中国光大银行
CHINA EVERBRIGHT BANK

中國光大銀行股份有限公司
China Everbright Bank Company Limited

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

(Stock code: 6818)

THIRD QUARTERLY REPORT OF 2020

The Board of Directors (the "**Board**") of China Everbright Bank Company Limited (the "**Company**") hereby announces the unaudited results of the Company and its subsidiaries for the nine months ended 30 September 2020 (the "**Reporting Period**") prepared under the International Financial Reporting Standards (the "**IFRS**"). This announcement is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On behalf of the Board
China Everbright Bank Company Limited
LI Xiaopeng
Chairman

Beijing, the PRC
30 October 2020

As at the date of this announcement, the Executive Directors of the Company are Mr. Liu Jin and Mr. Lu Hong; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Liu Chong and Ms. Yu Chunling; and the Independent Non-executive Directors are Mr. Xu Hongcai, Mr. Feng Lun, Mr. Wang Liguo, Mr. Shao Ruiqing, Mr. Hong Yongmiao and Mr. Li Yinquan.

China Everbright Bank Company Limited
Third Quarterly Report of 2020

I. IMPORTANT NOTICE

1.1 The Board of Directors, Board of Supervisors and Directors, Supervisors and Senior Management of the Bank hereby warrant the authenticity, accuracy and completeness of the contents of this Report and that there are no false representations, misleading statements or material omissions, and jointly and severally assume legal responsibility for the information in this Report.

1.2 The Twentieth Meeting of the Eighth Session of the Board of Directors of the Bank was convened on 30 October 2020, at which the Third Quarterly Report of 2020 was considered and approved. 12 out of 12 Directors attended the meeting in person. Independent Non-executive Directors Wang Liguo and Shao Ruiqing were authorized in writing by Independent Non-executive Directors Feng Lun and Li Yinquan respectively, who were unable to attend the meeting due to other arrangements, to attend the meeting and exercise the voting rights on their behalf respectively.

1.3 The financial statements in this Report were prepared in accordance with the International Financial Reporting Standards (IFRS) and were unaudited.

1.4 In this Report, "the Bank" refers to China Everbright Bank Company Limited, and "the Group" refers to China Everbright Bank Company Limited and its subsidiaries.

1.5 Mr. Li Xiaopeng, Chairman of the Board of Directors, Mr. Liu Jin, President, and Mr. Sun Xinhong, General Manager of the Finance and Accounting Department, hereby warrant the authenticity, accuracy and completeness of the financial report in this Report. President Liu Jin is in charge of finance and accounting.

II. COMPANY PROFILE

2.1 Basic Information

<table>
<tr><td>A-share stock abbreviated name</td><td>光大銀行</td><td>A-share stock code</td><td>601818</td></tr>
<tr><td>Stock exchange for listing of A shares</td><td colspan="3">Shanghai Stock Exchange (SSE)</td></tr>
<tr><td>H-share stock abbreviated name</td><td>CEB BANK</td><td>H-share stock code</td><td>6818</td></tr>
<tr><td>Stock exchange for listing of H shares</td><td colspan="3">Hong Kong Exchanges and Clearing Limited (HKEX)</td></tr>
<tr><td>Contact</td><td colspan="2">Secretary to the Board of Directors</td><td>Securities Affairs Representative</td></tr>
<tr><td>Name</td><td colspan="2">Li Jiayan</td><td>Li Jiayan</td></tr>
<tr><td>Investor hotline</td><td colspan="3">86-10-63636388</td></tr>
<tr><td>Customer service/ compliant hotline</td><td colspan="3">95595</td></tr>
<tr><td>Facsimile</td><td colspan="3">86-10-63636713</td></tr>
<tr><td>Email</td><td colspan="3">IR@cebbank.com</td></tr>
</table>

The Bank, established in August 1992 and headquartered in Beijing, is a national joint-stock commercial bank approved by the State Council of China and the People's Bank of China (PBOC). The Bank was listed on SSE in August 2010 and HKEX in December 2013.

