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BANK OF CHONGQING CO., LTD.*
重慶銀行股份有限公司*

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

(Stock Code: 1963)

(Stock Code of Preference Shares: 4616)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR 2019

The board of directors (the “**Board**”) of Bank of Chongqing Co., Ltd.* (the “**Bank**” or “**Bank of Chongqing**”) is pleased to announce the unaudited results announcement of the Bank and its subsidiaries (the “**Group**”) for the third quarter ended September 30, 2019 (the “**Reporting Period**”) prepared in accordance with the International Financial Reporting Standards (the “**IFRSs**”). This quarterly results announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

1 IMPORTANT NOTICE

- 1.1 The Board, the board of supervisors, the directors, supervisors and senior management of the Bank confirm that there are no misstatements, misleading representations or material omissions in this quarterly results announcement, and assume joint and several liability for the truthfulness, accuracy and completeness of this quarterly results announcement.
- 1.2 This quarterly results announcement has been reviewed and approved at the board meeting of the Bank held on October 30, 2019.
- 1.3 The financial information contained in this quarterly results announcement has not been audited.
- 1.4 The unaudited operating information for the third quarter is provided as additional information.

* *The Bank 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.*

2 CORPORATE INFORMATION

2.1 Company information

Stock Name of H shares:	BCQ
Stock Code of H shares:	1963
Listing Exchange of H shares:	The Stock Exchange of Hong Kong Limited
Stock Name of Offshore Preference Shares:	BCQ 17USDPREF
Stock Code of Offshore Preference Shares:	4616
Listing Exchange of Offshore Preference Shares:	The Stock Exchange of Hong Kong Limited
Legal Representative:	LIN Jun
Authorized Representatives:	LIN Jun WONG Wah Sing
Secretary to the Board:	PENG Yanxi
Joint Company Secretaries:	WONG Wah Sing HO Wing Tsz Wendy
Registered Address:	No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the People's Republic of China (the "PRC") Postal Code: 400024
Principal Place of Business in Hong Kong:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	+86 (23) 6379 9024
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E-mail:	ir@cqcbank.com

2.2 Financial highlights

The financial information set out in this quarterly results announcement was prepared on a consolidated basis according to IFRSs. Unless otherwise stated, such information is the data of the Group denominated in RMB.

In respect of the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards) and those under the IFRSs, there is no difference between the net profit attributable to shareholders of the Bank for the Reporting Period ended September 30, 2019 and equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Major financial data and indicators

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	September 30, 2019	December 31, 2018	Increase/ (decrease) at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	469,310,979	450,368,973	4.2
Loans and advances to customers, gross	236,380,975	212,430,769	11.3
Total liabilities	430,936,953	415,757,400	3.7
Customer deposits	273,333,645	256,394,193	6.6
Equity attributable to shareholders of the Bank	36,735,493	33,051,012	11.1
Total equity	38,374,026	34,611,573	10.9
Net assets per share attributable to shareholders of the Bank ⁽¹⁾ (RMB)	10.18	9.00	13.1

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	The Reporting Period (July – September 2019)	Increase/ (decrease) in the Reporting Period as compared to the same period of the previous year (%)	The beginning of the year to the end of the Reporting Period (January – September 2019)	Increase/ (decrease) in the period from the beginning of the year to the end of the Reporting Period as compared to the same period of the previous year (%)
Net profit	1,319,736	22.9	3,808,658	13.1
Net profit attributable to shareholders of the Bank	1,298,506	22.6	3,720,395	11.7
<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	The Reporting Period (July – September 2019)	Increase/ (decrease) in the Reporting Period as compared to the same period of the previous year	The beginning of the year to the end of the Reporting Period (January – September 2019)	Increase/ (decrease) in the period from the beginning of the year to the end of the Reporting Period as compared to the same period of the previous year
Basic earnings per share (RMB)	0.42	0.08	1.19	0.12
Average annualized return on equity attributable to shareholders of the Bank ⁽²⁾ (%)	16.54	0.98	16.59	(0.02)

Notes:

- (1) Refers to equity attributable to shareholders of the Bank after deduction of preference shares as at the end of the Reporting Period divided by the total number of ordinary share capital as at the end of the Reporting Period.
- (2) Refers to the percentage of net profit attributable to shareholders of the Bank to the average balance of equity attributable to shareholders of the Bank after deduction of preference shares at the beginning and the end of the period.

