMB4,848,740 thousand).

(b) General reserve

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

36 DIVIDENDS

	2024	2023
Ordinary shares dividends declared during the year	1,994,401	1,372,449
Dividend per share (in RMB)(Based on prior year shares)	0.574	0.395
Dividends to other equity holders declared during the year	324,000	211,500

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36 DIVIDENDS (Continued)

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 consolidated financial statements can only be distributed as dividends after allowances for the following:

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

In accordance with the relevant regulations, the net profit after tax of the Bank for the purpose of profit distribution is deemed to be the lower of (i) the retained profits determined in accordance with the China Accounting Standards for Business Enterprises and (ii) the retained profit determined in accordance with IFRS.

37 STRUCTURED ENTITY

(a) Consolidated structured entity

The Group's structured entities included in the scope of consolidation are open-ended securities investment funds. As the Group has power over the structured entity, enjoys variable returns through its participation in related activities, and has the ability to use its power over the investee to influence its variable returns, the Group has control over the structured entity.

(b) Unconsolidated structured entity

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

The unconsolidated structure entities managed by the Group were mainly unsecured wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential targeted clients, the Group designed and sold capital investment and management plan to specific targeted clients, and the raised funds were then put into related financial market or invested in related financial products according to the product contracts. Gains would be allocated to investors after the Group gained from investment. The Group received corresponding wealth management commission fee income as the asset manager. The Group recognised net commission income from unsecured wealth management products with the amount of RMB679,275 thousand for the year ended 31 December 2024 through provision of asset management services (2023: RMB348,337 thousand). The Group expected that the variable return would be insignificant as to the structured entities.

As at 31 December 2024, asset investment from the unsecured wealth management products issued and managed by the Group which were unconsolidated structure entities amounted to RMB51,929,796 thousand (31 December 2023: RMB55,112,692 thousand). The balance of unconsolidated wealth management products issued and managed by the Group amounted to RMB51,265,079 thousand (31 December 2023: RMB54,643,344 thousand).

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37 STRUCTURED ENTITY (Continued)

(b) Unconsolidated structured entity (Continued)

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

To make better use of capital for profit, the Group invested in unconsolidated structured entities, mainly including the capital trust plans, asset management plans and funds issued and managed by independent third parties.

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

	Carrying amount	Maximum risk exposure
As at 31 December 2024		
Financial assets at FVPL	33,830,396	33,830,396
Investment securities – Amortised cost	15,871,554	15,871,554
Total	49,701,950	49,701,950

	Carrying amount	Maximum risk exposure
As at 31 December 2023		
Financial assets at FVPL	16,418,827	16,418,827
Investment securities – Amortised cost	26,119,729	26,119,729
Total	42,538,556	42,538,556

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

The income from the above unconsolidated structured entities managed or invested by the Group is as below.

	2024	2023
Interest income	1,578,435	2,073,683
Income from investment	867,633	959,950
Fee and commission income	706,993	376,715
Total	3,153,061	3,410,348

For the year ended 31 December 2024, there was no loss related to the above unconsolidated structured entities (2023: Nil).

For the year ended 31 December 2024, the Group had no plan to provide liquidity support to unconsolidated structured entities (2023: Nil).

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

Financial guarantees and 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 the customers:

	As at 31 December	
	2024	2023
Bank acceptance bills	59,148,780	48,207,232
Letters of credit	9,874,916	7,473,000
Letters of guarantee	1,320,528	1,407,780
Confirmation	1,089,491	1,068,790
Other commitments	5,499,183	6,062,639
Total	76,932,898	64,219,441

Capital expenditure commitments

	As at 31 December	
	2024	2023
Contracted but not provided for:		
– Capital expenditure commitments for buildings	41,782	16,378
– Acquisition of IT system	202,062	115,736
Total	243,844	132,114

External investment commitment

As at 31 December 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 31 December 2024, The Group had 9 outstanding legal claims amounting to RMB587,325 thousand (31 December 2023: 13 outstanding legal claims amounting to RMB327,586 thousand). After consulting legal professionals, management of the Group believes that at the current stage these legal proceedings and arbitrations will not have a material impact on the financial position or operation results of the Group.