2.2 Strategy Implementation

Focusing on the strategic vision of "building a first-class wealth management bank", the Bank pushed forward the work of wealth management bank construction, and strengthened the supervisory management of strategy implementation. It urged both the Head Office and branches to implement the plans and measures for the building of a wealth management bank, specified the timetable and roadmap, and combined more closely the Bank's operation and management with its strategic development objectives. The Bank proactively overcame the adverse impacts of the pandemic and the changes in business environment, carried out re-inspections on its strategies, and proposed strategy improvement plans on the basis of re-inspection, and planned the development path from a forward-looking perspective. Moreover, the Bank focused on mechanism innovation, cultivated long-acting driving forces, and upheld the coordination concepts of "mega wealth" and "mega livelihood". It also boosted the building of Wealth E-SBU, and broke new ground in coordination featuring large scale, regional characteristics and new highlights. As a result, operating income through inter-branch coordination and fee-based business income exceeded RMB6 billion and RMB2 billion, respectively, with a year-on-year increase of more than 50%, indicating the increasing effect of empowerment under China Everbright Group. In the meantime, the Bank strengthened technological empowerment, leveraged the leading role of fintech innovation, upgraded the intelligent marketing platform and risk control engine, and promoted the digital construction of wealth management. Through these efforts, the Bank was the only joint-stock commercial bank that won all the first, second and third prizes in the 2019 PBOC Annual Banking Technology Development Prize, and its Ever Distributed Database (Ever DB) system with independent intellectual property rights was awarded "Computer Software Copyright Registration Certificate" by the National Copyright Administration, providing the data basis for the transformation towards comprehensive distributed architecture. Moreover, the Bank established Everbright Digital Finance College to systematically cultivate fintech and innovation talents and promote the building of a fintech innovation ecosystem. Based on the characteristics of digital financial products, the Bank established user experience evaluation models and methods, and released the first user experience evaluation group standards in the banking industry. It also accelerated the transformation towards retail and capital-light operation, and continued to promote high-quality development. As of the end of the reporting period, the Bank's total assets under management (AUM) of retail customers reached RMB1.91 trillion; the number of retail customers exceeded 120 million, of which private banking customers reached 38,000; the number of monthly active users of three major apps including CEB Mobile Banking, CEB Sunshine Life and CEB Cloud Fee Payment exceeded 29 million, an increase of 36.62% over the end of the previous year; the balance of wealth management products registered RMB840 billion, the credit card transaction amount exceeded RMB2 trillion, and the overdraft balance was nearly RMB450 billion. Fee and commission income from wealth management service increased by 364.90% year on year, income from Cloud Fee Payment business increased by 67.37% year on year. The Bank realized RMB21,589 million of fee and commission income exceeding the level of the same period last year.

III. KEY FINANCIAL DATA AND OPERATING RESULTS

3.1 Key Financial Data

Unit: RMB million, %

Item	30 September 2020	31 December 2019	Change (%)
Total assets	5,287,597	4,733,431	11.71
Net assets attributable to equity shareholders of the Bank	439,204	384,982	14.08
Net assets per share attributable to ordinary shareholders of the Bank[1] *(RMB)*	6.37	6.10	4.43
Item	**January-September 2020**	**January-September 2019**	**Change (%)**
Operating income	106,956	100,332	6.60
Net profit	29,704	31,466	-5.60
Net profit attributable to equity shareholders of the Bank	29,605	31,399	-5.71
Basic earnings per share[2] *(RMB)*	0.52	0.57	-8.77
Diluted earnings per share[3] *(RMB)*	0.47	0.51	-7.84
Return on weighted average net assets[4] *(%)*	11.09	13.15	- 2.06 percentage points
Net cash flows from operating activities	107,744	(8,842)	N/A

Notes:

1. Net assets per share attributable to ordinary shareholders of the Bank = (net assets attributable to equity shareholders of the Bank – preference shares of other equity instruments)/total number of ordinary shares at the end of the period.

2. Basic earnings per share = net profit attributable to ordinary shareholders of the Bank/weighted average number of ordinary shares outstanding; net profit attributable to ordinary shareholders of the Bank = net profit attributable to equity shareholders of the Bank – dividends of the preference shares declared for the period.

   The Bank distributed dividends of RMB2,218.66 million (before tax) on the preference shares as of 30 September 2020.

3. Diluted earnings per share = (net profit attributable to ordinary shareholders of the Bank + effect of dilutive potential ordinary shares on net profit attributable to ordinary shareholders of the Bank)/(weighted average number of ordinary shares outstanding + weighted average number of dilutive potential ordinary shares converted into ordinary shares).

4. Return on weighted average net assets = net profit attributable to ordinary shareholders of the Bank/weighted average net assets attributable to ordinary shareholders of the Bank. The data is annualized.

   The above figures were calculated according to the *Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No.9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share (2010 Revision)* issued by the China Securities Regulatory Commission.

