郑州银行
BANK OF ZHENGZHOU

Bank of Zhengzhou Co., Ltd.*
鄭州銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(H Shares Stock Code: 6196)
(Preference Shares Stock Code: 4613)

THIRD QUARTERLY REPORT OF 2021

The board of directors (the "**Board**") of Bank of Zhengzhou Co., Ltd.* (the "**Bank**") hereby announces the unaudited third quarterly results of the Bank and its subsidiaries for the nine months ended 30 September 2021 (the "**Reporting Period**"), which was prepared in accordance with the International Financial Reporting Standards ("**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 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board
Bank of Zhengzhou Co., Ltd.*
WANG Tianyu
Chairman

Zhengzhou, Henan, China
29 October 2021

As at the date of this announcement, the Board comprises Mr. WANG Tianyu, Mr. SHEN Xueqing and Mr. XIA Hua as executive directors, Mr. JI Hongjun and Mr. WANG Shihao as non-executive directors, Mr. XIE Taifeng, Mr. WU Ge, Ms. CHAN Mei Bo Mabel and Ms. LI Yanyan as independent non-executive directors.

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

IMPORTANT NOTICES

1. The Board, the board of supervisors, directors, supervisors and senior management of the Bank warrant the truthfulness, accuracy and completeness of the contents of this third quarterly report of 2021 of the Bank (the "**Report**"), and that there are no false representations or misleading statements contained in or material omissions from the Report, and they jointly and severally accept responsibility for the Report.

2. Financial information set out in the Report has been prepared in accordance with the IFRS. Unless otherwise specified, the financial information contained herein was derived from the consolidated financial statements of the Bank and its subsidiaries, i.e. Henan Jiuding Financial Leasing Co., Ltd., Fugou Zhengyin County Bank Co., Ltd., Xinmi Zhengyin County Bank Co., Ltd., Xunxian Zhengyin County Bank Co., Ltd. and Queshan Zhengyin County Bank Co., Ltd. (collectively, the "**Group**" or "**Bank**").

3. Mr. WANG Tianyu, the legal representative of the Bank and chairman of the Board, Mr. SHEN Xueqing, the president, Mr. FU Chunqiao, the person-in-charge of accounting, and Ms. GAO Chenxin, the head of accounting department of the Bank hereby declare and warrant the truthfulness, accuracy and completeness of the financial statements in the Report.

4. The quarterly financial report of the Bank has not been audited.

I. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

During the Reporting Period, unless otherwise specified, the Bank is not required to make retrospective adjustments to or restatements of the accounting data of the previous years.

Unit: RMB'000

Item	**July to September 2021**	**Increase/decrease as compared with the corresponding period of the previous year** *(%)*	**January to September 2021**	**Increase/decrease as compared with the corresponding period of the previous year** *(%)*
Operating income[1]	**3,485,826**	8.07	**10,430,690**	(4.36)
Net profit attributable to shareholders of the Bank	**877,943**	0.36	**3,331,814**	1.19
Net cash flows used in operating activities	**(20,282,583)**	193.09	**(25,846,390)**	4,210.59
Net cash flows used in operating activities per share *(RMB/share)*	**(2.70)**	154.72	**(3.44)**	3,722.22
Basic earnings per share *(RMB/share)*[2]	**0.12**	(7.69)	**0.44**	(13.73)
Diluted earnings per share *(RMB/share)*[2]	**0.12**	(7.69)	**0.44**	(13.73)
Weighted average return on net assets *(%)* (on annualised basis)[2]	**8.77**	Decreased by 1.92 percentage points	**11.51**	Decreased by 2.21 percentage points

Notes:

(1) Operating income includes net interest income, net fee and commission income, net trading gains, net gains arising from investments and other operating income.

(2) Basic earnings per share, diluted earnings per share and weighted average return on net assets were all calculated according to 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).

During the Reporting Period, the Bank did not distribute dividends of the offshore preference shares. No dividend of the offshore preference shares had to be deducted from the net profit attributable to shareholders of the Bank, and net proceeds raised from the offshore preference shares issuance were deducted from the weighted average net assets.