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39 COLLATERAL

(a) Assets pledged

The carrying amounts of assets pledged as collateral under repurchase agreements are as follows:

	As at 31 December	
	2024	2023
Bonds	6,859,413	11,228,835
Discounted bills	2,978,195	6,986,562
Total	9,837,608	18,215,397

The carrying amounts of loans and bonds pledged as collateral under borrowings from the PBOC are as follows:

	As at 31 December	
	2024	2023
Bonds	56,927,612	68,569,442
Total	56,927,612	68,569,442

As at 31 December 2024, the Group's repurchase agreements and borrowings from the PBOC were due within 12 months (31 December 2023: the Group's repurchase agreements and refinance agreements were due within 12 months).

(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 31 December 2024, the Group had accepted collateral with fair value of RMB18,230,216 thousand (31 December 2023: RMB32,249,016 thousand). The Group had no re-pledged collateral which shall be returned upon maturity as at 31 December 2024 (31 December 2023: Nil).

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40 OTHER COMPREHENSIVE INCOME

	Before tax amount	Income tax	Net of tax amount
As at 31 December 2024			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of financial assets measured at FVOCI	2,029,525	(507,381)	1,522,144
Net losses on reclassification to profit or loss of financial assets measured at FVOCI	(125,013)	31,254	(93,759)
Credit loss provision of financial assets measured at FVOCI	(133,315)	33,329	(99,986)
<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	36,540	(9,136)	27,404
Remeasurement of retirement benefit plans	(660)	165	(495)
Other comprehensive income for the year	1,807,077	(451,769)	1,355,308
As at 31 December 2023			
<i>Items that may be reclassified to profit or loss:</i>			
Net losses on valuation of financial assets measured at FVOCI	2,291,927	(572,982)	1,718,945
Net losses on reclassification to profit or loss of financial assets measured at FVOCI	1,286	(321)	965
Credit loss provision of financial assets measured at FVOCI	44,497	(11,125)	33,372
<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	(26,002)	6,501	(19,501)
Remeasurement of retirement benefit plans	1,600	(400)	1,200
Other comprehensive income for the year	2,313,308	(578,327)	1,734,981

Notes to Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

41 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents

	As at 31 December	
	2024	2023
Cash and balances with central bank	6,725,214	11,704,021
Due from banks and other financial institutions	5,930,101	6,697,923
Placements with banks and other financial institutions	3,614,527	900,485
Balance of cash and cash equivalents	16,269,842	19,302,429

(b) Cash outflows relating to leases

For the year ended 31 December 2024, total cash outflows paid by the Group as a lessee amounted to RMB78,727 thousand (2023: RMB69,949 thousand), of which cash payments for the principal portion and interest portion of the lease liabilities as cash flows from financing activities amounted to RMB74,343 thousand (2023: RMB64,967 thousand), and the rest, generated from the rental expenses prepaid for lease exempted from recognition of right-of-use assets and lease liabilities, which resulted from a lease term of 12 months or less or an underlying asset of low value based on the value of the asset when it is new, was included in operating activities.

42 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 year ended 31 December 2024, the Group disposed of loans to the third parties with a gross amount of RMB1,812,188 thousand for RMB1,114,726 thousand. The Group derecognised these loans accordingly. As at 31 December 2024, RMB67,380 thousand of the transfer price had not 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 these loans accordingly. As at 31 December 2023, the receivables were collected.

(b) Disposal of other receivables

For the year ended 31 December 2024, the Group transferred no other receivables to third parties (2023: the Group disposed of other receivables with a gross amount of RMB88,937 thousand to third parties for RMB25,018 thousand). Other receivables assigned by the Group are subject to termination recognition.

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

42 FINANCIAL ASSETS TRANSFER (Continued)

(c) 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 on the financial statements to the extent of the Group's continuing involvement. 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 31 December 2024, assets continuously recognised by the Group amounting to RMB131,466 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).

(d) Disposal of financial assets

For the year ended 31 December 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 31 December 2024, all receivables had been collected (2023: Nil).

