重庆农村商业银行
CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*
Chongqing Rural Commercial Bank Co., Ltd.*
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3618)

2020 FIRST QUARTERLY REPORT

The board of directors (the "**Board**") of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the "**Bank**") is pleased to announce the unaudited results (the "**Quarterly Report**") of the Bank and its subsidiaries (the "**Group**") prepared under the International Financial Reporting Standards ("**IFRSs**") for the first quarter ended 31 March 2020 (the "**Reporting Period**"). The Quarterly Report is made in accordance with Rule 13.09 to 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).

1. IMPORTANT NOTICE

1.1 The Board, the board of supervisors and directors, supervisors and senior management of the Bank warrant the truthfulness, accuracy and completeness of the contents of the Quarterly Report, and that there are no false presentations, misleading statements or material omissions herein, and jointly and severally accept legal responsibility in this respect.

1.2 On 24 April 2020, the Bank convened the 32nd meeting of the fourth session of the Board to consider and approve the 2020 first quarterly report. 12 directors were entitled to attend and all of them attended the meeting, among them 1 director entrusted another director to vote on his behalf, and 1 director was restricted to voting.

1.3 The chairman of the Bank Liu Jianzhong, president Xie Wenhui, vice president in charge of financial function Shu Jing and person in charge of the finane organisation Zhou Ying warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.

1.4 The financial statements in the Quarterly Report have not been audited.

2. BASIC INFORMATION

2.1 Major financial data

The financial information of the Group set forth in the Quarterly Report is prepared on a consolidated basis in accordance with IFRSs and expressed in Renminbi ("**RMB**") unless otherwise stated.

(Expressed in RMB million, unless otherwise stated)	**31 March 2020**	31 December 2019	Increase/ (decrease) as compared to the end of the previous year (%)
Total assets	**1,049,788.9**	1,030,230.2	1.90
Loans and advances to customers, gross	**450,402.4**	437,084.9	3.05
Total liabilities	**956,592.8**	940,427.9	1.72
Deposits from customers	**713,245.3**	673,401.8	5.92
Equity attributable to shareholders of the Bank	**91,542.6**	88,213.5	3.77
Total equity	**93,196.1**	89,802.3	3.78
Net assets per share attributable to shareholders of the Bank *(RMB yuan)*	**8.06**	7.77	3.73

(Expressed in RMB million, unless otherwise stated)	**January to March 2020**	January to March 2019	Increase/ (decrease) as compared to the same period of the previous year (%)
Operating income	**6,951.0**	6,668.5	4.24
Net profit	**3,144.3**	3,347.6	(6.07)
Net profit attributable to shareholders of the Bank	**3,079.6**	3,307.7	(6.90)
Net cash flows generated from operating activities	**41,336.0**	26,656.4	55.07
Basic and diluted earnings per share *(RMB yuan)*	**0.27**	0.33	(18.18)
Weighted average return on net assets *(%, annualised)*	**13.71**	18.26	Decreased by 4.55 percentage points
Average return on assets *(%, annualised)*	**1.21**	1.38	Decreased by 0.17 percentage points

2.2 Explanations of the differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

1. Differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

As a financial institution incorporated in the People's Republic of China, the Bank prepares the bank and consolidated financial statements of the Bank and its subsidiaries in accordance with the Accounting Standards for Enterprises promulgated by the Ministry of Finance of the People's Republic of China, relevant regulations issued by the China Securities Regulatory Commission and other regulatory agencies (collectively referred to as "**Accounting Standards for Enterprises**").