3 PARTICULARS OF SHAREHOLDING AS AT THE END OF THE REPORTING PERIOD

3.1 Shareholding of ordinary shares

As at the end of the Reporting Period, the Bank had a total of 3,127,054,805 ordinary shares, comprising 1,548,033,993 domestic shares and 1,579,020,812 H shares.

Particulars of shareholdings of the top ten shareholders of domestic shares of the Bank

Unit: share

Name of shareholder	Nature of Shareholder	Total number of shares held	Shareholding percentage (%)
Chongqing Yufu Assets Management Group Co., Ltd. ⁽¹⁾	State-owned	407,929,748	13.05
Chongqing Road & Bridge Co., Ltd. ⁽²⁾	Private	171,339,698	5.48
Chongqing Land Group	State-owned	139,838,675	4.47
Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned	139,838,675	4.47
Lifan Industry (Group) Co., Ltd.	Private	129,564,932	4.14
Peking University Founder Group Co., Ltd.	State-owned	94,506,878	3.02
Chongqing South Group Limited	Private	68,602,362	2.19
Chongqing Transport and Travel Investment Group Limited	State-owned	37,456,522	1.20
Chongqing Expressway Co., Ltd.	State-owned	29,942,325	0.96
Minsheng Industrial (Group) Co., Ltd.	State-owned	24,191,310	0.77
Total		1,243,211,125	39.75

Notes:

- (1) Chongqing Yufu Assets Management Group Co., Ltd. directly holds 407,929,748 shares of the Bank's non-overseas listed shares, holds 54,250,000 shares of the Bank's H shares through its subsidiary Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司) and holds 5,486,112 shares of the Bank's non-overseas listed shares through Southwest Securities Co., Ltd. (西南證券股份有限公司) and Chongqing Hotel Co., Ltd. (重慶賓館有限公司), parties acting in concert with it, which added up to 467,665,860 shares of the Bank, representing 14.96% of the total shares of the Bank.
- (2) Chongqing International Trust Co., Ltd. (重慶國際信託股份有限公司), a party acting in concert with Chongqing Road & Bridge Co., Ltd. (重慶路橋股份有限公司), holds 195,102 shares of the Bank's non-overseas listed shares, totaling 171,534,800 shares of the Bank's non-overseas listed shares, representing 5.49% of the total shares of the Bank.

Pledge of the Bank's Domestic Shares

Unit: share

Name of shareholder	Total number of shares held	Percentage of shares held in the total shares (%)	Number of shares pledged ⁽¹⁾	Percentage of shares pledged in the total shares (%)
Lifan Industry (Group) Co., Ltd.	129,564,932	4.14	129,564,932	100.00
Chongqing South Group Limited	68,602,362	2.19	68,600,000	99.99
Chongqing Shengwang Mechanical and Electrical Equipment Import and Export Co., Ltd. (重慶勝王機電設備進出口有限公司)	5,000,000	0.16	5,000,000	100.00
Chongqing Xiexin Holdings (Group) Co., Ltd. (重慶協信控股(集團)有限公司)	4,877,587	0.16	4,877,587	100.00
Chongqing Zungui Construction Engineering Co., Ltd. (重慶尊貴建設工程有限公司)	4,500,000	0.14	4,500,000	100.00
Chongqing Hubang Industry (Group) Co., Ltd. (重慶互邦實業(集團)有限公司)	4,052,290	0.13	4,052,290	100.00
Haikou Xinyuan Industrial Development Co., Ltd. (海口新源實業發展有限公司)	2,281,734	0.07	2,281,734	100.00
Hainan Venture Capital Management Co., Ltd. (海南創業投資管理有限公司)	1,488,054	0.05	1,488,054	100.00
ZHANG Jialun (張家倫)	595,064	0.02	595,064	100.00
Total	220,962,023	7.06	220,959,661	–

Note:

- (1) As at September 30, 2019, the total number of the Bank's non-overseas listed shares pledged was 220,959,661 shares, of which 129,564,932 shares were frozen by judicial authorities, representing 4.14% of the total number of shares of the Bank.

