



重庆银行

BANK OF CHONGQING

BANK OF CHONGQING CO., LTD.*

重慶銀行股份有限公司*

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

(Stock Code : 1963)



2015 INTERIM REPORT

* *Bank of Chongqing Co., Ltd. is not an authorized institution within the meaning of the 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.*

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Corporate Information

Legal Name and Abbreviation in Chinese

重慶銀行股份有限公司 (Abbreviation: 重慶銀行)

Legal Name in English

Bank of Chongqing Co., Ltd.

Legal Representative

GAN Weimin

Authorized Representatives

GAN Weimin

ZHOU Wenfeng

Acting Secretary to the Board

ZHOU Wenfeng

Joint Company Secretaries

ZHOU Wenfeng

HO Wing Tsz Wendy

Registered Address

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Chongqing, the PRC

Postal code: 400010

Principal Place of Business In Hong Kong

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Hong Kong

Corporate Website

<http://www.cqcbank.com>

E-mail

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Listing Exchange of H Shares

The Stock Exchange of Hong Kong Limited

Stock Name and Stock Code

Stock Name: BCQ

Stock Code: 1963

Date and Registration Authority of Initial Incorporation

2 September 1996

Administration for Industry and
Commerce of Chongqing, the PRC

Corporate Business License Registration No.

500000000008213

Organizational Code

20286917-7

Financial License Registration No.

B0206H250000001

Taxation Registration Certificate No.

Guo Yu Shui Zi (國渝稅字) No. 500103202869177

Di Shui Yu Zi (地稅渝字) No. 500103202869177

Auditors

H Share:

PricewaterhouseCoopers

22/F, Prince's Building, Central, Hong Kong

Domestic:

PricewaterhouseCoopers Zhong Tian LLP

11/F, PricewaterhouseCoopers Center,
2 Corporate Avenue, 202 Hu Bin Road,
Huangpu District, Shanghai, PRC

Legal Advisor as to PRC Laws

Chongqing Jingsheng Law Firm

Legal Advisor as to Hong Kong Laws

Sullivan & Cromwell

H Share Registrar

Computershare Hong Kong Investor Services Limited

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

Domestic Share Registrar

China Securities Depository and Clearing Co., Ltd.

No. 17 Taipingqiao Avenue, Xicheng District,
Beijing, the PRC

Financial Highlights

In respect of the financial statements of the Bank prepared under the PRC GAAP (China Accounting Standards) and those under the International Financial Reporting Standards (the “IFRS”), there is no difference between the net profit attributable to shareholders of the Bank for the six months ended June 30, 2015 and net profit attributable to shareholders of the Bank during the Reporting Period.

2.1 Financial Data

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change (%)
OPERATING RESULTS			
Interest income	7,719,154	6,218,832	24.1
Interest expense	(4,307,413)	(3,235,147)	33.1
Net interest income	3,411,741	2,983,685	14.3
Net fee and commission income	765,959	454,761	68.4
Other operating income, net trading gains and net gains/(losses) on investment securities	85,096	169,453	(49.8)
Operating income	4,262,796	3,607,899	18.2
Operating expenses	(1,291,776)	(1,173,893)	10.0
Impairment losses on assets	(532,814)	(238,359)	123.5
Operating profit	2,438,206	2,195,647	11.0
Share of profit of an associate	799	690	15.8
Profit before income tax	2,439,005	2,196,337	11.0
Income tax expense	(601,188)	(529,777)	13.5
Net profit	1,837,817	1,666,560	10.3
Net profit attributable to shareholders of the Bank	1,837,817	1,666,560	10.3
Calculated on a per share basis (RMB)			
Basic earnings per share	0.68	0.62	0.06

(All amounts expressed in thousands of RMB unless otherwise stated)	June 30, 2015	December 31, 2014	Change (%)
Major indicators of assets/liabilities			
Total assets	282,809,567	274,531,145	3.0
Of which: loans and advances to customers, net	112,994,966	104,114,756	8.5
Total liabilities	265,620,526	258,628,122	2.7
Of which: customer deposits	181,479,175	167,932,436	8.1
Share capital	2,705,228	2,705,228	0.0
Equity attributable to shareholders of the Bank	17,189,041	15,903,023	8.1
Total equity	17,189,041	15,903,023	8.1

Financial Highlights

2.2 Financial Indicators

(All amounts expressed in percentage unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change
Profitability indicators (%)			
Annualized return on total assets ⁽¹⁾	1.33	1.55	(0.22)
Annualized return on equity ⁽²⁾	22.40	23.92	(1.52)
Net interest spread ⁽³⁾	2.33	2.61	(0.28)
Net interest margin ⁽⁴⁾	2.58	2.86	(0.28)
Net fee and commission income to operating income	17.97	12.60	5.37
Cost-to-income ratio ⁽⁵⁾	23.84	26.18	(2.34)

(All amounts expressed in percentage unless otherwise stated)	June 30, 2015	December 31, 2014	Change
Asset quality indicators (%)			
Non-performing loan ratio ⁽⁶⁾	0.90	0.69	0.21
Provision for impairment to non-performing loans ⁽⁷⁾	266.76	318.87	(52.11)
Provision for impairment to total loans ⁽⁸⁾	2.39	2.19	0.20
Indicators of capital adequacy ratio (%)			
Core capital adequacy ratio ⁽⁹⁾	9.84	9.63	0.21
Capital adequacy ratio ⁽⁹⁾	11.16	11.00	0.16
Total equity to total assets	6.08	5.79	0.29
Other indicators (%)			
Loan-to-deposit ratio ⁽¹⁰⁾	63.79	63.39	0.40
Liquidity ratio ⁽¹¹⁾	56.61	52.53	4.08
Percentage of loans to the single largest customer ⁽¹²⁾	4.30	4.62	(0.32)
Percentage of loans to the top ten customers ⁽¹³⁾	28.30	25.21	3.09

Notes:

- (1) Calculated by dividing net profit by the average of total assets at the beginning and at the end of the period.
- (2) Represents net profit attributable to shareholders of the Bank as a percentage of the average balance of total equity at the beginning and at the end of the period.
- (3) Calculated by average return of interest-earning assets minus average interest rate of interest-bearing liabilities.
- (4) Calculated by dividing net interest income by average interest-earning assets.
- (5) Calculated by dividing operating expense (less business tax and surcharges) by operating income.
- (6) Calculated by dividing balance of non-performing loans by total balance of loans and advances to customers.
- (7) Calculated by dividing balance of provision for impairment on loans by balance of non-performing loans.
- (8) Calculated by dividing balance of provision for impairment on loans by total balance of loans and advances to customers.
- (9) Core capital adequacy ratio and capital adequacy ratio were calculated in accordance with the latest guidance promulgated by China Banking Regulatory Commission (the "CBRC") (effective from January 1, 2013).
- (10) Loan-to-deposit ratio is calculated by dividing total balance of loans and advances to customers by total customer deposits.
- (11) Liquidity ratio is calculated in accordance with the formula promulgated by the CBRC.
- (12) Calculated by dividing total loans to the single largest customer by net capital.
- (13) Calculated by dividing total loans to the top ten customers by net capital.

Management Discussions and Analysis

3.1 Environment and Outlook

Overall, the first half of 2015 saw a modest recovery in the global economy with consistently divergent trends across economies. The U.S. economy further improved and an unexpected contraction in the first quarter did not reverse its long-term trend towards recovery. The pace of economic recovery in the Eurozone accelerated in the context of low oil prices, low interest rate and low exchange rate, however, there were uncertainties involved in the future development brought by economic and social issues such as the Greek debt crisis. Japan's economy contracted again in the second quarter after a pick-up in the first quarter, thus providing a fragile foundation for future economic growth. As U.S. dollars strengthened and international commodity prices fell, emerging markets were negatively affected by economic slowdown and capital outflows.

In the first half of 2015, China's economy experienced a typical downturn in the first quarter, and showed initial signs of stability in the second quarter amid relatively greater downward pressure. Development strategies and steady growth measures such as the "One Belt, One Road", "Internet +" and "Entrepreneurship and Innovation by the General Public" launched by the Chinese government are favorable to economic stabilization and sustainable stable development. In the first half of 2015, China's GDP was RMB29.69 trillion, representing a year-on-year increase of 7.0%. Prices continued to stay low while the consumer price index grew by 1.3% year on year. China's monetary, credit and financial markets operated smoothly as a whole: M2 increased by 11.8% year on year to RMB133.34 trillion; the balance of M1 amounted to RMB35.61 trillion, representing a year-on-year increase of 4.3%; M0 increased by 2.9% year on year to RMB5.86 trillion. As at June 30, 2015, the RMB loan balance was RMB88.79 trillion, up by 13.4% year on year. The incremental RMB loans were RMB6.56 trillion, representing a year-on-year increase of RMB537.10 billion; the RMB deposit balance was RMB131.83 trillion, representing a year-on-year growth of 10.7%. The incremental RMB deposits were RMB11.09 trillion, representing a year-on-year decrease of RMB375.60 billion.

In the first half of 2015, the Chongqing Committee of the Chinese Communist Party and the Chongqing People's Government proactively adapted to the "new normal state" of the economic development, and strived for the cultivation of a new mechanism and new momentum for economic development under such "new normal state" in the spirit of maintaining stability. The city's economy demonstrated a stable and healthy development. Key indicators remained relatively stable under the greater downward pressure. In the first half of 2015, its local GDP reached RMB723.79 billion, representing a year-on-year growth of 11.0%, which was 4.0 percentage points higher than the national average and topped other provinces, autonomous regions and municipalities across the country. In particular, the primary, secondary and tertiary industries grew by 4.2%, 11.5% and 11.0% respectively year on year. The city's per capita disposable income for urban residents was RMB14,307, representing a year-on-year increase of 8.0%. The city's total retail sales of consumer goods reached RMB310.54 billion, representing a year-on-year increase of 11.8%. The total imports and exports of the city decreased by 2.1% year on year to RMB261.66 billion, including total exports of RMB196.88 billion with a year-on-year increase of 18.1%, and total imports of RMB64.77 billion with a year-on-year decrease of 35.6%.

In the second half of 2015, domestic and international economic environment will remain complicated, while the foundation for a stable development of the Chinese economy is still not strong and solid. The structural problem of lacking new economic growth momentum coupled with weakening of old driving forces are still prominent. With a greater downward pressure, improving quality and increasing efficiency while maintaining stable growth have become the focus of economic development. To maintain a steady growth, make structural adjustments and forge ahead reforms, the Chinese government and its monetary and regulatory authorities will lead in the "new normal state" and transform through contingent and buffering macro policies and innovative efficiency-oriented reform measures to promote a solid and stable Chinese

economy. Chongqing is China's largest municipality, the most developed urban center in Western China, and the largest port city on the upper reaches of the Yangtze River. With the implementation of China's "One Belt, One Road" and Yangtze River Economy Zone strategies, the "new normal" economic state has ushered in new opportunities for development. With the accelerated pace of reform and opening up, as well as the implementation of policies and measures for steady growth and structural adjustment, Chongqing's economy is expected to continue its momentum of rapid development.

With respect to the financial reform and innovation, the accelerated process of interest rate liberalization and continuous improvement in financial regulation and exchange rate reform will lead to intensified competition in the banking industry. Development strategies and steady growth measures such as the "One Belt, One Road", "Internet +" and "Entrepreneurship and Innovation by the General Public" launched by the government will stabilize the macroeconomic momentum, and create valuable opportunities of development for the banking industry. Meanwhile, the central bank will continue to implement prudent monetary policies to maintain an appropriate easing and flexibly employ various monetary policy tools to maintain appropriate liquidity in order to achieve reasonable growth of credit market and social financing scale. In addition, adjustment and optimization of industrial supervision policies and the gradual opening up of financial service qualification licensing will effectively enhance the autonomy and flexibility of the banking industry, creating a new source of growth.

In the second half of 2015, Bank of Chongqing will continue to implement business restructuring and upgrading of its infrastructure, further enhance its operational and management standards, deepen its reform of internal governance systems, improve its product systems and service methods, and strive for breakthroughs in consumer credit, asset management, and other service areas. At the same time, the Bank will also actively build and improve an efficient Internet financial platform, and provide the Bank's customers with a more comprehensive range of financial products and services.

Based on transformation in professionalism, comprehensive management and Internet banking, the Bank will continue to push on adjustments in business and customer structure. Leveraging a competitive advantage in small and micro business, corporate business, personal business and interbank financing, the Bank will strive to improve operation and services in these areas. The aim is to maximize net interest margin and net interest spread by enhancing our asset pricing capabilities and to achieve the best balance of risk and return through asset portfolio risk management. By adopting an analytical approach to the regional and macro-economic financial situation, the forecast ability and initiative of operational management will be enhanced. By continuing to develop a comprehensive risk management system and striving to realize healthy, stable and sustainable development objectives, we aim to generate better returns for our Shareholders and investors.

Management Discussions and Analysis

3.2 Development Strategy

In the coming three to five years, the Bank will proactively adapt itself to the “new normal” economic state and take advantage of the deepening of the financial reform to achieve upgrading of its traditional businesses and seek new development engines. The Bank will also take ongoing efforts towards the maximization of Shareholder value under the operation philosophy of “scientific, harmonious and sustainable development”. To this end, the Bank will continue to support regional economic development and serve individuals and small, medium and micro enterprises based on refined and specialized management, and will seek to build up core competitiveness so as to become a leading integrated listed bank in western China.

In respect of our strategic positioning, the Bank will target at becoming a “specialist bank for customers” that provides tailored and distinctive products, services and integrated solutions to help customers realize value addition, in an effort to build itself into a “financial service specialist for target customers”.

On business development strategy, the Bank will advance its “three rounds of transformation and upgrading”. First, the Bank will accelerate transformation of the traditional business lines including small and micro and large and medium corporate banking and upgrading of retail business lines, and further promote specialized and refined operation to ensure sound progress and improvement in profitability. Second, the Bank will vigorously push forward the transformation from traditional to emerging businesses through embarking on the broader asset management strategy and applying for financial service licenses, with an aim at a diversified business mix and an optimal profit matrix. Third, the Bank will achieve the transformation from traditional offline to online business to explore new opportunities for development.

On channel development strategy, the Bank will focus on the establishment and integration of channels. While optimizing offline channels to consolidate the existing market, the Bank will draw on the opportunities from Internet financial services to build up the “direct banking” platform. To this end, the Bank will continue to roll out technology-based, innovation-oriented and experience-centric financial offerings, leveraging upon its unique product strengths to expand the customer channels.

On regional development strategy, the Bank will continue to broaden its vision in the backdrop of local development strategies and major national strategic deployments. From the perspective of consolidating and expanding the local market, the Bank will align its outlet network and business structure with Chongqing’s positioning and blueprint for the five functional districts to financially underpin the local strategy on coordinated economic development. From the perspective of rooting in western China to extend its footprint across China, the Bank will seize the opportunities from the country’s aspiration on “One Belt, One Road” and Chongqing’s ambition for all-dimensional opening-up to expand its reach and capability for development on an ongoing basis.

3.3 Financial Review

China's key economic indicators rebounded in the first half of 2015 amid complex and volatile domestic and international economic environment, while its structural adjustment continued to push forward with improving development vitality. Meanwhile, economic downward pressure was still high with some industries experiencing operation difficulties, and the structural problem of lacking new economic growth momentum and weakening of old driving force was still prominent.

Faced with changes in the macro- and micro-market conditions, accelerated interest rate liberalization, gradual implementation of fiscal and tax reforms, continuous strengthening of financial regulation and the impact of online financial services on traditional banking became the Bank's new challenges. The Bank took proactive measures to accelerate its transformation and development by consolidating its operations and management in order to achieve its strategic objectives. In the first half of 2015, the Bank recorded a net profit of RMB1,837.82 million, representing a year-on-year increase of 10.3% or RMB171.26 million.

As at June 30, 2015, the Bank's total assets amounted to RMB282,809.57 million, representing an increase of 3.0% or RMB8,278.42 million as compared to the end of the previous year. The Bank adhered to prudent and sustainable principles for credit management and risk control and maintained a reasonable level of aggregate credit and lending pace based on changes in the regional and macroeconomic environment. As a result, net loans and advances to customers grew by 8.5% or RMB8,880.21 million to RMB112,994.97 million as compared to the end of the previous year, while the non-performing loan ratio was maintained

at 0.90%. While striving for stable growth in service networks and business volume, the Bank remained customer-centric by actively expanding online financial products and services such as online banking and direct banking and continuously promoting its business transformation and upgrading in order to meet customers' increasing demand for diversified asset allocation and professional management of deposits in the country's "new normal" development. The Bank adopted an innovative approach to deposit management and optimized its pricing practices of funding to meet the requirements for the interest rate liberalization. As at June 30, 2015, the amount of customer deposits increased by RMB13,546.74 million or 8.1% to RMB181,479.18 million as compared to the end of the previous year, providing a stable source of funding for the healthy development of the Bank's credit, inter-bank and other intermediary businesses. The Bank's net fee and commission income rapidly grew by RMB311.20 million or 68.4% to RMB765.96 million, accounting for 17.97% of total income, which recorded an increase of 5.37 percentage points as compared to the same period of the previous year. Alongside the increase in income from the main operations, the Bank strictly controlled its expenses and realized a continuous decline in its cost-to-income ratio which recorded a year-on-year decrease of 2.34 percentage points in the first half of 2015 to 23.84%, reflecting a persistent improvement in the Bank's operating efficiency.

As at June 30, 2015, the Bank's capital adequacy ratio and core capital adequacy ratio were 11.16% and 9.84% respectively, fulfilling the latest regulatory requirements on capital adequacy ratios applicable to the PRC banking industry.

Management Discussions and Analysis

3.3.1 Analysis of the Income Statement

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Interest income	7,719,154	6,218,832	1,500,322	24.1
Interest expense	(4,307,413)	(3,235,147)	(1,072,266)	33.1
Net interest income	3,411,741	2,983,685	428,056	14.3
Net fee and commission income	765,959	454,761	311,198	68.4
Net trading gains/(losses)	71,768	99,223	(27,455)	(27.7)
Net gains/(losses) on investment securities	(5,042)	56,483	(61,525)	N/A
Other operating income	18,370	13,747	4,623	33.6
Operating income	4,262,796	3,607,899	654,897	18.2
Operating expenses	(1,291,776)	(1,173,893)	(117,883)	10.0
Impairment losses	(532,814)	(238,359)	(294,455)	123.5
Share of profit of associates	799	690	109	15.8
Profit before income tax	2,439,005	2,196,337	242,668	11.0
Income tax expense	(601,188)	(529,777)	(71,411)	13.5
Net profit	1,837,817	1,666,560	171,257	10.3

For the first half of 2015, interest-earning assets of the Bank maintained stable growth. Net interest income increased by RMB428.06 million or 14.3% as compared to the corresponding period of last year. Net fee and commission income rapidly increased by RMB311.20 million or 68.4% as compared to the corresponding period of last year. However, the provision for impairment of assets significantly increased by 123.5% to RMB532.81 million during the first half of 2015 as compared with the corresponding period of last year due to the greater pressure from non-performing loans. Therefore, the Bank recorded profit before income tax of RMB2,439.01 million, representing a year-on-year increase of 11.0%. Net profit was RMB1,837.82 million, representing a year-on-year increase of 10.3%.

3.3.1.1 Net interest income

For the first half of 2015, net interest income amounted to RMB3,411.74 million, representing a year-on-year increase of RMB428.06 million or 14.3%. Net interest income accounted for 80.0% of the total operating income.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Interest income	7,719,154	6,218,832	1,500,322	24.1
Interest expense	(4,307,413)	(3,235,147)	(1,072,266)	33.1
Net interest income	3,411,741	2,983,685	428,056	14.3

Management Discussions and Analysis

The following table sets forth the average balance of interest-earning assets and interest-bearing liabilities, the related interest income or interest expense and average yield or average cost ratio during the periods indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Average balance	Interest income/expense	Average annualized yield/cost ratio (%)	Average balance	Interest income/expense	Average annualized yield/cost ratio (%)
ASSETS						
Loans and advances to customers	111,474,974	3,778,544	6.84	95,355,351	3,424,474	7.24
Investment securities	73,611,811	2,545,471	6.97	51,030,094	1,580,691	6.25
Balances with central banks	32,045,143	245,374	1.54	31,584,846	238,501	1.52
Due from other banks and financial institutions	47,242,646	1,048,040	4.47	27,362,879	801,529	5.91
Financial assets at fair value through profit or loss	2,614,611	101,725	7.85	4,797,210	173,637	7.30
Total interest-earning assets	266,989,185	7,719,154	5.83	210,130,380	6,218,832	5.97
LIABILITIES						
Customer deposits	173,734,500	2,458,890	2.85	153,683,763	2,128,447	2.79
Due to other banks and financial institutions	69,609,474	1,721,312	4.99	36,132,637	989,591	5.52
Debts issued	4,828,729	127,211	5.31	4,281,313	117,109	5.52
Total interest-bearing liabilities	248,172,703	4,307,413	3.50	194,097,713	3,235,147	3.36
Net interest income		3,411,741			2,983,685	
Net interest spread⁽¹⁾			2.33			2.61
Net interest margin⁽²⁾			2.58			2.86

Notes:

(1) Net interest spread is the difference between average return of interest-earning assets and average cost of interest-bearing liabilities.

(2) Net interest margin is the ratio of net interest income and average balance of interest-earning assets.

For the first half of 2015, the average balance of interest-earning assets of the Bank increased by RMB56,858.81 million or 27.1% to RMB266,989.19 million as compared to the same period in the previous year. The average balance of interest-bearing liabilities increased by RMB54,074.99 million or 27.9% to RMB248,172.70 million as compared to the same period in the previous year.

Management Discussions and Analysis

For the first half of 2015, the average annualized yield on interest-earning assets of the Bank decreased by 14 basis points to 5.83% as compared to the same period in the previous year.

For the first half of 2015, the average annualized cost ratio of customer deposits increased over that of the same period in the previous year, and the overall average annualized cost ratio of interest-bearing liabilities increased by 14 basis points to 3.50% as compared to the same period in the previous year.

As a result of the overall impact of the above-mentioned factors, the net interest margin decreased by 28 basis points to 2.58% as compared to the same period in the previous year, and the net interest spread of the Bank decreased by 28 basis points to 2.33% as compared to the same period in the previous year.

The following table sets forth the Bank's changes in interest income and interest expense due to changes in volume and interest rates. Changes in volume were calculated based on movements in average balance, while changes in interest rates were calculated based on movements in the average annualized yield/cost ratio.

(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	741,896	(387,826)	354,070
Investment securities	593,908	370,872	964,780
Balances with central banks	121	6,752	6,873
Due from other banks and financial institutions	638,746	(392,235)	246,511
Financial assets at fair value through profit or loss	(98,138)	26,226	(71,912)
Change in interest income	1,876,533	(376,211)	1,500,322
LIABILITIES			
Customer deposits	236,346	94,097	330,443
Due to other banks and financial institutions	925,511	(193,790)	731,721
Debts issued	18,813	(8,711)	10,102
Change in interest expense	1,180,669	(108,403)	1,072,266

3.3.1.2 Interest income

For the first half of 2015, the Bank's interest income amounted to RMB7,719.15 million, representing a year-on-year increase of RMB1,500.32 million or 24.1%.

The average balance, interest income and average yield for each component of the Bank's interest income are set forth as follows:

	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
(All amounts expressed in thousands of RMB unless otherwise stated)						
Loans and advances to customers	111,474,974	3,778,544	6.84	95,355,351	3,424,474	7.24
Investment securities	73,611,811	2,545,471	6.97	51,030,094	1,580,691	6.25
Balances with central banks	32,045,143	245,374	1.54	31,584,846	238,501	1.52
Due from other banks and financial institutions	47,242,646	1,048,040	4.47	27,362,879	801,529	5.91
Financial assets at fair value through profit or loss	2,614,611	101,725	7.85	4,797,210	173,637	7.30
Total interest-earning assets	266,989,185	7,719,154	5.83	210,130,380	6,218,832	5.97

(1) Interest income from loans and advances to customers

For the first half of 2015, the interest income from loans and advances to customers amounted to RMB3,778.54 million, representing a year-on-year increase of RMB354.07 million or 10.3%, primarily due to the year-on-year increase of 16.9% in average balance of loans and advances to customers, as well as the year-on-year decrease of 40 basis points in average annualized yield.

(2) Interest income from investment securities

For the first half of 2015, the Bank's interest income from investment securities amounted to RMB2,545.47 million, representing a year-on-year increase of RMB964.78 million or 61.0%, primarily due to the significant year-on-year increase of 44.3% in average balance investment securities, as well as the year-on-year increase of 72 basis points in average annualized yield.

(3) Interest income from balances with central banks

For the first half of 2015, the Bank's interest income from balances with central banks amounted to RMB245.37 million, representing a year-on-year increase of RMB6.87 million or 2.9%, primarily due to the slightly year-on-year increase in average balance and average annualized yield of balances with central banks.

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(4) Interest income from amounts receivable from other banks and financial institutions

The average balance, interest income and average yield for each component of the Bank's amounts receivable from other banks and financial institutions are set forth as follows:

	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Average balance	Interest income	Average annualized yield (%)	Average balance	Interest income	Average annualized yield (%)
(All amounts expressed in thousands of RMB unless otherwise stated)						
Due from other banks and financial institutions for deposits and loans	6,534,564	107,290	3.31	3,070,848	44,615	2.93
Financial assets held under resale agreements	40,708,082	940,750	4.66	24,292,031	756,914	6.28
Total amounts due from other banks and financial institutions	47,242,646	1,048,040	4.47	27,362,879	801,529	5.91

For the first half of 2015, interest income from the Bank's amount due from other banks and financial institutions amounted to RMB107.29 million, representing a year-on-year increase of RMB62.68 million or 140.5%, primarily due to the significant year-on-year increase in average balance and average annualized yield of amount due from other banks and financial institutions.

For the first half of 2015, the interest income from the Bank's financial assets held under resale agreements amounted to RMB940.75 million, representing a year-on-year increase of RMB183.84 million or 24.3%, primarily due to the significant year-on-year increase of 67.6% in average balance of financial assets held under resale agreements. However, the average annualized yield significantly decreased by 162 basis points as compared to that of the same period in the previous year.

As a result of the foregoing factors, the Bank's total amounts due from other banks and financial institutions in the first half of 2015 increased by RMB246.51 million or 30.8% to RMB1,048.04 million as compared to the same period in the previous year.

(5) Interest income from financial assets at fair value through profit or loss

For the first half of 2015, the Bank's interest income from financial assets at fair value through profit or loss amounted to RMB101.73 million, representing a year-on-year decrease of RMB71.91 million or 41.4%, primarily due to the significant decrease of 45.5% in average balance, although the average annualized yield increased by 55 basis points as compared to the same period in the previous year.

3.3.1.3 Interest expense

For the first half of 2015, the Bank's total interest expense amounted to RMB4,307.41 million, representing a year-on-year increase of RMB1,072.27 million or 33.1%.