The Group also prepares consolidated financial statements in accordance with the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and the disclosure regulations applicable to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. There are some differences between the financial statements in this report and the Group's financial statements prepared in accordance with IFRSs. The differentiated items and amounts are listed below:

(Expressed in RMB million, unless otherwise stated)	Net Assets (Consolidated)		
	31 March 2020	31 December 2019	31 December 2018
In accordance with Accounting Standards for Enterprises	**92,756.0**	89,362.2	71,708.7
Differentiated items and amount – Goodwill from acquisitions	**440.1**	440.1	440.1
In accordance with IFRSs	**93,196.1**	89,802.3	72,148.8

2. ***Reasons for the differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs***

The Bank was incorporated on 27 June 2008 as a limited company by shares, and the newly incorporated company acquired the assets and liabilities of 38 County/District Rural Credit Cooperative Unions, including the former Chongqing Rural Credit Cooperative Union (重慶市農村信用合作社聯合社), Chongqing Yuzhong District Rural Credit Cooperative Union (重慶市渝中區農村信用合作社聯合社) and Chongqing Wulong Rural Cooperative Bank (重慶武隆農村合作銀行) (the "**Acquisition**"). The Bank first implemented the Accounting Standards for Enterprises on 1 January 2009 and was not required to recognise the goodwill generated from the Acquisition. The Bank made an initial public offering of overseas listed foreign shares (H shares) on the Hong Kong Stock Exchange on 16 December 2010 and adopted IFRSs for the first time in the same year. The goodwill generated from the Acquisition was retrospectively recognized in accordance with the relevant requirements of the first implementation of IFRSs.

2.3 Capital adequacy ratio

Set out below are the capital adequacy ratios at all levels of the Group and the Bank as at the end of March 2020 calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》).

(Expressed in RMB million, unless otherwise stated)	**31 March 2020**		31 December 2019	
	The Group	**The Bank**	The Group	The Bank
Net core tier 1 capital	**91,903.0**	**86,950.5**	88,559.0	83,772.1
Net tier 1 capital	**92,026.4**	**86,950.5**	88,680.0	83,772.1
Net capital	**109,553.8**	**103,819.5**	106,070.5	100,534.8
Risk-weighted assets	**724,280.3**	**689,061.0**	712,885.7	678,740.2
Core tier 1 capital adequacy ratio *(%)*	**12.69**	**12.62**	12.42	12.34
Tier 1 capital adequacy ratio *(%)*	**12.71**	**12.62**	12.44	12.34
Capital adequacy ratio *(%)*	**15.13**	**15.07**	14.88	14.81

2.4 Leverage ratio

Set out below is the leverage ratio of the Group as at the end of March 2020 calculated in accordance with the Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised) (《商業銀行槓桿率管理辦法(修訂)》).

(Expressed in RMB million, unless otherwise stated)	**31 March 2020**	31 December 2019	30 September 2019	30 June 2019
Net tier 1 capital	**92,026.4**	88,680.0	77,721.8	74,927.4
Balance of assets on and off-balance sheet after adjustments	**1,070,700.4**	1,049,518.7	1,057,133.5	1,042,661.7
Leverage ratio *(%)*	**8.59**	8.45	7.35	7.19

2.5 Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of March 2020 calculated in accordance with the Methods for Liquidity Risk Management in Commercial Banks (Provisional) (《商業銀行流動性風險管理辦法》).

(Expressed in RMB million, unless otherwise stated)	**31 March 2020**
Qualified and high-quality liquid assets	**115,533.24**
Net cash outflows in future 30 days	**47,851.58**
Liquidity coverage ratio *(%)*	**241.44**

2.6 Highlights of quarterly results

As at 31 March 2020, the Group recorded a net profit of RMB3,144 million, of which the net profit attributable to shareholders of the Bank amounted to RMB3,080 million, representing a decrease of 6.07% and 6.90% as compared to the corresponding period of the previous year, respectively, which was mainly due to the cancellation and write-back of large scale medical insurance contributions for retirees during the corresponding period of the previous year, resulting in a higher net profit for the corresponding period of the previous year. Annualised average return on assets was 1.21% and annualised weighted average return on net assets was 13.71%.