Interests and short positions of substantial shareholders and other persons

As at September 30, 2019, the interests of substantial shareholders (as defined under the SFO), other than directors and supervisors of the Bank, in the H shares and underlying shares of the Bank to the best knowledge of the Bank and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Unit: share

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)	29.04	14.66
Dah Sing Banking Group Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	29.04	14.66
Dah Sing Financial Holdings Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	29.04	14.66
HSBC International Trustee Limited ⁽⁵⁾	Interest of a trustee	458,574,853 (long position)	29.04	14.66
David Shou-Yeh WONG ⁽¹⁾	Settlor of a discretionary trust/interest of the beneficiary of a trust	458,574,853 (long position)	29.04	14.66
Christine Yen WONG ⁽¹⁾	Interest of spouse	458,574,853 (long position)	29.04	14.66
Harold Tsu-Hing WONG ⁽¹⁾	Deemed interest	458,574,853 (long position)	29.04	14.66
SAIC Motor HK Investment Limited ⁽²⁾	Beneficial owner	240,463,650 (long position)	15.23	7.69
SAIC Motor Corporation Limited ⁽²⁾	Interest of a controlled corporation	240,463,650 (long position)	15.23	7.69
Lifan International (Holdings) Limited ⁽³⁾	Beneficial owner	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
Lifan Industry (Group) Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
Chongqing Lifan Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91

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 (%)
Chongqing Huiyang Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
YIN Mingshan ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
CHEN Qiaofeng ⁽³⁾	Interest of spouse	165,254,000 (long position)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
Funde Sino Life Insurance Co., Ltd. ⁽⁴⁾	Beneficial owner	150,000,000 (long position)	9.50	4.80
	Interest of a controlled corporation	67,570,150 (long position)	4.28	2.16
Chongqing Beiheng Investment & Development Limited	Beneficial owner	84,823,500 (long position)	5.37	2.71
Fund Resources Investment Holding Group Company Limited ⁽⁴⁾	Beneficial owner	67,570,150 (long position)	4.28	2.16

Notes:

- (1) Dah Sing Bank, Limited held 458,574,853 H shares of the Bank. Dah Sing Bank, Limited is wholly owned by Dah Sing Banking Group Limited, which is in turn owned as to approximately 74.37% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 42.96% of the issued share capital of Dah Sing Financial Holdings Limited and Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. For the purpose of the SFO, Dah Sing Banking Group Limited, Dah Sing Financial Holdings Limited, Mr. David Shou-Yeh WONG, Ms. Christine Yen WONG and Mr. Harold Tsu-Hing WONG are deemed to be interested in the shares of the Bank held by Dah Sing Bank, Limited.
- (2) SAIC Motor HK Investment Limited held 240,463,650 H shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares of the Bank held by SAIC Motor HK Investment Limited.
- (3) As confirmed by 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, as at September 30, 2019, Lifan International (Holdings) Limited held 165,254,000 H shares of the Bank. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Industry (Group) Co., Ltd. Lifan Industry (Group) Co., Ltd. is owned as to 49.40% by Chongqing Lifan Holdings Co., Ltd., which is in turn owned as to 72% by Chongqing Huiyang Holdings Co., Ltd. Mr. YIN Mingshan is the beneficial owner of approximately 51% of the interest of Chongqing Huiyang Holdings Co., Ltd. and Ms. CHEN Qiaofeng is the spouse of Mr. YIN Mingshan. For the purpose of 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.

- (4) Funde Sino Life Insurance Co., Ltd. held 150,000,000 H shares of the Bank, and Fund Resources Investment Holding Group Company Limited held 67,570,150 H shares of the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares of the Bank held by Fund Resources Investment Holding Group Company Limited.
- (5) HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of the family members of Mr. David Shou-Yeh WONG (the grantor), held 39.49% interests in Dah Sing Financial Holdings Limited indirectly. For the purpose of the SFO, HSBC International Trustee Limited is deemed to be interested in the shares of the Bank held by Dah Sing Bank, Limited (see note (1) above).

3.2 Particulars of shareholding of preference shares

As of the end of the Reporting Period, the total number of preference shareholders (or nominees) of the Bank is one.

Particulars of shareholdings of the offshore preference shareholders (or nominees)

Unit: share

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

Notes: (1) All of the shares held by the aforesaid shareholder are without selling restrictions.

(2) Particulars of shareholdings of the preference shareholders are based on the information in the Bank's register of preference shareholders.

(3) As the issuance is a private offering, the register of preference shareholders presents the information of the nominees of the places.

(4) The Bank is not aware of any connected relationship or acting in concert relationship between the aforesaid preference shareholder and the ordinary shareholders.

(5) "Shareholding percentage" refers to the percentage of offshore preference shares held by the preference shareholder to the total number of offshore preference shares.

4 HIGHLIGHTS OF QUARTERLY RESULTS

As at September 30, 2019, the Group's total assets amounted to RMB469,310.98 million, representing an increase of RMB18,942.01 million or 4.2% as compared to the end of the previous year.