3.2 Capital Adequacy Ratios and Leverage Ratios

The capital adequacy ratios (CARs) calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* (Decree No. 1 of CBRC in 2012) are as follows:

Unit: RMB million, %

	30 September 2020		31 December 2019	
Item	**Consolidated**	**Non-consolidated**	**Consolidated**	**Non-consolidated**
Net common equity tier-1 capital	332,105	313,594	317,863	301,097
Net tier-1 capital	437,111	418,490	382,865	366,003
Net capital base	522,100	500,132	465,505	447,133
Total risk-weighted assets	3,774,153	3,656,439	3,456,054	3,354,808
Common equity tier-1 CAR	8.80	8.58	9.20	8.98
Tier-1 CAR	11.58	11.45	11.08	10.91
CAR	13.83	13.68	13.47	13.33

Note: All domestic and overseas branches, as well as invested financial institutions within the scope of consolidated management in accordance with the *Capital Rules for Commercial Banks (Provisional)*, shall be included in the calculation of the consolidated CARs. Among these, the invested financial institutions within the scope of consolidated management include Everbright Financial Leasing Co., Ltd., China Everbright Wealth Management Co., Ltd., Beijing Sunshine Consumer Finance Co., Ltd., CEB International Investment Corporation Limited, China Everbright Bank (Europe) S.A., Shaoshan Everbright Rural Bank Co., Ltd., Jiangsu Huai'an Everbright Rural Bank Co., Ltd. and Jiangxi Ruijin Everbright Rural Bank Co., Ltd.

The leverage ratios calculated in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)* (Decree No.1 of CBRC in 2015) are as follows:

Unit: RMB million, %

Item	30 September 2020	30 June 2020	31 March 2020	31 December 2019
Leverage ratio (%)	6.89	5.99	6.29	6.83
Net tier-1 capital	437,111	388,275	395,121	382,865
Adjusted balance of on- and off-balance-sheet assets	6,339,937	6,482,856	6,283,331	5,607,516

3.3 Liquidity Coverage Ratio

The liquidity coverage ratios calculated pursuant to the *Measures for the Administration of Liquidity Risk of Commercial Banks* (Decree No.3 of CBIRC in 2018) are as follows:

Unit: RMB million, %

Item	30 September 2020	30 June 2020	31 March 2020	31 December 2019
Liquidity coverage ratio	134.70	171.87	172.83	125.12
Eligible high-quality liquid assets	761,440	833,515	756,158	630,894
Net cash outflows in the next 30 days	565,283	484,964	437,516	504,250

3.4 Differences between the Financial Statements Prepared in accordance with the PRC Generally Accepted Accounting Principles (PRC GAAP) and Those Prepared in accordance with IFRS

There was no difference regarding the net profit for January-September 2020 and the net assets as at 30 September 2020 calculated by the Group in accordance with PRC GAAP and IFRS respectively.

3.5 Analysis of Operations

During the reporting period, the Group resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, complied with regulatory requirements, focused on both pandemic prevention and control and business development, and earnestly supported the development of the real economy through financial services.

As at the end of the reporting period, total assets of the Group posted RMB5,287,597 million, representing an increase of 11.71% over the end of the previous year. Among them, total loans and advances stood at RMB2,962,788 million, representing an increase of 9.24% over the end of the previous year. Total liabilities registered RMB4,846,827 million, representing an increase of 11.49% over the end of the previous year. Specifically, the balance of deposits registered RMB3,530,089 million, representing an increase of 16.97% over the end of the previous year.

During the reporting period, the Group realized a net profit of RMB29,704 million, representing a year-on-year decrease of 5.60%. Its operating income registered RMB106,956 million, representing a year-on-year increase of 6.60%, among which, net interest income reached RMB82,209 million, representing a year-on-year increase of 9.20%. Net fee and commission income was RMB19,664 million, representing a year-on-year increase of 8.14%. Return on weighted average net assets was 11.09%, down 2.06 percentage points year on year.

During the reporting period, the Group incurred operating expenses of RMB28,307 million, representing a year-on-year decrease of 3.72%. Its credit impairment losses were RMB42,989 million, representing a year-on-year increase of 28.69%.

As at the end of the reporting period, total non-performing loans of the Group amounted to RMB45,234 million, representing an increase of RMB3,022 million over the end of the previous year. Its non-performing loan ratio was 1.53%, down 0.03 percentage point from the end of the previous year. Its provision coverage ratio was 182.06%, representing an increase of 0.44 percentage point over the end of the previous year.

As at the end of the reporting period, the Group's CAR reached 13.83%, tier-1 CAR stood at 11.58%, and common equity tier-1 CAR reported 8.80%, all of which met the regulatory requirements. As at the end of the reporting period, leverage ratio of the Group was 6.89%, representing an increase of 0.06 percentage point from the end of the previous year.