Operating income amounted to RMB6,951 million, representing an increase of 4.24% as compared to the corresponding period of the previous year. Net interest income amounted to RMB5,930 million, representing an increase of 1.56% as compared to the corresponding period of the previous year. Net interest margin was 2.30%. Net fee and commission income amounted to RMB709 million, representing an increase of 22.57% as compared to the corresponding period of the previous year. Operating expenses amounted to RMB1,808 million, representing an increase of 58.91% as compared to the corresponding period of the previous year, which was mainly due to the cancellation and write-back of large-scale medical insurance contributions for retirees during the corresponding period of the previous year, resulting in a lower amount for the corresponding period of the previous year. Cost-to-income ratio increased by 8.91 percentage points as compared to the corresponding period of the previous year to 25.18%.

As at 31 March 2020, the Group's total assets amounted to RMB1,049,789 million, representing an increase of RMB19,559 million or 1.90% from the end of last year. Gross amount of loans and advances to customers amounted to RMB450,402 million, representing an increase of RMB13,318 million or 3.05% from the end of last year. Among which, corporate loans of the Group amounted to RMB260,941 million, retail loans amounted to RMB166,621 million and discounted bills amounted to RMB22,840 million. Financial investment amounted to RMB389,856 million, representing an increase of RMB12,503 million or 3.31% from the end of last year.

Total liabilities amounted to RMB956,593 million, representing an increase of RMB16,165 million or 1.72% from the end of last year. Deposits from customers amounted to RMB713,245 million, representing an increase of RMB39,844 million or 5.92% from the end of last year. Among which, time deposit of the Group amounted to RMB460,878 million, demand deposit amounted to RMB246,529 million and other deposits amounted to RMB5,838 million.

Total shareholders' equity amounted to RMB93,196 million, representing an increase of RMB3,394 million or 3.78% from the end of last year.

For breakdown of loans by the five-category classification, the balance of non-performing loans amounted to RMB5,735 million, representing an increase of RMB275 million from the end of the previous year. The non-performing loan ratio was 1.27%, an increase of 0.02 percentage points from the end of the previous year. Provision coverage ratio was 382.41%, an increase of 2.10 percentage points from the end of the previous year.

As at 31 March 2020, calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》), the Group's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio was 12.69%, 12.71% and 15.13%, respectively, all satisfying regulatory requirements.

2.7 Total number of shareholders, top ten shareholders and top ten shareholders holding tradable shares (or shareholders without selling restrictions) as of the end of the Reporting Period

Unit: Share

Total number of shareholders (1)	314,762

Particulars of Shareholdings of the Top Ten Shareholders						
Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage	Number of shares held with selling restrictions	Pledged or frozen		Nature of shareholder
				Condition of shares	Number of shares	
Hong Kong Securities Clearing Company Nominees Limited(2)	2,513,336,041	22.13%	–	Nil		Overseas legal person
Chongqing Yufu Assets Management Group Company Limited (重慶渝富資產經營管理集團有限公司)	988,000,000	8.70%	988,000,000	Nil		State-owned legal person
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	797,087,430	7.02%	797,087,430	Nil		State-owned legal person
Chongqing Transport and Travel Investment Group Company Limited (重慶交通旅遊投資集團有限公司)	589,084,181	5.19%	589,084,181	Nil		State-owned legal person
Loncin Holding Co., Ltd. (隆鑫控股有限公司)(3)	570,000,000	5.02%	570,000,000	Pledged	570,000,000	Domestic non-state-owned legal person
Chongqing Casin Group Co., Ltd (重慶財信企業集團有限公司)	443,100,000	3.90%	443,100,000	Pledged	221,500,000	Domestic non-state-owned legal person
Beijing Jiuding Real Estate Co., Ltd. (北京九鼎房地產開發有限責任公司)	300,000,000	2.64%	300,000,000	Pledged	243,900,000	Domestic non-state-owned legal person

