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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 2021

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 third quarter ended 30 September 2021 (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

28 October 2021

As at the date of this announcement, the Executive Directors of the Company are Mr. Fu Wanjun and Mr. Qu Liang; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Yao Zhongyou, Mr. Yao Wei, Mr. Liu Chong and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Xu Hongcai, Mr. Wang Ligu, Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan and Mr. Han Fuling.

China Everbright Bank Company Limited

Third Quarterly Report of 2021

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 32nd Meeting of the Eighth Session of the Board of Directors of the Bank was convened via written resolutions on 28 October 2021, at which the *Third Quarterly Report of 2021* was considered and approved. 14 out of 14 Directors attended the meeting in person.
- 1.3 Mr. Li Xiaopeng, Chairman of the Board of Directors, Mr. Fu Wanjun, President, and Mr. Sun Xinhong, General Manager of Finance and Accounting Department, hereby warrant the authenticity, accuracy and completeness of the financial report in this Report. President Mr. Fu Wanjun is in charge of finance and accounting.
- 1.4 The financial statements in this Report were prepared pursuant to the International Financial Reporting Standards (“IFRS”) and were unaudited.
- 1.5 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.

II. KEY FINANCIAL DATA

2.1 Key Accounting Data and Financial Indicators

2.1.1 Key accounting data and financial indicators after restatement

Unit: RMB million, %

Item	July-September 2021 (after restatement) ⁵	Year-on-year change (after restatement) ⁵	January-September 2021	Year-on-year change (after restatement) ⁵
Operating income	39,867	14.48	117,072	9.39
Net profit	12,724	12.69	35,247	18.60
Net profit attributable to equity shareholders of the Bank	12,640	12.40	35,085	18.48
Basic earnings per share ¹ (RMB)	0.19	-5.00	0.56	7.69
Diluted earnings per share ² (RMB)	0.17	-10.53	0.51	8.51
Return on weighted average equity ³ (%)	11.24	-1.74 percentage points	11.16	+0.07 percentage point
Net cash flows from operating activities	N/A	N/A	(177,064)	N/A
Item		30 September 2021	31 December 2020 (after restatement) ⁵	Year-on-year change (after restatement) ⁵
Total assets		5,685,950	5,368,163	5.92
Net assets attributable to equity shareholders of the Bank		474,140	453,470	4.56
Net assets per share attributable to ordinary shareholders of the Bank ⁴ (RMB)		6.83	6.45	5.89

Notes:

1. 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 and interest on non-fixed-term capital bonds during the period.

As at 30 September 2021, the Bank distributed dividends of RMB2,960 million (before tax) accumulatively on the preference shares and paid interest of RMB1,840 million (before tax) on non-fixed-term capital bonds.

2. 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).
3. Return on weighted average equity = net profit attributable to ordinary shareholders of the Bank/weighted average equity attributable to ordinary shareholders of the Bank. The data is annualized.
4. Net assets per share attributable to ordinary shareholders of the Bank = (net assets attributable to equity shareholders of the Bank – preference shares and non-fixed-term capital bonds of other equity instruments)/total number of ordinary shares at the end of the period.

The above figures were calculated according to the *Compilation Rules for Information Disclosure 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 (“CSRC”).

5. During the reporting period, a merger which is a business combination under common control occurred within the Group (For more details, please refer to “OTHER EVENTS”). In accordance with the *Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements* and No. 101 Format for Quarterly Reports of Listed Companies under the *Shanghai Stock Exchange Guidelines on Self-discipline Supervision of Listed Companies No.1 – Announcement Format*, when a merger is a business combination under common control, the parent company shall retrospectively adjust relevant items of the comparative financial statements and explain specific reasons, and in the meantime present the data before and after the retrospective adjustments or restatement. The Group made retrospective adjustments to relevant items in the comparative financial statements, adding “after restatement” for the items after retrospective adjustments.