3.6 Total Number of Ordinary Shareholders and Top 10 Shareholders as at the end of the Reporting Period

Unit: Share, %

Total number of shareholders as at the end of the reporting period	222,059 for A Shares, 882 for H Shares				
Shareholdings of top 10 shareholders					
Name of shareholder	**Nature of shareholder**	**Class of shares**	**Number of shares held**	**Shareholding percentage**	**Number of shares pledged/ frozen**
China Everbright Group Ltd.	State-owned legal person	A Shares	21,816,856,370	41.56	–
		H Shares	1,782,965,000	3.40	–
Hong Kong Securities Clearing Company Nominees Limited, including:	Overseas legal person	H Shares	11,058,847,380	21.07	Unknown
Overseas Chinese Town Holdings Company	State-owned legal person	H Shares	4,200,000,000	8.00	–
Ocean Fortune Investment Limited	Overseas legal person	H Shares	1,605,286,000	3.06	–
China Life Reinsurance Company Ltd.	State-owned legal person	H Shares	1,530,397,000	2.92	–
China Everbright Limited	Overseas legal person	A Shares	1,572,735,868	3.00	–
China Securities Finance Corporation Limited	State-owned legal person	A Shares	1,550,215,694	2.95	–
China Reinsurance (Group) Corporation	State-owned legal person	A Shares	413,094,619	0.79	–
		H Shares	376,393,000	0.72	–
Shenergy (Group) Co., Ltd.	State-owned legal person	A Shares	766,002,403	1.46	–
COSCO Shipping (Shanghai) Investment Management Co., Ltd.	State-owned legal person	A Shares	723,999,875	1.38	–
Central Huijin Asset Management Ltd.	State-owned legal person	A Shares	629,693,300	1.20	–
Yunnan Hehe (Group) Co., Ltd.	State-owned legal person	A Shares	626,063,556	1.19	–
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	A Shares	555,354,363	1.06	–

Notes:

1. As at the end of the reporting period, 1,610 million H shares held by China Everbright Group Ltd. (China Everbright Group) and 4,200 million H shares held by Overseas Chinese Town Holdings Company were subject to trading moratorium. Besides them, all other ordinary shares were not subject to trading moratorium.

2. The Bank was aware that as at the end of the reporting period, China Everbright Limited is a subsidiary indirectly controlled by China Everbright Group; China Life Reinsurance Company Ltd. is a wholly-owned subsidiary of China Reinsurance (Group) Corporation; COSCO Shipping (Shanghai) Investment Management Co., Ltd. and Ocean Fortune Investment Limited are both subsidiaries indirectly controlled by China COSCO Shipping Corporation Limited. Save as disclosed above, the Bank is not aware of any related party relationship or concerted action among the aforementioned shareholders.

3. The total number of H shares of the Bank held by the Hong Kong Securities Clearing Company Nominees Limited acting as the nominee for all institutional and individual investors that maintain an account with it was 11,058,847,380 H shares as at the end of the reporting period. Among them, 4,200,000,000, 1,605,286,000, 1,530,397,000, 376,393,000 and 172,965,000 H shares of the Bank were held by Overseas Chinese Town Holdings Company, Ocean Fortune Investment Limited, China Life Reinsurance Company Limited, China Reinsurance (Group) Corporation and China Everbright Group, respectively. The number of remaining H shares of the Bank held under it was 3,173,806,380 H shares.

4. As at the end of reporting period, as the nominee holder, Hong Kong Securities Clearing Company Ltd. held, designated by and on behalf of others, 555,354,363 A shares of the Bank in total, including the shares under Shanghai Stock Connect held by Hong Kong and overseas investors.

5. Central Huijin Investment Ltd. (CHI) transferred the 10,250,916,094 A shares it held directly in the Bank to China Everbright Group on 9 July 2020. After the equity change, China Everbright Group directly held 44.96% of shares of the Bank, and CHI no longer directly held any shares of the Bank. For more details on the equity change, please refer to "Significant Events".

3.7 Total Number of Preference Shareholders and Top 10 Preference Shareholders as at the end of the Reporting Period

3.7.1 Everbright P1 (Code: 360013)

Unit: Share, %

Total number of shareholders of Everbright P1 as at the end of the reporting period		19			
Name of shareholder	**Nature of shareholder**	**Number of shares held**	**Percentage of shareholding**	**Type of shares**	**Number of shares pledged/ frozen**
Bank of Communications Schroder Fund Management Co., Ltd.	Others	37,750,000	18.88	Domestic preference shares	–
China CITIC Bank Corporation Limited	Others	17,750,000	8.88	Domestic preference shares	–
TruValue Asset Management Co., Ltd.	Others	15,510,000	7.76	Domestic preference shares	–
BOC International (China) Co., Ltd.	Others	15,500,000	7.75	Domestic preference shares	–
Bank of Communications International Trust Co., Ltd.	Others	15,500,000	7.75	Domestic preference shares	–
Hwabao Trust Co., Ltd.	Others	13,870,000	6.94	Domestic preference shares	–
China International Capital Corporation Limited	Others	10,000,000	5.00	Domestic preference shares	–
CCB Trust Co., Ltd.	Others	10,000,000	5.00	Domestic preference shares	–
Ping An Property & Casualty Insurance Company of China Ltd.	Others	10,000,000	5.00	Domestic preference shares	–
Ping An Life Insurance Co., Ltd.	Others	10,000,000	5.00	Domestic preference shares	–