(3) According to the requirements of the Notice on Strictly Implementing Accounting Standards for Business Enterprises and Effectively Enhancing the 2020 Annual Reports of Enterprises (Cai Kuai [2021] No. 2) jointly issued by the Ministry of Finance of the People's Republic of China, State-owned Assets Supervision and Administration Commission of the State Council, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission, the Bank has re-classified the income from credit card repayment by instalments from fee and commission income to interest income since 2020, and restated the figures for the corresponding period.

Unit: RMB'000

Scale indicators	30 September 2021	31 December 2020	Increase/ decrease as compared with the end of the previous year *(%)*
Total assets	**561,961,906**	547,813,444	2.58
Loans and advances to customers			
Corporate loans and advances to customers	**191,524,004**	156,954,032	22.03
Personal loans and advances to customers	**75,249,866**	67,328,937	11.76
Discounted bills	**15,826,305**	13,676,221	15.72
Gross loans and advances to customers	**282,600,175**	237,959,190	18.76
Add: Accrued interests	**1,293,240**	1,046,446	23.58
Less: Provision for impairment losses(1)	**8,408,297**	7,755,623	8.42
Book value of loans and advances to customers	**275,485,118**	231,250,013	19.13
Total liabilities	**512,007,929**	501,841,523	2.03
Deposits from customers			
Corporate deposits	**164,138,179**	175,669,237	(6.56)
Personal deposits	**113,396,581**	107,774,562	5.22
Other deposits(2)	**35,331,587**	30,786,621	14.76
Total deposits from customers	**312,866,347**	314,230,420	(0.43)
Add: Accrued interests	**2,512,215**	2,282,315	10.07
Book value of deposits from customers	**315,378,562**	316,512,735	(0.36)
Share capital	**7,514,125**	7,514,125	–
Shareholders' equity	**49,953,977**	45,971,921	8.66
Including: Equity attributable to shareholders of the Bank	**48,356,062**	44,494,897	8.68
Equity attributable to ordinary shareholders of the Bank	**40,530,554**	36,669,389	10.53
Net assets per share attributable to ordinary shareholders of the Bank *(RMB/share)*	**5.39**	4.88	10.45

Notes:

(1) Provision for impairment losses excludes provision for impairment losses on forfeiting and discounted bills, which is included in other comprehensive income.

(2) Other deposits include pledged deposits, remittances outstanding and temporary deposit.

(II) Explanations on differences between consolidated financial statements prepared in accordance with China Accounting Standards for Business Enterprises and IFRSs

There are no differences between the net profit attributable to shareholders of the Bank for the Reporting Period ended 30 September 2021 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period as presented in the Group's consolidated financial statements prepared under China Accounting Standards for Business Enterprises and those prepared under IFRSs.

(III) Supplementary financial indicators

Regulatory indicators	**Regulatory standards**	**30 September 2021**	31 December 2020	31 December 2019	31 December 2018
Core tier-one capital adequacy ratio *(%)*(1)	≥7.5	**9.62**	8.92	7.98	8.22
Tier-one capital adequacy ratio *(%)*(1)	≥8.5	**11.51**	10.87	10.05	10.48
Capital adequacy ratio *(%)*(1)	≥10.5	**13.56**	12.86	12.11	13.15
Leverage ratio *(%)*(2)	≥4	**7.37**	6.63	6.34	6.79
Liquidity ratio *(%)*(2)	≥25	**47.19**	70.41	56.44	56.39
Liquidity coverage ratio *(%)*(2)	≥100	**179.09**	353.94	300.37	304.42
Non-performing loan ratio *(%)*(3)	≤5	**1.95**	2.08	2.37	2.47
Allowance to non-performing loans *(%)*(3)	≥150	**156.62**	160.44	159.85	154.84
Allowance to total loans *(%)*(3)	≥2.5	**3.05**	3.33	3.79	3.82
Loan to deposit ratio *(%)*(2)		**98.07**	82.63	72.33	66.06
Return on total assets *(%)* (on annualised basis)		**0.83**	0.63	0.70	0.69
Cost-to-income ratio *(%)*(4)		**20.03**	22.53	26.62	28.06

Notes:

(1) The capital adequacy ratios and relevant data are calculated by the Bank in accordance with the Administrative Measures for the Capital of Commercial Banks (Trial Implementation) issued by the former China Banking Regulatory Commission (hereinafter referred to as "**Former CBRC**") in 2012 and relevant requirements and based on statutory financial statements prepared under the Accounting Standards for Business Enterprises.