2.1.2 Key accounting data and financial indicators before restatement

Unit: RMB million, %

Item	July-September 2021 (before restatement)⁵	Year-on-year change (before restatement)⁵	January-September 2021	Year-on-year change (before restatement)⁵
Operating income	39,921	14.72	117,072	9.46
Net profit	12,741	12.92	35,247	18.66
Net profit attributable to equity shareholders of the Bank	12,649	12.52	35,085	18.51
Basic earnings per share ¹ (RMB)	0.19	-9.52	0.56	7.69
Diluted earnings per share ² (RMB)	0.18	-5.26	0.51	8.51
Return on weighted average equity ³ (%)	11.25	-1.73 percentage points	11.16	+0.07 percentage point
Net cash flows from operating activities	N/A	N/A	(177,064)	N/A
Item		30 September 2021	31 December 2020 (before restatement)⁵	Year-on-year change (before restatement)⁵
Total assets		5,685,950	5,368,110	5.92
Net assets attributable to equity shareholders of the Bank		474,140	453,449	4.56
Net assets per share attributable to ordinary shareholders of the Bank ⁴ (RMB)		6.83	6.45	5.89

Notes:

1. 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 and interest on non-fixed-term capital bonds during the period.

As at 30 September 2021, the Bank distributed dividends of RMB2,960 million (before tax) accumulatively on the preference shares and paid interest of RMB1,840 million (before tax) on non-fixed-term capital bonds.

2. 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).
3. Return on weighted average equity = net profit attributable to ordinary shareholders of the Bank/weighted average equity attributable to ordinary shareholders of the Bank. The data is annualized.
4. Net assets per share attributable to ordinary shareholders of the Bank = (net assets attributable to equity shareholders of the Bank – preference shares and non-fixed-term capital bonds of other equity instruments)/total number of ordinary shares at the end of the period.

The above figures were calculated according to the *Compilation Rules for Information Disclosure 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 (“CSRC”).

5. During the reporting period, a merger which is a business combination under common control occurred within the Group (For more details, please refer to “OTHER EVENTS”). In accordance with the *Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements* and No. 101 Format for Quarterly Reports of Listed Companies under the *Shanghai Stock Exchange Guidelines on Self-discipline Supervision of Listed Companies No.1 – Announcement Format*, when a merger is a business combination under common control, the parent company shall retrospectively adjust relevant items of the comparative financial statements and explain specific reasons, and in the meantime present the data before and after the retrospective adjustments or restatement. The Group made retrospective adjustments to relevant items in the comparative financial statements, adding “before restatement” for the items before retrospective adjustments.

2.2 Capital Adequacy Ratio and Leverage Ratio

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

Unit: RMB million, %

Item	30 September 2021		31 December 2020	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Net common equity tier-1 capital	366,856	345,736	346,022	326,996
Net tier-1 capital	471,920	450,635	451,045	431,895
Net capital	555,832	530,372	533,530	510,723
Risk-weighted assets	4,082,282	3,957,584	3,837,489	3,716,734
Common equity tier-1 CAR	8.99	8.74	9.02	8.80
Tier-1 CAR	11.56	11.39	11.75	11.62
CAR	13.62	13.40	13.90	13.74

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., 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 ratio indicators 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 2021	30 June 2021	31 March 2021	31 December 2020
Leverage ratio	7.15	6.85	7.03	7.03
Net tier-1 capital	471,920	460,402	460,669	451,045
Adjusted balance of on- and off-balance-sheet assets	6,601,587	6,719,012	6,556,825	6,416,774

2.3 Liquidity Coverage Ratio

The liquidity coverage ratio indicators calculated in accordance with 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 2021	30 June 2021	31 March 2021	31 December 2020
Liquidity coverage ratio	129.39	144.97	130.24	150.47
High Quality Liquid Assets	771,985	789,952	736,236	704,706
Net cash outflows in the next 30 days	596,635	544,893	565,308	468,333

2.4 Changes in Key Accounting Data and Financial Indicators and Reasons

During the reporting period, none of the key accounting data and financial indicators changed by more than 30% compared with the end of last year or the same period of last year.