Customer deposits amounted to RMB273,333.65 million, representing an increase of RMB16,939.45 million or 6.6% as compared to the end of the previous year. Of which: time deposits, demand deposits, pledged deposits held as collateral, other deposits and interest payable amounted to RMB173,271.51 million, RMB73,784.55 million, RMB12,955.23 million, RMB10,860.43 million and RMB2,461.93 million, respectively.

Total loans and advances to customers amounted to RMB236,380.98 million, representing an increase of RMB23,950.21 million or 11.3% as compared to the end of the previous year. Of which: corporate loans, personal loans, discounted bills and interest payable amounted to RMB137,507.77 million, RMB84,307.47 million, RMB13,177.59 million and RMB1,388.15 million, respectively.

The balance of non-performing loans amounted to RMB3,109.62 million, representing an increase of RMB228.12 million as compared to the end of the previous year; the non-performing loan ratio was 1.32%, representing a decrease of 0.04 percentage point as compared to the end of the previous year; and the provision coverage ratio was 236.20%, representing an increase of 10.33 percentage points as compared to the end of the previous year.

For the nine months ended September 30, 2019, the Group recorded a net profit of RMB3,808.66 million, representing an increase of RMB440.56 million or 13.1% as compared to the same period of the previous year. The average annualized return on total assets was 1.11%, representing an increase of 0.07 percentage point as compared with the same period of the previous year. The average annualized return on equity attributable to shareholders of the Bank was 16.59%, representing a decrease of 0.02 percentage point as compared with the same period of the previous year. The annualized net interest margin was 2.06%. The Group recorded basic earnings per share of RMB1.19, representing an increase of RMB0.12 as compared with the same period of the previous year.

Net interest income amounted to RMB6,366.05 million, representing an increase of RMB1,237.94 million or 24.1% as compared with the same period of the previous year; Net fee and commission income amounted to RMB921.88 million, representing a decrease of RMB105.96 million or 10.3% as compared with the same period of the previous year.

Operating expenses amounted to RMB1,800.95 million, representing an increase of RMB76.99 million or 4.5% as compared to the same period of the previous year. The cost-to-income ratio was 19.64%, representing a decrease of 0.71 percentage point as compared to the same period of the previous year. The asset impairment losses amounted to RMB2,063.74 million, representing a decrease of RMB60.08 million or 2.8% as compared to the same period of the previous year.

In accordance with the "Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)", as at the end of the Reporting Period, the Group's Core Tier One capital adequacy ratio, Tier One capital adequacy ratio and capital adequacy ratio were 8.94%, 10.33% and 13.56%, respectively, representing an increase of 0.47, 0.39 and 0.35 percentage point respectively as compared to the end of the previous year, fulfilling the latest regulatory requirements on capital adequacy ratios applicable to the PRC banking industry.

Information about capital adequacy ratio calculated according to the Administrative Measures for the Capital of Commercial Banks (for Trial) (《商業銀行資本管理辦法(試行)》)

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

	As at September 30, 2019		As at December 31, 2018	
	The Group	The Bank	The Group	The Bank

Net capital:

Core Tier I Capital, net	32,165,130	29,781,752	28,552,917	26,317,273
Tier I Capital, net	37,159,928	34,689,532	33,541,222	31,226,580
Net capital	48,751,915	45,577,532	44,558,427	41,704,166

Capital adequacy ratio:

Core Tier I Capital adequacy ratio (Expressed in percentage)	8.94	8.67	8.47	8.15
Tier I Capital adequacy ratio (Expressed in percentage)	10.33	10.10	9.94	9.67
Capital adequacy ratio (Expressed in percentage)	13.56	13.27	13.21	12.92

5 SIGNIFICANT EVENTS

5.1 Particulars and reasons of material changes in major accounting statement items and financial indicators

☒ Applicable ☐ Not applicable

The main reasons for material changes over 30% in the major accounting statement items and financial indicators as compared to the same period of the previous year or the end of the previous year are as follows:

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to September 2019	January to September 2018	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Net trading gains	277,891	632,420	(56.1)	Mainly due to the decrease in the size of financial assets at fair value through profit or loss as compared with the same period of the previous year
Other operating income	52,684	37,198	41.6	Mainly due to the profit or loss arising from the disposal of fixed assets