(2) Among the above regulatory indicators, leverage ratio, liquidity ratio, liquidity coverage ratio and loan to deposit ratio are all data reported to the regulatory departments.

(3) Non-performing loan ratio was calculated by dividing total non-performing loan principal (excluding accrued interests) by gross loans and advances to customers (excluding accrued interests); the allowance to non-performing loans was calculated by dividing allowance for impairment losses on loans and advances to customers by total non-performing loan principal (excluding accrued interests); and the allowance to total loans was calculated by dividing allowance for impairment losses on loans and advances to customers by gross loans and advances to customers (excluding accrued interests).

(4) Calculated by dividing operating expenses (after deducting tax and surcharges) by operating income.

(IV) Analysis on capital adequacy ratios and leverage ratio

Capital adequacy ratios

Unit: RMB'000

Item	**30 September 2021**	31 December 2020
Net core tier-one capital	**40,585,880**	36,542,234
Net tier-one capital	**48,567,028**	44,492,918
Net tier-two capital	**8,636,553**	8,186,451
Net total capital	**57,203,581**	52,679,369
Total risk-weighted assets	**421,874,156**	409,505,750
Core tier-one capital adequacy ratio *(%)*	**9.62**	8.92
Tier-one capital adequacy ratio *(%)*	**11.51**	10.87
Capital adequacy ratio *(%)*	**13.56**	12.86

Leverage ratio

Unit: RMB'000

Item	**30 September 2021**	30 June 2021	31 March 2021	31 December 2020
Net tier-one capital	**50,258,453**	49,359,419	46,900,943	45,574,048
Balance of on/off-balance sheet assets after adjustment	**681,804,329**	706,962,293	689,256,045	686,993,391
Leverage ratio *(%)*	**7.37**	6.98	6.80	6.63

Note: Indicators related to leverage ratio as at the end of the Reporting Period, the end of the first half of 2021, the end of the first quarter of 2021 and the end of 2020 are all calculated in accordance with the requirements of the Administrative Measures on the Leverage Ratio of Commercial Banks (Revised) (Former CBRC Order [2015] No.1) implemented since 1 April 2015, and are consistent with the data reported to the regulatory authorities.

(V) Analysis on liquidity coverage ratio

Unit: RMB'000

Item	30 September 2021
Qualified quality liquid assets	**50,280,525**
Net cash outflow for the next 30 days	**28,075,036**
Liquidity coverage ratio *(%)*	**179.09**

(VI) Analysis on the five-category loan classification

Unit: RMB'000

Five-category loan classification	30 September 2021		31 December 2020		
	Amount	**Proportion *(%)***	Amount	Proportion *(%)*	Change *(%)*
Normal	**271,071,216**	**95.92**	228,182,443	95.89	18.80
Special-mention	**6,020,078**	**2.13**	4,832,965	2.03	24.56
Sub-standard	**4,618,548**	**1.64**	3,318,730	1.40	39.17
Doubtful	**850,021**	**0.30**	1,591,666	0.67	(46.60)
Loss	**40,312**	**0.01**	33,386	0.01	20.75
Total	**282,600,175**	**100.00**	237,959,190	100.00	18.76

(VII) Changes in major accounting data and financial indicators and the reasons therefor

Unit: RMB'000

Item	January to September 2021	January to September 2020	Increase/ decrease as compared with the corresponding period of the previous year *(%)*	Main reason
Net trading gains	**553,939**	339,413	63.21	Mainly due to the change in the exchange rate of US dollar against Renminbi during the Reporting Period.
Net gains arising from investments	**101,981**	783,588	(86.99)	Due to the change in fair value of financial investments at fair value through profit or loss.
Other operating income	**44,622**	31,783	40.40	Due to the increase in government grants as compared with the corresponding period of the previous year.
Share of profits of associates	**12,760**	30,270	(57.85)	Mainly due to the decrease in the profit of the Bank's associates during the Reporting Period as compared with the corresponding period of the previous year.