(1) Interest expense on customer deposits

The average balance, interest expense and average cost ratio for each component of the Bank's customer deposits are set forth as follows:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Corporate deposits						
Demand	48,164,835	231,539	0.97	45,653,111	220,503	0.97
Time	67,839,018	1,425,866	4.24	59,009,469	1,276,534	4.36
Subtotal	116,003,853	1,657,405	2.88	104,662,580	1,497,037	2.88
Retail deposits						
Demand	8,170,782	18,770	0.46	8,348,727	16,194	0.39
Time	24,759,336	461,537	3.76	16,703,561	267,089	3.22
Subtotal	32,930,118	480,307	2.94	25,052,288	283,283	2.28
Other deposits	24,800,529	321,178	2.61	23,968,895	348,127	2.93
Total customer deposits	173,734,500	2,458,890	2.85	153,683,763	2,128,447	2.79

For the first half of 2015, the Bank's interest expense on customer deposits was RMB2,458.89 million, representing a year-on-year increase of RMB330.44 million or 15.5%, primarily due to the year-on-year increase of 13.0% in average balance of customer deposits, as well as the year-on-year increase of 6 basis points in average annualized cost ratio of customer deposits.

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(2) Interest expense on amount due to other banks and financial institutions

The average balance, interest expense and average cost ratio for each component of the Bank's amount due to other banks and financial institutions are set forth as follows:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Due to other banks	45,560,026	1,214,364	5.38	26,294,528	723,860	5.55
Borrowings from central banks	3,026,397	44,384	2.96	1,858,198	21,589	2.34
Financial assets sold under repurchase agreements	21,023,051	462,564	4.44	7,979,911	244,142	6.17
Total borrowings from financial institutions	69,609,474	1,721,312	4.99	36,132,637	989,591	5.52

For the first half of 2015, the Bank's total interest expense on the amount due to other banks and financial institutions was RMB1,721.31 million, representing a year-on-year increase of RMB731.72 million or 73.9%, primarily due to the year-on-year increase of 92.6% in average balance of the amount payable to other banks and financial institutions, as well as the decrease of 53 basis points in average annualized cost ratio.

(3) Interest expense on issuance of bonds

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Average balance	Interest expense	Average annualized cost ratio (%)	Average balance	Interest expense	Average annualized cost ratio (%)
Subordinated bonds	1,028,729	27,272	5.35	1,293,885	44,625	6.95
Financial bonds for small and micro enterprises	3,000,000	72,514	4.87	2,987,428	72,484	4.89
Interbank deposits	800,000	27,425	6.91	–	–	–
Total	4,828,729	127,211	5.31	4,281,313	117,109	5.52

For the first half of 2015, interest expense on issued bonds amounted to RMB127.21 million, representing a year-on-year increase of RMB10.10 million or 8.6%, primarily due to the Bank's issuance of interbank deposits for seven times in the first half of 2015, resulting in total interest expenses of RMB27.43 million for interbank deposits falling due during the first half of 2015.

3.3.1.4 Net interest spread and net interest margin

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.

For the first half of 2015, the Bank's net interest spread was 2.33%, representing a year-on-year decrease of 28 basis points. The decrease in net interest spread was primarily due to the decrease in average annualized yield of interest-earning assets, as well as the increase in average annualized cost ratio of interest-bearing liabilities.

For the first half of 2015, the Bank's net interest margin was 2.58%, representing a year-on-year decrease of 28 basis points, primarily due to a year-on-year increase of RMB428.06 million or 14.3% in net interest income, a year-on-year increase of RMB56,858.81 million or 27.1% in of the average balance of interest-generating assets and the increase in average balance of interest-generating assets higher than the increase in net interest income.

3.3.1.5 Non-interest income

(1) Net fee and commission income

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Fee and commission income	801,930	482,131	319,799	66.3
Commission from financial advisory and consulting services	198,919	211,678	(12,759)	(6.0)
Commission from wealth management agency service	178,634	81,980	96,654	117.9
Commission from custodian service	286,789	102,432	184,357	180.0
Annual fees and commission from bank card services	87,675	43,303	44,372	102.5
Commission from guarantee and commitment services	20,538	23,510	(2,972)	(12.6)
Commission from settlement and agency services	29,375	19,228	10,147	52.8
Fee and commission expense	(35,971)	(27,370)	(8,601)	31.4
Net fee and commission income	765,959	454,761	311,198	68.4

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For the first half of 2015, the Bank's net fee and commission income amounted to RMB765.96 million, representing a sharp increase of RMB311.20 million or 68.4% as compared to the same period in the previous year and accounting for 17.97% of operating income, up by 5.37 percentage points as compared to the same period in the previous year, primarily due to the Bank's proactive adjustment of income structure, adoption of measures to expand the sources of non-interest income and increase in income from intermediary banking services, with a year-on-year increase of RMB184.36 million or 180.0% in commission from custodian service, a year-on-year increase of RMB96.65 million or 117.9% in commission from wealth management agency service, a year-on-year increase of RMB44.37 million or 102.5% in annual fees and commission income from bank card services, and a year-on-year growth of RMB10.15 million or 52.8% in commission income from settlement and agency services.

Commission income from financial advisory and consulting services amounted to RMB198.92 million, representing a year-on-year decrease of RMB12.76 million or 6.0%, primarily due to the decline in overall demand for such services under the sluggish macroeconomic condition.

Commission income from wealth management agency service amounted to RMB178.63 million, representing a year-on-year increase of RMB96.65 million or 117.9%, primarily due to the continuous growth in wealth management agency services provided by the Bank.

Commission income from custodian service amounted to RMB286.79 million, representing a year-on-year increase of RMB184.36 million or 180.0%, primarily due to the substantial growth in such services.

Annual fees and commission income from bank card services amounted to RMB87.68 million, representing a year-on-year increase of RMB44.37 million or 102.5%, primarily due to the significant growth in amount of issued bank cards and credit cards, and growth in number of settled transactions through self service facilities.

Commission income from guarantee and commitment services amounted to RMB20.54 million, representing a year-on-year decrease of RMB2.97 million or 12.6%, primarily due to the decline in overall demand for such services.

Commission income from settlement and agency services amounted to RMB29.38 million, representing a year-on-year increase of RMB10.15 million or 52.8%, primarily due to the increase of settlement and agency services while the commission fee rate for these services basically remained stable.

(2) Net trading gains

The net trading gains mainly include gains and losses generated from foreign exchange spot transactions, gains and losses generated from the translation of foreign currency monetary assets and liabilities into Renminbi, and gains or losses generated from the changes in fair value of the trading securities. During the first half of 2015, the Bank's net trading gains was RMB71.77 million, representing a year-on-year decrease of RMB26.99 million or 27.7%, primarily due to (1) exchange loss of RMB2.53 million arising from appreciation of US dollars against RMB; and (2) gains of RMB74.30 million arising from the fluctuation in interest rate with relative stable income from the bond-securities investment portfolio.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Exchange (losses)/gains	(2,531)	24,455	(26,986)	N/A
Net gains from interest rate products	74,299	74,768	(469)	(0.6)
Total	71,768	99,223	(27,455)	(27.7)

(3) Net losses on investment securities

For the first half of 2015, the Bank's net losses on investment securities amounted to RMB5.04 million, significantly decreased as compared with net gains on investment securities of RMB56.48 million over the same period in the previous year.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Net gains arising from de-recognition of held-for-trading financial assets	(4,535)	2,455	(6,990)	N/A
Net gains arising from de-recognition of available-for-sale financial assets	(507)	54,028	(54,535)	N/A
Total	(5,042)	56,483	(61,525)	N/A

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3.3.1.6 Operating expenses

For the first half of 2015, the Bank's operating expenses was RMB1,291.78 million, representing a year-on-year increase of RMB117.88 million or 10.0%.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Staff costs	639,873	569,775	70,098	12.3
Business tax and surcharges	275,535	229,514	46,021	20.1
Depreciation and amortization	75,327	63,505	11,822	18.6
General and administrative expense	252,324	256,713	(4,389)	(1.7)
Others	48,717	54,386	(5,669)	(10.4)
Total operating expenses	1,291,776	1,173,893	117,883	10.0

(1) Staff costs

Staff costs constitute the largest component of the Bank's operating expenses, accounting for 49.53% and 48.54% of its total operating expenses for the first half of 2015 and 2014 respectively.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Salaries and bonuses	469,094	401,706	67,388	16.8
Pension costs	63,014	61,168	1,846	3.0
Housing benefits and subsidies	31,170	28,175	2,995	10.6
Union and employee education fees	11,099	10,364	735	7.1
Other social security and welfare expenses	65,496	68,362	(2,866)	(4.2)
Total staff costs	639,873	569,775	70,098	12.3

For the first half of 2015, the Bank's total staff costs amounted to RMB639.87 million, representing a year-on-year increase of RMB70.10 million or 12.3%, primarily due to (1) the average increase of salaries and bonuses by 5.7% as compared with that in the previous year; and (2) the increase in headcount driven by the expansion of business scale and the increase in number of branches. As at June 30, 2015, the Bank had 3,627 full-time employees, representing an increase of 160 employees or 4.6% as compared to the previous year.

(2) Business tax and surcharges

Business tax and surcharges mainly relate to revenue generated from our financial products and services with respect to lending (interest income), transfer of securities and other financial businesses. During the first half of 2015, business tax and surcharges were RMB275.54 million, representing a year-on-year increase of RMB46.02 million or 20.1%.

(3) Depreciation and amortization

The depreciation and amortization for the first half of 2015 increased by RMB11.82 million or 18.6% to RMB75.33 million from the same period in the previous year as the growth of our property and equipment was relatively stable during the Reporting Period.

(4) General and administrative expense

For the first half of 2015, the general and administrative expenses decreased by RMB4.39 million or 1.7% year-on-year to RMB252.32 million.

3.3.1.7 Impairment Losses on Assets

For the first half of 2015, the provisions for impairment of assets recorded RMB532.81 million, representing a year-on-year increase of RMB294.46 million or 123.5% as compared to RMB238.36 million in the same period of 2014. The increase in provisions for impairment was primarily due to: (1) the continuous increase in volume of loans; and (2) due to the regulatory requirements and from a prudent perspective, the bank has made provisions for impairment of loans and receivables since the second half of 2014.

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

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Loans and advances to customers	492,510	238,068	254,442	106.9
– Collectively assessed	220,796	161,802	58,994	36.5
– Individually assessed	271,714	76,266	195,448	256.3
Loans and receivables	39,496	–	–	–
Others	808	291	517	177.7
Impairment losses on assets	532,814	238,359	294,455	123.5

3.3.1.8 Investment in an associate

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Balance at beginning of the period	26,405	24,370
Share of profit after tax of an associate	799	690
Balance at the end of the period	27,204	25,060

On May 5, 2011, the Bank invested RMB22.00 million in the establishment of Xingyi Wanfeng Village Bank Co., Ltd., accounting for 20.0% of the registered capital of RMB110.00 million. For the first half of 2015, the Bank shared the profit after tax of RMB0.80 million, representing a 15.8% growth as compared to the same period in the previous year.

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3.3.1.9 Income tax expense

The income tax rate applicable to the Bank was 25%. The effective tax rates of the Bank in the first half of 2015 and 2014 were 24.65% and 24.12% respectively.

The following table sets forth the profit before income tax and income tax expense for the first half of 2015 and 2014.

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Change in amount	Change in percentage (%)
Profit before income tax	2,439,005	2,196,337	242,668	11.0
Tax calculated at applicable statutory tax rate of 25%	609,752	549,084	60,668	11.0
Add/(less) the tax effect of the following items:				
Non-taxable income	(21,452)	(22,201)	749	(3.4)
Non-deductible expenses	13,254	4,059	9,195	226.5
Differences from settlements for prior years	(366)	(1,165)	799	(68.6)
Income tax expense	601,188	529,777	71,411	13.5

3.3.2 Analysis of the Statement of Financial Position

3.3.2.1 Assets

The following table sets forth the composition of the Bank's total assets for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Total loans and advances to customers	115,767,381	41.0	106,448,851	38.8
Provision for impairment losses on loans and advances to customers	(2,772,415)	(1.0)	(2,334,095)	(0.9)
Net loans and advances to customers	112,994,966	40.0	104,114,756	37.9
Investment securities ⁽¹⁾	78,157,437	27.6	70,979,720	25.9
Investments in associates	27,204	0.0	26,405	0.0
Cash and balances with central banks	40,368,272	14.3	35,699,093	13.0
Due from other banks and financial institutions	41,844,248	14.8	54,409,453	19.8
Financial assets at fair value through profit or loss	4,295,989	1.5	4,798,210	1.7
Fixed assets	2,459,699	0.9	2,396,654	0.9
Deferred income tax assets	398,362	0.1	317,765	0.1
Other assets	2,263,390	0.8	1,789,089	0.7
Total assets	282,809,567	100.0	274,531,145	100.0

Note:

(1) Investment securities consist of available-for-sale financial assets, held-to-maturity investments, debt securities classified as receivables.

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As at June 30, 2015, the Bank's total assets amounted to RMB282,809.57 million, representing an increase of RMB8,278.42 million or 3.0% as compared to the end of the previous year. An analysis of the breakdown of the Bank's total assets as at June 30, 2015 is as follows:

Total loans and advances to customers increased by RMB9,318.53 million or 8.8% to RMB115,767.38 million as compared to the end of the previous year. This was primarily due to the fact that the Bank increased loans to prime projects and key customers under effective risk control, whilst extending its support to offer loans to small and micro enterprises with good market potential and robust customer demand in line with the characteristics of the economic development of Chongqing.

Investment securities increased by RMB7,177.72 million or 10.1% to RMB78,157.44 million as compared to the end of the previous year, primarily due to the increase in government bonds held by the Bank, quality corporate bonds and entrusted investment with controllable risk exposures and higher yield.

Cash and balances with central banks increased by RMB4,669.18 million or 13.1% to RMB40,368.27 million as compared to the end of the previous year, primarily due to (1) the substantial increase of 97.6% in deposit of excess reserve as compared to the end of the previous year; (2) the substantial decrease of 63.9% in financial deposits as compared to the end of the previous year; and (3) the slight decrease of 5.7% and 3.8% in cash and statutory deposit reserve as compared to the previous year, respectively.

Total amount due from other banks and financial institutions decreased by RMB12,565.21 million or 23.1% to RMB41,844.25 million as compared to the end of the previous year, primarily due to (1) the substantial decrease of 27.7% in financial assets held under resale agreements as required by the "Notice on Regulating the Interbank Business of Financial Institutions" (《關於規範金融機構同業業務的通知》) (Yin Fa No. [2014] 127); and (2) the increase of amounts due from other bank and financial institutions by RMB983.76 million or 18.0% as compared to the end of the previous year.

(1) Loans and advances to customers

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Loans and advances to corporate entities				
– Corporate loans	75,628,665	65.3	69,031,229	64.9
– Discounted bills	5,058,275	4.4	4,866,911	4.6
Retail loans				
– Mortgage loans	18,002,027	15.6	17,339,942	16.3
– Personal consumer loans	3,919,789	3.4	3,876,509	3.6
– Credit card overdrafts	2,572,409	2.2	2,253,277	2.1
– Personal business loans	10,586,216	9.1	9,080,283	8.5
– Others	–	–	700	0.0
Total loans and advances to customer	115,767,381	100.0	106,448,851	100.0

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As at June 30, 2015, the Bank's total loans and advances to customers amounted to RMB115,767.38 million, representing an increase of RMB9,318.53 million or 8.8% as compared to the end of the previous year.

Loans and advances to corporate entities (excluding discounted bills) amounted to RMB75,628.67 million, representing an increase of RMB6,597.44 million or 9.6% as compared with that at the end of the previous year, and accounting for 65.3% of total loans and advances to customers, up by 0.4 percentage point from the end of the previous year. During the Reporting Period, the Bank actively adjusted the credit structure in support of the state's industrial policy and focused on the real economy. During the Reporting Period, additional loans to the real estate industry, the retail and wholesale industry, the construction industry, and the leasing and commercial services industry amounted to RMB3,238.80 million, RMB1,510.44 million, RMB834.04 million and RMB459.53 million respectively.

Discounted bills amounted to RMB5,058.28 million, representing an increase of RMB191.36 million or 3.9% as compared to the end of the previous year, primarily due to the increase in market demand.

Retail loans amounted to RMB35,080.44 million, representing an increase of RMB2,529.73 million or 7.8% as compared to the end of the previous year, and accounting for 30.3% of total loans and advances to customers, down by 0.3 percentage point from the end of the previous year. Specifically, mortgage loans, mainly for financing residential home purchases, increased by RMB662.09 million or 3.8% as compared to the end of the previous year; personal consumer loans grew by RMB43.28 million or 1.1% as compared to the end of the previous year. Personal business loans increased by RMB1,505.93 million or 16.6% as compared to the end of the previous year. Credit card overdrafts increased by RMB319.13 million or 14.2% as compared to the end of the previous year. During the Reporting Period, the Bank took active measures to manage credit risk, actively adjusted the credit structure and made more effort to expand personal credit consumption and credit card business in the face of complex market changes.

Distribution of loans by type of collateral

The following table sets forth the distribution of loans to customers by type of collateral for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Collateral loans	63,447,121	54.8	54,197,524	50.9
Pledged loans	14,626,585	12.7	13,515,506	12.7
Guaranteed loans	32,913,766	28.4	34,350,040	32.3
Unsecured loans	4,779,909	4.1	4,385,781	4.1
Total loans and advances to customers	115,767,381	100.0	106,448,851	100.0

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Movements on provision for impairment on loans and advances to customers

The following table sets forth the Bank's provision for impairment on loans and advances to customers for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Collective impairment	Individual impairment	Collective impairment	Individual impairment
Balance at the beginning of the period	2,072,780	261,315	1,750,942	115,550
Impairment for loans and advances charged to profit or loss	271,067	330,933	394,100	514,349
Reversal of impairment for loans and advances	(50,271)	(59,219)	(72,262)	(104,164)
Net impairment for loans and advances charged to profit or loss	220,796	271,714	321,838	410,185
Unwinding discount on allowances	–	(16,287)	–	(28,975)
Loans written off during the period	–	(40,957)	–	(236,990)
Recoveries of doubtful debts written off in prior years	–	3,054	–	1,545
Balance at the end of the period	2,293,576	478,839	2,072,780	261,315

For the first half of 2015, in strict accordance with the relevant requirements of accounting standards and the regulatory authorities, the Bank took into account of the external economic dynamics and macro monitoring policies and strived to increase provision for impairment on loans and advances. As at June 30, 2015, the balance of provisions for impairment losses on loans and advances to customers was RMB2,772.42 million, representing an increase of RMB438.32 million as compared to the end of the previous year; and the provision for impairment to non-performing loans ratio decreased by 52.11 percentage points to 266.76% from that of the end of the previous year.

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(2) Investment securities

The following table sets forth the composition of the Bank's financial assets at fair value through profit or loss and other investment securities for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial assets at fair value through profit or loss				
– Corporate bonds	3,489,267	4.2	4,798,210	6.3
– Government bonds	503,409	0.6	–	–
– Policy bank bonds	303,313	0.4	–	–
Subtotal	4,295,989	5.2	4,798,210	6.3
Investment Securities – loans and receivables				
– Trust companies	42,161,806	51.1	36,086,622	47.6
– Securities companies	11,513,133	14.0	14,737,000	19.5
– Commercial banks	2,334,312	2.8	2,718,927	3.6
Impairment allowance	(193,668)	(0.2)	(154,172)	(0.2)
Subtotal	55,815,583	67.7	53,388,377	70.5
Investment securities – available-for-sale				
– Policy bank bonds	2,523,967	3.1	3,028,110	4.0
– Commercial bank bonds	721,436	0.9	709,851	0.9
– Corporate bonds	9,346,205	11.3	6,264,606	8.3
– Equity Investment at fair value	421,651	0.5	291,122	0.4
– Others	14	0.0	14	0.0
Subtotal	13,013,273	15.8	10,293,703	13.6
Investment securities – held-to-maturity securities				
– Government bonds	7,083,685	8.6	5,051,655	6.7
– Policy bank bonds	1,778,896	2.1	1,779,985	2.3
– Commercial bank bonds	420,000	0.5	420,000	0.5
– Corporate bonds	46,000	0.1	46,000	0.1
Subtotal	9,328,581	11.3	7,297,640	9.6
Total	82,453,426	100.0	75,777,930	100.0

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As at June 30, 2015, the Bank's total financial assets at fair value through profit or loss and other investment securities amounted to RMB82,453.43 million, representing an increase of RMB6,675.50 million or 8.8% as compared to the end of the previous year. Financial assets at fair value through profit or loss amounted to RMB4,295.99 million, a decrease by RMB502.22 million or 10.5% as compared to the end of the previous year, primarily due to the decrease in the Bank's holdings of corporate bonds with high risk exposures. Available-for-sale financial assets amounted to RMB13,013.27 million, an increase by RMB2,719.57 million or 26.4% as compared to the end of the previous year, primarily due to the increase in the Bank's holdings of quality corporate bonds to increase the Bank's liquidity reserves. Investment securities-receivables was RMB55,815.58 million, an increase by RMB2,427.21 million or 4.5% as compared to the end of the previous year, primarily due to increased holding of trust schemes with controllable risks and high yield. Investment securities held-to-maturity increased by RMB2,030.94 million or 27.8% as compared to the end of the previous year to RMB9,328.58 million, primarily due to the increase in the Bank's holdings of government bonds with lower risk exposures and stable yield.

3.3.2.2 Liabilities

The following table sets forth the composition of the Bank's total liabilities for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Due to other banks and financial institutions	69,599,780	26.2	81,635,724	31.6
Customer deposits	181,479,175	68.3	167,932,436	64.9
Other liabilities	7,396,845	2.8	5,056,289	1.9
Tax payable	370,413	0.1	218,597	0.1
Bonds issued	6,774,313	2.6	3,785,076	1.5
Total liabilities	265,620,526	100.0	258,628,122	100.0

As at June 30, 2015, total liabilities of the Bank amounted to RMB265,620.53 million, representing an increase of RMB6,992.40 million or 2.7% as compared to the end of the previous year. Customer deposits, the Bank's largest source of capital, increased by RMB13,546.74 million or 8.1% to RMB181,479.18 million as compared to the end of the previous year. Amounts due to other banks and financial institutions significant decreased by RMB12,035.94 million or 14.7% to RMB69,599.78 million as compared to the end of the previous year. Bonds issued increased by RMB2,989.24 million or 79.0% to RMB6,774.31 million due to issuance of seven interbank deposits by the Bank in the first half of 2015.

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(1) Customer deposits

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate demand deposits	46,580,407	25.7	48,920,176	29.1
Corporate time deposits	72,974,580	40.2	64,523,802	38.4
Individual demand deposits	8,564,286	4.7	9,015,331	5.4
Individual time deposits	29,004,067	16.0	18,974,821	11.3
Other deposits	24,355,835	13.4	26,498,306	15.8
Total amount of customer deposits	181,479,175	100.0	167,932,436	100.0
Of which: Pledged deposits held as collateral	21,746,264	12.0	24,585,657	14.6

As at June 30, 2015, customer deposits of the Bank amounted to RMB181,479.18 million, representing an increase of RMB13,546.74 million or 8.1% as compared to the end of the previous year. Corporate deposits balance were RMB119,554.99 million, representing an increase of RMB6,111.01 million or 5.4% as compared to the end of the previous year; individual deposits balance were RMB37,568.35 million, representing an increase of RMB9,578.20 million or 34.2% as compared to the end of the previous year. Corporate and individual demand deposits balance amounted to RMB55,144.69 million, representing a decrease of RMB2,790.81 million or 4.8% as compared to the end of the previous year. Corporate and individual time deposits balance amounted to RMB101,978.65 million, an increase by RMB18,480.02 million or 22.1% as compared to the end of the previous year.

(2) Bonds issued

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Subordinated bonds				
Fixed rate subordinated debt – 2022	795,679	11.7	795,468	21.0
Financial bonds				
Fixed rate financial bond – 2018	2,991,012	44.2	2,989,608	79.0
Fixed rate financial bonds	2,987,622	44.1	–	–
Total	6,774,313	100.0	3,785,076	100.0

Pursuant to a resolution of the extraordinary general meeting passed on August 12, 2011 and the “Approval for Bank of Chongqing to Issue Subordinated Bonds” (《關於重慶銀行發行次級債券的批覆》) (Yin Jian Fu [2011] No. 511) by the CBRC on November 18, 2011, the Bank issued the RMB800.00 million subordinated bonds within the domestic inter-bank bond market of China in March 2012. Such subordinated bonds have a maturity of 10 years, with a fixed coupon rate of 6.8% per annum before maturity, payable annually. The Bank has the option to exercise the redemption right to redeem all of the bonds at the par value on March 21, 2017.

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The subordinated bonds are subordinated to all other claims on the assets of the Bank except for the Bank's share capital. In the calculation of the Bank's capital adequacy ratio, the subordinated bonds have been included as Tier 2 capital in accordance with relevant requirements of the CBRC.

As at June 30, 2015, there were no defaults of principal and interest or other breaches with respect to these bonds since their issuances.

Pursuant to a resolution of the extraordinary general meeting passed on November 25, 2011 and the "Approval for Bank of Chongqing to Issue Small and Micro Enterprises Financial Bonds" (《關於重慶銀行發行金融債券的批覆》) (Yin Jian Fu [2012] No. 526) by the CBRC on September 21, 2012, the Bank issued RMB3,000.00 million financial bonds for small and micro enterprises within the domestic inter-bank bond market of China in April 2013. On April 25, 2013, the Bank issued 5-year financial bonds for small and micro enterprises with a principal amount of RMB3,000.00 million. Such financial bonds bear a fixed coupon rate of 4.78% per annum before maturity, payable annually. All proceeds raised are used for loans to small and micro enterprises.

In the first half of 2015, the Bank issued a total of seven interbank deposits. As at June 30, 2015, there are a total of 4 outstanding interbank deposits issued, with nominal value of RMB1,000 million, RMB1,000 million, RMB200 million and RMB800 million respectively.

(3) Due to other banks and financial institutions

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Due to central banks	4,093,831	5.9	2,918,096	3.6
Deposits from banks	31,438,958	45.2	32,311,570	39.6
Deposits from other financial institutions	7,679,108	11.0	8,385,199	10.3
Placements from banks and other financial institutions	1,500,000	2.2	3,500,000	4.3
Notes sold under repurchase agreements	17,491,683	25.1	32,939,059	40.3
Securities sold under repurchase agreements	7,396,200	10.6	1,581,800	1.9
Total	69,599,780	100.0	81,635,724	100.0

As at June 30, 2015, the Bank's balance due to other banks and financial institutions amounted to RMB69,599.78 million, representing a decrease of RMB12,035.94 million or 14.7% as compared to the end of the previous year. The Bank's due to central banks increased by RMB1,175.74 million or 40.3% to RMB4,093.83 million as compared to the end of the previous year; its deposits from banks decreased by RMB872.61 million or 2.7% to RMB31,438.96 million as compared to the end of the previous year; deposits from other financial institutions decreased by RMB706.09 million or 8.4% to RMB7,679.11 million as compared to the end of the previous year; the Bank's placements from banks and other financial institutions decreased by RMB2,000.00 million or 57.1% to RMB1,500.00 million as compared to the end of the previous year; notes sold under repurchase agreements decreased by RMB15,447.38 million or 46.9% to RMB17,491.68 million as compared to the end of the previous year; and securities sold under repurchase agreements increased by RMB5,814.40 million or 367.6% to RMB7,396.20 million as compared to the end of the previous year.