2.5 Analysis of Operations

During the reporting period, the Group proactively pushed forward its “Leap Development Plan”, boosted the building of a wealth management bank, and registered sustained and sound operating results with stable growth of business scale, significantly improved profitability and controllable risks.

As at the end of the reporting period, total assets of the Group posted RMB5,685,950 million, representing an increase of 5.92% over the end of the previous year. Among them, total loans and advances stood at RMB3,287,038 million, representing an increase of 9.22% over the end of the previous year. Total liabilities registered RMB5,210,098 million, representing an increase of 6.04% over the end of the previous year. Among them, the balance of deposits reported RMB3,612,445 million, representing an increase of 3.79% over the end of the previous year.

From January to September 2021, the Group realized a net profit of RMB35,247 million, representing a year-on-year increase of 18.60%. Its operating income registered RMB117,072 million, representing a year-on-year increase of 9.39%, among which, net interest income reached RMB83,994 million, representing a year-on-year increase of 2.17%. Net fee and commission income was RMB21,726 million, representing a year-on-year increase of 10.16%. Return on weighted average equity was 11.16%, up 0.07 percentage point year on year.

From January to September 2021, the Group incurred operating expenses of RMB30,811 million, representing a year-on-year increase of 8.67%. Its credit impairment losses were RMB43,446 million, representing a year-on-year increase of 1.06%.

As at the end of the reporting period, total non-performing loans of the Group amounted to RMB43,925 million, representing an increase of RMB2,259 million over the end of the previous year. Its non-performing loan ratio was 1.34%, down 0.04 percentage point from the end of the previous year. Its provision coverage ratio was 185.75%, representing an increase of 3.04 percentage points over the end of the previous year.

As at the end of the reporting period, the Group’s CAR reached 13.62%, tier-1 CAR stood at 11.56%, and common equity tier-1 CAR reported 8.99%, all of which met the regulatory requirements. As at the end of the reporting period, the leverage ratio of the Group was 7.15%.

III. SHAREHOLDER INFORMATION

3.1 Total Number of Ordinary Shareholders and Shareholding of Top 10 Shareholders

Unit: Share, %

Total number of shareholders as at the end of the reporting period		222,672 for A shares and 858 for H shares			
Shareholding of top 10 shareholders					
Name of shareholder	Nature of shareholder	Class of shares	Number of shares held	Shareholding percentage	Number of shares pledged/frozen/ marked
China Everbright Group Ltd.	State-owned legal person	A Shares	23,359,409,561	43.23	–
		H Shares	1,782,965,000	3.30	–
Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	H Shares	5,616,067,380	10.39	Unknown
Overseas Chinese Town Holdings Company	State-owned legal person	H Shares	4,200,000,000	7.77	–
China Everbright Limited	Overseas legal person	A Shares	1,572,735,868	2.91	–
China Life Reinsurance Company Ltd.	State-owned legal person	H Shares	1,530,397,000	2.83	–
China Securities Finance Corporation Limited	State-owned legal person	A Shares	989,377,094	1.83	–
China Reinsurance (Group) Corporation	State-owned legal person	A Shares	413,094,619	0.76	–
		H Shares	376,393,000	0.70	–
Shenergy (Group) Co., Ltd.	State-owned legal person	A Shares	765,389,103	1.42	–
COSCO Shipping (Shanghai) Investment Management Co., Ltd.	State-owned legal person	A Shares	723,999,875	1.34	–
Central Huijin Asset Management Ltd.	State-owned legal person	A Shares	629,693,300	1.17	–