43 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 Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions and balances

	2024	2023
Interest income from loans and advances to customers	304,669	214,302
Interest income from investment securities	60,099	76,659
Income from investment securities	12	1,037
Interest expense for customer deposits	281,273	248,464
Fee and commission income	1,562	2,634
Consideration of credit asset transfers	128,544	69,163

	As at 31 December	
	2024	2023
Loans and advances to customers	8,048,552	6,186,974
Customer deposits	10,141,018	9,411,198
Due to and placements from banks and other financial institutions	637	523
Due from and placements with banks and other financial institutions	1	29
Investment securities at amortised cost	200,000	–
Investment securities at FVOCI	2,360,000	1,849,315
Financial assets at fair value through profit or loss	300,000	–
Financial guarantees and credit related commitments	280,231	347,944

	2024	2023
Loans and advances to customers	2.00%-6.86%	2.80%-6.86%
Customer deposits	0.00%-5.50%	0.00%-5.43%
Due to and placements from banks and other financial institutions	0.10%-0.99%	0.25%-2.40%
Due from and placements with banks and other financial institutions	0.01%	0.05%
Investment securities at amortised cost	2.55%	6.52%
Investment securities at FVOCI	2.01%-4.00%	2.40%-6.50%
Financial assets at fair value through profit or loss	2.95%	2.00%

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

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

	As at 31 December	
	2024	2023
Chongqing Xingnong Financing Guarantee Co., Ltd.	2,513,751	1,041,769
Chongqing Sanxia Financing Guarantee Group Corporation	4,189,464	1,790,426
Chongqing Education Guarantee Co., Ltd.	32,910	32,910
Chongqing Yutai Guarantee Co., Ltd.	21,423	24,635
Chongqing Jiaotong Financing Guarantee Co., Ltd.	63,235	91,173
Chongqing Financing Re-guarantee Co., Ltd.	13,745	72,100
Chongqing Export-Import Financing Guarantee Co., Ltd.	588,000	–
	7,422,528	3,053,013

(d) Transactions between the Bank and its subsidiaries

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

Transactions and balances are as follows:

	As at 31 December	
	2024	2023
Due to and placements from banks and other financial institutions	251,954	1,086,286
Due from and placements with banks and other financial institutions	604,296	204,200
	2024	2023
Interest income	7,420	11,133
Interest expense	3,770	11,050
fee income	1	–
Other operating income	1,876	2,081

Notes to Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(e) Transactions with key management personnel

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 year were as follows:

	2024	2023
Paid remuneration	2,883	3,512
Contribution to pension schemes	1,031	1,323
Other monetary income	243	292
Part-time fee	1,773	1,817
Total	5,930	6,944

Certain key management personnel's final emoluments for the current year are subject to approval by relevant authorities in the PRC and have not been finalised. Management of the Group believes that difference in emoluments will not have significant impact on the consolidated financial statements of the Group as at 31 December 2024. The disclosed amount of remuneration is the amount paid in current year. The amount of actual remuneration will be announced after approval.

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

The Group had no material balance of loans, quasi-loans and other credit transactions to directors, supervisors and senior management as at the end of 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.

44 SEGMENT ANALYSIS

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

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

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

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

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

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	2024				
	Corporate banking	Retail banking	Treasury	Unallocated	Total
Net interest income from external customers	9,715,896	(3,137,449)	3,597,682	–	10,176,129
Inter-segment net interest income/ (expense)	(226,090)	6,114,399	(5,888,309)	–	–
Net interest income	9,489,806	2,976,950	(2,290,627)	–	10,176,129
Net fee and commission income	39,663	25,719	822,217	–	887,599
Net trading gains/(losses)	–	–	787,523	–	787,523
Net gains on investment securities	–	–	1,269,584	–	1,269,584
Share of profits of associates	–	–	419,935	–	419,935
Other operating income	24,133	–	4,624	113,575	142,332
Credit impairment losses	(2,319,934)	(1,280,614)	428,473	(16,573)	(3,188,648)
Other asset impairment losses	–	–	–	(2,972)	(2,972)
Operating expense	(2,356,951)	(1,278,459)	(449,558)	(12,583)	(4,097,551)
– Depreciation and amortisation	(383,935)	(92,660)	(32,324)	–	(508,919)
– Others	(1,973,016)	(1,185,799)	(417,234)	(12,583)	(3,588,632)
Profit before income tax	4,876,717	443,596	992,171	81,447	6,393,931

	As at 31 December 2024				
Capital expenditure	259,103	58,829	349,237	3,315	670,484
Segment assets	331,041,125	75,163,113	446,202,146	4,235,456	856,641,840
Segment liabilities	(221,123,690)	(259,353,028)	(312,369,937)	(31,267)	(792,877,922)