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	September 30, 2019	December 31, 2018	Change rate as compared to the end of the previous year (%)	Main reasons of the changes
Financial liabilities at fair value through profit or loss	2,881	657	338.5	Mainly due to the valuation loss of derivative products embedded in the structured deposits issued by the Bank, which turned into financial liabilities

5.2 The progress of significant events and their influence and analysis on the solutions

☐ Applicable ☒ Not applicable

5.3 Status of performance of undertakings of the Company, shareholders and de facto controller

☐ Applicable ☒ Not applicable

5.4 Implementation of the cash dividend policy during the Reporting Period

☒ Applicable ☐ Not applicable

A final dividend of RMB0.154 per share (tax inclusive) for the year ended December 31, 2018 (“**2018 Final Dividend**”), amounting to a total dividend of RMB481,566,439.97 (tax inclusive) based on the profit and number of shares issued for the year ended December 31, 2018, was distributed by the Bank to all shareholders of the Bank upon consideration and approval at the 2018 annual general meeting held on May 24, 2019. The 2018 Final Dividend was distributed to holders of H shares and domestic shares on July 19, 2019.

5.5 Disclosure of, and reasons for, the warning in respect of forecast of a probable loss in respect of the accumulated net profit from the beginning of the year to the end of the next reporting period or any significant changes in profit as compared to the same period of the previous year

☐ Applicable ☒ Not applicable

6 PUBLICATION OF QUARTERLY RESULTS ANNOUNCEMENT

The quarterly results announcement will be published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.cqcbank.com).

This quarterly results announcement was prepared in both Chinese and English versions, where there is a discrepancy between the Chinese and English versions, the Chinese version shall prevail.

By Order of the Board
Bank of Chongqing Co., Ltd.*
WONG Wah Sing
Joint Company Secretary

Chongqing, the PRC, October 30, 2019

As at the date of this announcement, the executive directors of the Bank are Ms. LIN Jun, Mr. RAN Hailing, Mr. LIU Jianhua and Mr. WONG Wah Sing; the non-executive directors are Mr. WONG Hon Hing, Mr. DENG Yong, Ms. LV Wei, Mr. YANG Yusong, Mr. TANG Xiaodong, and Mr. WU Heng; and the independent non-executive directors are Mr. LI He, Mr. KONG Xiangbin, Mr. WANG Pengguo and Dr. JIN Jingyu.

APPENDIX FINANCIAL STATEMENTS ACCORDING TO IFRS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2019

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

	For the nine months ended 30 September	
	2019 (Unaudited)	2018 (Unaudited)
Interest income	16,061,325	14,465,536
Interest expense	(9,695,272)	(9,337,421)
Net interest income	6,366,053	5,128,115
Fee and commission income	1,002,208	1,098,159
Fee and commission expense	(80,333)	(70,324)
Net fee and commission income	921,875	1,027,835
Net trading gains	277,891	632,420
Net gains on investment securities	1,037,270	1,206,257
Other operating income	52,684	37,198
Operating income	8,655,773	8,031,825
Operating expenses	(1,800,945)	(1,723,955)
Impairment losses	(2,063,737)	(2,123,817)
Operating profit	4,791,091	4,184,053
Share of profit of associates	118,390	142,440
Profit before income tax	4,909,481	4,326,493
Income tax	(1,100,823)	(958,399)
Net profit for the period	3,808,658	3,368,094
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net gains/(losses) on debt investments at fair value through other comprehensive income	593,595	(109,492)
Less: Relevant income tax effect	(148,399)	27,373
Subtotal	445,196	(82,119)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2019
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Net gains on equity investments designated at fair value through other comprehensive income	–	200,000
Less: Relevant income tax effect	–	(50,000)
Subtotal	–	150,000
Remeasurement of retirement benefits/(losses)	608	(2,547)
Less: Relevant income tax effect	(152)	637
Subtotal	456	(1,910)
Other comprehensive income, net of tax	445,652	65,971
Comprehensive income for the period	4,254,310	3,434,065
Net profit attributable to:		
Shareholders of the Bank	3,720,395	3,330,991
Non-controlling interests	88,263	37,103
	3,808,658	3,368,094
Net comprehensive income attributable to:		
Shareholders of the Bank	4,166,047	3,396,962
Non-controlling interests	88,263	37,103
	4,254,310	3,434,065
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)		
Basic and diluted	1.19	1.07

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*AS AT 30 SEPTEMBER 2019**(All amounts expressed in thousands of RMB unless otherwise stated)*