Shareholding of top 10 holders of shares not subject to restrictions on sales			
Name of shareholder	Number of shares held not subject to restrictions on sales	Class and number of shares held	
		Class of shares	Number of shares held
China Everbright Group Ltd.	23,532,374,561	A shares	23,359,409,561
		H shares	172,965,000
Hong Kong Securities Clearing Company Nominees Limited	5,616,067,380	H shares	5,616,067,380
China Everbright Limited	1,572,735,868	A shares	1,572,735,868
China Life Reinsurance Company Ltd.	1,530,397,000	H shares	1,530,397,000
China Securities Finance Corporation Limited	989,377,094	A shares	989,377,094
China Reinsurance (Group) Corporation	789,487,619	A shares	413,094,619
		H shares	376,393,000
Shenergy (Group) Co., Ltd.	765,389,103	A shares	765,389,103
COSCO Shipping (Shanghai) Investment Management Co., Ltd.	723,999,875	A shares	723,999,875
Central Huijin Asset Management Ltd.	629,693,300	A shares	629,693,300
Yunnan Hehe (Group) Co., Ltd.	626,063,556	A shares	626,063,556

Notes:

1. As at the end of the reporting period, 1,610 million H shares held by China Everbright Group Ltd. (hereinafter referred to as “China Everbright Group”) and 4,200 million H shares held by Overseas Chinese Town Holdings Company were subject to restrictions on sales. Besides them, all other ordinary shares were not subject to restrictions on sales.
2. The total number of H shares of the Bank held by Hong Kong Securities Clearing Company Nominees Limited acting as the nominee for all institutional and individual investors that maintain an account with it was 5,616,067,380 H shares as at the end of the reporting period. Among them, 1,605,286,000, 376,393,000, 282,684,000 and 172,965,000 H shares of the Bank were held by Ocean Fortune Investment Limited, China Reinsurance (Group) Corporation, China Life Reinsurance Company Ltd. and China Everbright Group respectively. The number of remaining H shares of the Bank held under it was 3,178,739,380 H shares. Hong Kong Securities Clearing Company Nominees Limited ceased to hold 4,200,000,000 H shares of the Bank on behalf of Overseas Chinese Town Holdings Company and 1,247,713,000 H shares of the Bank on behalf of China Life Reinsurance Company Ltd.
3. 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 was not aware of any related party relationship or concerted action among the above shareholders.
4. During the reporting period, the top 10 shareholders and top 10 holders of shares not subject to restrictions on sales of the Bank did not participate in any margin trading and short selling. As at the end of the reporting period, Shenergy (Group) Co., Ltd. lent 613,300 shares of the Bank it held for securities lending.
5. As at the end of the reporting period, the Bank had no preference shareholders with voting rights restored.

3.2 Total Number of Preference Shareholders and Top 10 Preference Shareholders

3.2.1. Everbright P1 (Code: 360013)

Unit: Share, %

Total number of shareholders as at the end of the reporting period		18			
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding	Number of shares held subject to restrictions on sales	Number of shares pledged/frozen/marked
Bank of Communications Schroder Fund Management Co., Ltd.	Others	37,750,000	18.88	-	-
China International Capital Corporation Limited	Others	27,740,000	13.87	-	-
Hwabao Trust Co., Ltd.	Others	16,300,000	8.15	-	-
TruValue Asset Management Co., Ltd.	Others	15,510,000	7.76	-	-
BOCOM Schrodgers Asset Management Co., Ltd.	Others	15,500,000	7.75	-	-
BOC International (China) Co., Ltd.	Others	15,500,000	7.75	-	-
CITIC Securities Co., Ltd.	Others	10,320,000	5.17	-	-
CCB Trust Co., Ltd.	Others	10,000,000	5.00	-	-
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	10,000,000	5.00	-	-
Ping An Life Insurance Company of China, Ltd.	Others	10,000,000	5.00	-	-

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

3.2.2.Everbright P2 (Code: 360022)