Unit: RMB'000

Item	30 September 2021	31 December 2020	Increase/ decrease as compared with the end of the previous year (%)	Main reason
Derivative financial assets	**59,414**	362,970	(83.63)	Due to maturity of some derivative financial instruments at the end of the Reporting Period.
Placements with banks and other financial institutions	**4,385,792**	3,083,574	42.23	The Bank adjusted the structure of such assets in consideration of asset-liability matching and market liquidity.
Financial assets held under resale agreements	**3,880,203**	8,585,647	(54.81)	
Deposits from banks and other financial institutions	**34,194,338**	20,210,404	69.19	
Placements from banks and other financial institutions	**27,938,862**	20,467,593	36.50	
Fair value reserve	**(167,026)**	(698,206)	(76.08)	Mainly due to the change in fair value of financial assets at fair value through other comprehensive income at the end of the Reporting Period.

II. DISCUSSION AND ANALYSIS ON OPERATION

During the Reporting Period, faced with challenges such as the flood and epidemic, the Bank overcame difficulties under the leadership of the Board, adhered to the path of high-quality development and steadily carried out its operation and management.

Operating indicators remain stable. As at the end of the Reporting Period, the Bank's total assets amounted to RMB561,962 million, representing an increase of 2.58% from the end of the previous year; the balance of deposits reached RMB312,866 million, representing a decrease of 0.43% from the end of the previous year; the balance of loans amounted to RMB282,600 million, representing an increase of 18.76% from the end of the previous year. During the first three quarters of 2021, the Bank recorded a net profit of RMB3,456 million, representing an increase of 1.26% as compared with the corresponding period of the previous year. The net profit attributable to shareholders of the Bank was RMB3,332 million, representing an increase of 1.19% as compared with the corresponding period of the previous year. Among all urban commercial banks in China, the Bank ranked 19th, 18th and 14th respectively in terms of assets, loans and net profits, all rising steadily. The Bank's non-performing loan ratio was 1.95%; allowance to non-performing loans was 156.62%; and capital adequacy ratio was 13.56%, all meeting the regulatory requirements.

Promoting the "Four New Types of Finance". During the Reporting Period, the Bank closely followed the major decisions and arrangements of the central and local governments, and helped boost high-quality development by promoting the "Four New Types of Finance" (i.e. scientific innovation finance, small and micro enterprise finance, rural finance and citizen finance). In terms of scientific innovation finance, the Bank contracted with Zhongyuan Science and Technology City to jointly build a financial innovation laboratory and vigorously support sci-tech enterprises in Zhengzhou through "Zhengzhou Tech Loan" (鄭科貸) business. In terms of small and micro enterprise finance, the Bank actively participated in the activity of "10,000 people helping 10,000 enterprises" and implemented the "partner project plan", providing a credit support of nearly RMB8 billion. In terms of rural finance, the Bank sped up the establishment of agriculture-oriented services sites, established an agriculture-oriented comprehensive management platform, launched the first "rural revitalization cards" in Henan Province, and launched "Zhengzhou Beneficial Deposit" (鄭惠存) agriculture-oriented products. In terms of citizen finance, the Bank entered into cooperation agreements on the issuance of social security cards with provincial and municipal social security management authorities, steadily promoting the issuance of social security cards.

Continuously fulfilling social responsibilities. In response to the flood disaster, the Bank elevated its inclusive finance services, quickly launched policies such as flood and epidemic prevention emergency loans, "Home Rebuilding Loan" (家園貸) and credit information protection, opened green passage for approval, and helped customers solve problems on a one-to-one basis. Bank-wide efforts were made to donate funds and materials to fully support post-disaster rebuild and support disaster-stricken people.

III. SHAREHOLDER INFORMATION

(I) Total number of holders of ordinary shares, shareholding of the top 10 holders of ordinary shares and shareholding of the top 10 holders of ordinary shares not subject to trading moratorium

As at the end of the Reporting Period, the Bank had a total of 102,812 holders of ordinary shares, including 102,756 holders of A shares and 56 holders of H shares.