Notes to Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	2023				
	Corporate banking	Retail banking	Treasury	Unallocated	Total
Net interest income from external customers	8,198,670	(2,168,258)	4,416,591	–	10,447,003
Inter-segment net interest income/ (expense)	703,444	4,570,456	(5,273,900)	–	–
Net interest income	8,902,114	2,402,198	(857,309)	–	10,447,003
Net fee and commission income	57,276	(22,553)	376,715	–	411,438
Net trading gains/(losses)	–	–	440,556	–	440,556
Net gains on investment securities	–	–	1,312,381	–	1,312,381
Share of profits of associates	–	–	372,352	–	372,352
Other operating income	33,810	–	11,040	189,287	234,137
Credit impairment losses	(2,414,363)	(457,120)	(412,430)	40,941	(3,242,972)
Other asset impairment losses	–	–	–	2,606	2,606
Operating expense	(2,047,710)	(1,298,997)	(444,121)	(99,031)	(3,889,859)
– Depreciation and amortisation	(302,366)	(89,604)	(50,786)	–	(442,756)
– Others	(1,745,344)	(1,209,393)	(393,335)	(99,031)	(3,447,103)
Profit before income tax	4,531,127	623,528	799,184	133,803	6,087,642

As at 31 December 2023					
Capital expenditure	147,746	39,480	225,776	2,465	415,467
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)

45 OPERATING LEASE PAYMENTS TO BE RECEIVED SUBSEQUENT TO THE REPORTING DATE

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

	As at 31 December	
	2024	2023
Within 1 year	32,838	26,403
1 to 2 years	26,058	16,370
2 to 3 years	16,988	9,070
3 to 4 years	16,988	–
4 to 5 years	15,554	–
More than 5 years	50,930	–
	159,356	51,843

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

46 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK

(a) Statement of financial position of the Bank

	As at 31 December	
	2024	2023
ASSETS		
Cash and balances with central bank	34,457,306	39,974,931
Due from and placements with banks and other financial institutions	31,527,128	45,906,975
Derivative financial instruments	44,443	89,981
Financial assets at fair value through profit or loss ("FVPL")	62,109,063	26,579,757
Loans and advances to customers	383,937,822	342,109,185
Investment securities		
– Fair value through other comprehensive income ("FVOCI")	113,800,112	94,175,349
– Amortised cost	169,427,008	159,469,808
Investments in subsidiaries	1,630,122	1,627,007
Investments in associates	3,173,826	2,818,162
Property, plant and equipment	2,719,976	2,824,604
Deferred tax assets	3,598,864	4,103,849
Other assets	1,999,467	1,686,588
Total assets	808,425,137	721,366,196
LIABILITIES		
Due to and placements from banks and other financial institutions	80,195,258	96,914,042
Financial liabilities at fair value through profit or loss	7,240	54,608
Customer deposits	473,384,884	414,097,006
Current tax liabilities	15,277	80,798
Debt securities issued	191,559,600	151,843,223
Other liabilities	3,385,857	2,330,034
Total liabilities	748,548,116	665,319,711
EQUITY		
Share capital	3,474,569	3,474,562
Other equity instruments	8,071,257	8,071,264
of which: Perpetual bonds	6,999,594	6,999,594
Capital surplus	7,729,555	7,728,747
Other reserves	16,103,858	13,589,299
Retained earnings	24,497,782	23,182,613
Total equity	59,877,021	56,046,485
Total liabilities and equity	808,425,137	721,366,196

YANG XIUMING

CHAIRMAN

GAO SONG

PRESIDENT

LI CONG

VICE PRESIDENT

WU ZHU

HEAD OF FINANCE
DEPARTMENT

Notes to Consolidated Financial Statements

For the year ended 31 December 2024
(In RMB thousands, unless otherwise stated)