Note: Bank of Communications Schroder Fund Management Co., Ltd. and Bank of Communications International Trust Co., Ltd. are related parties. Ping An Property & Casualty Insurance Company of China Ltd. and Ping An Life Insurance Co., Ltd. are related parties. Save as disclosed above, the Bank is not aware of any related party relationship or concerted action among the aforementioned preference shareholders and between them and the top 10 ordinary shareholders.

3.7.2 Everbright P2 (Code: 360022)

Unit: Share, %

Total number of shareholders of Everbright P2 as at the end of the reporting period		24			
Name of shareholder	**Nature of shareholder**	**Number of shares held**	**Percentage of shareholding**	**Type of shares**	**Number of shares pledged/ frozen**
AXA SPDB Investment Managers Co., Ltd.	Others	16,470,000	16.47	Domestic preference shares	–
AEGON-Industrial Capital Management (Shanghai) Co., Ltd.	Others	12,190,000	12.19	Domestic preference shares	–
China Everbright Group Ltd.	State-owned legal person	10,000,000	10.00	Domestic preference shares	–
China Life Insurance Company Limited	Others	8,180,000	8.18	Domestic preference shares	–
Postal Savings Bank of China Co., Ltd.	Others	7,200,000	7.20	Domestic preference shares	–
Bank of Communications Schroder Fund Management Co., Ltd.	Others	6,540,000	6.54	Domestic preference shares	–
Bank of Communications International Trust Co., Ltd.	Others	6,540,000	6.54	Domestic preference shares	–
China Resources SZITIC Trust Co., Ltd.	Others	3,680,000	3.68	Domestic preference shares	–
Bank of Hangzhou Co., Ltd.	Others	3,270,000	3.27	Domestic preference shares	–
HuaAn Future Asset Management (Shanghai) Limited	Others	3,270,000	3.27	Domestic preference shares	–
BOC International (China) Co., Ltd.	Others	3,270,000	3.27	Domestic preference shares	–
China CITIC Bank Corporation Limited	Others	3,270,000	3.27	Domestic preference shares	–

Note: China Everbright Group Ltd. is one of the top 10 ordinary shareholders of the Bank. Bank of Communications Schroder Fund Management Co., Ltd. and Bank of Communications International Trust Co., Ltd. are related parties. Save as disclosed above, the Bank is not aware of any related party relationship or concerted action among the aforementioned preference shareholders and between them and the top 10 ordinary shareholders.

3.7.3 Everbright P3 (Code 360034)

Unit: Share, %

Total number of shareholders of Everbright P3 as at the end of the reporting period		20			
Name of shareholder	**Nature of shareholder**	**Number of shares held**	**Percentage of shareholding**	**Type of shares**	**Number of shares pledged/ frozen**
Ping An Life Insurance Co., Ltd.	Others	84,110,000	24.04	Domestic preference shares	–
China Life Insurance Company Limited	Others	47,720,000	13.63	Domestic preference shares	–
CCB Trust Co., Ltd.	Others	31,810,000	9.09	Domestic preference shares	–
Bank of Communications Schroder Fund Management Co., Ltd.	Others	27,270,000	7.79	Domestic preference shares	–
New China Life Insurance Company Limited	Others	27,270,000	7.79	Domestic preference shares	–
Ping An Property & Casualty Insurance Company of China Ltd.	Others	18,180,000	5.19	Domestic preference shares	–
CITIC-Prudential Life Insurance Company Limited	Others	15,000,000	4.28	Domestic preference shares	–
Bosera Asset Management Co., Limited	Others	13,630,000	3.89	Domestic preference shares	–
Postal Savings Bank of China Co., Ltd.	Others	13,630,000	3.89	Domestic preference shares	–
China Post & Capital Fund Management Co., Ltd.	Others	9,090,000	2.60	Domestic preference shares	–
Taiping Life Insurance Co., Ltd.	Others	9,090,000	2.60	Domestic preference shares	–
Bank of Beijing Co., Ltd.	Others	9,090,000	2.60	Domestic preference shares	–
China Resources SZITIC Trust Co., Ltd.	Others	9,090,000	2.60	Domestic preference shares	–
BOC International (China) Co., Ltd.	Others	9,090,000	2.60	Domestic preference shares	–
Guotai Junan Securities Asset Management Co., Ltd.	Others	9,090,000	2.60	Domestic preference shares	–

Note: Ping An Life Insurance Co., Ltd. and Ping An Property & Casualty Insurance Company of China Ltd. are related parties. Postal Savings Bank of China Co., Ltd. and China Post & Capital Fund Management Co., Ltd. are related parties. Save as disclosed above, the Bank is not aware of any related party relationship or concerted action among the aforementioned preference shareholders and between them and the top 10 ordinary shareholders.