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3.3.2.3 Shareholders' equity

The following table sets forth the composition of the Bank's shareholders' equity for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	2,705,228	15.7	2,705,228	17.0
Capital reserve	2,444,623	14.2	2,444,623	15.4
Other reserves	4,906,424	28.6	3,798,252	23.9
Retained earnings	7,132,766	41.5	6,954,920	43.7
Total equity	17,189,041	100.0	15,903,023	100.0

As at June 30, 2015, the Bank had paid-in capital of RMB2,705.23 million, capital reserve of RMB2,444.62 million, other reserves of RMB4,906.42 million, and retained earnings of RMB7,132.77 million. Among other reserves, general reserve increased by RMB924.15 million as compared to the end of the previous year, as the balance of general reserve was required to be not less than an additional reserve of 1.5% of the balance or risk assets at the end of the corresponding period in the previous year.

3.3.3 Loan quality analysis

3.3.3.1 Breakdown of Loans by the Five-Category Classification

The following table sets forth the distribution of the Bank's loans by the five category loan classification, under which non-performing loans are classified into substandard, doubtful and loss categories for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Pass	112,059,624	96.80	103,463,491	97.20
Special mention	2,668,455	2.30	2,253,380	2.12
Substandard	593,508	0.51	535,969	0.50
Doubtful	412,362	0.36	137,392	0.13
Loss	33,432	0.03	58,619	0.05
Total loans and advances to customers	115,767,381	100.00	106,448,851	100.00
Amount of non-performing loans	1,039,302	0.90	731,980	0.69

For the first half of 2015, facing the complex economic dynamics, the Bank strengthened its efforts in restructuring its credit structure, conducted a throughout risk review of credit assets, actively prevented and mitigated risks, strengthened early risk warning, tracking and after-lending monitoring management, hence the quality of the Bank's credit assets remained stable. As at June 30, 2015, the balance of non-performing loans was RMB1,039.30 million, representing an increase of RMB307.32 million as compared to the previous year; and non-performing loan ratio was 0.90%, representing an increase of 0.21 percentage point as compared to the previous year. The amount of loans under special mention category accounted for 2.30% of total loans, representing an increase of 0.18 percentage point as compared to the end of the previous year.

3.3.3.2 Concentration of loans

(1) Concentration by industry and non-performing loan

The following table sets forth the loans and non-performing loans by industry for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015				As at December 31, 2014			
	Amount	Percentage of total	Non-performing loans	Non-performing loan ratio	Amount	Percentage of total	Non-performing loans	Non-performing loan ratio
		(%)	amount	(%)		(%)	amount	(%)
Wholesale and retail	16,529,203	14.3	299,210	1.81	15,018,762	14.1	269,930	1.80
Manufacturing	15,840,097	13.7	223,022	1.41	16,318,878	15.3	149,531	0.92
Real estate	13,601,129	11.7	-	-	10,362,332	9.7	-	-
Construction	8,180,223	7.1	94,679	1.16	7,346,188	6.9	55,230	0.75
Water conservation, environment and public facility administration	5,206,586	4.5	-	-	4,960,790	4.7	-	-
Leasing and commercial services	3,742,885	3.2	-	-	3,283,354	3.1	-	-
Mining	2,403,277	2.1	110,358	4.59	2,399,014	2.3	100,000	4.17
Transportation, warehousing and postal service	2,122,386	1.8	-	-	1,945,510	1.8	22,666	1.17
Electricity, gas and water production and supply	1,904,215	1.7	14,990	0.79	1,733,604	1.6	-	-
Public administration and social organization	1,505,700	1.3	-	-	1,197,700	1.1	-	-
Agriculture, forestry, animal husbandry and fishery	1,194,636	1.0	29,678	2.48	1,167,468	1.1	4,988	0.43
Household services and other services	802,102	0.7	-	-	621,921	0.6	-	-
Education	495,750	0.4	2,190	0.44	502,960	0.5	1,400	0.28
Health, social security and welfare	412,779	0.4	-	-	373,220	0.3	-	-
Financing	386,091	0.3	-	-	403,863	0.4	-	-
Science, technology and geological survey	368,420	0.3	7,500	2.04	376,190	0.3	-	-
Culture, sports and entertainment	342,210	0.3	-	-	357,130	0.3	-	-
Accommodation and catering	337,778	0.3	5,288	1.57	390,153	0.4	294	0.08
Information transmission, computer services and software industries	253,198	0.2	-	-	272,192	0.3	-	-
Discounted bills	5,058,275	4.4	-	-	4,866,911	4.6	-	-
Retail loans	35,080,441	30.3	252,387	0.72	32,550,711	30.6	127,941	0.39
Total	115,767,381	100.0	1,039,302	0.90	106,448,851	100.0	731,980	0.69

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

Management Discussions and Analysis

In the first half of 2015, China's economic development entered the "new normal" growth trend. In fulfilling its responsibility to serve the real economy, the Bank adhered to the strategies for both steady growth and structural adjustment and continued to optimize its industry-specific credit entry and exit criteria for customers and further refined the management of industry quotas.

Certain industries were affected by continuing international and domestic economic slowdown with a relatively fast growth in their non-performing loans in the first half of 2015. Major industries experienced the following changes:

The amount of non-performing loans in the manufacturing industry increased by RMB73.49 million as compared to the end of the previous year, and the non-performing loan ratio increased by 0.49 percentage point, mainly due to continuing manufacturing downturn. Some enterprises underestimated the economic situation, and put a lot of pre-investment funds in technological renovation or failed to produce the expected efficiency with their expansion capital, thereby causing a tight or even disrupted cash flow to result in rapid growth of the non-performing loan ratio.

The amount of non-performing loans in the construction industry increased by RMB39.45 million as compared to the end of the previous year, and the non-performing loan ratio increased by 0.41 percentage point, mainly due to a continuing downturn in real estate and the persistent control by the government on lending platforms. Construction enterprises in general experienced difficulties in receivables collection resulting in a tight cash flow.

The amount of non-performing loans in mining industry increased by RMB10.36 million as compared to the previous year, and the non-performing loan ratio increased by 0.42 percentage point, mainly due to overdue loan from a coal washing company.

The amount of non-performing loans in the electricity, gas and water production and supply industry increased by RMB14.99 million as compared to the end of the previous year, and the non-performing loan ratio increased by 0.79 percentage point mainly due to poor management after capacity expansion of our branch's corporate customers in mineral water and gas.

The amount of non-performing loans in the agriculture, forestry, animal husbandry and fishery industries increased by RMB24.69 million as compared to the end of the previous year, and the non-performing loan ratio increased by 2.05 percentage points mainly due to poor sales of a customer engaged in livestock breeding in the wake of expansion.

The amount of non-performing loans in scientific research, technique service and geological survey industry increased by RMB7.50 million as compared to the end of the previous year, and the non-performing loan ratio increased by 2.04 percentage points, mainly due to: (1) recycling circle stretch-out of the sailing loans from a biology company, loan recovery behind time, interest of loan overdue; (2) recovery difficulty in receivables from a chicken farm, broken capital chain leads to overdue interest.

The amount of non-performing loans in accommodation and catering industry increased by RMB4.99 million as compared to the end of the previous year, and the non-performing loan ratio increased by 1.49 percentage points, mainly due to the impact of economical environment lead to bad business and fail to repay expired loan.

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The amount of non-performing loans in retail loans increased by RMB124.45 million as compared to the end of the previous year, and the non-performing loan ratio increased by 0.33 percentage point mainly due to suspension or closing down of some small and micro enterprises, leading to failure of repayment of personal business loans and commercial mortgage loans by small and micro business owners.

Moreover, as a result of prudent credit entry criteria for customers and sound risk management, the Bank continued to maintain a zero non-performing loan ratio in real estate loans while the size of loans to the real estate industry grew rapidly. Non-performing loans in the transportation, warehousing and postal industries were actively resolved, with the non-performing loan ratio dropping to zero from 1.17% at the end of the previous year.

(2) Concentration of borrowers

In the first half of 2015, the Bank's total loans to its single largest borrower accounted for 4.30% of its net capital while total loans to its top ten customers accounted for 28.30% of its net capital, which were in compliance with regulatory requirements. As at June 30, 2015, none of the Bank's loans to top ten borrowers were non-performing loans.

a. Indicators of concentration

Major regulatory indicators	Regulatory standard	As at June 30, 2015	As at December 31, 2014
Loan concentration ratio for the single largest customer (%)	<=10	4.30	4.62
Loan concentration ratio for the top ten customers (%)	<=50	28.30	25.21

Note: The data above are calculated in accordance with the formula promulgated by the CBRC.

b. Loans to top ten borrowers

(All amounts expressed in thousands of RMB unless otherwise stated)		As at June 30, 2015	
		Amount	Percentage of total loans (%)
Customer A	Manufacturing	834,000	0.72
Customer B	Real estate	700,000	0.60
Customer C	Real estate	690,000	0.60
Customer D	Power, heating power, gas and water production and supply	500,000	0.43
Customer E	Real estate	498,000	0.43
Customer F	Manufacturing	490,000	0.42
Customer G	Real estate	480,000	0.41
Customer H	Real estate	470,000	0.41
Customer I	Wholesale and retail	430,000	0.37
Customer J	Water conservation, environment and public facility administration	400,000	0.35

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(3) Distribution of loans and non-performing loans by product type

The following table sets forth the loans and non-performing loans by product type for the dates indicated.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015			As at December 31, 2014		
	Loan amount	Non-performing loan amount	Non-performing loan ratio (%)	Loan amount	Non-performing loan amount	Non-performing loan ratio (%)
Corporate loans	75,628,665	786,915	1.04	69,031,229	604,039	0.88
Short-term loans	47,393,644	685,515	1.45	45,885,258	502,639	1.10
Medium- and long-term loans	28,235,021	101,400	0.36	23,145,971	101,400	0.44
Retail loans	35,080,441	252,387	0.72	32,550,711	127,941	0.39
Residential mortgage and personal commercial property loans ⁽¹⁾	17,771,267	63,769	0.36	16,994,619	30,800	0.18
Personal business and re-employment loans	10,586,216	134,900	1.27	9,080,283	74,589	0.82
Others ⁽²⁾	6,722,958	53,718	0.80	6,475,809	22,552	0.35
Discounted bills	5,058,275	-	-	4,866,911	-	-
Total	115,767,381	1,039,302	0.90	106,448,851	731,980	0.69

Note:

- (1) Personal commercial property loans only include mortgage loans and exclude the part of other consumer loans which is used to purchase commercial properties.
- (2) Other loans include Yangtze Card revolving credit lines, Yangtze Quick and Easy Loan (長江快易貸), margin loans for overseas study, personal consumer automobile mortgage loans (intermediate type), personal consumer automobile mortgage loans (direct type), personal commercial automobile mortgage loans, special loans for non-agricultural migration (農轉非專項貸款) and other personal loans for general consumption needs.

As at June 30, 2015, the balance of non-performing corporate loans was RMB786.92 million, representing an increase of RMB182.88 million as compared to the end of the previous year. Non-performing loan ratio of corporate loans increased by 0.16 percentage point to 1.04% as compared to the end of the previous year, and the balance of non-performing retail loans was RMB252.39 million, representing an increase of RMB124.45 million as compared to the end of the previous year. Non-performing loan ratio of retail loans increased by 0.33 percentage point to 0.72% as compared to the end of the previous year.

Management Discussions and Analysis

(4) Overdue loans and advances to customers

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

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Past due within 90 days	2,900,959	65.58	835,969	56.49
Past due 90 days to 1 year	1,093,510	24.72	406,747	27.49
Past due over 1 year and within 3 years	330,338	7.47	237,008	16.02
Past due over 3 years	98,486	2.23	3	0.00
Total overdue loans and advances to customers	4,423,293	100.00	1,479,727	100.00

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

As at June 30, 2015, the total overdue loans amounted to RMB4,423.29 million, representing an increase of RMB2,943.57 million as compared to the end of the previous year. Overdue loans accounted for 3.82% of total loans, representing an increase of 2.43 percentage points as compared to the end of the previous year.

3.3.4 Segment information

3.3.4.1 Summary of geographical segment

(Expressed in percentage)	June 30, 2015		December 31, 2014	
	Chongqing	Other areas ⁽¹⁾	Chongqing	Other areas ⁽¹⁾
Deposits	79.77	20.23	77.49	22.51
Loans	75.09	24.91	74.00	26.00
Assets	81.88	18.12	81.40	18.60
Loan-to-deposit ratio	58.62	76.64	59.21	71.60
Non-performing loan ratio	0.52	2.12	0.31	1.80
Allowance to non-performing loans ratio	458.53	128.67	704.36	128.30

(Expressed in percentage)	January to June 2015		January to June 2014	
	Chongqing	Other areas ⁽¹⁾	Chongqing	Other areas ⁽¹⁾
Annualized return on average total assets	1.48	0.67	1.54	1.60
Net fee and commission income to operating income	18.44	14.96	13.11	10.60
Cost-to-income ratio	30.54	28.80	31.14	38.15

Note:

(1) Other areas refer to the Bank's operations outside Chongqing, which include the Chengdu Branch, Guiyang Branch and Xi'an Branch.

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3.3.4.2 Summary of business segment

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015				
	Corporate banking	Retail banking	Treasury operations	Others	Total
Net interest income from external customers	1,281,658	259,853	1,870,230	–	3,411,741
Inter-segment net interest income/(expense)	1,073,898	168,372	(1,242,270)	–	–
Net interest income	2,355,556	428,225	627,960	–	3,411,741
Net fee and commission income	236,500	83,247	446,212	–	765,959

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2014				
	Corporate banking	Retail banking	Treasury operations	Others	Total
Net interest income from external customers	972,280	323,747	1,687,658	–	2,983,685
Inter-segment net interest income/(expense)	988,898	224,409	(1,213,307)	–	–
Net interest income	1,961,178	548,156	474,351	–	2,983,685
Net fee and commission income	363,705	91,056	–	–	454,761

3.3.5 Analysis of off-balance-sheet items

Off-balance-sheet items of the Bank mainly include contingent liabilities and commitments, such as the credit commitments, capital expenditure commitments and operating lease commitments. Credit commitments, the major component of off-balance-sheet items, comprise bank acceptances, credit card commitments, issuance of letters of credit and issuance of letters of guarantee, among which credit card commitments, bank acceptances, and issuance of letters of credit are the major components. As at June 30, 2015, the balance of credit card commitments was RMB1,558.15 million, representing an increase of RMB480.08 million or 44.5% as compared to the end of the previous year; the balances of bank acceptances and issuance of letters of credit were RMB41,072.69 million, representing an increase of RMB590.43 million or 1.5% as compared to the end of the previous year; the balance of operating lease commitments was RMB167.30 million, representing an increase of RMB11.59 million or 7.4% as compared to the end of the previous year; and the balance of capital expenditure commitments was RMB558.91 million, representing an increase of RMB4.61 million or 0.8% as compared to the end of the previous year.

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015			
	Within 1 year	1 to 5 years	Over 5 years	Total
Unused credit card limits	1,558,149	–	–	1,558,149
Guarantees, acceptances and letters of credit	40,653,418	419,276	–	41,072,694
Operating lease commitments	54,004	88,264	25,030	167,298
Capital expenditure commitments	478,821	80,085	–	558,906
Total	42,744,392	587,625	25,030	43,357,047

(All amounts expressed in thousands of RMB unless otherwise stated)	As at December 31, 2014			
	Within 1 year	1 to 5 years	Over 5 years	Total
Unused credit card limits	1,078,065	–	–	1,078,065
Guarantees, acceptances and letters of credit	40,102,035	380,227	–	40,482,262
Operating lease commitments	51,549	85,366	18,796	155,711
Capital expenditure commitments	507,265	47,036	–	554,301
Total	41,738,914	512,629	18,796	42,270,339

3.4 Business Overview

3.4.1 Corporate Banking Business

The following table sets forth the accounting information and changes of the corporate banking segment:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Rate of change (%)
Net Interest income from external customers	1,281,658	972,280	31.8
Intersegment net interest income/(expense)	1,073,898	988,898	8.6
Net interest income	2,355,556	1,961,178	20.1
Net fee and commission income	236,500	363,705	(35.0)
Other operating income	–	829	–
Impairment losses	(375,771)	(173,794)	116.2
Operating expense	(677,576)	(753,507)	(10.1)
– Depreciation and amortization	(39,511)	(45,756)	(13.6)
– Others	(638,065)	(707,751)	(9.8)
Profit before income tax	1,538,709	1,398,411	10.0
Capital expenditure	50,973	72,969	(30.1)
Segment assets	113,003,637	110,171,734	2.6
Segment liabilities	152,255,832	142,784,378	6.6

Note: The above corporate banking segment includes small and micro enterprise banking business.

Management Discussions and Analysis

(I) Corporate Deposits

Corporate deposits maintained a rapid and steady growth. We proactively developed the corporate deposit market by enhancing our marketing efforts. As at June 30, 2015, the balance of our corporate deposits (excluding security deposits) amounted to RMB119.56 billion, accounting for 65.88% of the balance of total deposits and representing a growth of RMB6.11 billion or 5.4% as compared with the end of the previous year. The balance of our corporate deposits (including security deposits) amounted to RMB141.30 billion, accounting for 77.86% of the balance of total deposits and representing a growth of RMB3.27 billion or 2.4% as compared with the end of the previous year.

According to Chongqing Administration of the PBOC, as at June 30, 2015, the balance of our RMB corporate deposits (including security deposits) in Chongqing amounted to RMB108.91 billion, which ranked the fourth in the city (only next to the Chongqing branch of Industrial and Commercial Bank of China, the Chongqing branch of China Construction Bank, and Chongqing Rural Commercial Bank Co., Ltd.). Our RMB corporate deposits in Chongqing accounted for a market share of 8.13%, representing a growth of 0.05 percentage point as compared with the beginning of the year. Our RMB corporate deposits in Chongqing increased by RMB5.42 billion as compared with the end of the previous year, which ranked the ninth in the city.

(II) Corporate Loans

Our corporate lending activities were prudent and moderate. We carried out corporate lending activities in a prudent, steady and moderate manner in line with the economic conditions and industry trend of the region where our customers operate and with reference to national macro control policies. As at June 30, 2015, the balance of our corporate loans (excluding discount of bills) amounted to RMB75.63 billion, representing a growth of RMB6.60 billion or 9.60% as compared to the end of the previous year.

(III) Corporate Banking Products

Our corporate banking product portfolio was further improved. To meet customers' needs, we proactively tailored our financial products to their specific industry characteristics, settlement practices and capital retention patterns with reference to regional economic and industry conditions. In the first half of 2015, the Bank proactively implemented measures in response to the interest rate liberalization trend, and committed its efforts in improving its competency in providing integrated service solutions. Specifically, the Bank strengthened the synergy between domestic and foreign currency businesses and products to provide enterprises with one-stop financial service solutions. The Bank also launched various new banking products such as flexible corporate deposits. It proactively commenced the light asset operation, and expanded its business scale by utilizing its assets rationally. As at June 30, 2015, the balance of domestic letters of credit amounted to RMB615.00 million, representing an increase of RMB297.00 million as compared with the end of the previous year.

3.4.2 Small and Micro Enterprise Banking Business

(I) Overview of Small and Micro Enterprise Banking Business

According to governmental statistics, the balance of our small and micro enterprise loans as at June 30, 2015 amounted to RMB43.23 billion, representing an increase of RMB4.16 billion as compared with the end of the previous year and RMB8.24 billion as compared with the corresponding period of previous year; loans increased by 10.7% as compared with the end of the previous year, which was 1.9 percentage points higher than the increase in our total loans. The number of loan customers was 19,083, increased by 1,200 as compared with 17,883 as at the beginning of the year. The rate of loans granting to small and micro enterprises was 85.04%, representing an increase of 3.94 percentage points as compared with the beginning of the year. According to new regulatory requirements, the Bank maintained the “three minimums” regulatory requirements.

While developing the scale of the small and micro enterprise banking business, the Bank has been focusing on the adjustment on customer base. As at June 30, 2015, the small and micro enterprise loans with an individual lending amount of RMB5 million or below recorded a balance of RMB21.60 billion, representing an increase of RMB1.70 billion or 8.6% as compared with the end of the previous year; and the number of clients reached 18,088, and the balance of loans per client was RMB1.19 million.

(II) Micro Enterprise Financing Business

As at June 30, 2015, the balance of our micro-loan extended based on the technology from International Project Consult GmbH reached RMB2.29 billion, representing an increase of RMB10.00 million or 0.4% as compared with the beginning of the year; the number of clients reached 6,733, representing an increase of 198 or 3.0% as compared with the beginning of the year; and the weighted average annual interest rate was 13.11% which was substantially higher than the average interest rate of the Bank. In light of the diversified nature of the customer base and high profitability of micro-loans, we will continue to allocate credit resources, financial resources and human resources to such business to accelerate the expansion of the micro-loans market and to make micro-loans as a featured product of the Bank.

(III) Initiatives to Develop Small and Micro Enterprise Customers

(1) Business Promotion

The Bank cultivated large quantities of small and micro customers with individual credit amounts within RMB5 million by adhering to the principle of “one big and one small”, i.e. developing a big customer base with small individual lending amounts. In the first half of the year, under the “new normal” economic state in China, the Bank focused on customers in county economic zones, which were less affected by economic fluctuations. The Bank also focused on small and micro customers engaging in processing of agricultural products, retail and wholesale business and catering, which were closely related to livelihood. In addition, based on its business model as a bulk, standard, process-based and intensive “credit factory”, the Bank measured customers’ risk exposures and amount by formulating a standardized risk model. The Bank also customized group-based financial service solutions for its customers. Currently, the Bank has implemented its bulk business models including “Rent-secured Loan” and “Honest Loan” for merchants and “Honest Loan” for farmers.

Management Discussions and Analysis

(2) Business Management Enhancement

According to the upgrading scheme for the small and micro enterprise banking business, our upgrading efforts were focused on internal management, talents, business processes, development model, product system, customer relationship management, risk control and IT construction. Our small and micro enterprise banking department at the headquarters established a whole-process management framework integrating business planning, marketing, appraisal and post-loan management. Our branches and sub-branches promoted building of standardized small and micro businesses, including independent small and micro business departments, dedicated review teams for small and micro businesses, dedicated client management teams for small and micro businesses and professional sub-branches for small and micro businesses.

(3) Business Risk Management

The Bank continued to improve the risk management system for small and micro enterprise banking business, and reduced its credit risk mainly with the following four methods: 1) in order to optimize our system establishment, improve internal control system and prevent operational risks, the Bank promulgated the Administrative Measures for Business Cooperation with Financing Guarantee Institutions, the Operational Procedures for Financing Guarantee Institutions, the Administrative Measures for Post-Credit Grant for Small and Micro Enterprises (Trial) and the Implementation Rules for Guarantee for Small and Micro Credit Enterprises (2015) during the first half of the year. The Bank also amended and improved the Tentative Administrative Measures for the Renew of Special Loans for Small and Micro Enterprises, and provided instruments for marketing and risk mitigation for branches and sub-branches, thereby facilitating the coordinated development between operations and risk control; 2) the Bank improved its risk control and management, enhanced the regular report on questionable credits, supervised branches in proactively solving questionable credits of small and micro enterprises, strengthened the frequency and coverage of site inspection for small and micro enterprises, implemented accountability system on auditing, and increased the awareness of branches and sub-branches on internal risk control and management; 3) the Bank adjusted its guarantee structure, and focused on operational risk prevention and control. It also facilitated the transformation of pledge and guarantee methods of small and micro enterprises, and lowered the credit leverage; and 4) the Bank adjusted its allocation structure, optimized cooperative strategies, restricted the credit grant for steel, coal and construction industry, and increased the credit grant for agricultural, retail, service and education industry with greater rigid demand.

(4) Business Channel Building

The Bank pressed forward its cooperation with business chambers or associations or trade markets, and fully utilized its edges on information and intermediary as the president, core enterprise and market administrator within the banking industry. It also implemented cross information verification on borrowers, thereby enhancing the efficiency on credit grant decision and providing support for bulk business. In addition, the Bank strengthened its communications with government authorities, and acquired government's supportive policies in respect of property, industry and tax for small and micro enterprises. Through cooperation with the industry guiding fund and risk compensation fund founded by the government, the Bank expanded the channels for acquiring small and micro enterprise customers and compensation channels for credit risks. Moreover, while promoting its mobile payment platform for small and micro enterprises, the Bank established multiple loan application channels for customers mainly through community banking centers, telephone banking and outlets. Lastly, the Bank established strategic cooperation with online enterprises, and explored integration of online and offline business for bank credit business.

3.4.3 Retail Banking Business

The following table sets forth the accounting information and changes of the retail banking segment:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Rate of change (%)
Net Interest income from external customers	259,853	323,747	(19.7)
Intersegment net interest income/(expense)	168,372	224,409	(25.0)
Net interest income	428,225	548,156	(21.9)
Net fee and commission income	83,247	91,056	(8.6)
Other operating income	1,777	332	435.2
Impairment losses	(116,739)	(64,274)	81.6
Operating expense	(386,432)	(265,140)	45.7
– Depreciation and amortization	(22,534)	(16,198)	39.1
– Others	(363,898)	(248,942)	46.2
Profit before income tax	10,078	310,130	(96.8)
Capital expenditure	19,845	18,979	4.6
Segment assets	43,993,651	28,655,471	53.5
Segment liabilities	38,403,140	30,162,901	27.3

(I) Personal Deposits

Benefiting from the continued robust economic growth in Chongqing area, the Bank adhered to integrating its brand value in services with key account sales, and fully utilizing its regional brand advantages. The Bank launched specific “Xing Fu Cun (幸福存)” deposit products solely with the aim of providing financial services to benefit the general public. Personal deposits increased by RMB9.58 billion or 34.2% as compared with the end of the previous year to RMB37.57 billion, continuing to maintain a relatively high growth rate. The local market share steadily increased.

(II) Personal Loans

Our personal consumer loans grew steadily. Personal consumer loans (excluding credit card overdrafts) increased by RMB706 million to RMB21.92 billion as compared with the end of the previous year, of which personal residential mortgage loans increased by RMB703 million to RMB17.35 billion. The Bank had been innovating its personal loan products, and launched a small credit loan product with high yield, namely “Jie Li Dai (接利贷)”.

Our policy loans continued to witness steady growth. In particular, the collateral-backed micro-loan as a major business line in our policy loan portfolio with risks partially shared and interest payable by the government delivered considerable profitability and boosted employment of residents. As a result, mutual successes were achieved in our economic profit and social responsibility commitment.

Management Discussions and Analysis

(III) Bank Cards

The number of bank cards (excluding credit cards) issued by the Bank has gradually increased, with high transaction volume. As at June 30, 2015, we had issued a total of 2,657,730 debit cards and the transaction volume amounted to RMB4.71 billion. The Bank was committed to broadening the functions, diversifying the channels and enhancing the security of bank card consumption, settlement and other bank card applications. The Bank issued the financial IC cards for registered season tickets of China Super League, which were the first financial IC card applied in national football match tickets. This serves as a demonstration and facilitates the application of financial IC cards.