46 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

(b) Statement of Changes in Equity 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	Total
		Perpetual bonds	Others							
Balance at 31 December 2023	3,474,562	6,999,594	1,071,670	7,728,747	4,844,752	7,597,832	1,150,662	(3,947)	23,182,613	56,046,485
Net profit for the year	-	-	-	-	-	-	-	-	4,792,821	4,792,821
Other comprehensive income	-	-	-	-	-	-	1,355,803	(495)	-	1,355,308
Total comprehensive income	-	-	-	-	-	-	1,355,803	(495)	4,792,821	6,148,129
Conversion of convertible bonds	7	-	(7)	808	-	-	-	-	-	808
Dividends to ordinary shareholders	-	-	-	-	-	-	-	-	(1,994,401)	(1,994,401)
Dividends to other equity instrument holders	-	-	-	-	-	-	-	-	(324,000)	(324,000)
Transfer to other reserves	-	-	-	-	479,282	679,969	-	-	(1,159,251)	-
Balance at 31 December 2024	3,474,569	6,999,594	1,071,663	7,729,555	5,324,034	8,277,801	2,506,465	(4,442)	24,497,782	59,877,021

Notes to Consolidated Financial Statements

For the year ended 31 December 2024

(In RMB thousands, unless otherwise stated)

46 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

(b) Statement of Changes in Equity of the Bank (Continued)

	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	Total
		Perpetual bonds	Others							
Balance at 31 December 2022	3,474,540	4,499,400	1,071,690	7,728,540	4,374,824	7,152,933	(583,119)	(5,147)	20,982,105	48,695,766
Net profit for the year	-	-	-	-	-	-	-	-	4,699,284	4,699,284
Other comprehensive income	-	-	-	-	-	-	1,733,781	1,200	-	1,734,981
Total comprehensive income	-	-	-	-	-	-	1,733,781	1,200	4,699,284	6,434,265
Conversion of convertible bonds	22	-	(20)	207	-	-	-	-	-	209
Capital contribution by other equity instruments holders	-	2,500,194	-	-	-	-	-	-	-	2,500,194
Dividends to ordinary shareholders	-	-	-	-	-	-	-	-	(1,372,449)	(1,372,449)
Dividends to other equity instrument holders	-	-	-	-	-	-	-	-	(211,500)	(211,500)
Transfer to other reserves	-	-	-	-	469,928	444,899	-	-	(914,827)	-
Balance at 31 December 2023	3,474,562	6,999,594	1,071,670	7,728,747	4,844,752	7,597,832	1,150,662	(3,947)	23,182,613	56,046,485

47 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 other 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.