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
ASSETS		
Cash and balances with central bank	32,062,411	33,216,841
Due from other banks and financial institutions	51,325,965	57,915,079
Financial assets at fair value through profit or loss	24,150,858	27,421,858
Loans and advances to customers	229,181,310	205,923,212
Investment securities		
– Fair value through other comprehensive income	35,258,315	34,687,167
– Amortised cost	87,905,066	82,523,309
Investment in associates	1,756,713	1,638,323
Property, plant and equipment	3,043,704	3,023,292
Deferred income tax assets	2,177,194	1,890,680
Other assets	2,449,443	2,129,212
Total assets	<u>469,310,979</u>	<u>450,368,973</u>
LIABILITIES		
Due to other banks and financial institutions	55,513,576	57,089,939
Financial liabilities at fair value through profit or loss	273,333,645	256,394,193
Customer deposits	2,881	657
Debt securities issued	96,431,677	96,982,613
Current tax liabilities	576,599	548,673
Other liabilities	5,078,575	4,741,325
Total liabilities	<u>430,936,953</u>	<u>415,757,400</u>
EQUITY		
Share capital	3,127,055	3,127,055
Preference shares	4,909,307	4,909,307
Capital surplus	4,680,638	4,680,638
Other reserves	9,183,181	8,289,192
Retained earnings	14,835,312	12,044,820
Equity attributable to shareholders of the Bank	<u>36,735,493</u>	<u>33,051,012</u>
Non-controlling interests	1,638,533	1,560,561
Total equity	<u>38,374,026</u>	<u>34,611,573</u>
Total liabilities and equity	<u>469,310,979</u>	<u>450,368,973</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS*FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2019**(All amounts expressed in thousands of RMB unless otherwise stated)*

	For the nine months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	4,909,481	4,326,493
Adjustments:		
Depreciation and amortisation	162,164	154,549
Credit impairment losses on loans	1,655,860	1,547,118
Impairment losses on other assets	407,877	576,699
Net gains on disposal of property, plant and equipment and foreclosed assets	(18,160)	(5,056)
Fair value gains	(89,015)	(379,638)
Net gains arising from financial investments	(1,038,470)	(1,207,137)
Share of profit of associates	(118,390)	(142,440)
Interest income arising from investment securities	(4,934,466)	(5,689,347)
Interest expense arising from financing activities	2,700,645	3,046,613
Net (increase)/decrease in operating assets:		
Net decrease in restricted deposits with central bank	2,236,561	4,622,651
Net decrease/(increase) in due from and placements with banks and other financial institutions	2,759,195	(3,194,649)
Net decrease/(increase) in financial assets held under resale agreement	2,079,793	(13,370,719)
Net increase in loans and advances to customers	(24,828,738)	(31,732,927)
Net increase in other operating assets	(494,439)	(1,942,422)
Net increase/(decrease) in operating liabilities:		
Net increase in borrowings from central bank	7,400,446	697,498
Net decrease in due to and loans from banks and other financial institutions	(10,259,981)	(1,800,549)
Net increase in financial assets sold under repurchase agreement	1,283,172	7,283,310
Net increase in customer deposits	16,939,452	12,743,246
Net increase in other operating liabilities	1,149,395	880,166
Income tax paid	(1,462,815)	(796,282)
Net cash inflows/(outflows) from operating activities	439,567	(24,382,823)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2019
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended	
	30 September	
	2019	2018
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Dividends received	1,200	880
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	41,420	99,956
Purchase of property, plant and equipment, intangible assets and other long-term assets	(258,313)	(317,883)
Proceeds from sale and redemption of investments	47,913,942	199,699,235
Purchase of securities investments	(45,118,761)	(173,099,696)
Net cash inflows from investing activities	2,579,488	26,382,492
Cash flows from financing activities:		
Proceeds from issuance of debt securities and inter-bank certificates of deposit	76,489,210	112,287,752
Cash paid to redeem debt securities and inter-bank certificates of deposit issued	(79,250,000)	(117,700,000)
Principal elements of lease payments	(24,200)	N/A
Interest paid in relation to financing activities	(490,791)	(497,400)
Dividends paid to shareholders	(464,693)	(337,154)
Net cash outflows from financing activities	(3,740,474)	(6,246,802)
Impact from exchange rate changes on cash and cash equivalents	82,294	472,503
Net decrease in cash and cash equivalents	(639,125)	(3,774,630)
Cash and cash equivalents at the beginning of the period	14,267,072	20,424,977
Cash and cash equivalents at the end of the period	13,627,947	16,650,347