Particulars of Shareholdings of the Top Ten Shareholders						
Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage	Number of shares held with selling restrictions	Pledged or frozen		Nature of shareholder
				Condition of shares	Number of shares	
Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司)	200,000,000	1.76%	200,000,000	Nil		Domestic non-state-owned legal person
Jiangsu Huaxi Group Co., Ltd. (江蘇華西集團有限公司)	150,000,000	1.32%	150,000,000	Pledged	135,000,000	Domestic non-state-owned legal person
Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	150,000,000	1.32%	150,000,000	Pledged	74,900,000	Domestic non-state-owned legal person

Particulars of Shareholdings of the Top Ten Shareholders Without Selling Restrictions			
Name of shareholder	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type	Number
Hong Kong Securities Clearing Company Nominees Limited	2,513,336,041	Overseas listed foreign shares	2,513,336,041
Li Xiaomin	5,602,700	RMB-denominated ordinary shares	5,602,700
Zhao Chunlai	3,552,100	RMB-denominated ordinary shares	3,552,100
Wang Guoqing	3,160,000	RMB-denominated ordinary shares	3,160,000
Hao Xianwen	2,125,000	RMB-denominated ordinary shares	2,125,000
Hong Kong Securities Clearing Company Limited	2,040,061	RMB-denominated ordinary shares	2,040,061
Shao Maozhi	1,830,000	RMB-denominated ordinary shares	1,830,000
Wang Huafeng	1,779,000	RMB-denominated ordinary shares	1,779,000
Jing Bing	1,756,500	RMB-denominated ordinary shares	1,756,500

Particulars of Shareholdings of the Top Ten Shareholders Without Selling Restrictions			
Name of shareholder	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type	Number
Hainan Refeng Farm Management Co., Ltd. (海南熱風農場管理有限公司)	1,668,237	RMB-denominated ordinary shares	1,668,237
Statement on the related relations and concerted actions between the shareholders above	Not aware of related relations or concerted actions exist between the shareholders above		

Notes: (1) Including 313,482 holders of A shares and 1,280 registered shareholders of H shares.

(2) The number of shares held by Hong Kong Securities Clearing Company Nominees Limited refers to the total number of shares recorded in the H shareholder account of the Bank in the trading system represented by Hong Kong Securities Clearing Company Nominees Limited.

(3) The 570,000,000 shares under pledge held by Loncin Holding Co., Ltd. are also being judicially frozen.

2.8 Total number of preference shareholders, top ten preference shareholders and top ten preference shareholders without selling restrictions as of the end of the Reporting Period

☐ Applicable ☑ N/A

3. MAJOR ISSUES

3.1 Significant changes in major accounting items and financial indicators and the reasons thereof

(Expressed in RMB million, unless otherwise stated)	**January to March 2020**	January to March 2019	Increase/ (decrease) (%)	Main reason(s) of the change
Net trading gains	**274.5**	167.1	64.27	Primarily due to the increase in fair value of financial assets measured at fair value through profit or loss
Other operating income, net	**(0.8)**	15.6	(105.13)	Primarily due to the increase in donation outlay for the period and the impact of exchange rate fluctuations on the foreign exchange business
Net gains from derecognition of financial assets at fair value through other comprehensive income	**36.6**	–	N/A	Primarily due to the increase in disposal of financial assets at fair value through other comprehensive income for the period
Net gains from derecognition of financial assets measured at amortised cost	**1.0**	67.6	(98.52)	Primarily due to the decrease in disposal of financial assets measured at amortised cost for the period
Operating expenses	**(1,807.6)**	(1,137.5)	58.91	Primarily due to the cancellation and write-back of large-scale medical insurance contributions for retirees during the corresponding period of the previous year, resulting in a lower amount for the corresponding period of the previous year
Net profit attributable to non-controlling interests	**64.7**	39.9	62.16	Primarily due to the increase in net profit of non-wholly owned subsidiaries
Other comprehensive income for the period, net of tax	**249.5**	74.8	233.56	Primarily due to the increase in fair value of financial assets measured at fair value through other comprehensive income for the period