3.4.4 Treasury Operations

The following table sets forth the accounting information and changes of the treasury operations segment:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014	Rate of change (%)
Net interest income from external customers	1,870,230	1,687,658	10.8
Inter-segment net interest income/(expense)	(1,242,270)	(1,213,307)	2.4
Net interest income	627,960	474,351	32.4
Net fee and commission income	446,212	–	–
Net trading gains	71,768	99,223	(27.7)
Net gains/(losses) on investment securities	(5,042)	56,483	n. a.
Share of profits of an associate	799	690	15.8
Other operating income	440	10,000	(95.6)
Impairment losses	(39,496)	–	–
Operating expense	(223,029)	(148,814)	49.9
– Depreciation and amortization	(13,005)	(1,466)	787.1
– Others	(210,024)	(147,348)	42.5
Profit before income tax	879,612	491,933	78.8
Capital expenditure	56,569	57,650	(1.9)
Segment assets	125,409,044	87,042,266	44.1
Segment liabilities	74,959,942	38,603,692	94.2

In the first half of 2015, addressing the increasing pressure from macro-economic downturn, the Bank continued to strengthen risk management of its treasury operations under the principle of compliance in business operations. While ensuring adequate liquidity, the Bank steadily pushed forward its treasury operations with an investment focus on trust beneficiary rights, bonds and wealth management products in the first half of 2015.

Our treasury operations made sound and healthy progress, posting a profit before income tax of RMB879.61 million as at June 30, 2015, and increased by RMB387.68 million as compared to the corresponding period of the previous year, mainly due to the increase in investment scale in the first half of 2015.

(I) Breakdown of Securities Investment by Holding Purpose

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Held-to-maturity	9,328,581	11.37	7,297,640	9.67
Loans and receivables	55,815,583	68.04	53,388,377	70.72
Held for trading	4,295,989	5.24	4,798,210	6.36
Available for sale	12,591,608	15.35	10,002,567	13.25
Total	82,031,761	100.00	75,486,794	100.00

As at June 30, 2015, the Bank's held-to-maturity bonds increased by RMB2,030.94 million from the end of the previous year, with the proportion increasing by 1.70 percentage points; loans and debt securities classified as receivables increased by RMB2,427.21 million from the end of the previous year, with the proportion decreasing by 2.68 percentage points; held-for-trading bonds decreased by RMB502.22 million from the end of the previous year, with the proportion decreasing by 1.12 percentage points; and available-for-sale bonds increased by RMB2,589.04 million from the end of the previous year, with the proportion increasing by 2.10 percentage points.

(II) Breakdown of Securities Investment by Credit Rating

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
AAA	1,151,688	1.40	1,077,859	1.43
AA- to AA+	10,526,360	12.83	8,736,221	11.57
Unrated	70,353,713	85.77	65,672,714	87.00
Total	82,031,761	100.00	75,486,794	100.00

The Bank strengthened the analysis of interest rate movements in the interbank market in 2015. According to market interest rate movements, the Bank gradually increased the holdings of highly liquid book-entry government bonds and non-commercial bank bonds as well as high-coupon corporate bonds with credit rating of AA or above. As at June 30, 2015, the Bank's unrated securities investment increased by RMB4,681.00 million from the end of the previous year, with the proportion decreasing by 1.23 percentage points. The unrated securities investment mainly comprised loans, debt securities classified as receivables and government bonds.

Management Discussions and Analysis

(III) Breakdown of Securities Investment by Remaining Maturity

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015		As at December 31, 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Up to 3 months	4,070,385	4.96	10,700,533	14.18
3 to 12 months	22,444,932	27.36	15,273,970	20.23
1 to 5 years	44,036,639	53.68	42,259,144	55.98
Over 5 years	11,479,805	14.00	7,253,147	9.61
Total	82,031,761	100.00	75,486,794	100.00

As at June 30, 2015, the Bank's securities investment with remaining maturity within 12 months increased by RMB540.81 million from the end of the previous year, with the proportion decreasing by 2.09 percentage points.

(IV) Holdings of Financial Bonds

Financial bonds are marketable securities issued by policy banks and other financial institutions with a debt service term as agreed upon. As at June 30, 2015, the balance of our financial bonds was RMB5.23 billion in nominal value, mainly comprising financial bonds issued by policy banks. Set out below are the top 10 financial bonds in terms of nominal value held by the Bank as at the dates indicated.

Name of bond	Value in RMB	Annual interest	
		rate (%)	Maturity date
2012 Policy Bank Financial Bond	1,000,000	3.39	July 9, 2015
2012 Policy Bank Financial Bond	500,000	4.11	April 23, 2017
2012 Policy Bank Financial Bond	500,000	4.21	June 29, 2019
2012 Policy Bank Financial Bond	500,000	3.87	June 28, 2019
2013 Policy Bank Financial Bond	460,000	5.04	October 24, 2023
2006 Policy Bank Financial Bond	380,000	3.79	June 28, 2021
2008 Policy Bank Financial Bond	230,000	3.68	October 23, 2018
2005 Policy Bank Financial Bond	200,000	4.10	August 30, 2025
2009 Commercial Bank Hybrid Capital Bonds	200,000	5.70	May 26, 2024
2015 Policy Bank Financial Bond	200,000	4.13	April 13, 2020

3.4.5 Distribution Channels

(I) Physical Outlets

As at June 30, 2015, we operated our business and marketed our retail banking products and services through the business department of our Head Office, our small enterprise loan center, 123 sub-units, including four branches, 85 offsite self-service banking centers and 804 self-service terminals, and through our extensive distribution channels, such as telephone banking, mobile banking, online banking and direct 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.

(II) Self-Service Banking Centers

Our offsite self-service banking centers and self-service terminals provide safe and convenient services to our customers, and also enhance our input-output ratio. As at June 30, 2015, we had 85 offsite self-service banking centers, 95 onsite service banking centers and 804 self-service terminals, including 335 ATMs, 288 self-service deposit and withdrawal machines and 181 multi-media self-service terminals that offer withdrawal, account inquiry, bill payment, deposit, passcode changing and/or fund transfer services. As at June 30, 2015, we processed approximately 4.62 million self-service banking transactions, with total transaction volume of RMB7.95 billion.

(III) Electronic Banking

(1) Internet Financing

Under the backdrop of “Internet +” with strategic opportunities, the Bank proactively focused on internet financing. It refined the development path and determined key areas for development. Leveraging existing resources and gradual development, the Bank strengthened its foundation. Firstly, the Bank facilitated the transformation and upgrade of our internet channels such as mobile bank and online banking. It also enhanced the procedures and efficiency of existing business models through optimizing financing channels, and achieved coordination between online and offline businesses. Secondly, the Bank proactively sought for cooperation opportunities with external institutions, especially the emerging internet enterprises which were engaging in P2P, e-commerce and crowd funding. The Bank aimed to provide professional, competitive basic financial services for those enterprises, such as payment, settlement, custodian and fund raising. It also launched innovation operations. Thirdly, on the basis of upgrading the existing electronic channels and the new internet platform, the Bank was building up the statistic base on customers’ operations and risk control ability.

(2) Online Banking

Corporate Online Banking

The Bank dedicatedly designed and optimized online banking functions pursuant to customers’ needs, and our corporate online banking provides services including corporate call deposits, batch payment, group service and direct linkage to corporate customers. As at June 30, 2015, we had 10,900 corporate online banking customers in aggregate, representing an increase of 33.1% as compared with the corresponding period of the previous year. The total transaction volume increased by 8.4% as compared with the corresponding period of the previous year to RMB112.40 billion, and the number of transactions increased by 45.2% to 742,000 as compared with the corresponding period of the previous year.

Management Discussions and Analysis

Personal Online Banking

The Bank continued to improve the service support capabilities and user friendliness of the personal online banking services by optimizing the operational procedures of personal online banking and introducing the text messaging transaction alerts. As at June 30, 2015, we had 242,500 personal online banking customers in aggregate, representing an increase of 46.5% as compared with the corresponding period of the previous year. The total transaction volume amounted to RMB28.19 billion, representing an increase of 32.0% as compared with the corresponding period of the previous year. The total number of transactions amounted to 415,900, representing an increase of 15.9% as compared with the corresponding period of the previous year.

(3) Mobile Banking

Our mobile banking has been updating its applications, and optimizing our procedures and services. At the same time, the Bank completed the connection of mobile payment, thus providing the online point exchange function for our users. As at June 30, 2015, we had 179,500 personal mobile banking customers in aggregate, representing an increase of 80.0% as compared with the corresponding period of the previous year. The total transaction volume amounted to RMB14.96 billion, representing an increase of 176.5% as compared with the corresponding period of the previous year, and the number of transactions amounted to 3,501,600, representing an increase of 86.8% as compared with the corresponding period of the previous year.

(4) Direct Banking

After the Bank successfully took the first-mover advantage, direct banking has become an important online brand and business channel of the Bank. The Bank also continued to expand the customer base of direct banking business. As at June 30, 2015, the direct banking business recorded a total of 93,600 contracted electronic account customers, originating from 31 provinces, municipalities and autonomous regions in China, of which customers holding cards issued by other banks reaching 40,100. In respect of the scales of financial assets, the total amount applied for “Ju Li Bao (聚利寶)” was RMB3.07 billion with a holding volume of RMB698 million, while the deposits of “Le Hui Cun (樂惠存)” was RMB11 million and the total numbers of customers applying for “DIY Loan” online reached 175.

Information Technology

In the first half of 2015, our information technology system operated smoothly. We adhered to maintaining stable business operation while actively working on the establishment of key projects. Firstly, we proactively commenced the establishment of disaster backup system for important information systems such as payment, ATM, text message, credit and financial information. Secondly, we strengthened the management of our operation and maintenance, and maintained stable system operation by adopting measures such as event tracking, changes control and risks assessment. Thirdly, the bank-wide network upgrading was pushed forward as scheduled and flat network management was gradually realized. It significantly increased network response speed to meet the new requirements on network management from our business development, and in line with the new network installation in the new headquarter building. Fourthly, we continued to promote the virtualization of our servers and hardware resources, which reduced the space for server room and our operation and maintenance cost sharply. Fifthly, we continued to facilitate the rectification work on maintenance and support systems for optimizing supervision and centralizing back-up filing, which greatly improved the standard and ability of maintenance technology.

Management Discussions and Analysis

We continued to facilitate the establishment of various information systems. Firstly, we completed the innovative optimization of our “Xing Fu Cun (幸福存)” business. We further enhanced the competitiveness of new operations and the level of user-friendly on the basis of works done in 2014. Secondly, we completed the integration of payment systems in the same city and formed a uni-payment platform, which further expanded the uni-payment system structure and gradually achieving our goal of establishing a payment platform which supports all kinds of payment channels. Thirdly, we completed the phase I construction for our new management and accounting system, thereby realizing the transformation of information management for our management and accounting works. Fourthly, we implemented comprehensive optimization and reform on interest rate liberalization. We achieved part of the innovative businesses such as flexible pricing of interest rate of customers, which provided a solid foundation for our goal of achieving the interest rate system of fixed interest rate for individual customer. Fifthly, we completed the phase III construction for front-end counter integration system, which further incorporated our counter operation into the new effective operating platform, thereby enhancing the ability of counters in serving customers. Sixthly, we commenced the optimization works on various electronic channels, including direct banking, online banking and corporate banking. This further strengthened the foundation for our business innovation and development under internet financing field.

We continued to strengthen internal control to enhance risk prevention and control capability based on information technology. Firstly, we established the genuine software working team, and strictly complied with relevant national systems and requirements in relation to the use of genuine software. Secondly, we continued our works on establishment of IT internal control system, and completed the optimization of 11 IT systems. Thirdly, we proactively conducted regular information technology security check every quarter as to increase our information security awareness and safeguard the safe and stable operation of our information systems.

3.4.6 Principal Subsidiary and Associate

On May 5, 2011, the Bank invested RMB22 million for the establishment of Xingyi Wanfeng Village Bank Co., Ltd., accounting for 20% of its registered capital of RMB110 million. Set out below are the profits of the associate attributable to the Bank as at June 30, 2015 and June 30, 2014:

(All amounts expressed in thousands of RMB unless otherwise stated)	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Balance at the beginning of the period	26,405	24,370
Share of profit after tax of the associate	799	690
Balance at the end of the period	27,204	25,060

Management Discussions and Analysis

3.5 Employees and Human Resources Management

3.5.1 Details of the employees

(1) Composition of employees

As at June 30, 2015, there were 3,627 employees on-duty, of which 643 or 17.73% worked at the Head Office, and 2,286 or 63.03% worked at branch outlets in Chongqing while 698 or 19.24% worked at branches in other cities.

(2) Range of their ages

The average age of the employees of the Bank was 33.4. 394 or 10.86% of them were below 25 years old while 1,303 or 35.94% aged between 26 to 30 years old. 720 or 19.85% of them aged between 31 to 35 years old while 415 or 11.44% of them aged between 36 to 40 years old. 517 or 14.25% of them aged between 41 to 45 years old while 185 or 5.10% of them aged between 46 to 50 years old and 93 or 2.56% of them aged above 50 years old.

(3) Educational background

320 or 8.82% of the employees of the Bank possessed a post-graduate qualification, and 6 of which were doctors. 2,479 or 68.35% of them were educated to degree level while 828 or 22.83% of them received junior college degrees or below.

(4) Composition of gender

The Bank had 1,588 male employees and 2,039 female employees, with the proportion of 43.78% and 56.22% respectively.

3.5.2 Overall management of human resources

In the first half of 2015, based on its five core tenets, the Bank aimed to intensify its reforms and continuously consolidated its foundation for managing human resources. The Bank adjusted and optimized its organization structure and its incentives and restraints mechanism. It also enhanced its operation efficiency, its employment and deployment of employees, and 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 enhancement through management.

3.5.3 Remuneration policy of the employees

The Bank has established its wide-range remuneration system based on market rates. It determined the remuneration and performance allocations of the employees based on their value of posts, individual ability, categories of posts and performance results. In order to have better recruitment, retaining and motivating of talents, the Bank successfully implemented the remuneration reform proposal during the first half of the year, while series of ancillary administrative measures for new remuneration system have been gradually promoted. Meanwhile, the Bank has strictly complied with the regulating provisions in respect of payment of remuneration, and extended the payment to senior management and certain employees whom had significant impacts on risks.

3.5.4 Training and development of the employees

Through establishing a level-and-category based employee training system, and fully utilizing the M-learning platform of “Mobile College of Bank of Chongqing” and the online E-learning platform, the Bank continuously provided innovative training mechanisms, measures and methods, and comprehensively implemented nurturing and training programs for key personnel and frontline employees, to keep promoting the overall standard of all the employees.

3.6 Risk Management

3.6.1 Credit Risk Management

Credit risk refers to the risk of losses resulting from the default, rating downgrade or decline in repayment ability of a borrower or counterparty. The Bank’s credit risks mainly come from its loan portfolio, investment portfolio, guarantees and commitments, as well as other payment commitments.

The Bank managed its credit risk through organization structure, systems construction, entry criteria, risk limits, measurement tools, dynamic authorization, credit review and approval, post-loan management, and recovery and disposal.

In the first half of 2015, the Bank formulated its annual credit policy guidelines in line with the current macroeconomic environment and the Bank’s business development. The Bank initiated some differentiated and characterized credit policies from four aspects, namely industry policies, customer policies, product policies and regional policies. Our credit management capabilities and value creation were further enhanced through proactive customer selection and appropriate risk management. For industries with overcapacity or highly sensitive to market volatility and industry policies, the Bank continued to implement stringent credit policies. In risk management of real estate loans, the Bank assessed the risk trends of the real estate industry, maintaining a reasonable concentration of real estate business in order to control the proportion of commercial real estate loans. The Bank also increased its risk monitoring efforts, strictly controlled relationship lending and prevented false mortgages. Credit resources were inclined to small and micro businesses and bulk businesses, aiming at enlarging our small loan customer base while lowering amount lent to a single customer. The Bank further strengthened the adjustment and optimization of the guarantee structure to gradually reduce the proportion of loans guaranteed by guarantee corporations. Risks associated with loans guaranteed by private guarantee agencies were proactively resolved through measures such as “Full Loans” and “Micro Loan Extension”. Under the “three period superimposed” situation of the China economy, the Bank strived to accelerate its business transformation, gradually reducing its reliance on deposit and loan business in order to effective control the growing trend in non-performing loans.

Management Discussions and Analysis

3.6.2 Operational Risk Management

Operational risk refers to the risk of losses that may be incurred due to inadequate or problematic internal procedures, staffing and information technology systems, as well as external events.

In the first half of 2015, the Bank continued to strengthen its operational risk management according to the regulatory requirements. In line with the objectives in capital management compliance, the Bank launched projects in compliance and application of operational risk standards. The Bank also deepened the implementation of its three operational risk management tools for the adjustment and optimization of business based on which the Bank optimized its management system and enhanced its operational risk management capacities. The Bank strengthened monitoring on employees' abnormal activities, in particular abnormal activities of key positions and sensitive procedures both within and outside the business hours. Other measures included compulsory reporting on leave, and important personal matters, and establishing a real-time staff risk monitoring ledger. The Bank also strengthened its business continuity management, conducted risk analyses of business continuity and led the respective departments to optimize their business contingency plans and drills.

3.6.3 Market Risk Management

Market risk refers to the risk of losses that may be incurred by the Bank in its on- or off-balance sheet business as a result of adverse changes in market prices (interest rates, exchange rates, stock prices and commodity prices), which mainly include interest rate risk of trading account and exchange rate risk.

3.6.3.1 Interest Rate Risk

Interest rate risk refers to the risk of fluctuations in the fair values or future cash flows of financial assets and liabilities due to movements in market interest rates. The interest rate risk of cash flow refers to the risk of fluctuations arising from the future cash flows of financial instruments caused by changes in market interest rates. The interest rate risk of fair value refers to the risk arising from the fluctuation of the value of certain financial instruments caused by changes in market interest rates. The Bank's interest rate is exposed to fair value risk and cash flow interest rate risk resulting from major interest rate movements in the market.

The Bank measures interest rate sensitivity gap on a regular basis, evaluates its interest rate risk through gap analyses, and further assesses the impact of interest rate movements on its net interest income and corporate net value in different interest rate scenarios.

In 2015, China's economic situation was complicated by comparatively higher downside risk and uncertainty. In the context of the prevailing policy to accelerate the interest rate liberalization process and the promotion by the central bank to issue negotiable certificates of deposit and wholesale deposit, continuous emerging financial innovations in the market led to more stringent market regulation and more intense market competition. Faced with the accelerating interest rate liberalization process and intensified competition in the financial markets, the Bank ensured a continued increase in its earnings and market value through measures such as proper use of the internal Funds Transfer Pricing system, optimizing its interest rate pricing management, timely adjusting its fund pricing, effectively controlling the lending rates and interest costs, and improving its forward-looking capabilities in interest rate risk management.

Management Discussions and Analysis

The structure of the Bank's interest rate sensitivity gap on the contract maturity date 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
June 30, 2015							
Assets							
Cash and balances with central banks	39,765,094	—	—	—	—	603,178	40,368,272
Due from other banks and financial institutions	24,440,249	7,869,517	9,414,482	120,000	—	—	41,844,248
Financial assets at fair value through profit or loss	—	—	852,751	1,976,037	1,467,201	—	4,295,989
Loans and advances to customers	43,992,957	10,866,613	51,274,228	6,162,921	698,247	—	112,994,966
Investment securities							
– Loans and receivables	861,894	1,839,285	19,038,998	33,676,843	398,563	—	55,815,583
– Available-for-sale	1,000,283	656,840	2,111,114	5,784,889	3,038,499	421,648	13,013,273
– Held-to-maturity	—	80,000	504,991	2,089,980	6,653,610	—	9,328,581
Investments in an associate	—	—	—	—	—	27,204	27,204
Other financial assets	—	—	—	—	—	1,629,630	1,629,630
Total assets	110,060,477	21,312,255	83,196,564	49,810,670	12,256,120	2,681,660	279,317,746
Liabilities							
Due to other banks and financial institutions	29,786,611	9,394,140	29,219,029	1,200,000	—	—	69,599,780
Customer deposits	71,285,647	14,418,560	42,828,769	52,926,588	19,611	—	181,479,175
Debt issued	1,995,230	992,391	—	3,786,692	—	—	6,774,313
Other financial liabilities	—	—	—	—	—	5,961,348	5,961,348
Total liabilities	103,067,488	24,805,091	72,047,798	57,913,280	19,611	5,961,348	263,814,616
Total interest sensitivity gap	6,992,989	(3,492,836)	11,148,766	(8,102,610)	12,236,509	(3,279,688)	15,503,130

Management Discussions and Analysis

(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
December 31, 2014							
Assets							
Cash and balances with central banks	35,059,587	–	–	–	–	639,506	35,699,093
Due from other banks and financial institutions	30,183,206	14,566,481	9,209,706	450,060	–	–	54,409,453
Financial assets at fair value through profit or loss	–	29,969	24,646	2,265,196	2,478,399	–	4,798,210
Loans and advances to customers	67,839,475	9,156,771	22,015,899	3,136,390	1,966,221	–	104,114,756
Investment securities							
– Loans and receivables	780,799	4,043,881	13,076,622	35,487,075	–	–	53,388,377
– Available-for-sale	519,252	604,480	3,031,302	3,195,743	2,651,804	291,122	10,293,703
– Held-to-maturity	–	–	380,003	2,316,280	4,601,357	–	7,297,640
Investments in an associate	–	–	–	–	–	26,405	26,405
Other financial assets	–	–	–	–	–	1,442,841	1,442,841
Total assets	134,382,319	28,401,582	47,738,178	46,850,744	11,697,781	2,399,874	271,470,478
Liabilities							
Due to other banks and financial institutions	33,115,383	19,725,009	26,379,353	2,300,000	115,979	–	81,635,724
Customer deposits	70,834,890	16,251,782	39,226,135	41,596,966	22,663	–	167,932,436
Debt issued	–	–	–	3,785,076	–	–	3,785,076
Other financial liabilities	–	–	–	–	–	4,495,548	4,495,548
Total liabilities	103,950,273	35,976,791	65,605,488	47,682,042	138,642	4,495,548	257,848,784
Total interest sensitivity gap	30,432,046	(7,575,209)	(17,867,310)	(831,298)	11,559,139	(2,095,674)	13,621,694

As of June 30, 2015, the Bank's cumulated interest sensitivity gap amounted to RMB15,503.13 million, representing an increase of RMB1,881.44 million as compared to the end of the previous year.

3.6.3.2 Exchange Rate Risk

Exchange rate risk refers to the risk arising from the mismatches in the currency denominations of assets and liabilities. Through exposure limit management and the management of currency composition of assets and liabilities, the Bank seeks to ensure that the adverse impact of exchange rate fluctuations falls within an acceptable range.

3.6.4 Liquidity Risk Management

Liquidity risk refers to the risk of failing to obtain sufficient funds at a reasonable cost in a timely manner to pay maturing debts, fulfill other payment obligations or meet other funding needs undertaken in normal business. The Bank's objective in liquidity risk management is to set up and continuously improve its liquidity risk management strategies, policies and procedures. The Bank also clearly defines departmental responsibilities and establishes liquidity risk management systems in order to adequately and effectively identify, measure, monitor and control its liquidity risk to achieve safety, liquidity and profitability in its business development.

The Board of Directors formulated liquidity risk management structure, related strategies, policies, procedures and contingency plans in accordance with its risk preference. The Assets and Liabilities Management Committee under the senior management carries out the day-to-day management of liquidity risk. The Assets and liabilities Management Committee, the Treasury Department and other operational departments and offices, each having distinct responsibilities and work closely with each other to develop a well-organized, fully-functional liquidity risk management system.

The Bank has its liquidity risk measurement and monitoring mechanisms in place to regularly conduct measurements and stress tests of the Bank's liquidity exposures, liquidity assets and liquidity indicators. The Bank's funding positions were held in accordance with its historical cash flows. The Bank's assets and liabilities business structure is adjusted according to its liquidity exposure conditions. By means of internal funds transfer pricing and performance evaluation, the Bank proactively adjusts its assets and liabilities maturity structure.

The Bank continuously conducts liquidity risk stress tests (at least once a quarter), through which the Bank identifies its weaknesses in liquidity management and proactively deals with such risk in advance. The results of the quarterly stress tests in the first half of 2015 indicated that although liquidity risk had increased but remained under control under stress. At the same time, the Bank developed its liquidity contingency plans and optimized its emergency measures in emergency situations to enhance the efficiency of emergency response.

In addition, the Bank continued to improve its liquidity management tools and relevant systems, make timely policy adjustments, proactively apply scientific and technological methods to improve its liquidity risk measurement and monitoring and establish liquidity management information systems.

As at the end of the first half of 2015, all major indicators of the Bank's liquidity position met the regulatory requirements.

Management Discussions and Analysis

The following table shows the Bank's net assets and liabilities from June 30, 2015 to maturity dates categorized by contractual maturities:

(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	Indefinite	Overdue	Total
June 30, 2015									
Net Liquidity Gap	(53,758,945)	(507,556)	(4,326,152)	3,672,155	7,934,448	29,695,516	30,763,798	3,715,777	17,189,041

(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	Indefinite	Overdue	Total
December 31, 2014									
Net Liquidity Gap	(56,910,723)	8,091,083	(4,411,997)	(47,054)	11,383,816	25,533,763	31,353,690	910,445	15,903,023

As at the end of June 2015, the Bank's cumulative gap for all maturities was RMB17,189.04 million, an increase of RMB1,286.02 million over the previous year-end. Although there was a shortfall in on-demand repayment of RMB53,758.95 million, the Bank's deposit base was extensive and solid. Current deposit settlement rates were relatively high and funding sources were stable, so the impact of the shortfall on the Bank's real liquidity was not significant.

Liquidity coverage ratio of the Bank

(All amounts expressed in thousands of RMB unless otherwise stated)	As at June 30, 2015	As at December 31, 2014
Qualified high-quality liquid assets	34,172,649	30,051,064
Net cash outflow in the next 30 days	39,548,416	31,902,646
Liquidity coverage ratio (%)	86.41	94.20

The latest Administrative Measures for Liquidity Risk Management of Commercial Banks of the CBRC requires that commercial banks' liquidity coverage ratios must reach 100% before the end of 2018. During the transition period, the liquidity coverage ratios shall reach 60%, 70%, 80% and 90% before the end of 2014, 2015, 2016 and 2017 respectively.

The Bank measures its liquidity coverage ratio according to the latest Administrative Measures for Liquidity Risk Management of Commercial Banks issued by the CBRC which came into effect as of March 1, 2014. As at June 30, 2015, the Bank's liquidity coverage ratio was 86.41%, which was still in full compliance with the regulatory requirements of the CBRC though 7.79 percentage points lower as compared to the end of the previous year.

3.7 Capital Management

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

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

(All amounts expressed in thousands of RMB unless otherwise stated)	June 30, 2015	December 31, 2014
Core capital:		
Share capital	2,705,228	2,705,228
Counted part of capital surplus	2,719,256	2,535,235
Surplus reserve and general risk reserves	4,631,791	3,707,640
Counted part of retained earnings	7,132,766	6,954,920
Core Tier 1 Capital deductibles items:		
Full deductibles items	(80,930)	(84,564)
Threshold deduction items	–	–
Core Tier 1 Capital, net	17,108,111	15,818,459
Other Tier 1 Capital, net	–	–
Tier 2 Capital, net	2,298,567	2,244,252
Net capital	19,406,678	18,062,711
On-balance sheet risk-weighted assets	147,008,541	134,034,150
Off-balance sheet risk-weighted assets	11,864,996	13,996,784
Risk-weighted assets for exposure to counterparty credit risk	–	–
Total credit risk-weighted assets	158,873,537	148,030,934
Total market risk-weighted assets	3,846,860	5,048,619
Total operational risk-weighted assets	11,158,260	11,158,260
Total risk-weighted assets before applying capital base	173,878,657	164,237,813
Total risk-weighted assets after applying capital base	173,878,657	164,237,813
Core Tier 1 Capital adequacy ratio (expressed in percentage)	9.84	9.63
Tier 1 Capital adequacy ratio (expressed in percentage)	9.84	9.63
Capital adequacy ratio (expressed in percentage)	11.16	11.00

Management Discussions and Analysis

As at the end of the Reporting Period, the Bank's capital adequacy ratio was 11.16%, representing an increase of 0.16 percentage point as compared to the end of the previous year, and Core Tier 1 Capital adequacy ratio was 9.84%, increased by 0.21 percentage point compared to the end of the previous year. The change in capital adequacy ratio during the Reporting Period was mainly due to the ordinary development of our different businesses with stable growth in profits earned, which provided capital replenishment to a certain extent.