Unit: share

Shareholding of the top 10 holders of ordinary shares

Name of shareholder	Nature of shareholder	Class of shares	Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen Status of shares	Pledged, marked or frozen Number
HKSCC Nominees Limited(2)	Overseas legal person	H shares	1,669,619,413	22.22	–	Unknown	–
Zhengzhou Finance Bureau (鄭州市財政局)	State-owned	A shares	543,178,769	7.23	–	Pledged	77,090,000
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	State-owned legal person	A shares	408,918,926	5.44	171,500,000	–	–
Bridge Trust Co., Ltd. (百瑞信託有限責任公司)	State-owned legal person	A shares	318,951,163	4.24	185,344,800	–	–
Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	Domestic non state-owned legal person	A shares	318,951,121	4.24	100,000,000	Pledged	164,450,000
Yutai International (Henan) Real Estate Development Co., Ltd. (豫泰國際(河南)房地產開發有限公司)	Domestic non state-owned legal person	A shares	288,200,000	3.84	–	Pledged Frozen	288,200,000 288,200,000
Henan Xingye Real Estate Development Co., Ltd. (河南興業房地產開發有限公司)	Domestic non state-owned legal person	A shares	275,000,200	3.66	–	Pledged	137,500,000
Zhongyuan Trust Co., Ltd. (中原信託有限公司)	State-owned legal person	A shares	263,369,118	3.50	–	–	–
Henan Chendong Industry Co., Ltd. (河南晨東實業有限公司)	Domestic non state-owned legal person	A shares	248,600,000	3.31	–	Pledged	124,299,998
Henan Shengrun Holding Group Co., Ltd. (河南盛潤控股集團有限公司)	Domestic non state-owned legal person	A shares	110,000,000	1.46	–	Pledged Frozen	110,000,000 110,000,000

Unit: share

Shareholding of the top 10 holders of ordinary shares not subject to trading moratorium

Name of shareholder	Number of ordinary shares held not subject to trading moratorium at the end of the Reporting Period	Type of shares: Class of shares	Type of shares: Number
HKSCC Nominees Limited[2]	1,669,619,413	H shares	1,669,619,413
Zhengzhou Finance Bureau (鄭州市財政局)	543,178,769	A shares	543,178,769
Yutai International (Henan) Real Estate Development Co., Ltd. (豫泰國際(河南)房地產開發有限公司)	288,200,000	A shares	288,200,000
Henan Xingye Real Estate Development Co., Ltd. (河南興業房地產開發有限公司)	275,000,200	A shares	275,000,200
Zhongyuan Trust Co., Ltd. (中原信託有限公司)	263,369,118	A shares	263,369,118
Henan Chendong Industry Co., Ltd. (河南晨東實業有限公司)	248,600,000	A shares	248,600,000
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	237,418,926	A shares	237,418,926
Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	218,951,121	A shares	218,951,121
Bridge Trust Co., Ltd. (百瑞信託有限責任公司)	133,606,363	A shares	133,606,363
Henan Shengrun Holding Group Co., Ltd. (河南盛潤控股集團有限公司)	110,000,000	A shares	110,000,000

Description of related party relationships or concerted actions of the above shareholders	Zhengzhou Finance Bureau wholly owns Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司), which in turn wholly owns Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司). Mr. FAN Yutao, who is a deputy director of Zhengzhou Finance Bureau, held the position of a director of Bridge Trust Co., Ltd. (百瑞信託有限責任公司). The Bank is not aware of whether the other shareholders above have any related party relationships or belong to any acting-in-concert parties under the Administration Measures on the Acquisition of Listed Companies (《上市公司收購管理辦法》).
Description of the top 10 ordinary shareholders participating in margin financing and securities lending business (if any)	None

Notes:

(1) The above figures are sourced from the register of shareholders of the Bank as at 30 September 2021.

(2) The shares held by HKSCC Nominees Limited are held by it in the capacity of nominee and represent the aggregate number of H shares held by all institutional and individual investors registered in HKSCC Nominees Limited as at the end of the Reporting Period.