Unit: Share, %

Total number of shareholders as at the end of the reporting period		20			
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding	Number of shares held subject to restrictions on sales	Number of shares pledged/frozen/marked
TruValue Asset Management Co., Ltd.	Others	13,270,000	13.27	–	–
AEGON-Industrial Capital Management (Shanghai) Co., Ltd.	Others	12,190,000	12.19	–	–
China Everbright Group Ltd.	State-owned legal person	10,000,000	10.00	–	–
China International Capital Corporation Limited	Others	9,480,000	9.48	–	–
China Life Insurance Company Limited	Others	8,180,000	8.18	–	–
CITIC Securities Co., Ltd.	Others	7,450,000	7.45	–	–
Postal Savings Bank of China Co., Ltd.	Others	7,200,000	7.20	–	–
Bank of Communications Schroder Fund Management Co., Ltd.	Others	6,540,000	6.54	–	–
BOCOM Schrodgers Asset Management Co., Ltd.	Others	6,540,000	6.54	–	–
Bosera Asset Management Co., Limited	Others	3,910,000	3.91	–	–

Note: China Everbright Group is one of the top 10 holders of the ordinary shares of the Bank. Bank of Communications Schroder Fund Management Co., Ltd. and BOCOM Schrodgers Asset 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 above preference shareholders, as well as between them and the top 10 ordinary shareholders.

3.2.3. Everbright P3 (Code 360034)

Unit: Share, %

Total number of shareholders as at the end of the reporting period		22			
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding	Number of shares held subject to restrictions on sales	Number of shares pledged/frozen/marked
Ping An Life Insurance Company of China, Ltd.	Others	84,110,000	24.04	–	–
China Life Insurance Company Limited	Others	47,720,000	13.63	–	–
CCB Trust Co., Ltd.	Others	31,810,000	9.09	–	–
Bank of Communications Schroder Fund Management Co., Ltd.	Others	27,270,000	7.79	–	–
New China Life Insurance Company Limited	Others	27,270,000	7.79	–	–
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	18,180,000	5.19	–	–
CITIC-Prudential Life Insurance Company Limited	Others	15,000,000	4.28	–	–
Postal Savings Bank of China Co., Ltd.	Others	13,630,000	3.89	–	–
China International Capital Corporation Limited	Others	13,630,000	3.89	–	–
CITIC Securities Co., Ltd.	Others	11,880,000	3.40	–	–

Note: Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. are related parties. CITIC-Prudential Life Insurance Company Limited and CITIC Securities Co., Ltd. are related parties. Save as disclosed above, the Bank is not aware of any related party relationship or concerted action among the above preference shareholders, as well as between them and the top 10 ordinary shareholders.

3.2.4. The Bank had no preference shares with voting rights restored.

IV. OTHER EVENTS

4.1 Issuance of Tier-2 Capital Bonds

On 29 June 2021, the 2020 Annual General Meeting of the Bank reviewed and approved the *Proposal on Issuance of Tier-2 Capital Bonds*, and planned to issue tier-2 capital bonds of no more than RMB60 billion or equivalent in foreign currencies. As at the end of the reporting period, this matter was in progress.

4.2 Establishment of CEB Macao Branch

On 12 November 2020, the Bank's application for establishing CEB Macao Branch was approved by CBIRC. As at the end of the reporting period, the preparations for establishment were in progress.

4.3 Incorporation of Everbright Cloud Payment Technology Co., Ltd. into Consolidated Statements of the Bank

On 29 June 2021, the 28th Meeting of the Eighth Session of the Board of Directors of the Bank reviewed and approved the proposal on purchasing shares of Everbright Cloud Payment Technology Co., Ltd. by CEB International Investment Corporation Limited, a subsidiary of the Bank. On 18 September 2021, Everbright Cloud Payment Technology Co., Ltd. completed the change of industrial and commercial registration after restructuring. CEB International Investment Corporation Limited held 51% shares of Everbright Cloud Payment Technology Co., Ltd. which had been included in the consolidated financial statements of the Group.