IV. SIGNIFICANT EVENTS

4.1 Material Changes in Major Financial Statements Items and Financial Indicators and the Reasons thereof

√ Applicable ☐ Inapplicable

Unit: RMB million, %

Item	30 September 2020	31 December 2019	Change	Main reasons for change
Deposits with banks and other financial institutions	48,077	31,358	53.32	Increase in deposits with domestic depository financial institutions
Financial assets held under resale agreements	76,297	6,835	1,016.27	Increase in bonds held under resale agreements
Financial assets at fair value through profit or loss	293,100	211,406	38.64	Increase in financial assets at fair value through profit or loss
Other equity instruments	110,057	70,067	57.07	Issuance of non-fixed term capital bonds
Item	**January-September 2020**	**January-September 2019**	**Change**	**Main reasons for change**
Net foreign exchange gains	119	1,171	-89.84	Decrease in net foreign exchange gains

4.2 Progress and Impact of Significant Events and Analysis and Explanation of the Solutions

√ Applicable ☐ Inapplicable

4.2.1 Completion of equity change between CHI and China Everbright Group

Upon the approval from Ministry of Finance and China Banking and Insurance Regulatory Commission (CBIRC), CHI transferred 10,250,916,094 A shares it held in the Bank (representing 19.53% of the total share capital of the Bank) to China Everbright Group. Upon the completion of the equity change on 9 July 2020, CHI no longer directly held any shares of the Bank. As the Bank's controlling shareholder is China Everbright Group, there was no change in the Bank's de facto controller.

4.2.2 Increase of shareholding in the Bank by controlling shareholder China Everbright Group

On 14 October 2020, China Everbright Group increased its holding of 1,542,553,191 A shares of the Bank through the conversion of convertible bonds. Before the conversion, China Everbright Group directly and indirectly held 25,472,743,396 ordinary shares of the Bank, accounting for 48.53% of the total equity. After the conversion, China Everbright Group directly and indirectly held 27,015,296,587 ordinary shares of the Bank, accounting for 49.999% of the total equity.

4.2.3 Completion of issuance of non-fixed term capital bonds

Upon the approval from CBIRC and PBOC, the Bank completed the issuance of RMB40.0 billion of non-fixed term capital bonds on 22 September 2020. The coupon rate is 4.60% for the first 5 years, and shall be adjusted every 5 years. The issuer has the conditional redemption right on each interest payment date in the 5th year and thereafter. After deducting relevant issuance expenses, all the proceeds from the bond issuance will be used to replenish additional tier-1 capital of the Bank.

4.2.4 Opening for business of Beijing Sunshine Consumer Finance Co., Ltd.

In January 2020, CBIRC approved the Bank's establishment of Beijing Sunshine Consumer Finance Co., Ltd. in Beijing. The company opened for business on 17 August 2020.

4.2.5 Progress in the establishment of CEB Tokyo Representative Office

In January 2020, CBIRC and Financial Services Agency of Japan reviewed and approved the application for the establishment of the Bank's Tokyo Representative Office in succession. As at the end of the reporting period, the work was in progress.

4.3 Undertakings Overdue and not Fulfilled during the Reporting Period

☐ Applicable √ Inapplicable

4.4 Warnings and Explanations of any Forecasted Loss in Accumulated Net Profit for the Period from the Beginning of the Year to the end of the Next Reporting Period or Significant Changes in Comparison to the Same Period of the Previous Year

☐ Applicable √ Inapplicable

4.5 Changes in Accounting Policies

☐ Applicable √ Inapplicable

4.6 Other Significant Events

☐ Applicable √ Inapplicable

V. PUBLICATION OF QUARTERLY REPORT

The Third Quarterly Report of 2020 prepared in accordance with PRC GAAP and IFRS is available on the websites of Shanghai Stock Exchange (www.sse.com.cn), Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Bank (www.cebbank.com).

VI. APPENDIX

The consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of financial position, and the consolidated cash flow statement (prepared under IFRS) are attached below.