During the Reporting Period, none of the top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to trading moratorium of the Bank carried out any agreed buy-back transaction.

(II) Total number of holders of offshore preference shares and shareholding of the top 10 holders of offshore preference shares

As at the end of the Reporting Period, the total number of holders of offshore preference shares (or nominees) of the Bank was one. During the Reporting Period, there was no resumption of voting rights under the offshore preference shares of the Bank.

Unit: share

Shareholding of the top 10 holders of offshore preference shares

Name of shareholder	Nature of shareholder	Class of shares	Number of shares held	Shareholding percentage[3] (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen: Status of shares	Pledged, marked or frozen: Number
The Bank of New York Depository (Nominees) Limited	Overseas legal person	Offshore preference shares	59,550,000	100	–	Unknown	Unknown
Description of related party relationships or concerted actions of the above shareholders	The Bank is not aware of whether the above holder of offshore preference shares, the top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to trading moratorium have any related party relationships or belong to any acting-in-concert parties under the Administration Measures on the Acquisition of Listed Companies (《上市公司收購管理辦法》).						

Notes:

(1) The above figures are sourced from the register of shareholders of offshore preference shares of the Bank as at 30 September 2021.

(2) The above offshore preference shares were issued by way of private offering, and the register of shareholders of offshore preference shares presented the information on nominees of placees.

(3) "Shareholding percentage" refers to the percentage of the number of offshore preference shares held by holders of offshore preference shares to the total issued number of offshore preference shares.

IV. OTHER SIGNIFICANT EVENTS

In August 2021, the Bank issued the "2021 Innovative and Entrepreneurial Financial Bonds of Bank of Zhengzhou Co., Ltd." in the national interbank bond market with an issuing size of RMB5 billion. The bonds are fixed rate bonds with a term of three years and a coupon rate of 3.16%. The proceeds from the issuance of the bonds will be specifically used for credit extension in the fields of innovation and entrepreneurship.

Approval was granted to the Bank to issue indefinite-term capital bonds with a total amount of not more than RMB10.0 billion by China Banking and Insurance Regulatory Commission Henan Office and the People's Bank of China in July 2021 and October 2021, respectively.

V. RELEASE OF QUARTERLY REPORT

The Report is published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.zzbank.cn) simultaneously. The third quarterly report of 2021 of the Bank prepared in accordance with China Accounting Standards for Business Enterprises is also published on the website of the Shenzhen Stock Exchange (www.szse.cn) and the website of the Bank (www.zzbank.cn) simultaneously.

VI. QUARTERLY FINANCIAL STATEMENTS

Consolidated statement of profit or loss and other comprehensive income
for the nine months ended 30 September 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2021	*2020*
	(unaudited)	(unaudited)
Interest income	**19,039,213**	17,700,197
Interest expense	**(10,302,361)**	(9,329,622)
Net interest income	**8,736,852**	8,370,575
Fee and commission income	**1,109,637**	1,535,653
Fee and commission expense	**(116,341)**	(154,871)
Net fee and commission income	**993,296**	1,380,782
Net trading gains	**553,939**	339,413
Net gains arising from investments	**101,981**	783,588
Other operating income	**44,622**	31,783
Operating income	**10,430,690**	10,906,141
Operating expenses	**(2,205,267)**	(2,176,927)
Impairment losses on assets	**(4,001,737)**	(4,527,628)
Operating profit	**4,223,686**	4,201,586
Share of profits of associates	**12,760**	30,270
Profit before taxation	**4,236,446**	4,231,856
Income tax expense	**(780,311)**	(818,811)
Profit for the period	**3,456,135**	3,413,045
Net profit attributable to:		
Equity shareholders of the Bank	**3,331,814**	3,292,674
Non-controlling interests	**124,321**	120,371
	3,456,135	3,413,045