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

Change in Share Capital and Shareholders

At the end of the Reporting Period, the Bank had a total of 2,705,227,505 Shares, comprising 1,157,193,512 H Shares and 1,548,033,993 Domestic Shares. There has been no change to the share capital during the Reporting Period.

	As at December 31, 2014		Changes during the Reporting Period			As at June 30, 2015	
	Number	Percentage	Issue of new shares	Others	Sub-total	Number	Percentage
1. Shareholding of Domestic Shares							
legal persons	1,491,146,246	55.12%	-	-	-	1,491,146,246	55.12%
Of which: Shareholding of state-owned legal persons ⁽¹⁾	1,023,415,941	37.83%	-	-	-	1,023,415,941	37.83%
Shareholding of private legal persons	467,730,305	17.29%	-	-	-	467,730,305	17.29%
2. Shareholding of Domestic Shares natural persons	56,887,747	2.10%	-	-	-	56,887,747	2.10%
Of which: Shareholding of employee natural persons	34,779,409	1.29%	-	-	-	34,779,409	1.29%
Shareholding of natural persons other than employees	22,108,338	0.82%	-	-	-	22,108,338	0.82%
3. H Shares	1,157,193,512	42.78%	-	-	-	1,157,193,512	42.78%
Total	2,705,227,505	100.00%	-	-	-	2,705,227,505	100.00%

Note: (1) Domestic Shares of the Bank owned by 72 state-owned legal person shareholders, including Chongqing Yufu Assets Management Group Co., Ltd., Chongqing Land Group and Chongqing Water Conservancy Investment Group Co., Ltd.

Change in Share Capital and Shareholders

4.1 Particulars of Shareholdings of the Top Ten Shareholders of Domestic Shares of the Bank

Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage	Number of shares pledged
Chongqing Yufu Assets Management Group Co., Ltd.	State-owned	407,010,187	15.05%	0
Chongqing Road & Bridge Co., Ltd.	Private	171,339,698	6.33%	135,261,375
Chongqing Land Group	State-owned	139,838,675	5.17%	0
Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned	139,838,675	5.17%	0
Lifan Industry (Group) Co., Ltd.	Private	129,564,932	4.79%	0
Peking University Founder Group Co., Ltd.	State-owned	94,506,878	3.49%	0
Chongqing South Group Limited	Private	68,602,362	2.54%	68,600,000
Chongqing Transport and Travel Investment Group Limited	State-owned	37,456,522	1.38%	0
Chongqing Expressway Co., Ltd.	State-owned	29,942,325	1.11%	0
Minsheng Industrial (Group) Co., Ltd.	State-owned	24,191,310	0.89%	0
Total		1,242,291,564	45.92%	203,861,375

Change in Share Capital and Shareholders

4.2 Interests and Short Positions of Substantial Shareholders and Other Persons

As at June 30, 2015, the interests of substantial shareholders (as defined under the SFO of Hong Kong), other than Directors and Supervisors of the Bank, in the H Shares and underlying Shares of the Bank as recorded in the register required to be kept under section 336 of the SFO of Hong Kong were as follows:

Name of shareholder	Capacity	Number of H Shares held	Percentage of the total number of H Shares of the Bank (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Bank, Limited ⁽¹⁾	Beneficial owner	458,574,853 (long position)	39.63	16.95
Dah Sing Banking Group Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	39.63	16.95
Dah Sing Financial Holdings Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	39.63	16.95
HSBC International Trustee Limited ⁽³⁾	Interest of a trustee	458,574,853 (long position)	39.63	16.95
David Shou-Yeh WONG ⁽¹⁾	Settlor of a discretionary trust/ interest of the beneficiary of a trust	458,574,853 (long position)	39.63	16.95
Christine Yen WONG ⁽¹⁾	Interest of spouse	458,574,853 (long position)	39.63	16.95
Lifan International (Holdings) Limited (力帆國際(控股)有限公司) ⁽²⁾	Beneficial owner	139,000,000 (long position)	12.01	5.14
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽²⁾ (重慶力帆實業(集團)進出口有限公司)	Interest of a controlled corporation	139,000,000 (long position)	12.01	5.14
Lifan Industry (Group) Co., Ltd. ⁽²⁾	Interest of a controlled corporation	139,000,000 (long position)	12.01	5.14
Chongqing Lifan Holdings Co., Ltd. ⁽²⁾	Interest of a controlled corporation	139,000,000 (long position)	12.01	5.14
Chongqing Huiyang Holdings Co., Ltd. ⁽²⁾	Interest of a controlled corporation	139,000,000 (long position)	12.01	5.14
YIN Mingshan ⁽²⁾	Interest of a controlled corporation	139,000,000 (long position)	12.01	5.14
CHEN Qiaofeng ⁽²⁾	Interest of a controlled corporation	139,000,000 (long position)	12.01	5.14
Chongqing Beiheng Investment & Development Limited	Beneficial owner	84,823,500 (long position)	7.33	3.14

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 74.57% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 40.97% of the issued share capital of Dah Sing Financial Holdings Limited and Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. Therefore, for the purpose of the SFO, Dah Sing Banking Group Limited, Dah Sing Financial Holdings Limited, Mr. David Shou-Yeh WONG and Ms. Christine Yen WONG are deemed to be interested in the Shares of the Bank held by Dah Sing Bank, Limited.*
- (2) *As confirmed by Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd and Chongqing Huiyang Holdings Co., Ltd., as at June 30, 2015, Lifan International (Holdings) Limited held 139,000,000 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 Lifan Industry (Group) Co., Ltd. Lifan Industry (Group) Co., Ltd. is owned as to 49.255% by Chongqing Lifan Holdings Co., Ltd., which is in turn owned as to 72% by Chongqing Huiyang Holdings Co., Ltd. Mr. YIN Mingshan and Ms. CHEN Qiaofeng, his spouse, are the beneficial owners of approximately 26.5% and 24.5% of the issued share capital of Chongqing Huiyang Holdings Co., Ltd. respectively, together holding approximately 51% of the interest of Chongqing Huiyang Holdings Co., Ltd. Therefore, according to the SFO, Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng are deemed to be interested in the Shares of the Bank held by Lifan International (Holdings) Limited.*
- (3) *HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of Mr. David Shou-Yeh Wong and his family members, held 37.66% 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).*

4.3 Shareholders Holding over 5% of the Total Share Capital

At the end of the Reporting Period, Chongqing Yufu Assets Management Group Co., Ltd., Dah Sing Bank, Limited, Lifan Industry (Group) Co., Ltd., Chongqing Road & Bridge Co., Ltd., Chongqing Land Group and Chongqing Water Conservancy Investment Group Co., Ltd. held 461,260,187 Shares, 458,574,853 Shares, 268,564,932 Shares, 171,339,698 Shares, 139,838,675 Shares and 139,838,675 Shares of the Bank respectively, representing 17.05%, 16.95%, 9.93%, 6.33%, 5.17% and 5.17% of the Bank's total share capital respectively, and are substantial shareholders (as defined under the SFO) of the Bank. Except for the aforesaid shareholders, there were no other legal person shareholders holding 5% or more of total share capital of the Bank, nor were there any other employees or natural persons (other than employees) holding 5% or more of Shares of the Bank.

At the end of the Reporting Period, save for the information disclosed, there were no other substantial shareholders holding 10% or more of the Shares (as defined under the Listing Rules).

4.4 Issuance, Purchase, Sale and Redemption of the Listed Securities of the Bank

The Bank had not purchased, sold or redeemed any listed securities of the Bank during the Reporting Period.

Directors, Supervisors and Senior Management

5.1 Directors, Supervisors and Senior Management of the Bank

The compositions of the Board, Board of Supervisors and senior management of the Bank during the Reporting Period are as follows:

The board of directors of the Bank had a total of 13 Directors, of which there were three executive Directors, namely Mr. GAN Weimin (Chairman), Mr. RAN Hailing (President) and Mr. ZHAN Wanghua (Chief Risk Officer); five non-executive Directors, namely Mr. WONG Hon Hing (Vice Chairman), Mr. QIN Wei, Mr. DENG Yong, Ms. LV Wei and Mr. YANG Jun; and five independent non-executive Directors, namely Mr. LI He, Mr. TO Koon Man Henry, Mr. KONG Xiangbin, Mr. WANG Pengguo and Dr. JIN Jingyu.

The board of supervisors of the Bank had a total of nine Supervisors, including four employee Supervisors, namely Mr. YANG Xiaotao, Mr. HUANG Changsheng, Mr. LIN Min and Mr. ZHOU Xiaohong; two shareholder Supervisors, namely Mr. CHEN Yan and Mr. TANG Jun; and three external Supervisors, namely Mr. ZHOU Yongkang, Mr. CHEN Zhengsheng and Mr. YIN Xianglong.

The senior management of the Bank had a total of seven members, namely Mr. RAN Hailing, Mr. ZHAN Wanghua, Mr. WANG Min, Mr. LIU Jianhua, Ms. YANG Shiyin, Mr. ZHOU Guohua and Mr. ZHOU Wenfeng.

As at June 30, 2015, the interests of the Directors, the chief executives and the Supervisors of the Bank and their associates in the Shares, underlying Shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO of Hong Kong 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 10 to the Listing Rules are as follows:

Name	Capacity	Number of domestic shares held	Percentage of the total share capital of the Bank (%)
RAN Hailing	Beneficial owner	45,374	0.00%
HUANG Changsheng	Beneficial owner	123,451	0.00%
	Interest of spouse	60,647	0.00%
LIN Min	Beneficial owner	104,002	0.00%
ZHOU Yongkang	Interest of spouse	28,019	0.00%
ZHOU Xiaohong	Beneficial owner	144,585	0.01%

Save as disclosed above, none of the Directors, the chief executives or the Supervisors of the Bank or their associates held any interests or short positions in the Shares, underlying Shares and debentures of the Bank or its associated corporations as at June 30, 2015.

Directors, Supervisors and Senior Management

5.2 Changes in Directors, Supervisors and Senior Management

On March 24, 2015, the employee representatives' meeting of the Bank elected Mr. YANG Xiaotao, Mr. HUANG Changsheng, Mr. LIN Min and Mr. ZHOU Xiaohong as the employee Supervisors for the fifth session of the board of Supervisors of the Bank. Ms. WAN Jiayu ceased to act as an employee Supervisor of the Bank due to the transition of the board of Supervisors. The term of office of Supervisors of the fifth session of the board of Supervisors of the Bank commenced on March 24, 2015 and ends upon the expiry of fifth session of the board of Supervisors. Mr. YANG Xiaotao was elected as the chairperson of the board of Supervisors of the Bank at the meeting of the board of Supervisors held on the same date with effect from March 24, 2015.

On April 7, 2015, Ms. NI Yuemin tendered her resignation as an executive Director of the Bank due to work re-designation. On April 24, 2015, Ms. NI Yuemin's resignation from the positions of executive Director, member of the Strategic Committee of the Board, member of the Information Technology Guidance Committee of the Board, vice president, chief financial officer and authorized representative of the Bank was approved, and Mr. GAN Weimin, Chairman and executive Director of the Bank, was appointed as an authorized representative in place of Ms. NI Yuemin by the Board with effect from April 24, 2015.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

5.3 Securities Transactions by Directors and Supervisors

The Bank has adopted the "Administrative Measures on Holding of Shares and Change of Shareholdings by Directors, Supervisors and Senior Management of Bank of Chongqing Co., Ltd." regarding securities transactions by Directors, Supervisors, senior management and relevant employees on terms not less exacting than the required standard in the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules. After specific enquiries being made to all Directors and Supervisors, each Director and Supervisor of the Bank confirmed that they complied with the above codes during the six months ended June 30, 2015.

Significant Events

6.1 Corporate Governance Code

The Bank strives to improve the transparency and accountability of its corporate governance and ensure high standards of corporate governance practices to protect the interests of shareholders and enhance corporate value and commitment.

In order to maintain a high standard of corporate governance, the Bank has established a dedicated, professional and accountable Board, and board of Supervisors, and has experienced senior management. The members of the Bank's Board and board of Supervisors, except for employee Supervisors, are all elected by Shareholders at the Shareholders' general meeting.

During the Reporting Period, the Bank fully complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, and, where appropriate, adopted the recommended best practices therein. The Bank also strictly abided by the applicable laws, regulations and Listing Rules in respect of the management of inside information.

6.2 Profits and Dividends

The Bank's revenue for the six months ended June 30, 2015 and the Bank's financial position as at the same date are set out in the financial report of this interim report.

A final dividend of RMB0.272 (tax inclusive) per share for the year 2014 (2013: RMB0.224 (tax inclusive) per share), amounting to a total dividend of RMB735,821,881.36 (tax inclusive) based on the profit and number of shares issued for the year ended December 31, 2014, was distributed by the Bank upon consideration and approval at the annual general meeting on June 12, 2015. The final dividend for year 2014 was distributed to holders of H Shares and domestic shares on July 20, 2015.

The Bank will not distribute any interim dividend for the first six months of 2015 or convert any capital reserve into share capital.

6.3 Related Party Transactions

No material related party transaction that has an adverse impact on the Bank's operating results and financial position occurred during the Reporting Period.

6.4 Material Litigation and Arbitration

During the Reporting Period, the Bank was not involved in any litigation or arbitration that would materially affect its business operations. As at June 30, 2015, the Bank has been involved in some legal proceedings arising from its normal business operation as the defendant. The Bank is of the opinion that such legal proceedings and arbitration would have no material impact on the Bank's financial position or business results.

6.5 Punishment on the Bank and its Directors, Supervisors and Senior Management

During the Reporting Period, none of the Bank, the Directors, the Supervisors or the senior management of the Bank was a subject of any investigation, administrative penalty or public criticism by China Securities Regulatory Commission or any public censure by any securities exchange, or any punishment by any other regulatory authorities which would have a material impact on the Bank's operations.

6.6 Performance of Undertakings by the Bank or its Shareholders Holding over 5% of the Shares

At the end of the Reporting Period, there was no undertaking by the Bank or its Shareholders holding over 5% of the total Shares in issue of the Bank.

6.7 Material Contracts and their Performance

During the Reporting Period, the Bank was not involved in any material contract or performance thereof.

6.8 Acquisition and Disposal of Assets and Business Merger

During the Reporting Period, the Bank was not engaged in any material acquisition or disposal of assets or business merger.

6.9 Review of the Interim Report

The interim financial statements for 2015 prepared by the Bank in accordance with the IFRS promulgated by the International Accounting Standards Board have been reviewed by PricewaterhouseCoopers in accordance with the International Standard on Review Engagements.

The Board and the audit committee of the Board have reviewed and approved the interim report of the Bank.

6.10 Publication of Interim Report

This interim report is prepared in both English and Chinese versions, in the event of any discrepancies in interpretation between the English version and Chinese version, the Chinese version shall prevail.

Independent Auditor's Report

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

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

Introduction

We have reviewed the condensed interim financial information set out on pages 65 to 121, which comprises the condensed statement of financial position of Bank of Chongqing Co., Ltd (the "Bank") as at 30 June 2015 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 21 August 2015

Unaudited Condensed Statement of Comprehensive Income

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	Six months ended 30 June	
		2015	2014
Interest income		7,719,154	6,218,832
Interest expense		(4,307,413)	(3,235,147)
Net interest income	3	3,411,741	2,983,685
Fee and commission income		801,930	482,131
Fee and commission expense		(35,971)	(27,370)
Net fee and commission income	4	765,959	454,761
Net trading income	5	71,768	99,223
Net (losses)/gains on investment securities	16	(5,042)	56,483
Other operating income	6	18,370	13,747
Operating income		4,262,796	3,607,899
Operating expenses	7	(1,291,776)	(1,173,893)
Impairment losses on assets	9	(532,814)	(238,359)
Operating profit		2,438,206	2,195,647
Share of profit of an associate	17	799	690
Profit before income tax		2,439,005	2,196,337
Income tax expense	10	(601,188)	(529,777)
Net profit		1,837,817	1,666,560
Net profit for the period attributable to shareholders of the Bank		1,837,817	1,666,560
Earnings per share for profit attributable to the shareholders of the Bank (expressed in RMB per share)			
– basic and diluted	11	0.68	0.62

Unaudited Condensed Statement of Comprehensive Income

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	Six months ended 30 June	
		2015	2014
Net profit for the period attributable to shareholders of the Bank		1,837,817	1,666,560
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Available-for-sale ('AFS') securities			
Changes in fair value recorded in other comprehensive income		247,270	105,120
Less: Related income tax impact		(61,818)	(26,280)
Subtotal		185,452	78,840
<i>Items that will not be reclassified to profit or loss:</i>			
Loss on remeasurement of retirement benefits		(1,908)	(790)
Less: Related income tax impact		478	198
Subtotal		(1,430)	(592)
Total other comprehensive income, net of tax	32	184,022	78,248
Total comprehensive income for the period attributable to shareholders of the Bank		2,021,839	1,744,808
Dividends			
Dividend declared during the period	28	735,821	605,971

GAN Weimin

Chairman and Executive Director

RAN Hailing

President and Executive Director

Unaudited Condensed Statements of Financial Position

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	30 June 2015	31 December 2014
ASSETS			
Cash and balances with central banks	12	40,368,272	35,699,093
Due from other banks and financial institutions	13	41,844,248	54,409,453
Financial assets at fair value through profit or loss	14	4,295,989	4,798,210
Loans and advances to customers	15	112,994,966	104,114,756
Investment securities	16		
– Loans and receivables		55,815,583	53,388,377
– Available-for-sale ('AFS')		13,013,273	10,293,703
– Held-to-maturity ('HTM')		9,328,581	7,297,640
Investment in an associate	17	27,204	26,405
Property, plant and equipment	18	2,459,699	2,396,654
Deferred income tax assets	23	398,362	317,765
Other assets	19	2,263,390	1,789,089
Total assets		282,809,567	274,531,145
LIABILITIES			
Due to other banks and financial institutions	20	69,599,780	81,635,724
Customer deposits	21	181,479,175	167,932,436
Other liabilities	22	7,396,845	5,056,289
Current tax liabilities		370,413	218,597
Debt issued	25	6,774,313	3,785,076
Total liabilities		265,620,526	258,628,122
EQUITY			
Capital and reserves attributable to the Bank's shareholders			
Share capital	26	2,705,228	2,705,228
Capital surplus	26	2,444,623	2,444,623
Other reserves	27	4,906,424	3,798,252
Retained earnings		7,132,766	6,954,920
Total equity		17,189,041	15,903,023
Total liabilities and equity		282,809,567	274,531,145

GAN Weimin

Chairman and Executive Director

RAN Hailing

President and Executive Director

Unaudited Condensed Statements of Changes in Equity

(All amounts expressed in thousands of RMB unless otherwise stated)

	Other reserves							Retained earnings	Total
	Share capital (Note 26)	Capital surplus (Note 26)	Surplus reserve (Note 27)	General reserve (Note 27)	Revaluation reserve for AFS securities (Note 27)	Surplus on remeasurement of retirement benefits (Note 27)			
Balance at 1 January 2015	2,705,228	2,444,623	1,205,208	2,502,432	90,370	242	6,954,920	15,903,023	
Net profit for the period	-	-	-	-	-	-	1,837,817	1,837,817	
Other comprehensive income	-	-	-	-	185,452	(1,430)	-	184,022	
Total comprehensive income	-	-	-	-	185,452	(1,430)	1,837,817	2,021,839	
Dividends (Note 28)	-	-	-	-	-	-	(735,821)	(735,821)	
Transfer to other reserves	-	-	-	924,150	-	-	(924,150)	-	
Balance at 30 June 2015	2,705,228	2,444,623	1,205,208	3,426,582	275,822	(1,188)	7,132,766	17,189,041	
Balance at 1 January 2014	2,705,228	2,444,623	922,494	1,843,080	(113,543)	1,575	5,675,814	13,479,271	
Net profit for the period	-	-	-	-	-	-	1,666,560	1,666,560	
Other comprehensive income	-	-	-	-	78,840	(592)	-	78,248	
Total comprehensive income	-	-	-	-	78,840	(592)	1,666,560	1,744,808	
Dividends (Note 28)	-	-	-	-	-	-	(605,971)	(605,971)	
Transfer to other reserves	-	-	-	659,352	-	-	(659,352)	-	
Balance at 30 June 2014	2,705,228	2,444,623	922,494	2,502,432	(34,703)	983	6,077,051	14,618,108	

GAN Weimin

Chairman and Executive Director

RAN Hailing

President and Executive Director

Unaudited Condensed Statements of Cash Flows

(All amounts expressed in thousands of RMB unless otherwise stated)

	Six months ended 30 June	
	2015	2014
Cash flows from operating activities:		
Profit before income tax	2,439,005	2,196,337
Adjustments:		
Depreciation and amortization	65,264	63,505
Impairment losses on loans to customers	492,510	238,068
Impairment losses on other assets	40,304	291
Net gains on disposal of property, plant and equipment	(45)	(966)
Net losses/(gains) on de-recognition of investment securities	5,042	(56,483)
Share of profit of an associate	(799)	(690)
Interest income arising from investment securities	(2,647,196)	(1,754,328)
Interest expense arising from bonds issued	127,211	117,109
Net increase in operating assets:		
Net decrease/(increase) in restricted deposit balances with central banks	1,153,496	(2,601,378)
Net decrease/(increase) in due from and placements with banks and other financial institutions	12,791,562	(1,664,091)
Net increase in loans and advances to customers	(9,334,817)	(9,028,897)
Net increase in other operating assets	(368,201)	(83,480)
Net increase in operating liabilities:		
Net increase/(decrease) in borrowings from central banks	1,175,735	(747,915)
Net (decrease)/increase in due to and placements from banks and other financial institutions	(13,211,680)	1,416,446
Net increase in customer deposits	13,546,739	19,201,167
Net increase in other operating liabilities	826,454	265,784
Income tax paid	(520,318)	(414,119)
Net cash inflows from operating activities	6,580,266	7,146,360

Unaudited Condensed Statements of Cash Flows

(All amounts expressed in thousands of RMB unless otherwise stated)

	Six months ended 30 June	
	2015	2014
Cash flows from investing activities:		
Dividends received	440	10,000
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	2,463	3,687
Purchase of property and equipment, intangible assets and other long-term assets	(127,569)	(149,801)
Proceeds from sale and redemption of investments	32,418,868	48,393,472
Purchase of investment securities	(34,859,873)	(55,470,196)
Net cash outflows from investing activities	(2,565,671)	(7,212,838)
Cash flows from financing activities:		
Proceeds from bonds issued	6,500,000	–
Cash paid to redeem the issued bonds	(3,500,000)	(1,000,000)
Interest paid in relation to issued bonds	(237,603)	(70,654)
Dividend paid to shareholders of the Bank	(735,825)	(27,822)
Net cash inflows/(outflows) from financing activities	2,026,572	(1,098,476)
Effect of exchange rate changes on cash and cash equivalents	7,866	(11,498)
Net increase/(decrease) in cash and cash equivalents	6,049,033	(1,176,452)
Cash and cash equivalents at beginning of the period	11,754,912	14,220,581
Cash and cash equivalents at end of the period (Note 33)	17,803,945	13,044,129

GAN Weimin

Chairman and Executive Director

RAN Hailing

President and Executive Director

Notes to the Unaudited Condensed Interim Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

1 GENERAL

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 on 27 September 1996 by consolidating 37 urban credit cooperatives and one urban credit union in Chongqing with the approval of Yinfu [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 Yuyinfu [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 Yinjianfu [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.

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

As at 30 June 2015, the Bank operated the business through a business department, a small enterprise loan center and 123 branches and sub-branches covering all 38 districts and counties of Chongqing as well as three provinces in western China, namely Sichuan Province, Shaanxi Province and Guizhou Province.

The principal activities of the Bank are the provision of corporate and retail banking products and services, and the treasury operations in China.

These financial statements have been approved by the Board of Directors on 21 August 2015.

2 BASIS OF PRESENTATION AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

(a) Basis of presentation and critical accounting policies

The unaudited condensed interim financial information of the Bank has been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” and disclosure requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which should be read in conjunction with the audited financial statements for 2014.

The adoption of the accounting policy of the unaudited condensed interim financial information is the same as that adopted in the financial report for the year ended 31 December 2014.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

3 NET INTEREST INCOME

	Six months ended 30 June	
	2015	2014
Interest income		
Balances with central banks	245,374	238,501
Due from other banks and financial institutions	1,048,040	801,529
Loans and advances to customers	3,778,544	3,424,474
Investment securities	2,545,471	1,580,691
Financial assets at fair value through profit or loss	101,725	173,637
	7,719,154	6,218,832
Interest expense		
Due to other banks and financial institutions	(1,721,312)	(989,591)
Customer deposits	(2,458,890)	(2,128,447)
Debts issued	(127,211)	(117,109)
	(4,307,413)	(3,235,147)
Net interest income	3,411,741	2,983,685

	Six months ended 30 June	
	2015	2014
Interest income accrued on loans and advances to customers individually impaired	16,287	7,064

4 NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2015	2014
Fee and commission income		
Commission income from custodian services	286,789	102,432
Commission income from financial advisory and consulting services	198,919	211,678
Commission income from wealth management agency service	178,634	81,980
Commission income from bank card services	87,675	43,303
Commission income from settlement and agency services	29,375	19,228
Commission income from credit commitments	20,538	23,510
	801,930	482,131
Fee and commission expense		
Commission expense from settlement and agency services	(23,807)	(18,325)
Commission expense from bank card services	(8,418)	(7,109)
Other commission expenses	(3,746)	(1,936)
	(35,971)	(27,370)
Net fee and commission income	765,959	454,761

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 NET TRADING (LOSSES)/GAINS

	Six months ended 30 June	
	2015	2014
Foreign exchange (losses)/gains	(2,531)	24,455
Interest rate instruments	74,299	74,768
	71,768	99,223

(Losses)/gains on foreign exchange mainly include losses and gains from the retranslation of foreign currency monetary assets and liabilities into Renminbi and gains and losses from purchase of foreign currency spot.

(Losses)/gains on foreign exchange, including losses arising from foreign currency monetary assets and liabilities, amounted to RMB92 thousand for the six months ended 30 June 2015 (for the six months ended 30 June 2014: gains of RMB12,994 thousand).

Net gains on interest rate instruments mainly include gains or losses generating from the fair value adjustment of the trading securities.

6 OTHER OPERATING INCOME

	Six months ended 30 June	
	2015	2014
Government grants	14,197	–
Dividend income from unlisted available-for-sale investments	440	10,000
Rental income from investment properties	312	588
Profit on sale of land use rights and buildings and investment properties	–	1,161
Profit on sale of foreclosed assets and other assets	–	290
Other miscellaneous income	3,421	1,708
	18,370	13,747

The government grants were rewarded for agricultural loans.