V. QUARTERLY FINANCIAL STATEMENTS

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

Chairman of the Board of Directors: **Li Xiaopeng**
Board of Directors
China Everbright Bank Company Limited
28 October 2021

China Everbright Bank Company Limited
Consolidated Statement of Profit or Loss
For the nine months ended 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	<u>2021</u>	<u>2020</u> (restated)
Interest income	171,043	165,737
Interest expense	<u>(87,049)</u>	<u>(83,528)</u>
Net interest income	<u>83,994</u>	<u>82,209</u>
Fee and commission income	23,659	21,591
Fee and commission expense	<u>(1,933)</u>	<u>(1,868)</u>
Net fee and commission income	<u>21,726</u>	<u>19,723</u>
Net trading gains	1,964	208
Dividend income	24	1
Net gains arising from investment securities	8,295	3,395
Net gains on derecognition of financial assets measured at amortised cost	116	593
Net foreign exchange gains	4	119
Other net operating income	<u>949</u>	<u>773</u>
Operating income	117,072	107,021
Operating expenses	(30,811)	(28,353)
Credit impairment losses	(43,446)	(42,989)
Other impairment losses	<u>18</u>	<u>(302)</u>
Operating profit	42,833	35,377
Losses on investments of joint ventures	<u>(18)</u>	<u>-</u>
Profit before tax	42,815	35,377
Income tax	<u>(7,568)</u>	<u>(5,658)</u>
Net profit	<u>35,247</u>	<u>29,719</u>
Of which: Net profit of the combined party realised before the combination	36	14
Net profit attributable to:		
Equity shareholders of the Bank	35,085	29,613
Non-controlling interests	<u>162</u>	<u>106</u>
	<u>35,247</u>	<u>29,719</u>
Earnings per share		
Basic earnings per share (in RMB/share)	0.56	0.52
Diluted earnings per share (in RMB/share)	<u>0.51</u>	<u>0.47</u>

China Everbright Bank Company Limited
Consolidated Statement of Comprehensive Income
For the nine months ended 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	2021	2020 (restated)
Net profit	35,247	29,719
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	1
Subtotal	1	1
Items that will be reclassified to profit or loss:		
- Debt instruments at fair value through other comprehensive income		
- Net change in fair value	2,033	(1,491)
- Changes in allowance for expected credit losses	444	(305)
- Reclassified to profit or loss upon disposal	(102)	(706)
- Related income tax effect	(600)	621
- Exchange differences on translation of financial statements	(44)	(45)
Subtotal	1,731	(1,926)
Other comprehensive income, net of tax	1,732	(1,925)
Total comprehensive income	36,979	27,794
Total comprehensive income attributable to:		
Equity shareholders of the Bank	36,817	27,691
Non-controlling interests	162	103
	36,979	27,794

China Everbright Bank Company Limited
Consolidated Statement of Profit or Loss
For the three months from 1 July to 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>For the three months from 1 July to 30 September</u>	
	<u>2021</u> (restated)	<u>2020</u> (restated)
Interest income	57,958	54,617
Interest expense	(29,861)	(27,075)
Net interest income	28,097	27,542
Fee and commission income	7,335	6,212
Fee and commission expense	(668)	(661)
Net fee and commission income	6,667	5,551
Net trading gains	735	151
Dividend income	23	-
Net gains arising from investment securities	3,978	641
Net gains on derecognition of financial assets measured at amortised cost	31	568
Net foreign exchange (losses)/gains	(78)	48
Other net operating income	414	323
Operating income	39,867	34,824
Operating expenses	(9,531)	(8,875)
Credit impairment losses	(14,712)	(12,463)
Other impairment losses	(3)	(155)
Operating profit	15,621	13,331
Losses on investments in joint ventures	(11)	-
Net profit before tax	15,610	13,331
Income tax	(2,886)	(2,040)
Net profit	12,724	11,291
Of which: Net profit of the combined party realised before the combination	20	7
Net profit attributable to:		
Equity shareholders of the Bank	12,640	11,246
Non-controlling interests	84	45
	12,724	11,291
Earnings per share		
Basic earnings per share (in RMB/share)	0.19	0.20
Diluted earnings per share (in RMB/share)	0.17	0.19