(Expressed in RMB million, unless otherwise stated)	**31 March 2020**	31 December 2019	Increase/ (decrease) (%)	Main reason(s) of the change
Deposits with banks and other financial institutions	**21,526.8**	15,625.4	37.77	Primarily due to the increase in time deposits placed with domestic commercial banks
Financial assets held under resale agreements	**1,229.6**	–	N/A	Primarily due to the increase in holdings of financial assets held under resale agreements according to liquidity management arrangements
Financial assets measured at fair value through other comprehensive income	**9,982.5**	7,256.8	37.56	Primarily due to the increase in holdings of financial bonds issued by policy banks
Deposits from banks and other financial institutions	**5,045.5**	9,493.1	(46.85)	Primarily due to the decrease in time deposits from domestic banks
Derivative financial liabilities	**87.0**	59.6	45.97	Primarily due to the increased purchases of forward contracts and foreign exchange swaps
Income tax payable	**1,423.0**	1,032.3	37.85	Primarily due to the provision of the corporate income tax
Investment revaluation reserve	**142.9**	(106.6)	N/A	Primarily due to the increase in fair value of financial assets measured at fair value through other comprehensive income for the period

3.2 Description and analysis of the progress of material matters, the impact thereof and solutions

☑ Applicable ☐ N/A

Chongqing Xiaomi Consumer Finance Corporate, established by the Bank's equity participation, had been approved for preparing establishment by the CBIRC. For details, please refer to the "Announcement of Chongqing Rural Commercial Bank Co., Ltd. on Investment and Establishment of Chongqing Xiaomi Consumer Finance Co., Ltd." (Announcement No.: 2020-004) (《重慶農村商業銀行股份有限公司關於投資設立重慶小米消費金融有限公司的公告》(公告編號: 2020-004)) issued by the Bank on the website of the Shanghai Stock Exchange on 21 January 2020.

CQRC Wealth Management Co., Ltd., a wholly-owned company established by the Bank, had been approved for preparing establishment by the CBIRC. For details, please refer to the "Announcement of Chongqing Rural Commercial Bank Co., Ltd. on the Approval of the Establishment of Wealth Management Subsidiary (Announcement No.: 2020-005)" (《重慶農村商業銀行股份有限公司關於獲批籌建理財子公司的公告》(公告編號: 2020-005)) issued by the Bank on the website of the Shanghai Stock Exchange on 20 February 2020.

3.3 Undertakings not performed during the Reporting Period

☐ Applicable ☑ N/A

3.4 Warnings and explanations of any forecasted loss or significant change in accumulated net profit for the period from the beginning of the year to the end of the next reporting period as compared to the same period of the previous year

☐ Applicable ☑ N/A

3.5 Publication of quarterly report

The quarterly report prepared under IFRSs is available on both the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.cqrcb.com). The quarterly report prepared under Chinese Accounting Standards is available on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Bank (www.cqrcb.com).

For and on behalf of the Board
Chongqing Rural Commercial Bank Co., Ltd.*
重慶農村商業銀行股份有限公司*
Xie Wenhui
Executive Director and President

Chongqing, the PRC, 24 April 2020

As at the date of this announcement, the executive directors of the Bank are Mr. Liu Jianzhong, Mr. Xie Wenhui and Mr. Zhang Peizong; the non-executive directors of the Bank are Mr. Zhang Peng, Ms. Chen Xiaoyan, Mr. Luo Yuxing and Mr. Wen Honghai; and the independent non-executive directors of the Bank are Mr. Yuan Zengting, Mr. Cao Guohua, Mr. Song Qinghua, Mr. Zhang Qiaoyun and Mr. Lee Ming Hau.