Other miscellaneous income mainly comprises cashier surplus, compensation on breach of contract, incomes from writing off other payables etc.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

7 OPERATING EXPENSES

	Note	Six months ended 30 June	
		2015	2014
Staff costs (including directors' and supervisors' emoluments)	8	639,873	569,775
General and administrative expenses		252,324	256,713
Business tax and surcharges		275,535	229,514
Depreciation of property, plant and equipment	18	53,089	42,377
Amortization of intangible assets	19(c)	9,583	8,749
Amortization of land use rights	19(b)	2,432	2,432
Depreciation of investment properties	19(d)	160	107
Amortization of long-term prepaid expenses		10,063	9,840
Rental expenses		36,014	43,204
Professional fees		9,522	5,935
Donations		1,450	2,170
Others		1,731	3,077
		1,291,776	1,173,893

8 STAFF COSTS (INCLUDING DIRECTORS' AND SUPERVISORS' EMOLUMENTS)

	Note	Six months ended 30 June	
		2015	2014
Salaries and bonuses		469,094	401,706
Pension costs	24	63,014	61,168
Housing benefits and subsidies		31,170	28,175
Labor union and staff education expenses		11,099	10,364
Other social security and benefit costs		65,496	68,362
		639,873	569,775

9 IMPAIRMENT LOSSES

	Note	Six months ended 30 June	
		2015	2014
Loans and advances to customers	15(b)		
– Collectively assessed		220,796	161,802
– Individually assessed		271,714	76,266
Loans and receivables	16	39,496	–
Others		808	291
		532,814	238,359

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

10 INCOME TAX EXPENSE

	Note	Six months ended 30 June	
		2015	2014
Current income tax		743,603	544,248
Deferred income tax	23	(142,415)	(14,471)
		601,188	529,777

Current income tax is calculated at 25% for the relevant period on the estimated assessable profit of the Bank.

The difference between the actual income tax charge in the statement of comprehensive income and the amounts which would result from applying the enacted tax rate 25% (for the six months ended 30 June 2014: 25%) to profit before income tax can be reconciled as follows:

	Six months ended 30 June	
	2015	2014
Profit before income tax	2,439,005	2,196,337
Tax calculated at a tax rate of 25%	609,752	549,084
Tax effect arising from income not subject to tax ^(a)	(21,452)	(22,201)
Tax effect of expenses that are not deductible for tax purposes ^(b)	13,254	4,059
Tax filing differences for previous years	(366)	(1,165)
Income tax expense	601,188	529,777

(a) The income not subject to tax mainly represents interest income arising from treasury bonds, which is income tax free in accordance with the PRC tax regulation.

(b) The expenses that are not tax deductible mainly represent certain expenditure, such as entertainment expenses, etc., which exceed the tax deduction limits pursuant to PRC Law on corporate income tax.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

11 BASIC AND DILUTED EARNINGS PER SHARE

- (a) Basic earnings per share are calculated by dividing the net profit for the year/period attributable to shareholders of the Bank by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
Net profit attributable to shareholders of the Bank (in RMB thousand)	1,837,817	1,666,560
Weighted average number of ordinary shares in issue (thousand)	2,705,228	2,705,228
Basic earnings per share (expressed in RMB yuan)	0.68	0.62

- (b) Diluted earnings per share

For the six months ended 30 June 2015, there were no potential diluted ordinary shares (for the six months ended 30 June 2014: nil), therefore the diluted earnings per share were the same as the basic earnings per share.

12 CASH AND BALANCES WITH CENTRAL BANKS

	30 June 2015	31 December 2014
Cash	603,178	639,506
Mandatory reserve deposits	27,863,608	28,950,238
Surplus reserve deposits with central banks	11,863,749	6,004,746
Fiscal deposits	37,737	104,603
	40,368,272	35,699,093

The Bank is required to place mandatory deposits with central banks. The deposits are calculated based on the amount of deposits placed with the Bank by its customers.

	30 June 2015	31 December 2014
Mandatory reserve rate for deposits denominated in RMB	15.5%	17.5%
Mandatory reserve rate for deposits denominated in foreign currencies	5%	5%

Mandatory reserve deposits with central banks are not available for use by the Bank in its day to day operations.

Surplus reserve deposits are maintained with the PBOC mainly for liquidity purpose.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

13 DUE FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

	30 June 2015	31 December 2014
Deposits with other banks and financial institutions	4,859,055	2,879,279
Notes purchased under resale agreements	32,920,112	44,464,276
Securities purchased under resale agreements	–	1,999,800
Other financial assets purchased under resale agreements	2,475,060	2,480,060
Placements with other banks	1,590,021	2,586,038
	41,844,248	54,409,453

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2015	31 December 2014
Other debt securities		
– Listed outside Hong Kong	2,239,042	2,588,293
– Unlisted – corporate bonds	2,056,947	2,209,917
	4,295,989	4,798,210

All the Bank's unlisted debt securities are traded in the Inter-bank Bond Market in Mainland China.

For the six months ended 30 June 2015, no trading securities of the Bank are pledged to third parties under any repurchase agreements (31 December 2014: nil).

Financial assets at fair value through profit or loss are analyzed by issuer as follows:

	30 June 2015	31 December 2014
Designated debt securities issued by:		
– Corporate entities	3,489,267	4,798,210
– Government	503,409	–
– Policy banks	303,313	–
	4,295,989	4,798,210

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS

(a) Loans and advances to customers

	30 June 2015	31 December 2014
Loans and advances to corporate entities		
– Corporate loans	75,628,665	69,031,229
– Discounted bills	5,058,275	4,866,911
Subtotal	80,686,940	73,898,140
Loans and advances to individuals		
– Mortgages loans	18,002,027	17,339,942
– Individual business loans	10,586,216	9,080,283
– Individual consumption loans	3,919,789	3,876,509
– Credit card advances	2,572,409	2,253,277
– Others	–	700
Subtotal	35,080,441	32,550,711
Total	115,767,381	106,448,851
Less: allowance for impairment losses		
– Collectively assessed	(2,293,576)	(2,072,780)
– Individual assessed	(478,839)	(261,315)
Total	(2,772,415)	(2,334,095)
Loans and advances to customers	112,994,966	104,114,756

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements on allowance for losses on loans and advances to customers

Analyzed by collective impairment or individual impairment:

	For the six months ended 30 June 2015	
	Collective impairment	Individual impairment
Balance at beginning of the period	2,072,780	261,315
Impairment allowances for loans and advances charged to profit or loss	271,067	330,933
Reversal of impairment allowances for loans and advances	(50,271)	(59,219)
Net impairment allowances for loans and advances charged to profit or loss (Note 9)	220,796	271,714
Unwinding discount on allowances	–	(16,287)
Loans and advances written off during the period as uncollectible	–	(40,957)
Recoveries of loans and advances written off in prior periods	–	3,054
Balance at end of the period	2,293,576	478,839

	For the twelve months ended 31 December 2014	
	Collective impairment	Individual impairment
Balance at beginning of the year	1,750,942	115,550
Impairment allowances for loans and advances charged to profit or loss	394,100	514,349
Reversal of impairment allowances for loans and advances	(72,262)	(104,164)
Net impairment allowances for loans and advances charged to profit or loss	321,838	410,185
Unwinding discount on allowances	–	(28,975)
Loans and advances written off during the year as uncollectible	–	(236,990)
Recoveries of loans and advances written off in prior years	–	1,545
Balance at end of the year	2,072,780	261,315

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(b) Movements on allowance for losses on loans and advances to customers (Continued)
Analyzed by corporate or individual loan:

	For the six months ended 30 June 2015	
	Corporate	Individual
Balance at beginning of the period/year	1,594,439	739,656
Impairment allowances for loans and advances charged to profit or loss	422,303	179,697
Reversal of impairment allowances for loans and advances	(46,532)	(62,958)
Net impairment allowances for loans and advances charged to profit or loss	375,771	116,739
Unwinding of discount on allowances	(11,857)	(4,430)
Loans and advances written off during the period/year as uncollectible	(32,726)	(8,231)
Recoveries of loans and advances written off in prior periods	–	3,054
Balance at end of the period	1,925,627	846,788

	For the twelve months ended 31 December 2014	
	Corporate	Individual
Balance at beginning of the period/year	1,311,877	554,615
Impairment allowances for loans and advances charged to profit or loss	614,996	293,453
Reversal of impairment allowances for loans and advances	(155,239)	(21,187)
Net impairment allowances for loans and advances charged to profit or loss	459,757	272,266
Unwinding of discount on allowances	(26,506)	(2,469)
Loans and advances written off during the year as uncollectible	(151,046)	(85,944)
Recoveries of loans and advances written off in prior years	357	1,188
Balance at end of the year	1,594,439	739,656

(c) Individually identified loans with impairment allowance

	30 June 2015		31 December 2014	
	Impaired loan	Specific Provision	Impaired loan	Specific Provision
Corporate	786,915	377,532	604,039	206,879
Individual	252,387	101,307	127,941	54,436
	1,039,302	478,839	731,980	261,315

	30 June 2015	31 December 2014
Individually impaired loans to gross loans and advances to customers (percentage)	0.90%	0.69%

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(d) Industry analysis

Concentration risks analysis for loans and advances to customers (gross) by economic sectors

	30 June 2015		31 December 2014	
	Amount	%	Amount	%
Corporate loans				
Wholesale and retail trade	16,529,203	20.49	15,018,762	20.32
Manufacturing	15,840,097	19.63	16,318,878	22.08
Real estate	13,601,129	16.86	10,362,332	14.02
Construction	8,180,223	10.14	7,346,188	9.94
Administration of water conservancy, environment and public facilities	5,206,586	6.45	4,960,790	6.71
Renting and business activities	3,742,885	4.64	3,283,354	4.44
Mining	2,403,277	2.98	2,399,014	3.25
Transportation, storage and postal service	2,122,386	2.63	1,945,510	2.63
Electricity, gas and water production and supply	1,904,215	2.36	1,733,604	2.35
Public administration and social organizations	1,505,700	1.87	1,197,700	1.62
Agriculture, forestry, animal husbandry and fishery	1,194,636	1.48	1,167,468	1.58
Household Services and other Services	802,102	0.99	621,921	0.84
Education	495,750	0.61	502,960	0.68
Health, social security and social welfare	412,779	0.51	373,220	0.51
Financing	386,091	0.48	403,863	0.55
Scientific research, technology services and geological prospecting	368,420	0.46	376,190	0.51
IT and telecommunication service	253,198	0.31	272,192	0.37
Accommodation and catering	337,778	0.42	390,153	0.53
Culture, sports and entertainment	342,210	0.42	357,130	0.48
Discounted bills	5,058,275	6.27	4,866,911	6.59
Total corporate loans	80,686,940	100.00	73,898,140	100.00
Individual loans				
Mortgage loans	18,002,027	51.32	17,339,942	53.27
Individual business loans	10,586,216	30.18	9,080,283	27.90
Individual consumption loans	3,919,789	11.17	3,876,509	11.91
Credit card advances	2,572,409	7.33	2,253,277	6.92
Others	–	–	700	0.00
Total individual loans	35,080,441	100.00	32,550,711	100.00
Gross amount of loans and advances before allowance for impairment	115,767,381	106,448,851		

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

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS (Continued)

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

	30 June 2015 Amount	31 December 2014 Amount
Collateralized loans	63,447,121	54,197,524
Pledged loans	14,626,585	13,515,506
Guaranteed loans	32,913,766	34,350,040
Unsecured loans	4,779,909	4,385,781
Total	115,767,381	106,448,851

(f) Loans and advances are summarized as follows:

	30 June 2015		31 December 2014	
	Loans and advances to customers	Discounted bills and trading bills	Loans and advances to customers	Discounted bills and trading bills
Neither past due nor impaired ⁽ⁱ⁾	105,790,863	5,523,572	99,410,622	5,523,583
Past due but not impaired ⁽ⁱⁱ⁾	3,413,644	–	782,666	–
Individually impaired ⁽ⁱⁱⁱ⁾	1,039,302	–	731,980	–
Gross	110,243,809	5,523,572	100,925,268	5,523,583
Less: Collective impairment allowances	(2,231,712)	(61,864)	(2,010,915)	(61,865)
Individual impairment allowances	(478,839)	–	(261,315)	–
Total allowance	(2,710,551)	(61,864)	(2,272,230)	(61,865)
Net	107,533,258	5,461,708	98,653,038	5,461,718

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(f) Loans and advances are summarized as follows: (Continued)

(i) *Gross loans and advances neither past due nor impaired*

The Bank monitors the credit risk of corporate loans and advances neither past due nor impaired by applying its grading system to customers.

30 June 2015	Internal rating		
	Pass	Special mention	Total
Corporate entities			
– Commercial loans	70,419,453	757,626	71,177,079
– Discounted bills	5,058,275	–	5,058,275
– Trade finance	465,297	–	465,297
Subtotal	75,943,025	757,626	76,700,651
Individual	34,365,339	248,445	34,613,784
Total	110,308,364	1,006,071	111,314,435

31 December 2014	Internal rating		
	Pass	Special mention	Total
Corporate entities			
– Commercial loans	65,702,645	1,331,873	67,034,518
– Discounted bills	4,866,911	–	4,866,911
– Trade finance	656,672	–	656,672
Subtotal	71,226,228	1,331,873	72,558,101
Individual	32,178,671	197,433	32,376,104
Total	103,404,899	1,529,306	104,934,205

(ii) *Loans and advances past due but not impaired*

	30 June 2015				
	Past due up to 30 days	Past due 30 – 60 days	Past due 60 – 90 days	Past due over 90 days	Total
Corporate entities	1,737,274	609,820	321,308	530,973	3,199,375
Individual	130,546	47,893	34,620	1,210	214,269
Total	1,867,820	657,713	355,928	532,183	3,413,644

	31 December 2014				
	Past due up to 30 days	Past due 30 – 60 days	Past due 60 – 90 days	Past due over 90 days	Total
Corporate entities	243,773	377,235	64,992	50,000	736,000
Individual	32,226	13,085	1,353	2	46,666
Total	275,999	390,320	66,345	50,002	782,666

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(f) Loans and advances are summarized as follows (Continued):

(iii) Loans and advances that are individually impaired

As at 30 June 2015, individually impaired loans and advances to customers before taking into consideration the collateral held amounted to RMB1,039,302 thousand (31 December 2014: RMB731,980 thousand).

The breakdown of the gross amount of individually impaired loans and advances by class, along with the fair value of related collateral held by the Bank as security, are as follows:

	30 June 2015	31 December 2014
Corporate entities	786,914	604,039
Individual	252,388	127,941
Individually impaired loans and advance to customers	1,039,302	731,980
Fair value of collaterals		
Corporate entities	743,016	917,641
Individual	267,870	136,837
Individually impaired loans and advances to customers	1,010,886	1,054,478

As at 30 June 2015, there is no individually impaired amount due from other banks and financial institutions (as at 31 December 2014: nil).

The fair value of collaterals is estimated based on the latest available external valuations, the realization experience of the current collaterals and the market conditions.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

16 INVESTMENT SECURITIES

	30 June 2015	31 December 2014
Investment securities – loans and receivables		
Debt securities – at amortized cost		
– Unlisted		
– Trust schemes ⁽¹⁾	42,094,172	35,989,622
– Wealth management products purchased from financial institutions	2,334,312	2,718,927
– Directed asset management plans ⁽²⁾	11,513,133	14,737,000
– Financial institutions bond with inactive market	67,634	97,000
Impairment	(193,668)	(154,172)
Loans and receivables – Net	55,815,583	53,388,377
Investment securities – available-for-sale		
Debt securities – at fair value		
– Listed outside Hong Kong	4,010,221	4,137,372
– Unlisted	8,581,387	5,865,195
Debt securities	12,591,608	10,002,567
Equity securities – at fair value		
– Unlisted	421,651	291,122
Equity securities	421,651	291,122
Others	14	14
Available-for-sale – Total	13,013,273	10,293,703
Investment securities – held-to-maturity		
Debt securities-at amortized cost		
– Listed outside Hong Kong	6,742,145	4,708,824
– Unlisted	2,586,436	2,588,816
Held-to-maturity – Total	9,328,581	7,297,640

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

16 INVESTMENT SECURITIES (Continued)

Investment securities' impairment movement:

	Loans and receivables	Available for sale financial assets	Held-to- maturity investments	Total
1 January 2015	154,172	–	–	154,172
Charge for the period (Note 9)	44,628	–	–	44,628
Reversal of the period (Note 9)	(5,132)	–	–	(5,132)
30 June 2015	193,668	–	–	193,668
1 January 2014	–	–	–	–
Charge for the year	154,172	–	–	154,172
Reversal of the year	–	–	–	–
31 December 2014	154,172	–	–	154,172

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

16 INVESTMENT SECURITIES (Continued)

Investment securities are analysed by issuer as follows:

	30 June 2015	31 December 2014
Investment Securities – loans and receivables		
– Trust companies	42,161,806	36,086,622
– Securities companies	11,513,133	14,737,000
– Commercial banks	2,334,312	2,718,927
Impairment	(193,668)	(154,172)
	55,815,583	53,388,377
Investment Securities – available-for-sale		
– Policy banks	2,523,967	3,028,110
– Corporate entities	9,346,205	6,264,606
– Commercial banks	721,436	709,851
– Equity investment at fair value	421,651	291,122
– Others	14	14
	13,013,273	10,293,703
Investment Securities – held-to-maturity		
– Government	7,083,685	5,051,655
– Policy banks	1,778,896	1,779,985
– Commercial bank	420,000	420,000
– Corporate entities	46,000	46,000
	9,328,581	7,297,640

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

16 INVESTMENT SECURITIES (Continued)

(1) The trust schemes:

	30 June 2015	31 December 2014
The trust schemes purchased from trust companies		
– guaranteed by other banks	2,989,100	4,724,400
– guaranteed by guarantee companies	3,543,000	4,518,900
– collateralized by properties	14,301,768	9,354,632
– guaranteed by third-party companies	2,554,104	2,463,490
– pledged by certificates of deposit	7,875,200	5,545,700
Subtotal	31,263,172	26,607,122
The trust schemes purchased from commercial banks		
– guaranteed by other banks	10,591,000	9,142,500
– guaranteed by guarantee companies	240,000	240,000
Subtotal	10,831,000	9,382,500
Total	42,094,172	35,989,622

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

16 INVESTMENT SECURITIES (Continued)

(2) The directional asset management plans:

	30 June 2015	31 December 2014
The asset management plan purchased from securities companies		
– guaranteed by other banks	6,557,000	12,172,000
– guaranteed by guarantee companies	130,000	140,000
– guaranteed by third-party companies	409,000	425,000
– pledged by certificates of deposit	504,108	–
– others	473,025	–
Subtotal	8,073,133	12,737,000
The asset management plan purchased from commercial banks		
– guaranteed by other banks	3,440,000	2,000,000
Subtotal	3,440,000	2,000,000
Total	11,513,133	14,737,000

Net (losses)/gains on investment securities include:

	Six months ended 30 June	
	2015	2014
Net (losses)/gains arising from de-recognition of held-for-trading financial assets	(4,535)	2,455
Net (losses)/gains arising from de-recognition of available-for-sale financial assets	(507)	54,028
	(5,042)	56,483

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

17 INVESTMENT IN AN ASSOCIATE

	30 June 2015	31 December 2014
Balance at the beginning of the period/year	26,405	24,370
Share of profit of an associate	799	2,035
Balance at the end of the period/year	27,204	26,405

On 5 May 2011, the Bank invested RMB22,000 thousand in establishment of Xingyi Wanfeng Village Bank Co., Ltd., accounting for 20% of the registered capital of RMB110,000 thousand.

The investment in the associate of the Bank is the corporation's unlisted ordinary shares. Assets, liabilities, revenue and profit of the associate are as follows:

	Place of Incorporation	Assets	Liabilities	Revenue	Profit	Interest held
As of 30 June 2015						
Xingyi Wanfeng Village Bank Co., Ltd.* (興義萬豐村鎮銀行有限責任公司)	The PRC	659,229	524,544	22,856	3,994	20%
As of 31 December 2014						
Xingyi Wanfeng Village Bank Co., Ltd.* (興義萬豐村鎮銀行有限責任公司)	The PRC	761,272	630,581	36,482	10,175	20%

* The English name of the associate represents the best effort by management of the Bank in translating the Chinese name as the associate does not have an official English name.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

18 PROPERTY PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Construction in progress	Total
Cost						
At 1 January 2015	1,779,013	18,478	290,127	109,972	745,541	2,943,131
Additions	1,218	–	13,806	3,608	98,562	117,194
Construction in progress transfer in/(out)	1,248	–	–	796	(2,044)	–
Disposals	–	–	(1,741)	(102)	(553)	(2,396)
At 30 June 2015	1,781,479	18,478	302,192	114,274	841,506	3,057,929
Accumulated depreciation						
At 1 January 2015	(286,240)	(15,185)	(181,011)	(64,041)	–	(546,477)
Charge for the period (Note 7)	(28,630)	(738)	(16,554)	(7,167)	–	(53,089)
Disposals	–	–	1,332	4	–	1,336
At 30 June 2015	(314,870)	(15,923)	(196,233)	(71,204)	–	(598,230)
Net book value						
At 30 June 2015	1,466,609	2,555	105,959	43,070	841,506	2,459,699
Cost						
At 1 January 2014	1,333,045	18,720	270,437	90,182	834,768	2,547,152
Additions	51,555	13	45,430	19,084	305,561	421,643
Construction in progress transfer in/(out)	392,960	–	76	1,752	(394,788)	–
Investment properties transfer in	3,710	–	–	–	–	3,710
Disposals	(103)	(255)	(25,816)	(1,046)	–	(27,220)
Transfer to investment properties	(2,154)	–	–	–	–	(2,154)
At 31 December 2014	1,779,013	18,478	290,127	109,972	745,541	2,943,131
Accumulated depreciation						
At 1 January 2014	(235,219)	(13,679)	(176,436)	(52,846)	–	(478,180)
Charge for the year	(51,929)	(1,754)	(28,386)	(11,551)	–	(93,620)
Transfer in	(633)	–	–	–	–	(633)
Disposals	98	248	23,811	356	–	24,513
Transfer to investment properties	1,443	–	–	–	–	1,443
At 31 December 2014	(286,240)	(15,185)	(181,011)	(64,041)	–	(546,477)
Net book value						
At 31 December 2014	1,492,773	3,293	109,116	45,931	745,541	2,396,654

As at 30 June 2015, the carrying value of certain buildings whose registration for the property ownership certificates had not been completed was RMB220,608 thousand (31 December 2014: RMB342,025 thousand). However, such registration process has little effect on the rights of the Bank to these assets.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

18 PROPERTY PLANT AND EQUIPMENT (Continued)

All buildings of the Bank are located outside Hong Kong.

The carrying values of the buildings are analysed based on the remaining lease terms as follows:

	30 June 2015	31 December 2014
Held outside Hong Kong		
on long-term lease (over 50 years)	117	137
on medium-term lease (10-50 years)	1,466,492	1,492,636
	1,466,609	1,492,773

19 OTHER ASSETS

	30 June 2015	31 December 2014
Interest receivable (Note a)	1,407,383	1,299,591
Fee and commission receivable	222,247	139,553
Other receivables	310,746	20,039
Less: impairment allowance	(1,008)	(845)
Land use rights (Note b)	165,614	168,046
Leasehold improvement	53,585	57,982
Intangible assets (Note c)	58,931	62,564
Repocessed assets	10,063	10,063
Prepaid rental expenses	30,957	27,064
Investment properties (Note d)	4,872	5,032
	2,263,390	1,789,089

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

19 OTHER ASSETS (Continued)

Notes:

(a) *Interest receivable:*

	30 June 2015	31 December 2014
Due from and placements with banks, other financial institutions, and central banks	22,669	20,977
Debt securities	1,061,496	1,001,557
Loans and advances to customers	323,218	277,057
	1,407,383	1,299,591

(b) *Land use rights*

	Six months ended 30 June 2015	Twelve months ended 31 December 2014
Cost		
Balance at the beginning of the period/year	194,165	194,165
Additions of the period/year	–	–
Disposals of the period/year	–	–
Balance at the end of the period/year	194,165	194,165
Accumulated amortization		
Balance at the beginning of the period/year	(26,119)	(21,256)
Additions of the period/year	(2,432)	(4,863)
Balance at the end of the period/year	(28,551)	(26,119)
Net book value		
Balance at the end of the period/year	165,614	168,046

The net book values of land use rights are analyzed based on the remaining terms of the leases as follows:

	30 June 2015	31 December 2014
Held outside Hong Kong on medium-term lease (10-50 years)	165,614	168,046

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

19 OTHER ASSETS (Continued)

Notes: (Continued)

(c) *Intangible assets*

	For the six months ended 30 June 2015	For the year ended 31 December 2014
Cost		
Beginning of the period/year	126,637	106,157
Additions	5,950	20,480
End of the period/year	132,587	126,637
Accumulated amortization		
Beginning of the period/year	(64,073)	(46,681)
Additions	(9,583)	(17,392)
End of the period/year	(73,656)	(64,073)
Net book value		
End of the period/year	58,931	62,564

(d) *Investment properties*

	30 June 2015	31 December 2014
Cost		
Beginning of the period/year	9,868	11,424
Transfer in from property, plant and equity	–	2,154
Transfer out	–	(3,710)
End of the period/year	9,868	9,868
Accumulated depreciation		
Beginning of the period/year	(4,836)	(3,791)
Additions	(160)	(235)
Transfer in from property, plant and equity	–	(1,443)
Transfer out	–	633
End of the period/year	(4,996)	(4,836)
Net book value		
End of the period/year	4,872	5,032

The carrying amount of the investment properties is analysed based on the remaining terms of the leases as follows:

	30 June 2015	31 December 2014
Held outside Hong Kong on medium-term lease (10-50 years)	4,872	5,032

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

20 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30 June 2015	31 December 2014
Loans from the PBOC	4,093,831	2,918,096
Deposits from other banks	31,438,958	32,311,570
Deposits from other financial institutions	7,679,108	8,385,199
Loans from other banks	1,500,000	3,500,000
Notes sold under repurchase agreements	17,491,683	32,939,059
Securities sold under repurchase agreements	7,396,200	1,581,800
	69,599,780	81,635,724

21 CUSTOMER DEPOSITS

	30 June 2015	31 December 2014
Corporate demand deposits	46,580,407	48,920,176
Corporate time deposits	72,974,580	64,523,802
Individual demand deposits	8,564,286	9,015,331
Individual time deposits	29,004,067	18,974,821
Other deposits	24,355,835	26,498,306
	181,479,175	167,932,436
Including:		
Pledged deposits held as collateral	21,746,264	24,585,657

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

22 OTHER LIABILITIES

	30 June 2015	31 December 2014
Interest payable (Note a)	3,160,724	2,392,783
Wealth management products	707,320	1,384,185
Staff salary payable	345,971	315,183
Business and other tax payable	146,297	160,929
Dividends payable	749,689	13,872
Deferred income	60,000	60,000
Other payable	943,229	338,747
Settlement fund	1,135,951	1,937
Promissory notes	2,104	344,228
Others	145,560	44,425
	7,396,845	5,056,289

Note:

(a) *Interest payable:*

	30 June 2015	31 December 2014
Deposits from banks and other financial institutions	511,428	468,393
Customer deposits	2,608,462	1,783,927
Debts issued	40,834	140,463
Total	3,160,724	2,392,783

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

23 DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25% for the six months period ended 30 June 2015 (2014: 25%) for transactions in the PRC.