Signature of Legal Representative: **Li Xiaopeng**
Board of Directors
China Everbright Bank Company Limited
30 October 2020

China Everbright Bank Company Limited
Consolidated Statement of Profit or Loss
For the nine months ended 30 September 2020
(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
Interest income	165,737	156,535
Interest expense	(83,528)	(81,252)
Net interest income	82,209	75,283
Fee and commission income	21,589	20,301
Fee and commission expense	(1,925)	(2,117)
Net fee and commission income	19,664	18,184
Net trading gains	208	457
Dividend income	1	35
Net gains arising from investment securities	3,988	4,523
Net foreign exchange gains	119	1,171
Other net operating income	767	679
Operating income	106,956	100,332
Operating expenses	(28,307)	(29,402)
Operating profit before impairment	78,649	70,930
Credit impairment losses	(42,989)	(33,406)
Other impairment losses	(302)	(189)
Profit before tax	35,358	37,335
Income tax	(5,654)	(5,869)
Net profit	29,704	31,466
Net profit attributable to:		
Equity shareholders of the Bank	29,605	31,399
Non-controlling interests	99	67
	29,704	31,466
Earnings per share		
Basic earnings per share (in RMB/share)	0.52	0.57
Diluted earnings per share (in RMB/share)	0.47	0.51

(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
Net profit	29,704	31,466
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
- Equity instruments at fair value through other comprehensive income		
- Net change in fair value	1	5
- Related income tax effect	-	(1)
Subtotal	1	4
Items that will be reclassified to profit or loss:		
- Debt instruments at fair value through other comprehensive income		
- Net change in fair value	(1,491)	1,490
- Changes in allowance for expected credit losses	(305)	290
- Reclassified to the profit or loss upon disposal	(706)	(169)
- Related income tax effect	621	(382)
- Exchange differences on translation of financial statements	(45)	91
Subtotal	(1,926)	1,320
Other comprehensive income, net of tax	(1,925)	1,324
Total comprehensive income	27,779	32,790
Total comprehensive income attributable to:		
Equity shareholders of the Bank	27,683	32,722
Non-controlling interests	96	68
	27,779	32,790

China Everbright Bank Company Limited
Consolidated Statement of Profit or Loss
For the three months from 1 July to 30 September 2020
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months from 1 July to 30 September	
	2020	2019
Interest income	54,617	53,485
Interest expense	(27,074)	(27,385)
Net interest income	27,543	26,100
Fee and commission income	6,212	6,204
Fee and commission expense	(681)	(769)
Net fee and commission income	5,531	5,435
Net trading gains	151	388
Dividend income	-	24
Net gains arising from investment securities	1,209	1,549
Net foreign exchange gains	48	393
Other net operating income	317	219
Operating income	34,799	34,108
Operating expenses	(8,861)	(11,039)
Operating profit before impairment	25,938	23,069
Credit impairment losses	(12,463)	(10,075)
Other impairment losses	(155)	(141)
Profit before tax	13,320	12,853
Income tax	(2,037)	(1,871)
Net profit	11,283	10,982
Net profit attributable to:		
Equity shareholders of the Bank	11,242	10,955
Non-controlling interests	41	27
	11,283	10,982
Earnings per share		
Basic earnings per share (in RMB/share)	0.21	0.20
Diluted earnings per share (in RMB/share)	0.18	0.18

China Everbright Bank Company Limited
Consolidated Statement of Comprehensive Income
For the three months from 1 July to 30 September 2020
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months from 1 July to 30 September	
	2020	2019
Net profit	11,283	10,982
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
- Equity instruments at fair value through other comprehensive income		
- Net change in fair value	-	-
- Related income tax effect	-	-
Subtotal	-	-
Items that will be reclassified to profit or loss:		
- Debt instruments at fair value through other comprehensive income		
- Net change in fair value	(1,998)	762
- Changes in allowance for expected credit losses	(53)	42
- Reclassified to the profit or loss upon disposal	(430)	(8)
- Related income tax effect	622	(199)
- Exchange differences on translation of financial statements	(96)	87
Subtotal	(1,955)	684
Other comprehensive income, net of tax	(1,955)	684
Total comprehensive income	9,328	11,666
Total comprehensive income attributable to:		
Equity shareholders of the Bank	9,291	11,638
Non-controlling interests	37	28
	9,328	11,666

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2020	31 December 2019
Assets		
Cash and deposits with the central bank	361,300	364,340
Deposits with banks and other financial institutions	48,077	31,358
Precious metals	10,826	10,826
Placements with banks and other financial institutions	57,314	60,270
Derivative financial assets	16,576	13,805
Financial assets held under resale agreements	76,297	6,835
Loans and advances to customers	2,889,677	2,644,136
Finance lease receivables	95,494	83,723
Financial investments	1,633,082	1,433,546
- Financial assets at fair value through profit or loss	293,100	211,406
- Debt instruments at fair value through other comprehensive income	192,527	180,005
- Equity instruments at fair value through other comprehensive income	875	623
- Financial investments measured at amortised cost	1,146,580	1,041,512
Fixed assets	22,143	19,342
Right-of-use assets	11,083	11,684
Goodwill	1,281	1,281
Deferred tax assets	20,133	16,306
Other assets	44,314	35,979
Total assets	5,287,597	4,733,431