China Everbright Bank Company Limited
Consolidated Statement of Comprehensive Income
For the three months from 1 July to 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months from 1 July to 30 September	
	<u>2021</u>	<u>2020</u>
	(restated)	(restated)
Net profit	12,724	11,291
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)	-
- Related income tax effect	1	-
	-	-
Subtotal	-	-
Items that will be reclassified to profit or loss:		
- Debt instruments at fair value through other comprehensive income		
- Net change in fair value	1,541	(1,998)
- Changes in allowance for expected credit losses	16	(53)
- Reclassified to profit or loss upon disposal	-	(430)
- Related income tax effect	(388)	622
- Exchange differences on translation of financial statements	(8)	(96)
	1,161	(1,955)
Subtotal	1,161	(1,955)
Other comprehensive income, net of tax	1,161	(1,955)
Total comprehensive income	13,885	9,336
Total comprehensive income attributable to:		
Equity shareholders of the Bank	13,801	9,295
Non-controlling interests	84	41
	13,885	9,336

China Everbright Bank Company Limited
Consolidated Statement of Financial Position
As at 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September <u>2021</u>	31 December <u>2020</u> (restated)
Assets		
Cash and deposits with the central bank	335,785	360,287
Deposits with banks and other financial institutions	39,903	46,059
Precious metals	7,237	9,353
Placements with banks and other financial institutions	70,447	69,290
Derivative financial assets	12,312	25,264
Financial assets held under resale agreements	25,145	43,592
Loans and advances to customers	3,215,939	2,942,435
Finance lease receivables	108,798	100,788
Financial investments	1,758,480	1,670,415
- Financial assets at fair value through profit or loss	361,611	304,908
- Debt instruments at fair value through other comprehensive income	292,279	222,807
- Equity instruments at fair value through other comprehensive income	1,126	875
- Financial investments measured at amortised cost	1,103,464	1,141,825
Investments in joint ventures	332	257
Property, plant and equipment	24,186	23,304
Right-of-use assets	10,681	11,178
Goodwill	1,281	1,281
Deferred tax assets	20,862	19,587
Other assets	54,562	45,073
Total assets	<u>5,685,950</u>	<u>5,368,163</u>

China Everbright Bank Company Limited
Consolidated Statement of Financial Position (continued)
As at 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September <u>2021</u>	31 December <u>2020</u> (restated)
Liabilities and equity		
Liabilities		
Due to the central bank	158,605	241,110
Deposits from banks and other financial institutions	495,623	469,345
Placements from banks and other financial institutions	179,066	161,879
Financial liabilities at fair value through profit or loss	217	4
Derivative financial liabilities	11,622	25,778
Financial assets sold under repurchase agreements	41,332	14,182
Deposits from customers	3,612,445	3,480,642
Accrued staff costs	15,530	15,175
Taxes payable	7,875	8,772
Lease liabilities	10,368	10,807
Debt securities issued	633,951	440,870
Other liabilities	43,464	44,559
Total liabilities	<u>5,210,098</u>	<u>4,913,123</u>

China Everbright Bank Company Limited
Consolidated Statement of Financial Position (continued)
As at 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September <u>2021</u>	31 December <u>2020</u> (restated)
Liabilities and equity (continued)		
Equity		
Share capital	54,032	54,032
Other equity instruments	109,062	109,062
Of which: Preference shares	64,906	64,906
Perpetual bonds	39,993	39,993
Capital reserve	58,434	58,434
Other comprehensive income	3,125	1,393
Surplus reserve	26,245	26,245
General reserve	67,866	67,702
Retained earnings	<u>155,376</u>	<u>136,602</u>
 Total equity attributable to equity shareholders of the Bank	 <u>474,140</u>	 <u>453,470</u>
Non-controlling interests	<u>1,712</u>	<u>1,570</u>
 Total equity	 <u><u>475,852</u></u>	 <u><u>455,040</u></u>
 Total liabilities and equity	 <u><u>5,685,950</u></u>	 <u><u>5,368,163</u></u>

Approved and authorised for issue by the board of directors on 28 October 2021.