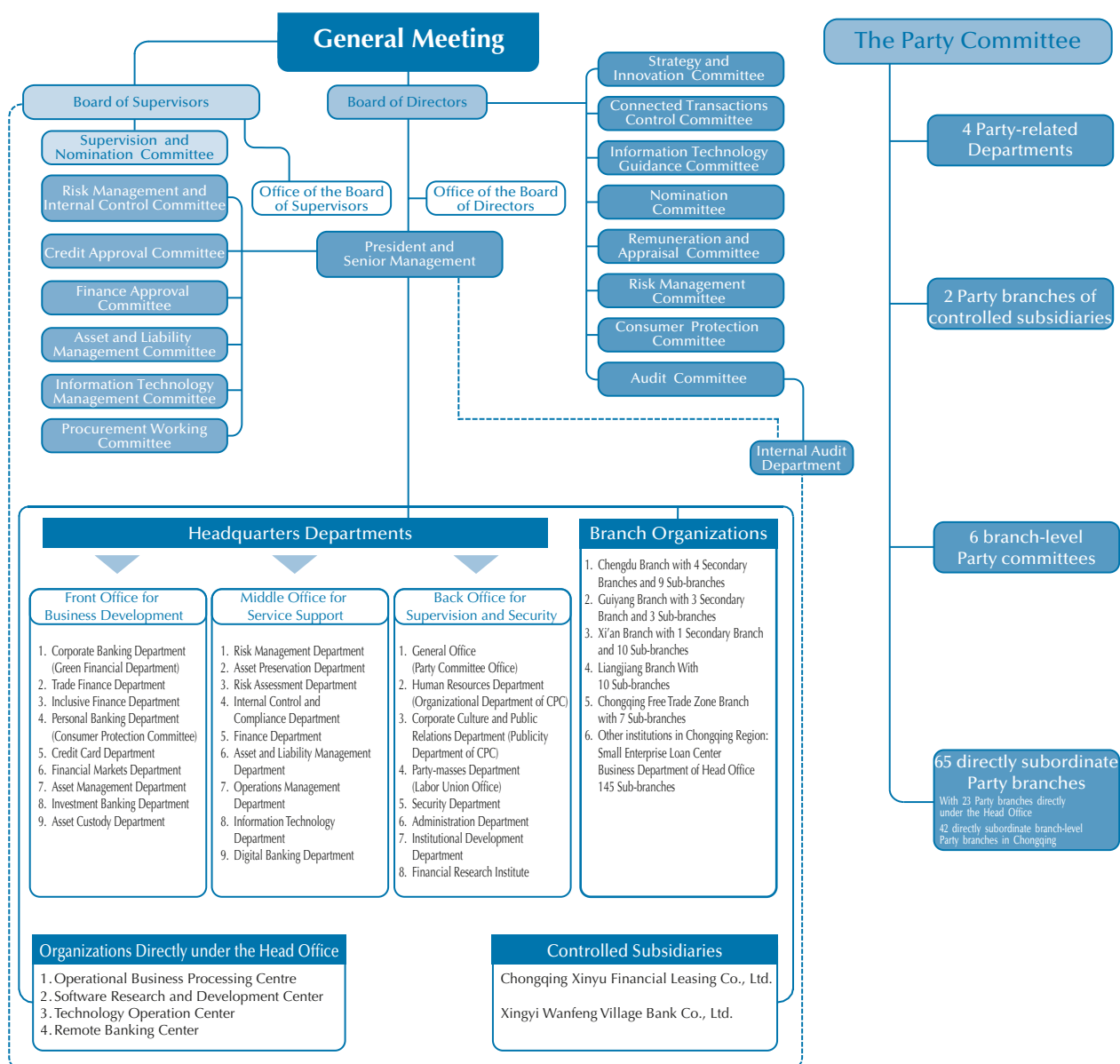
(All amounts expressed in thousands of RMB unless otherwise stated)	As at 31 December	
	2024	2023
Asia Pacific excluding Mainland China	42,670	30,840
– of which attributed to Hong Kong	25,244	9,079
North America	208,623	383,508
Total	251,293	414,348

2 Currency Concentrations

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in RMB			
	US Dollar	HK Dollar	Others	Total
As at 31 December 2024				
Spot assets	13,888,908	4,495	992,893	14,886,296
Spot liabilities	13,441,594	4,532	988,421	14,434,547
Net long/(short) position	447,314	(37)	4,472	451,749

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in RMB			
	US Dollar	HK Dollar	Others	Total
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, of Chongqing	1	401147
3.	Liangjiang Branch of Bank of Chongqing Co., Ltd.	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	11	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, Hi-Tech District, Chengdu, Sichuan	14	610059
6.	Guiyang Branch of Bank of Chongqing Co., Ltd.	3/F to 8/F, North Zone of Financial Business District 4, Zone B, 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 Xinzhuobiao Building, No. 25 Tangyan Road, Xi'an, Shaanxi	12	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 Subdistrict, 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 Subdistrict, Nan'an District, Chongqing	5	400060
15.	Banan Sub-branch of Bank of Chongqing Co., Ltd.	Shop-1 13-20, Shop-2 9-14, Shop-3 6-12, No. 40, Longzhou Avenue, Banan District, Chongqing	5	401320

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
16.	Beibei Sub-branch of Bank of Chongqing Co., Ltd.	No. 453, 455, 457, 459, 461 and 463 Yunqing Road, Beibei District, Chongqing	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, Chongqing Avenue, Jijiang Subdistrict, 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 Subdistrict, 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
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

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
29.	Rongchang Sub-branch of Bank of Chongqing Co., Ltd.	1-3 and 2-3, No. 43-2 Changlong Avenue, Changzhou Sub-district, Rongchang County, Chongqing	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 County, 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
40.	Dianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 9-32 Nanyang West Road, Guiyang Subdistrict, 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

List of Branch Outlets

No.	Name of Banking Institution	Address	Number of Institutions	Postal Code
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	2	405900
48.	Fengjie Sub-branch of Bank of Chongqing Co., Ltd.	S21-95, S21-97, S21-99, S21-101, S21-103, S21-105, S21-107, 2nd floor, Building S2, No. 91, Kui Fu Avenue, Kui Zhou Street, Fengjie County, Chongqing	2	404600