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2020	31 December 2019
Liabilities and equity		
Liabilities		
Due to the central bank	177,367	224,838
Deposits from banks and other financial institutions	458,926	444,320
Placements from banks and other financial institutions	166,453	166,225
Financial liabilities at fair value through profit or loss	21	100
Derivative financial liabilities	17,630	13,893
Financial assets sold under repurchase agreements	20,036	25,603
Deposits from customers	3,530,089	3,017,888
Accrued staff costs	11,188	8,007
Taxes payable	9,103	9,322
Lease liabilities	10,585	11,069
Debts securities issued	398,525	371,904
Other liabilities	46,904	54,208
Total liabilities	4,846,827	4,347,377

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2020	31 December 2019
Liabilities and equity (Continued)		
Equity		
Share capital	52,489	52,489
Other equity instrument	110,057	70,067
of which: preference shares	64,906	64,906
Capital reserve	53,533	53,533
Other comprehensive income	815	2,737
Surplus reserve	26,245	26,245
General reserve	59,724	59,417
Retained earnings	136,341	120,494
Total equity attributable to equity shareholders of the Bank	439,204	384,982
Non-controlling interests	1,566	1,072
Total equity	440,770	386,054
Total Liabilities and equity	5,287,597	4,733,431

Approved and authorized for issue by the board of directors on 30 October 2020.

Li Xiaopeng
Chairman of the Board of Directors,
Non-executive Director

Liu Jin
President
Executive Director

Sun Xinhong
General Manager of
Financial Accounting Department

(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
Cash flows from operating activities		
Net profit	29,704	31,466
Adjustments for:		
Impairment losses on assets	43,291	33,595
Depreciation and amortisation	3,773	3,640
Unwinding of discount	(567)	(553)
Dividend income	(1)	(35)
Unrealised foreign exchange losses/(gains)	185	(306)
Net gains on investment securities	(43,380)	(41,005)
Net gains on disposal of trading securities	(419)	(771)
Revaluation losses on financial instruments at fair value through profit or loss	365	1,006
Interest expense on debt securities issued	8,686	11,991
Interest expense on lease liabilities	364	368
Net losses on disposal of fixed assets	9	17
Income tax	5,654	5,869
	47,664	45,282
Changes in operating assets:		
Net increase in deposits with the central bank, banks and other financial institutions	(1,007)	(29,021)
Net decrease in placements with banks and other financial institutions	8,238	18,766
Net increase in financial assets held for trading	(30,584)	(19,928)
Net increase in loans and advances to customers	(289,331)	(264,581)
Net increase in financial assets held under resale agreements	(69,454)	(32,900)
Net increase in other operating assets	(19,830)	(47,531)
	(401,968)	(375,195)

(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
Cash flows from operating activities (continued)		
Changes in operating liabilities:		
Net increase / (decrease) in deposits from banks and other financial institutions	15,963	(64,811)
Net increase in placements from banks and other financial institutions	814	25,454
Net decrease in financial assets sold under repurchase agreements	(5,611)	(19,629)
Net decrease in amount due to the central bank	(46,222)	(27,700)
Net increase in deposits from customers	504,712	388,629
Income tax paid	(9,362)	(8,524)
Net increase in other operating liabilities	1,754	27,652
	462,048	321,071
Net cash flows from operating activities	107,744	(8,842)
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	578,700	444,649
Investment income received	42,471	43,941
Proceeds from disposal of fixed assets and other long-form assets	362	368
Payments on acquisition of investments	(747,892)	(490,723)
Payments on acquisition of fixed assets, intangible assets and other long-form assets	(4,878)	(2,731)
Net cash flows from investing activities	(131,237)	(4,496)

(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
Cash flows from financing activities		
Capital contribution by non-controlling interests	400	-
Net proceeds from issue of preference shares	-	34,959
Net proceeds from issue of debts	66,801	-
Repayments of debts issued	-	(37,900)
Interest paid on debt securities issued	(8,877)	(13,491)
Dividends paid	(13,452)	(9,902)
Payments on other financing activities	(2,219)	(2,110)
Net cash flows from financing activities	42,653	(28,444)
Effect of foreign exchange rate changes on cash and cash equivalents	(1,121)	1,605
Net increase/ (decrease) in cash and cash equivalents	18,039	(40,177)
Cash and cash equivalents as at 1 January	117,499	187,680
Cash and cash equivalents as at 30 September	135,538	147,503
Interest received	125,485	117,829
Interest paid (excluding interest expense on debts securities issued)	(70,332)	(67,934)