* *The Bank holds a financial licence number B0335H250000001 approved by the China Banking and Insurance Regulatory Commission and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

APPENDIX: FINANCIAL STATEMENTS PREPARED UNDER IFRSs

CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Interest income	**11,380,728**	10,921,862
Interest expense	**(5,450,241)**	(5,082,336)
Net interest income	**5,930,487**	5,839,526
Fee and commission income	**727,891**	601,014
Fee and commission expense	**(18,555)**	(22,328)
Net fee and commission income	**709,336**	578,686
Net trading gains	**274,458**	167,106
Other operating income, net	**(804)**	15,559
Net gains from derecognition of financial assets measured at fair value through other comprehensive income	**36,555**	–
Net gains from derecognition of financial assets measured at amortised cost	**982**	67,593
Operating income	**6,951,014**	6,668,470
Operating expenses	**(1,807,583)**	(1,137,482)
Credit impairment losses	**(1,190,199)**	(1,454,023)
Profit before tax	**3,953,232**	4,076,965
Income tax expense	**(808,930)**	(729,358)
Profit for the period	**3,144,302**	3,347,607
Attributable to		
Shareholders of the Bank	**3,079,565**	3,307,679
Non-controlling interests	**64,737**	39,928
Earnings per share *(Expressed in RMB yuan per share)*		
Basic and Diluted	**0.27**	0.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Profit for the period	**3,144,302**	3,347,607
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in remeasurement of defined benefit plans	**–**	67
Changes in fair value of equity instruments measured at fair value through other comprehensive income	**(66,827)**	59,133
Items that may be reclassified subsequently to profit or loss:		
Net gains on debt instruments measured at fair value through other comprehensive income-debt instruments	**316,314**	15,558
Other comprehensive income for the year, net of tax	**249,487**	74,758
Total comprehensive income for the year	**3,393,789**	3,422,365
Total comprehensive income attributable to:		
Shareholders of the Bank	**3,329,052**	3,382,437
Non-controlling interests	**64,737**	39,928
Total comprehensive income for the year	**3,393,789**	3,422,365

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	31 March 2020 (Unaudited)	31 December 2019 (Audited)
ASSETS		
Cash and balances with central bank	**74,743,341**	77,413,594
Deposits with banks and other financial institutions	**21,526,754**	15,625,365
Placements with banks and other financial institutions	**120,501,609**	130,375,760
Derivative financial assets	**80,825**	92,263
Financial assets held under resale agreements	**1,229,575**	–
Loans and advances to customers	**428,479,897**	416,340,781
Financial investments:		
Financial assets measured at fair value through profit or loss	**28,060,940**	23,677,991
Financial assets measured at amortised cost	**351,812,804**	346,418,416
Financial assets measured at fair value through other comprehensive income	**9,982,529**	7,256,842
Property and equipment	**4,872,666**	4,973,884
Right-of-use assets	**174,919**	177,216
Deferred tax assets	**5,964,887**	5,914,297
Goodwill	**440,129**	440,129
Other assets	**1,918,034**	1,523,697
Total assets	**1,049,788,909**	1,030,230,235
LIABILITIES		
Borrowings from central bank	**39,922,366**	31,217,989
Deposits from banks and other financial institutions	**5,045,485**	9,493,063
Placements from banks and other financial institutions	**25,447,854**	26,075,629
Derivative financial liabilities	**86,958**	59,616
Financial assets sold under repurchase agreements	**14,402,721**	15,086,128
Deposits from customers	**713,245,271**	673,401,819
Accrued staff costs	**4,118,070**	4,467,413
Income tax payable	**1,422,993**	1,032,318
Lease liabilities	**161,315**	163,963
Debt securities issued	**146,400,488**	171,330,067
Other liabilities	**6,339,272**	8,099,903
Total liabilities	**956,592,793**	940,427,908

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 March 2020
(Amounts in thousands of Renminbi, unless otherwise stated)