The movement in the deferred income tax account is as follows:

	Six months ended 30 June 2015	Twelve months ended 31 December 2014
Balance at beginning of the period/year	317,765	305,651
Charge to profit or loss (<i>Note 10</i>)	142,415	80,085
Available-for-sale securities-fair value adjustment	(61,818)	(67,971)
End of the period/year	398,362	317,765

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

	30 June 2015	31 December 2014
Deferred income tax assets		
Assets impairment allowances	451,028	297,309
Others	80,821	73,550
	531,849	370,859
Deferred income tax liabilities		
Gains on changes in fair value	(133,487)	(53,094)
Net deferred income tax assets	398,362	317,765

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

23 DEFERRED INCOME TAXES (Continued)

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

	Six months ended 30 June	
	2015	2014
Assets impairment allowances	153,720	28,556
Gains on changes in fair value	(18,575)	(18,692)
Others	7,270	4,607
	142,415	14,471

24 RETIREMENT BENEFIT OBLIGATIONS

The Bank pays supplementary retirement benefits to employees in Mainland China, who retired before 30 June 2011. The Bank's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of future benefits that the Bank 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 balance sheet date, the maturity dates of which approximate to the terms of the Bank's obligations. Actuarial gains and losses, changes in actuarial assumptions and amendments to pension plan are charged or credited to the statement of comprehensive income as they occur. The amounts recognised in the 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. The Bank contributes to the annuity plan based on certain percentage of the employees' gross salary and recognised in current profit and loss as incurred.

	Six months ended 30 June	
	2015	2014
Expenses incurred for retirement benefit plans	41,675	44,718
Expenses incurred for supplementary retirement benefits	419	494
Expenses incurred for corporate annuity plan	20,920	15,956
Total	63,014	61,168

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

24 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	30 June 2015	31 December 2014
Statement of financial position obligations for:		
– Pension benefits	22,683	20,977

	Six months ended 30 June	
	2015	2014
Statement of comprehensive income charge for:		
– Pension benefits	419	494

The amounts recognized in the statements of financial position are determined as follows:

	30 June 2015	31 December 2014
Present value of unfunded obligations	22,683	20,977
Unrecognized past service cost	–	–
Net liability in the statement of financial position	22,683	20,977

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

25 DEBTS ISSUED

	30 June 2015	31 December 2014
Subordinated debts		
Fixed rate subordinated debt – 2022 ^(a)	795,679	795,468
Financial debt		
Fixed rate financial debt – 2018 ^(b)	2,991,012	2,989,608
Interbank deposit certificate ^(c)	2,987,622	–
	6,774,313	3,785,076

(a) Pursuant to a resolution of the Extraordinary General Meeting approved on 12 August 2011 and the approval of Yinjianfu [2011] No. 511 by the CBRC (the “Approval to Bank of Chongqing for issuing subordinated debts”) on 18 November 2011, the Bank issued a RMB800 million subordinated debt within China domestic Interbank Bond Market in March 2012. The fixed-rate subordinated debt issued on 21 March 2012 has a maturity of 10 years, with a fixed coupon rate of 6.8 per annum for ten years, payable annually. The Bank has the option to redeem all of the bonds at the face value on 21 March 2017.

The subordinated debts are subordinated to all other claims on the assets of the Bank except for the Bank’s share capital. In the calculation of the Bank’s capital adequacy ratio, those debts qualify for inclusion as Tier 2 capital.

As at 30 June 2015, there are no defaults of principal and interest or other breaches with respect to these debts from the issuance of these debt securities (as at 31 December 2014: nil).

(b) Pursuant to a resolution of the Extraordinary General Meeting approved on 25 November 2011 and the approval of Yinjianfu [2012] No. 526 by the CBRC (the “Approval to Bank of Chongqing for issuing small and micro enterprises financial bond”) on 21 September 2012, the Bank issued a RMB3 billion financial bond within China domestic Interbank Bond Market on 25 April 2013. The fixed rate financial debt has a maturity of 5 years, with a fixed coupon rate of 4.78 per annum for five years, payable annually. The fund is raised for small and micro enterprise loans.

(c) In the first half year of 2015, the Bank issued 7 interbank certificates of deposits. As at 30 June 2015, 4 of them are not yet due and the par values are 1 billion, 1 billion, 0.2 billion and 0.8 billion in RMB respectively (as at 31 December 2014: nil).

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

26 SHARE CAPITAL AND CAPITAL SURPLUS

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

	30 June 2015	31 December 2014
Number of shares at the beginning of the period/year (in thousands)	2,705,228	2,705,228

(i) The Bank issued 670,000,000 H shares with par value of RMB1 per share at offer price of HKD6 per share on 6 November 2013. On 4 December 2013, the Bank issued additional 14,608,901 H shares with par value of RMB1 per share at offer price of HKD6 per share under the over-allotment options granted during the initial public offering were partially exercised.

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

- (a) share premium arising from the issue of shares at prices in excess of their par value;
- (b) donations received from shareholders; and
- (c) any other items required by the PRC regulations to be so treated.

Capital reserve can be utilized for the issue of bonus shares or for increasing paid-in capital as approved by the shareholders.

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

As at 30 June 2015 and 31 December 2014, the Bank's capital surplus is shown as follows:

	30 June 2015	31 December 2014
Share premium	2,443,823	2,443,823
Donations received from shareholders	800	800
	2,444,623	2,444,623

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

27 OTHER RESERVES

	Surplus reserve ^(a)	General reserve ^(b)	Revaluation reserve for AFS securities	Surplus on remeasure- ment of retirement benefits	Total
Balance at 1 January 2015	1,205,208	2,502,432	90,370	242	3,798,252
Other comprehensive income	–	–	185,452	(1,430)	184,022
Addition	–	924,150	–	–	924,150
Balance at 30 June 2015	1,205,208	3,426,582	275,822	(1,188)	4,906,424
Balance at 1 January 2014	922,494	1,843,080	(113,543)	1,575	2,653,606
Other comprehensive income	–	–	203,913	(1,333)	202,580
Addition	282,714	659,352	–	–	942,066
Balance at 31 December 2014	1,205,208	2,502,432	90,370	242	3,798,252

(a) *Surplus reserve*

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

The Bank’s statutory reserve as at 30 June 2015 amounted to RMB1,205,208 thousand (31 December 2014: RMB1,205,208 thousand).

(b) *General reserve*

Pursuant to ‘Notice on issuing administrative measures for provision of bad debt allowance for financial enterprise’ (Caijin [2005] No.49) and ‘Notice on provision of bad debt allowance’ (Caijin [2005] No.90) issued by MOF, effective from 17 May, 2005 and 5 September 2005 respectively, banks and certain other financial institutions in the PRC, are required to maintain adequate allowances for impairment losses against their risk assets. In addition, a general risk reserve should be established through the appropriation of retained earnings. As a guiding principle, the balance of general risk reserve should not be less than 1% of the aggregate amount of all risk assets.

Since 1 July 2012, the Bank appropriates general reserves according to the regulation of Circulars ‘Appropriation Management Measures of Reserve Funds for Financial Enterprises’ Caijin [2012] No. 20 issued by MOF. In principal, the general reserve balance should not be below 1.5% of the balance of risk assets. This Circular also stipulates that if the balance of general risk reserve can hardly reach 1.5% of the aggregate amount of all risk assets, the reserve may be appropriated to 1.5% during a period of several years, however, the appropriation cannot exceed 5 years in principle.

A general reserve of RMB924,150 thousand based on 1.5% of the balance of risk assets at the end of 2014 has been approved at the Annual General Meeting of Shareholders on 12 June 2015. For the six months ended 30 June 2015, the Bank appropriated general reserve of RMB924,150 thousand from retained earnings (for the six months period ended 30 June 2014: RMB659,352 thousand). As at 30 June 2015, the ending balance of general reserve is RMB3,426,582 thousand (as at 31 December 2014: RMB2,502,432 thousand).

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

28 DIVIDENDS

	Six months ended 30 June	
	2015	2014
Dividends declared during the year	735,821	605,971
Dividend per share (in RMB yuan) (Based on prior year shares)	0.272	0.224

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

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

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

A dividend of RMB0.272 per share for 2014 in respect of profit for the year ended 31 December 2014 (2013: RMB0.224 per share), amounting to a total dividend of RMB735,821 thousand based on the number of shares issued as at 31 December 2014, has been approved at the Annual General Meeting on 12 June 2015.

29 STRUCTURED ENTITY

(a) Consolidated structured entity

The Bank has consolidated certain structured entities which mainly are wealth management products where the Bank provides financial guarantee. When assessing whether to consolidate structured entities, the Bank reviews all facts and circumstances to determine whether the Bank, as manager, is acting as agent or principal. These factors considered include scope of the manager's decision-making authority, rights held by other parties, remuneration to which it is entitled and exposure to variability of returns. For those wealth management products where the Bank provides financial guarantee, the Bank therefore has obligation to fund the losses, if any, in accordance with the guarantee agreements although the Bank does not have any investment in those products. The Bank concludes that these structured entities shall be consolidated.

As at 30 June 2015, the wealth management products managed and consolidated by the Bank amounted to RMB2,182,747 thousand (31 December 2014: RMB1,590,549 thousand).

The financial impact of any individual wealth management products on the Bank's financial performance is not significant. Interests held by other interest holders are included in due to customers.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

29 STRUCTURED ENTITY (Continued)

(b) Unconsolidated Structured Entity

(i) Unconsolidated Structured Entities Managed by the Bank

The unconsolidated structure entities managed by the Bank were mainly wealth management products issued and managed by the Bank acting as an agent. Based on the analysis and research on the potential targeted clients, the Bank 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 Bank gained from investment. The Bank received corresponding wealth management commission fee income as the asset manager. The Bank regarded that the variable return was insignificant as to the structured entities. As at 30 June 2015 and 31 December 2014, the maximum risk exposure of the unconsolidated structured entities was the commission fees of the wealth management product, the amount was insignificant.

As at 30 June 2015, the balance of the unconsolidated wealth management product issued and managed by the Bank was RMB23,658,630 thousand (as at 31 December 2014: RMB19,719,933 thousand).

(ii) Unconsolidated Structured Entities Invested by the Bank

In order to get gains by using capital, the unconsolidated structured entities invested by the Bank in the first half of 2015 mainly included the wealth management products issued and managed by third parties, trust schemes and directed asset management plans. The Bank classified the unconsolidated structured entities as loans and receivables.

The table below lists the book value and maximum loss risk exposure of the asset due to the holdings of gains from unconsolidated structured entities (including interest receivable).

	Book Value	Maximum Risk Exposure
30 June 2015		
Securities investment – Loans and receivables	56,294,861	56,294,861
		Maximum Risk
31 December 2014	Book Value	Exposure
Securities investment – Loans and receivables	53,840,656	53,840,656

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

29 STRUCTURED ENTITY (Continued)

(b) Unconsolidated Structured Entity (Continued)

(ii) Unconsolidated Structured Entities Invested by the Bank (Continued)

For the six months ended 30 June 2015 and 30 June 2014, the interest income and fee and commission income from the above unconsolidated structured entities were:

	Six months ended 30 June	
	2015	2014
Interest Income	2,096,205	1,306,487
Fee and Commission Income	304,791	184,412
	2,400,996	1,490,899

For the six months ended 30 June 2015, there was no related loss for the above unconsolidated structured entities (for the six months ended 30 June 2014: nil).

As at 30 June 2015, the Bank has not provided any financial or other support plan to unconsolidated structured entities (as at 31 December 2014: nil).

30 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 Bank's financial guarantees and credit related commitments which the Bank commits to extend to customers:

	30 June 2015	31 December 2014
Guarantees	2,288,823	543,404
Letters of credit	687,601	1,711,865
Acceptances	38,096,270	38,226,993
Other commitments with an original maturity of – Under 1 year	1,558,149	1,078,065
	42,630,843	41,560,327

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

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

Capital expenditure commitments

	30 June 2015	31 December 2014
Contracted but not provided for:		
– Capital expenditure commitments for buildings	328,380	283,952
– Acquisition of IT system	55,052	66,633
	383,432	350,585
Authorized but not contracted for:		
– Capital expenditure commitments for buildings	175,474	203,716

Operating lease commitments

Where the Bank is the lessee, the future minimum lease payments under non-cancellable operating leases in respect of buildings are as follows:

	30 June 2015	31 December 2014
Not later than 1 year	54,004	51,549
Later than 1 year and not later than 5 years	88,264	85,366
Later than 5 years	25,030	18,796
	167,298	155,711

Legal proceedings

Legal proceedings are initiated by third parties against the Bank as defendant. The Bank had two outstanding claims of RMB23,000 thousand and RMB6,000 thousand as at 30 June 2015 (December 31, 2014: one outstanding claim of RMB23,000 thousand). After consulting legal professionals, management of the Bank believes that at the current stage these legal proceedings and arbitrations will not have a material impact on the financial position or operations of the Bank.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

31 COLLATERAL

(a) Asset pledged:

As at 30 June 2015, the carrying amounts of assets pledged as collateral under repurchase agreements are as follows:

	30 June 2015	31 December 2014
Debt securities	7,396,200	1,581,800
Resale agreements Notes	14,758,681	21,183,692
Discount Notes	4,993	751,061
Total	22,159,874	23,516,553

As at 30 June 2015, repurchase agreements are primarily due within 12 months from the effective dates of these agreements (31 December 2014: due within 12 months).

(b) Collateral accepted:

The bank received debt securities and bills as collateral in connection with the purchase of assets under resale agreements. Certain of these collaterals can be resold or repledged.

As at 30 June 2015, the Bank has accepted collateral that can be resold or re-pledged with a carrying amount of RMB27,484,262 thousand (as at 31 December 2014: RMB33,185,630 thousand). The bank has resold or repledged collateral accepted with a carrying value of RMB14,758,681 thousand as at 30 June 2015 (as at 31 December 2014: RMB21,183,692 thousand).

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

32 OTHER COMPREHENSIVE INCOME FOR THE PERIOD

	Before tax amount	Tax expense	Net of tax amount
For the six months ended 30 June 2015			
<i>Items that may be reclassified to profit or loss:</i>			
Available-for-sale securities			
Changes in fair value taken to other comprehensive income	247,270	(61,818)	185,452
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of pension scheme	(1,908)	478	(1,430)
Other comprehensive income/(loss) for the period	245,362	(61,340)	184,022
For the six months ended 30 June 2014			
<i>Items that may be reclassified to profit or loss:</i>			
Available-for-sale securities			
Changes in fair value taken to other comprehensive income	105,120	(26,280)	78,840
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of pension scheme	(790)	198	(592)
Other comprehensive income/(loss) for the period	104,330	(26,082)	78,248

33 NOTES TO STATEMENTS OF CASH FLOW

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

	30 June 2015	30 June 2014
Cash and balances with central banks	12,466,927	9,899,794
Due from other banks and financial institutions	4,152,760	2,572,057
Placements with banks	1,184,258	572,278
	17,803,945	13,044,129

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if the Bank has control, joint control or significant influence over a party; or a party has control, joint control or significant influence over the Bank; or a party and the Bank are under the same control, joint control or significant influence of another party. Related parties can be individuals or enterprises. The major related parties of the Bank include: the Bank's associates, the major shareholders who have significant influence over the Bank's operating strategies and financial policies as well as the entities controlled by them, and the Bank's directors, supervisors, senior management and their family members.

The main transactions between the Bank and the related parties are loans and deposits, which are engaged under ordinary business terms.

All transaction balances and ranges of the interest rate with the related parties at the end of reporting period are as follows:

	30 June 2015	31 December 2014
Due to other banks and financial institutions	108,101	2,995
Loans and advances to customers	417,600	411,769
Investment securities-receivables	230,000	–
Customer deposits	1,444,380	965,324

	30 June 2015	31 December 2014
Due to other banks and financial institutions	0.46%	0.39%
Loans and advances to customers	4.16%-7.21%	4.92%-7.21%
Customer deposits	0.46%-5.40%	0.20%-5.50%

	Six months ended 30 June 2015	Six months ended 30 June 2014
Interest income	15,714	13,344
Interest expense	6,503	6,333
Fee and commission income	–	6,290

As at 30 June 2015, the amounts of guarantee for loan clients of the Bank from Chongqing Sanxia Guarantee Group Co., Ltd, Chongqing Xingnong Financing Guarantee Co., Ltd, and Chongqing Ex-Im Credit Guarantee Co., Ltd are RMB1,802,448 thousand, RMB212,500 thousand and RMB306,000 thousand, respectively. For the six months ended 30 June 2015, the amounts of accumulated compensation from the related parties above are RMB169,400 thousand, RMB60,000 thousand and nil, respectively.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

34 RELATED PARTY TRANSACTIONS (Continued)

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including directors and executive officers.

The Bank enters into banking transactions with key management personnel in the normal course of business. During the six months ended 30 June 2015 and the year 2014, there were no material transactions and balances with key management personnel on an individual basis.

35 SEGMENT ANALYSIS

The Bank's operating segments are business units provide different financial products and service 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.

The Bank has four operating segments. They are corporate banking, retail banking, treasury and other classes of business.

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, securities investment, re-purchasing and foreign currency transactions.

Unallocated classes of business perform the businesses not included in the above three segments or cannot be allocated with appropriate basis.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

35 SEGMENT ANALYSIS (Continued)

	For the six months ended 30 June 2015				
	Corporate Banking	Retail Banking	Treasury	Unallocated	Total
Net Interest income from external customers	1,281,658	259,853	1,870,230	–	3,411,741
Intersegment net interest income/(expense)	1,073,898	168,372	(1,242,270)	–	–
Net interest income	2,355,556	428,225	627,960	–	3,411,741
Net fee and commission income	236,500	83,247	446,212	–	765,959
Net trading income	–	–	71,768	–	71,768
Net (losses) on investment securities	–	–	(5,042)	–	(5,042)
Share of profit of an associate	–	–	799	–	799
Other operating income	–	1,777	440	16,153	18,370
Impairment losses	(375,771)	(116,739)	(39,496)	(808)	(532,814)
Operating expenses	(677,576)	(386,432)	(223,029)	(4,739)	(1,291,776)
– Depreciation and amortization	(39,511)	(22,534)	(13,005)	(277)	(75,327)
– Others	(638,065)	(363,898)	(210,024)	(4,462)	(1,216,449)
Profit before income tax	1,538,709	10,078	879,612	10,606	2,439,005
Capital expenditure	50,973	19,845	56,569	182	127,569
Segment assets	113,003,637	43,993,651	125,409,044	403,235	282,809,567
Segment liabilities	152,255,832	38,403,140	74,959,942	1,612	265,620,526

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

35 SEGMENT ANALYSIS (Continued)

	For the six months ended 30 June 2014				
	Corporate Banking	Retail Banking	Treasury	Unallocated	Total
Net Interest income from external customers	972,280	323,747	1,687,658	–	2,983,685
Intersegment net interest income/(expense)	988,898	224,409	(1,213,307)	–	–
Net interest income	1,961,178	548,156	474,351	–	2,983,685
Net fee and commission income	363,705	91,056	–	–	454,761
Net trading income	–	–	99,223	–	99,223
Net gains on investment securities	–	–	56,483	–	56,483
Share of profit of an associate	–	–	690	–	690
Other operating income	829	332	10,000	2,586	13,747
Impairment losses	(173,794)	(64,274)	–	(291)	(238,359)
Operating expenses	(753,507)	(265,140)	(148,814)	(6,432)	(1,173,893)
– Depreciation and amortization	(45,756)	(16,198)	(1,466)	(85)	(63,505)
– Others	(707,751)	(248,942)	(147,348)	(6,638)	(1,110,679)
Profit before income tax	1,398,411	310,130	491,933	(4,137)	2,196,337
Capital expenditure	72,969	18,979	57,650	203	149,801
Segment assets	110,171,734	28,655,471	87,042,266	306,665	226,176,136
Segment liabilities	142,784,378	30,162,901	38,603,692	7,057	211,558,028

36 FIDUCIARY ACTIVITIES

The Bank provides custody and trustee services to third parties, and grants entrusted loans on behalf of third-party lenders. They are as follows:

	30 June 2015	31 December 2014
Assets held in investment custody accounts	16,525,000	12,704,900
Entrusted loans	5,815,195	5,543,222

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

37 UNSECURED WEALTH MANAGEMENT PRODUCTS

The Bank issue and manage unsecured wealth management products to institutional and individual investors. The funds raised from the institutional and individual investors are mainly invested in the open market bonds, trust schemes and directional asset management plans. The maturity of these unsecured wealth management products ranged from one month to two years.

The Bank assesses its control on the unsecured wealth management products. The Bank takes a fiduciary role on these wealth management products and has no contractual obligation to repay the principal or interest. The risk exposure of the products is mainly from the fluctuation of the expected return of the bonds market, the performance of trust schemes and the performance of directional asset management plans. The risk of loss is borne by the investors. The Bank earns the commission income from the products.

As at 30 June 2015, the funds raised from the unsecured wealth management products were RMB23,658,630 thousand (31 December 2014: RMB19,719,933 thousand). The Bank has recognized net commission income from unsecured wealth management products with the amount of RMB148,294 thousand for the six months ended 30 June 2015 through provision of asset management service (for the six months ended 30 June 2014: RMB75,689 thousand).

38 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial instruments not measured at fair value

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

	30 June 2015		31 December 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Investment securities				
– loans and receivables	55,815,583	58,350,001	53,388,377	55,504,318
– held to maturity	9,328,581	9,581,533	7,297,640	7,451,436
Financial liabilities				
Debts issued	6,774,313	6,910,892	3,785,076	3,987,952

Investment securities

The fair value for loans and receivables and held to maturity assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Debts issued

The fair value of fixed interest bearing debts 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 above, the difference between the carrying value and fair value of those financial assets and liabilities not presented at their fair value on the statement of financial position are insignificant. Fair value is measured using a discounted future cash flow model.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

38 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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

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

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

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

38 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

Assets and liabilities measured at fair value:

30 June 2015	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
– Debt securities	–	4,295,989	–	4,295,989
– Equity investment	–	–	–	–
	–	4,295,989	–	4,295,989
Investment securities-available-for-sale				
– Debt securities	–	12,591,622	–	12,591,622
– Equity investment	–	–	421,651	421,651
	–	12,591,622	421,651	13,013,273
Total	–	16,887,611	421,651	17,309,262

31 December 2014	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
– Debt securities	–	4,798,210	–	4,798,210
– Equity investment	–	–	–	–
	–	4,798,210	–	4,798,210
Investment securities-available-for-sale				
– Debt securities	–	10,002,581	–	10,002,581
– Equity investment	–	–	291,122	291,122
	–	10,002,581	291,122	10,293,703
Total	–	14,800,791	291,122	15,091,913

There were no transfers between levels 1 and 2 during the period/year.

There were no financial instruments in level 1 during the period/year.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

38 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

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.

Reconciliation of beginning and ending balances for level 3 financial assets and liabilities

	Investment securities-AFS	Total assets
Balance as at 1 January 2015	291,122	291,122
Total gains or losses		
– Other comprehensive income	76,529	76,529
Transfer into/(from) level 3	54,000	54,000
Balance as at 30 June 2015	421,651	421,651
Total gains for the period included in statement of comprehensive income for assets/liabilities held at 30 June 2015	440	440
Balance as at 1 January 2014	182,850	182,850
Total gains or losses		
– Other comprehensive income	108,272	108,272
Transfer into/(from) level 3	–	–
Balance as at 31 December 2014	291,122	291,122
Total gains for the year included in statement of comprehensive income for assets/liabilities held at 31 December 2014	12,589	12,589

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

38 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

(b) Fair value hierarchy (Continued)

Quantitative information about the significant unobservable inputs used in the fair value measurement of Level 3 for the period ended 30 June 2015 and for the year ended 31 December 2014 presented as follows:

Quantitative Information about Level 3 Fair Value Measurements				
	Fair Value at 30 June 2015	Valuation Technique(s)	Unobservable Inputs	Weighted Average
Equity Securities – Banking	344,801	Market comparable companies	PB multiple ^(a)	1.56
			Discount for lack of marketability ^(b)	25.83%
	Fair Value at 31 December 2014	Valuation Technique(s)	Unobservable Inputs	Weighted Average
Equity Securities – Banking	268,272	Market comparable companies	PB multiple ^(a)	1.33
			Discount for lack of marketability ^(b)	22.16%

(a) Represents amounts used when the reporting entity has determined that market participants would use such multiples when pricing the investments.

(b) Represents amounts used when the reporting entity has determined that market participants would take into account these premiums and discounts when pricing the investments.

(c) Unobservable inputs that are not developed by the Bank are not included in the disclosure.

(d) Equity securities using recent transaction prices without adjustment amounted to RMB76,850 thousand as at 30 June 2015. (RMB22,850 thousand as at 31 December 2014).

Notes to the Unaudited Condensed Interim Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

39 FINANCIAL RISK MANAGEMENT

Overview

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

The Bank's risk management policies are designed to identify and analyze 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 Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is the highest authority for the Bank's overall risk management. It provides strategy and risk preference for overall risk management and decides the risk tolerance and monitor risk management and internal control system. It assesses overall risk based on monitoring information and risk management reported by the senior management. Senior management is responsible for overseeing the Bank's overall risk management, including the formulation and implementation of risk management policies and procedures, covering credit risk, interest rate risk, liquidity risk and foreign exchange risk. The risk management committee is in charge of the Bank's overall risk management structure, policies and tools, and monitors the risk management. The assets and liabilities management department is primarily in charge of managing the Bank's liquidity risk and banking book interest rate risk.

40 SUBSEQUENT EVENTS

Up to the date of this report, the Bank has no material event for disclosure after 30 June 2015.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(All amounts expressed in thousands of RMB unless otherwise stated)

1. Liquidity Ratios

(Expressed in percentage)	June 30, 2015	December 31, 2014
RMB current assets to RMB current liabilities	56.68%	52.41%
Foreign currency current assets to foreign currency current liabilities	77.99%	91.49%

The liquidity ratios are calculated in accordance with the relevant provisions of the PBOC and the China Banking Regulatory Commission (“CBRC”).

2. 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 mainly include due from other banks and financial institutions.