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

Fu Wanjun
President
Executive Director

Sun Xinhong
General Manager of
Financial Accounting Department

China Everbright Bank Company Limited
Consolidated Cash Flow Statement
For the nine months ended 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	For the nine months ended 30 September	
	<u>2021</u>	<u>2020</u> (restated)
Cash flows from operating activities		
Net profit	35,247	29,719
<i>Adjustments for:</i>		
Credit impairment losses	43,446	42,989
Other impairment losses	(18)	302
Depreciation and amortisation	4,268	3,781
Unwinding of discount	(665)	(567)
Dividend income	(24)	(1)
Unrealised foreign exchange gains	68	185
Net gains on investment securities	(44,639)	(42,787)
Net gains on derecognition of financial assets measured at amortised cost	(116)	(593)
Losses on investments of joint ventures	18	-
Net gains on disposal of trading securities	(1,387)	(419)
Revaluation (gains)/losses on financial instruments at fair value through profit or loss	(3,507)	365
Interest expense on debt securities issued	12,428	8,686
Interest expense on lease liabilities	344	366
Net (gains)/losses on disposal of property, plant and equipment	(99)	9
Income tax	7,568	5,658
	52,932	47,693
<i>Changes in operating assets:</i>		
Net decrease/(increase) in deposits with the central bank, banks and other financial institutions	12,093	(1,007)
Net (increase)/decrease in placements with banks and other financial institutions	(15,642)	8,238
Net increase in financial assets held for trading	(24,085)	(30,584)
Net increase in loans and advances to customers	(316,212)	(289,331)
Net decrease/(increase) in financial assets held under resale agreements	18,456	(69,454)
Net increase in other operating assets	(15,863)	(19,833)
	(341,253)	(401,971)

	For the nine months ended 30 September	
	<u>2021</u>	<u>2020</u> (restated)
Cash flows from operating activities (continued)		
<i>Changes in operating liabilities:</i>		
Net increase in deposits from banks and other financial institutions	25,583	15,963
Net increase in placements from banks and other financial institutions	17,009	814
Net increase/(decrease) in financial assets sold under repurchase agreements	27,131	(5,611)
Net decrease in amounts due to the central bank	(83,228)	(46,222)
Net increase in deposits from customers	125,109	504,712
Income tax paid	(10,537)	(9,363)
Net increase in other operating liabilities	10,190	1,739
	<u>111,257</u>	<u>462,032</u>
Net cash flows from operating activities	<u>(177,064)</u>	<u>107,754</u>
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	498,582	578,700
Investment income received	46,283	42,471
Proceeds from disposal of property, plant and equipment and other long-term assets	747	362
Payments on acquisition of investments	(559,142)	(747,892)
Payments on acquisition of property, plant and equipment, intangible assets and other long-term assets	(3,394)	(4,880)
	<u>(16,924)</u>	<u>(131,239)</u>
Net cash flows from investing activities	<u>(16,924)</u>	<u>(131,239)</u>

	<u>For the nine months ended 30 September</u>	
	<u>2021</u>	<u>2020</u> (restated)
Cash flows from financing activities		
Capital contribution by non-controlling interests	-	400
Net proceeds from issue of debt securities	475,248	393,223
Repayments of debts issued	(282,431)	(326,422)
Interest paid on debt securities issued	(12,164)	(8,877)
Dividend paid	(16,188)	(13,452)
Other net cash flows from financing activities	(2,292)	(2,227)
Net cash flows from financing activities	<u>162,173</u>	<u>42,645</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(973)	(1,121)
Net (decrease)/increase in cash and cash equivalents	(32,788)	18,039
Cash and cash equivalents as at 1 January	<u>145,076</u>	<u>117,499</u>
Cash and cash equivalents as at 30 September	<u><u>112,288</u></u>	<u><u>135,538</u></u>
Interest received	<u>130,807</u>	<u>125,485</u>
Interest paid (excluding interest expense on debts securities issued)	<u>(66,386)</u>	<u>(70,332)</u>