	31 March 2020 (Unaudited)	31 December 2019 (Audited)
EQUITY		
Share capital	**11,357,000**	11,357,000
Capital reserve	**21,014,618**	21,014,618
Investment revaluation reserve	**142,929**	(106,558)
Actuarial changes reserve	**(336,069)**	(336,069)
Surplus reserve	**11,283,588**	11,283,588
General reserve	**12,635,296**	12,635,296
Retained earnings	**35,445,193**	32,365,628
Equity attributable to shareholders of the Bank	**91,542,555**	88,213,503
Non-controlling interests	**1,653,561**	1,588,824
Total equity	**93,196,116**	89,802,327
Total equity and liabilities	**1,049,788,909**	1,030,230,235

The consolidated financial statements were approved and authorised for issue by the Board on 24 April 2020 and are signed on its behalf by:

LIU JIANZHONG	**XIE WENHUI**
CHAIRMAN	*EXECUTIVE DIRECTOR AND PRESIDENT*

CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2020
(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	**3,953,232**	4,076,965
Adjustments for:		
Depreciation and amortisation	**192,196**	194,372
Credit impairment losses	**1,190,199**	1,454,023
Interest income arising from investment securities	**(3,727,685)**	(3,350,684)
Interest expense arising from debt securities issued	**1,294,543**	1,412,361
Net gains on disposal of investment securities	**(141,017)**	(67,592)
Dividends income from investment securities	**–**	(2,915)
Net gains on disposal of property and equipment	**(196)**	(139)
Fair value gain	**(156,847)**	165,586
Exchange gain	**(14,060)**	(3,102)
Operating cash flows before movements in working capital	**2,590,365**	3,878,875
(Increase)/Decrease in balances with central bank, deposits with banks and other financial institutions	**(3,517,239)**	36,897
Decrease/(Increase) in placements with banks and other financial institutions	**17,474,244**	(2,338,054)
Increase in financial assets held for trading purposes	**(1,864,573)**	(754,816)
Increase in loans and advances to customers	**(13,014,388)**	(19,015,128)
Decrease in financial assets sold under repurchase agreements	**(649,451)**	(90,638)
Increase/(Decrease) in borrowings from central bank	**8,472,710**	(8,529,400)
Decrease in placements from banks and other financial institutions	**(617,039)**	(1,223,963)
Increase in deposits from customers, deposits from banks and other financial institutions	**36,353,381**	60,037,464
Decrease/(Increase) in other operating assets	**1,317,730**	(239,801)
Decrease in other operating liabilities	**(4,657,724)**	(4,395,210)
Cash from operating activities	**41,888,016**	27,366,226
Income tax paid	**(552,009)**	(709,787)
Net cash flows from operating activities	**41,336,007**	26,656,439

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the three months ended 31 March 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Cash received from disposal and redemption of investment securities	**42,309,675**	37,030,613
Interest income received from investment securities	**4,017,774**	2,944,609
Cash received from disposal of property and equipment and other assets	**336,300**	595
Dividends income	**–**	2,915
Cash paid for purchase of investment securities	**(52,702,959)**	(56,623,403)
Cash paid for purchase of property and equipment and other assets	**(404,720)**	(115,848)
Net cash used in investing activities	**(6,443,930)**	(16,760,519)
Cash flows from financing activities		
Net proceeds from issuance of debt securities	**37,395,877**	40,830,475
Cash paid for redemption of bonds issued	**(63,620,000)**	(53,800,000)
Dividends paid to shareholders of the Bank	**(36)**	(3)
Cash paid in other financing activities	**(24,008)**	(15,199)
Net cash used in financing activities	**(26,248,167)**	(12,984,727)
Net increase/(decrease) in cash and cash equivalents	**8,643,910**	(3,088,807)
Cash and cash equivalents as at 1 January	**20,533,230**	34,637,437
Effect of foreign exchange rate changes	**19,615**	(36,605)
Cash and cash equivalents as at 31 March	**29,196,755**	31,512,025
Net cash from operating activities include:		
Interest received	**7,557,056**	7,089,535
Interest paid	**(4,878,505)**	(6,063,621)
Net interest in cash received from operating activities	**2,678,551**	1,025,914