Cross-border claims have been disclosed by different countries or geographical areas. A country or geographical area is reported 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 a 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)	June 30, 2015	December 31, 2014
Asia Pacific excluding Mainland China	229,942	230,010
– of which attributed to Hong Kong	206,681	206,749
Europe	23,693	23,693
North America	301,892	310,892
Oceania	77	77
Total	555,604	555,672

Unaudited Supplementary Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

3. Currency concentrations

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in Renminbi			Total
	US Dollars	Hong Kong Dollars	Others	
June 30, 2015				
Spot assets	2,443,251	325,353	114,811	2,883,415
Spot liabilities	(2,316,343)	(325,353)	(115,965)	(2,757,661)
Net long/(short) position	126,908	–	(1,154)	125,754

(All amounts expressed in thousands of RMB unless otherwise stated)	Equivalent in Renminbi			Total
	US Dollars	Hong Kong Dollars	Others	
December 31, 2014				
Spot assets	2,177,122	8,058	138,066	2,323,246
Spot liabilities	(2,050,717)	(8,058)	(138,067)	(2,196,842)
Net long/(short) position	126,405	–	(1)	126,404

4. Overdue and Rescheduled Assets

(a) Gross amount of overdue loans

(All amounts expressed in thousands of RMB unless otherwise stated)	June 30, 2015		December 31, 2014	
	Gross advances to customers which have been overdue for	Percentage (%)	Gross advances to customers which have been overdue for	Percentage (%)
Within 3 months	2,901,269	65.59	835,971	56.50
Between 3 and 6 months	765,471	17.31	156,913	10.60
Between 6 and 12 months	327,729	7.41	249,831	16.88
Over 12 months	428,824	9.69	237,012	16.02
Total	4,423,293	100.00	1,479,727	100.00

Unaudited Supplementary Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

4. Overdue and Rescheduled Assets (Continued)

(b) Overdue and rescheduled loans

(All amounts expressed in thousands of RMB unless otherwise stated)	June 30, 2015	December 31, 2014
Total rescheduled loans	–	–

(c) Type of collateral of overdue loans

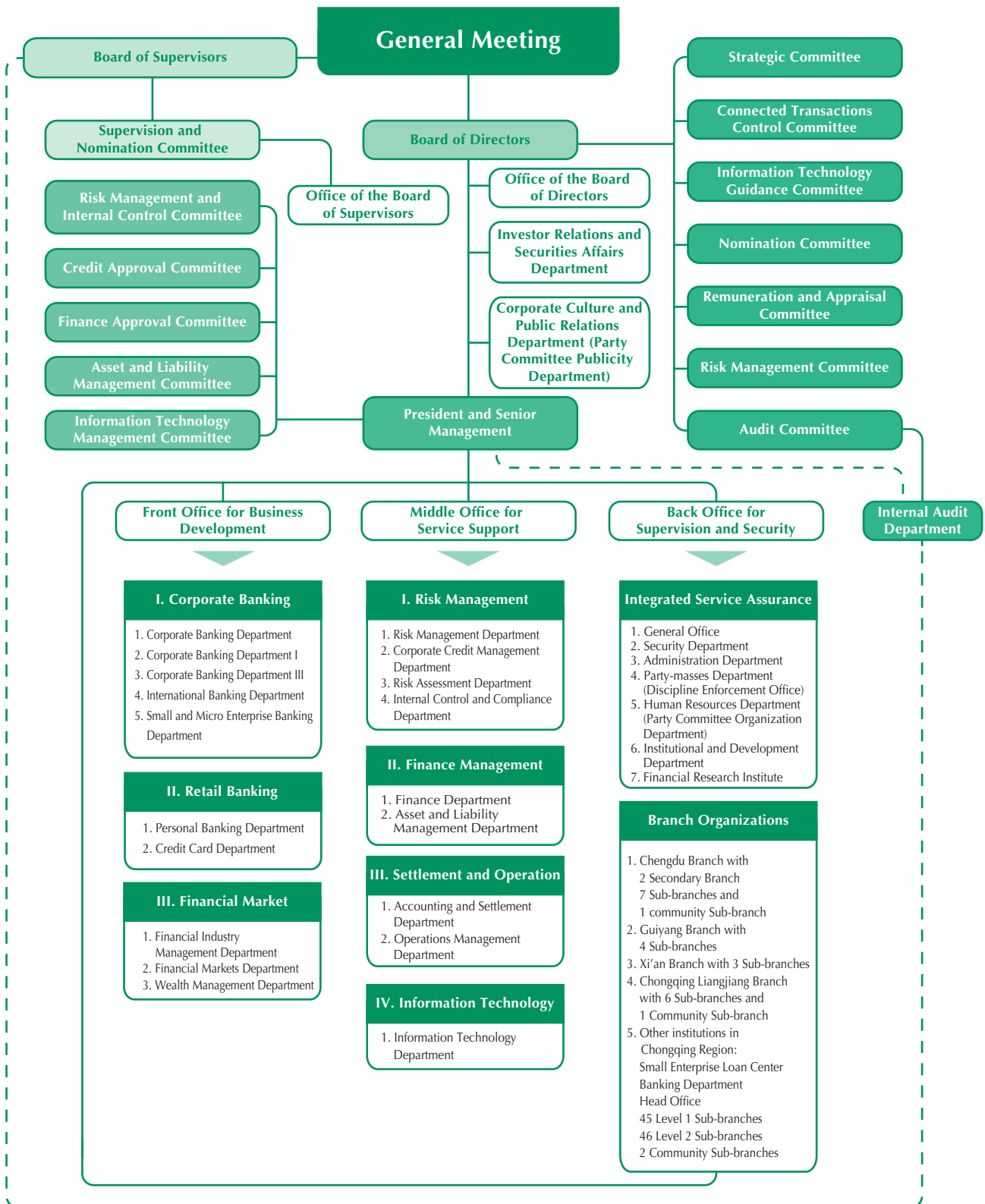
June 30, 2015	Past due 1-90 days (including 90 days)	Past due 90 days- 1 year (including 1 year)	Past due 1-3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	53,833	15,755	8,327	–	77,915
Guaranteed loans	1,181,484	706,437	17,121	–	1,905,042
Collateralised loans	1,251,407	327,892	304,432	98,486	1,982,217
Pledged loans	414,235	43,426	458	–	458,119
Total	2,900,959	1,093,510	330,338	98,486	4,423,293

December 31, 2014	Past due 1-90 days (including 90 days)	Past due 90 days- 1 year (including 1 year)	Past due 1-3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	44,404	7,259	3,717	–	55,380
Guaranteed loans	281,748	141,121	13,598	–	436,467
Collateralised loans	303,701	246,305	215,264	3	765,273
Pledged loans	206,116	12,062	4,429	–	222,607
Total	835,969	406,747	237,008	3	1,479,727

5. Geographical information

The Bank mainly operates its business in the mainland of China, and most of its loans and advances are granted to the clients from the city of Chongqing.

Organizational Chart



List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
1	Liangjiang Branch of Bank of Chongqing Co., Ltd.	No. 52 Middle Section of Huangshan Avenue, Yubei District, Chongqing	401121
2	Chengdu Branch of Bank of Chongqing Co., Ltd.	North Building, New Tianfu International Centre, No. 99 Tianfu Second Street, Hi-Tech	610059
3	Guiyang Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F, Building II, Shengshi Huating, No. 51 Jiefang Road, Nanming District, Guiyang, Guizhou	550002
4	Xi'an Branch of Bank of Chongqing Co., Ltd.	1/F to 3/F, Building 2, Yinhe Xinzuoobao Building, No. 25 Tangyan Road, Xi'an, Shaanxi	710075
5	Guangan Branch of Bank of Chongqing Co., Ltd.	1/F and 15/F, Guangan Power Administration Building, No. 9 Siyuan Avenue, Guangan District, Guangan, Sichuan	638000
6	Leshan Branch of Bank of Chongqing Co., Ltd.	(Even No.) No. 438-454 Baiyang Middle Road and (Even No.) No. 206-214 Jiaxing Road, Central District, Leshan, Sichuan	614001
7	Business Department of Bank of Chongqing Co., Ltd.	No. 153 Zourong Road, Yuzhong District, Chongqing	400010
8	Small Enterprise Loan Centre of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	401147
9	Lijiatuo Sub-branch of Bank of Chongqing Co., Ltd.	Shop 5 No. 5, Mawangping Zheng Street, Lijiatuo, Banan District, Chongqing	400054
10	Shazheng Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-6 Shazheng Street, Shapingba District, Chongqing	400030
11	Longtousi Sub-branch of Bank of Chongqing Co., Ltd.	No. 331 Donghu South Road, Yubei District, Chongqing	401147
12	Fenglinxiushui Sub-branch of Bank of Chongqing Co., Ltd.	No. 52, 54, 56 and 58 Xihu Road, Yubei District, Chongqing	401120
13	Jianxin East Road Sub-branch of Bank of Chongqing Co., Ltd.	Baiyexing Building, No. 3-1 Jianxin East Road, Jiangbei District, Chongqing	400020
14	Qixinggang Sub-branch of Bank of Chongqing Co., Ltd.	No. 148 Zhongshan Yi Road, Yuzhong District, Chongqing	400013
15	Dadukou Sub-branch of Bank of Chongqing Co., Ltd.	No. 37-18 Cuibai Road, Chunhui Road Subdistrict, Dadukou District, Chongqing	400084
16	Renmin Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 129 Renmin Road, Yuzhong District, Chongqing	400015
17	Jinkai Sub-branch of Bank of Chongqing Co., Ltd.	No. 11-1 Jintong Road, Beibu New District, Chongqing	401122
18	Xiyong Sub-branch of Bank of Chongqing Co., Ltd.	No. 1 Building, Xiyong Tian Street, Life Service Zone, Xiyong Electronics Park, Chongqing	401333
19	Renhe Street Sub-branch of Bank of Chongqing Co., Ltd.	No. 89 Renhe Street, Yuzhong District, Chongqing	400015
20	Jianxin North Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 23-4 Jianxin North Road, Jiangbei District, Chongqing	400020

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
21	High-Tech Development Zone Sub-branch of Bank of Chongqing Co., Ltd.	No. 18-1 Yuzhou Road, Jiulongpo District, Chongqing	400039
22	Bayi Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 258 Baiyi Road, Yuzhong District, Chongqing	400010
23	Dayanggou Sub-branch of Bank of Chongqing Co., Ltd.	G/F (street frontage), Oupeng Building, No. 216 Xinhua Road, Yuzhong District, Chongqing	400010
24	Jianxin West Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 2-1 Jianxin South Road, Jiangbei District, Chongqing	400020
25	Nanping Sub-branch of Bank of Chongqing Co., Ltd.	2-2, 1/F, No. 199 Nancheng Avenue, Nanping Sub-district, Nan'an District, Chongqing	400060
26	Yangjiaping Sub-branch of Bank of Chongqing Co., Ltd.	(Jianye Building) Yangjiaping Labour Village 3, Jiulongpo District, Chongqing	400050
27	Xiaolongkan Sub-branch of Bank of Chongqing Co., Ltd.	No. 18 Xiaolongkan New Street, Shapingba District, Chongqing	400030
28	Minsheng Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 181 Minsheng Road, Yuzhong District, Chongqing	400010
29	Shangqingsi Sub-branch of Bank of Chongqing Co., Ltd.	No. 38-4, 5, 6, and 7 Zhongshan Si Road, Yuzhong District, Chongqing	400015
30	Chayuan New District Sub-branch of Bank of Chongqing Co., Ltd.	No. 101-8 Tongjiang Avenue, Chayuan New District, Nan'an District, Chongqing	401336
31	Bishan Sub-branch of Bank of Chongqing Co., Ltd.	No. 205 (3 to 5) Jinjian Road, Bishan County, Chongqing	402760
32	Wenhua Gong Sub-branch of Bank of Chongqing Co., Ltd.	No. 131 Zhongshan Er Road, Yuzhong District, Chongqing	400014
33	Lianglukou Sub-branch of Bank of Chongqing Co., Ltd.	No. 139 Zhongshan San Road, Yuzhong District, Chongqing	400015
34	Chongda Sub-branch of Bank of Chongqing Co., Ltd.	No. 83 Shabei Street, Shapingba District, Chongqing	400044
35	Tianxingqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 40-28 Tianxingqiao Zheng Street, Shapingba District, Chongqing	400030
36	Renhe Sub-branch of Bank of Chongqing Co., Ltd.	No. 50 Renhe Jile Avenue, Yubei District, Chongqing	401121
37	Chaotianmen Sub-branch of Bank of Chongqing Co., Ltd.	No. 7 Datong Street, Yuzhong District, Chongqing	400011
38	Daping Sub-branch of Bank of Chongqing Co., Ltd.	No. 121 Daping Changjiang Er Road, Yuzhong District, Chongqing	400042
39	Danzishi Sub-branch of Bank of Chongqing Co., Ltd.	No. 52 Danzishi New Street, Nan'an District, Chongqing	400061
40	Jiazhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 115 Jiazhou Road, Yubei District, Chongqing	401147

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
41	Songshuqiao Sub-branch of Bank of Chongqing Co., Ltd.	District A, Shanghai Building, No. 71 Wuling Road, Longxi Sub-district, Yubei District, Chongqing	401147
42	Baxian Avenue Sub-branch of Bank of Chongqing Co., Ltd.	No. 80 Yudongbaxian Avenue, Banan District, Chongqing	401320
43	The Great Hall Sub-branch of Bank of Chongqing Co., Ltd.	No. 4 Xuetianwan Zheng Street, Yuzhong District, Chongqing	400015
44	Sanxia Plaza Sub-branch of Bank of Chongqing Co., Ltd.	G/F (street frontage) Podium Building, Lihai Building, No. 99 Xiaoxin Street, Shapingba District, Chongqing	400030
45	Banan Sub-branch of Bank of Chongqing Co., Ltd.	No. 60-1 Xinshi Street, Banan District, Chongqing	401320
46	Shaanxi Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 33 Shaanxi Road, Yuzhong District, Chongqing	400011
47	Changshou Sub-branch of Bank of Chongqing Co., Ltd.	No. 10 Taoyuan West Road, Changshou District, Chongqing	401220
48	Shuangqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 10-39 Xihu Avenue, Shuangqiao District, Chongqing	400900
49	Jiulong Square Sub-branch of Bank of Chongqing Co., Ltd.	No. 36 Yangjiaping Xijiao Road, Jiulongpo District, Chongqing	400050
50	Fengcheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 2 Xiangyang Road, Changshou District, Chongqing	401220
51	Ganghua Road Sub-branch of Bank of Chongqing Co., Ltd.	No. 1 Shuangshan Road, Dadukou District, Chongqing	400084
52	Yanjia Sub-branch of Bank of Chongqing Co., Ltd.	No. 33 Yucui Road, Yanjia Sub-district, Changshou District, Chongqing	401221
53	Zongbucheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 44 and 46 Huxie Road, Yuzhong District, Chongqing	400011
54	Beibeichaoyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 83 Zhongshan Road, Beibei District, Chongqing	400700
55	Tongliang Sub-branch of Bank of Chongqing Co., Ltd.	No. 10 Jiefang East Road, Bachuan Sub-district, Tongliang District, Chongqing	402560
56	Hechuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 12 and 14 Hechuan Jiaotong Street, Chongqing	401520
57	Liangjiang New District Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-3 Xingguang Avenue, Gaoxin Park, Beibu New District, Chongqing	401121
58	Jiangjin Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-2 and 2-1, Building 1, Xiangrui Building, No. 518 Dingshan Avenue, Dingshan Subdistrict, Jiangjin District, Chongqing	402260
59	Southwest University Sub-branch of Bank of Chongqing Co., Ltd.	No. 18 Shigang Village, Beibei District, Chongqing	400715
60	Tianshengqiao Sub-branch of Bank of Chongqing Co., Ltd.	No. 85-3 Huangshu Village, Beibei District, Chongqing	400716

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
61	Dazu Sub-branch of Bank of Chongqing Co., Ltd.	No. 257 Wuxing Avenue, Tangxiang Sub-district, Dazu County, Chongqing	402360
62	Tongnan Sub-branch of Bank of Chongqing Co., Ltd.	No. 2, 1/F, No. 86-92 Xingtong Avenue, Guilin Sub-district, Tongnan County, Chongqing	402660
63	Wansheng Sub-branch of Bank of Chongqing Co., Ltd.	No. 11 Wansheng Avenue, Wansheng District, Chongqing	400800
64	Qinggang Sub-branch of Bank of Chongqing Co., Ltd.	No. 190, 192 and 194 Zhong Street, Qinggang Sub-district, Bishan County, Chongqing	402760
65	Jiefangbei Sub-branch of Bank of Chongqing Co., Ltd.	No. 101 Minzu Road, Yuzhong District, Chongqing	400010
66	University City Sub-branch of Bank of Chongqing Co., Ltd.	No. 125-127 and 149-152, No. 17 University City West Road, Huxi Town, Shapingba District, Chongqing	401331
67	Qianjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1555 Xinhua Avenue (West Section), Qianjiang District, Chongqing	409000
68	Liangping Sub-branch of Bank of Chongqing Co., Ltd.	No. 2, 4, 6 and 8 Shuncheng Street, Liangshan Town, Liangping County, Chongqing	405200
69	Wanzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 28 Xincheng Road, Wanzhou District, Chongqing	404000
70	Fuling Sub-branch of Bank of Chongqing Co., Ltd.	G/F (street frontage), Stadium, Fuling District, Chongqing	408000
71	Nanmenshan Sub-branch of Bank of Chongqing Co., Ltd.	No. 1 Renmin East Road, Fuling District, Chongqing	408000
72	Nanchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 18-1 Heping Road, Nan Cheng Sub-district, Nanchuan District, Chongqing	408400
73	Zhong County Sub-branch of Bank of Chongqing Co., Ltd.	No. 3-1 Zhongbo Avenue, Zhongzhou Town, Zhong County, Chongqing	404300
74	Xiushan Sub-branch of Bank of Chongqing Co., Ltd.	No. 46 Fengxiang Road, Zhonghe Town, XiushanTujia and Miao Autonomous County, Chongqing	409900
75	Kai County Sub-branch of Bank of Chongqing Co., Ltd.	Shimin Plaza, Kaizhou Avenue (Middle Section), Kai County, Chongqing	405400
76	Fengdu Sub-branch of Bank of Chongqing Co., Ltd.	No. 184 and 186 Pingdu Avenue (West Section), Sanhe Town, Fengdu County, Chongqing	408200
77	Shizhu Sub-branch of Bank of Chongqing Co., Ltd.	No. 100-6 Wanshou Avenue, Nanbin Town, Shizhu Tujia Autonomous County, Chongqing	409100
78	Lidu Sub-branch of Bank of Chongqing Co., Ltd.	No. 88 Julong Avenue, Lidu Sub-district, Fuling District, Chongqing	408100
79	Dianjiang Sub-branch of Bank of Chongqing Co., Ltd.	Unit 1-1, Building B5 1 Fengshan West Road, Guixi Town, Dianjiang County, Chongqing	408300
80	Yunyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 1299 Yunjiang Avenue, Shuangjiang Town, Yunyang County, Chongqing	404500

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
81	Wuxi Sub-branch of Bank of Chongqing Co., Ltd.	Entertainment and Sports Building, Chunshen Avenue, Chengxiang Town, Wuxi County, Chongqing	405800
82	Wulong Sub-branch of Bank of Chongqing Co., Ltd.	No. 117 Furong West Road, Xiangkou Town, Wulong County, Chongqing	408500
83	Youyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 17 Chengbei New District, Zhongduo Town, Youyang County, Chongqing	409800
84	Pengshui Sub-branch of Bank of Chongqing Co., Ltd.	G/F (street frontage) Binjiang Community, Hanjia Town, Pengshui County, Chongqing	409699
85	Wushan Sub-branch of Bank of Chongqing Co., Ltd.	No. 46 Guangdong Middle Road, Wushan County, Chongqing	404700
86	Chengkou Sub-branch of Bank of Chongqing Co., Ltd.	No. 2 Dongda Street, Gecheng Sub-district, Chengkou County, Chongqing	405900
87	Fengjie Sub-branch of Bank of Chongqing Co., Ltd.	No. 4 Qiaomu Street, Yong'an Town, Fengjie County, Chongqing	404600
88	Dashizi Sub-branch of Bank of Chongqing Co., Ltd.	No. 296 Jiefang Road, Chengdong Sub-district, Qianjiang District, Chongqing	409099
89	Xiushan County Wuyue Plaza Subbranch of Bank of Chongqing Co., Ltd.	Shops 15, 16 and 17, 1/F, Building 1, Wuyue Plaza (South Zone), Yuxiu Avenue, Xiushan County, Chongqing	409900
90	Wulidian Sub-branch of Bank of Chongqing Co., Ltd.	No. 292 Jianxin East Road, Jiangbei District, Chongqing	400020
91	Beibei Sub-branch of Bank of Chongqing Co., Ltd.	No. 453, 455 and 457 Yunqing Road, Beibei District, Chongqing	400700
92	Yubei Sub-branch of Bank of Chongqing Co., Ltd.	Shops 1-1 and 2-1 of Integrated Commercial Complex of Shengjing Tianxia, No. 9 Baiguo Road, Shuanglonghu Sub-district,, Yubei District, Chongqing	401120
93	Lianglu Sub-branch of Bank of Chongqing Co., Ltd.	No. 86 Shuanglonghu Avenue, Shuanglong Subdistrict, Yubei District, Chongqing	401120
94	Qijiang Sub-branch of Bank of Chongqing Co., Ltd.	Sub No. 1-40 and Sub No. 2-225 to 229, Podium Building, Rongrun Kaixuan Mingcheng, No. 47 Jiulong Avenue, Wenlong Sub-district, Qijiang District, Chongqing	401420
95	Yongchuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 78 Renmin South Road, Yongchuan District, Chongqing	402160
96	Yongchuan District Yuxi Square Sub-branch of Bank of Chongqing Co., Ltd.	No. 101-1-5 and 101-10 Xuanhua Road, Yongchuan District, Chongqing	402160
97	Rongchang County Changyuan Sub-branch of Bank of Chongqing Co., Ltd.	No. 199-205 Binhe Middle Road, Changyuan Sub-district, Rongchang County, Chongqing	402460

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
98	Rongchang Sub-branch of Bank of Chongqing Co., Ltd.	1-3 and 2-3, No. 43-2 Changlong Avenue, Changzhou Sub-district, Rongchang County, Chongqing	402460
99	Dazu County Longshui Sub-branch of Bank of Chongqing Co., Ltd.	1-8, 1-7-1, 1-7-2 and 1-6-2, Block G, Wujin Lvyou Cheng, Longshui Town, Dazu Subdistrict, Chongqing	402368
100	Jiangjin District Shuangfu Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-1, 1-2 and 1-3, Basement, Block 1, Meifang Mansion, Shui'an Huadu, No. 95, 93, and 91 Shuangfu Avenue, Shuangfu Sub-district, Jiangjin District, Chongqing	402620
101	Minxinjiayuan Community Sub-branch of Bank of Chongqing Co., Ltd.	No. 530-15, 1/F, No. 3 Minxinjiayuan, Beibu New District, Chongqing	401147
102	Chongda Xihuacun Community Sub-branch of Bank of Chongqing Co., Ltd.	No. 2 Shabei Street, Shapingba District, Chongqing	400044
103	Yuzui Sub-branch of Bank of Chongqing Co., Ltd.	No. 14, 15 and 16, 1/F, Building B2, Tuoxin. Liangjiang Qibocheng, No. 47 Yonghe Road, Yuzui, Liangjiang New District, Chongqing	400020
104	Yanghe Sub-branch of Bank of Chongqing Co., Ltd.	No. 383 Honghuan Road, Longxi Sub-district, Yubei District, Chongqing	401147
105	Yuanyang Sub-branch of Bank of Chongqing Co., Ltd.	No. 119, Building G8, No. 1122 Jinkai Avenue, Beibu New District, Chongqing	401147
106	Chang'an Jinxiucheng Community Subbranch of Bank of Chongqing Co., Ltd.	Shop 1027, No. 109 Songpai Road (Chang'an Jinxiucheng) Second District, Longxi Subdistrict, Yubei District, Chongqing	401147
107	Tongliang District Xincheng Sub-branch of Bank of Chongqing Co., Ltd.	(Even No.) No. 198-206 and 206-1-8 Zhongxing East Road, Dongcheng Sub-district, Tongliang District, Chongqing	402560
108	Hechuan District Zhaojia Sub-branch of Bank of Chongqing Co., Ltd.	No. 45, 47, 49, 51-2, 51-3, 51-4, 51-5 Jiaotong Street, street affair office of Heyang City, Hechuan District, Chongqing	401520
109	Chengdu Chongzhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 79 South Section 1, Binhe Road, and No. 353-367 Yangsi Street, Chongyang Town, Chongzhou, Sichuan	611230
110	Chengdu Binjiang Sub-branch of Bank of Chongqing Co., Ltd.	No. 65 Shangchi Zheng Street, Qingyang District, Chengdu, Sichuan	610015
111	Chengdu Wuhou Sub-branch of Bank of Chongqing Co., Ltd.	No. 17 South Section 4, Yihuan Road Gaosheng Bridge, Wuhou District, Chengdu, Sichuan	610041
112	Chengdu Economic Development Zone Sub-branch of Bank of Chongqing Co., Ltd.	(Odd No.) 1-19 Yiju Road, and (Even No.) 620-626 Beiquan Road, Longquanyi District, Chengdu, Sichuan	610100

List of Branch Outlets

No.	Name of Banking Institution	Address	Postal Code
113	Chengdu Jinsha Sub-branch of Bank of Chongqing Co., Ltd.	No. 171 Jinze Road, and No. 246 Shuhui Road, Qingyang District, Chengdu, Sichuan	610074
114	Chengdu Kehua Sub-branch of Bank of Chongqing Co., Ltd.	Libao Building, No. 62 Kehua North Road, Wuhou District, Chengdu, Sichuan	610040
115	Chengdu Jinjiang Sub-branch of Bank of Chongqing Co, Ltd.	No. 79-93, 79-95 and 79-97 Section 1, Jinhua Road, Jinjiang District, Chengdu, Sichuan	610023
116	Chengdu Feicuicheng Community Sub-branch of Bank of Chongqing Co., Ltd.	No.13. 1/F, Building No.15, Phase II, Jade City, No.2 Huarun Road, Jinjiang District, Chengdu, Sichuan	610023
117	Guiyang Chengdong Sub-branch of Bank of Chongqing Co., Ltd.	No. 116 Baoshan North Road, Yunyan District, Guiyang, Guizhou	550001
118	Guiyang Guanshanhu Subbranch of Bank of Chongqing Co., Ltd.	1st to 3rd Floor, Commercial Building One, Circle Y1 and Y2, Shijicheng, Guanshanhu District, Guiyang, Guizhou	550081
119	Xi'an Economic & Technological Development Zone Sub-branch of Bank of Chongqing Co., Ltd.	1/F, Fenglu No. 1, No. 19 Wenjing Road, Xi'an Economic and Technological Development Zone, Xi'an, Shaanxi	710016
120	Xi'an Qujiang New District Sub-branch of Bank of Chongqing Co., Ltd.	1/F and 2/F, No. 6 Building, No. 1 Longmai South Zone Tianlunyu Cheng, Second South Ring Road (East Section), Xi'an, Shaanxi	710065
121	Xi'an International Trade and Logistics Park Sub-branch of Bank of Chongqing Co., Ltd.	1/F, Qihang Garden Commercial Street, No. 6 Port Avenue, Xi'an International Trade and Logistics Park, Xi'an, Shaanxi	710026
122	Liupanshui Zhongshan Middle Road Sub-branch of Bank of Chongqing Co., Ltd.	1st to 3rd Floor, Longcheng Plaza, No. 81 Zhongshan Middle Road, Zhongshan District, Liupanshui, Guizhou	553000
123	Zunyi Sub-branch of Bank of Chongqing Co., Ltd.	No. 1-1Building 1, Jinxucheng Shangcheng Community, Nanjing Road, Huichuan District, Zunyi, Guizhou	563000

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 the Bank, as amended from time to time
“Bank”	Bank of Chongqing Co., Ltd. (重慶銀行股份有限公司), a joint stock limited company incorporated in the PRC, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange
“Board” or “Board of Directors”	the board of Directors of the Bank
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“Director(s)”	director(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi
“H Shares”	overseas-listed foreign shares issued by the Bank, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“HKD” or “HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	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)
“PRC” or “China”	the People’s Republic of China, and for the purpose of this interim report only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Reporting Period”	the six months ended June 30, 2015
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	the shareholders of the Bank
“Shares”	the Domestic Shares and the H Shares
“Supervisor(s)”	the supervisor(s) of the Bank