Consolidated statement of profit or loss and other comprehensive income
for the nine months ended 30 September 2021 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2021	*2020*
	(unaudited)	(unaudited)
Profit for the period	**3,456,135**	3,413,045
Other comprehensive income:		
Other comprehensive income net of tax attributable to equity shareholders of the Bank		
Item that may be reclassified subsequently to profit or loss		
– Change in fair value/credit losses from debt investments measured at fair value through other comprehensive income	**531,180**	(445,431)
Item that will not be reclassified subsequently to profit or loss		
– Remeasurement of net defined benefit liability	**(1,829)**	(891)
Non-controlling interests	**–**	24,512
Other comprehensive income net of tax	**529,351**	(421,810)
Total comprehensive income	**3,985,486**	2,991,235
Total comprehensive income attributable to:		
Equity shareholders of the Bank	**3,861,165**	2,846,352
Non-controlling interests	**124,321**	144,883
	3,985,486	2,991,235
Basic and diluted earnings per share *(in RMB)*	**0.44**	0.51

Consolidated statement of profit or loss and other comprehensive income
for the three months from 1 July 2021 to 30 September 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Three months from 1 July to 30 September	
	2021	*2020*
	(unaudited)	(unaudited)
Interest income	**6,424,188**	6,017,443
Interest expense	**(3,455,925)**	(3,106,628)
Net interest income	**2,968,263**	2,910,815
Fee and commission income	**315,493**	445,734
Fee and commission expense	**(44,913)**	(84,540)
Net fee and commission income	**270,580**	361,194
Net trading gains/(loss)	**274,671**	(62,705)
Net loss arising from investments	**(39,226)**	(8,755)
Other operating income	**11,538**	25,068
Operating income	**3,485,826**	3,225,617
Operating expenses	**(825,428)**	(758,427)
Impairment losses on assets	**(1,590,803)**	(1,317,943)
Operating profit	**1,069,595**	1,149,247
Share of profits of associates	**5,670**	189
Profit before taxation	**1,075,265**	1,149,436
Income tax expense	**(159,157)**	(209,391)
Profit for the period	**916,108**	940,045
Net profit attributable to:		
Equity shareholders of the Bank	**877,943**	874,821
Non-controlling interests	**38,165**	65,224
	916,108	940,045

Consolidated statement of profit or loss and other comprehensive income
for the three months from 1 July 2021 to 30 September 2021 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

	Three months from 1 July to 30 September	
	2021	*2020*
	(unaudited)	(unaudited)
Profit for the period	**916,108**	940,045
Other comprehensive income:		
Other comprehensive income net of tax attributable to equity shareholders of the Bank		
Item that may be reclassified subsequently to profit or loss		
– Change in fair value/credit losses from debt investments measured at fair value through other comprehensive income	**97,590**	(306,302)
Non-controlling interests	**–**	24,499
Other comprehensive income net of tax	**97,590**	(281,803)
Total comprehensive income	**1,013,698**	658,242
Total comprehensive income attributable to:		
Equity shareholders of the Bank	**975,533**	568,519
Non-controlling interests	**38,165**	89,723
	1,013,698	658,242
Basic and diluted earnings per share *(in RMB)*	**0.12**	0.13

Consolidated statement of financial position
at 30 September 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	30 September 2021 (unaudited)	31 December 2020 (audited)
Assets		
Cash and deposits with central bank	**26,867,645**	36,492,083
Deposits with banks and other financial institutions	**2,994,332**	2,357,591
Placements with banks and other financial institutions	**4,385,792**	3,083,574
Derivative financial assets	**59,414**	362,970
Financial assets held under resale agreements	**3,880,203**	8,585,647
Loans and advances to customers	**275,485,118**	231,250,013
Financial investments:		
Financial investments at fair value through profit or loss	**40,714,991**	46,463,308
Financial investments at fair value through other comprehensive income	**17,844,560**	21,983,430
Financial investments measured at amortised cost	**150,056,263**	164,230,569
Lease receivables	**28,348,811**	22,565,825
Interest in associates	**413,010**	400,250
Property and equipment	**2,760,599**	2,686,802
Deferred tax assets	**4,089,197**	3,718,962
Other assets	**4,061,971**	3,632,420
Total assets	**561,961,906**	547,813,444

Consolidated statement of financial position
at 30 September 2021 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

	30 September 2021 (unaudited)	31 December 2020 (audited)
Liabilities		
Due to central bank	**24,168,235**	25,966,645
Deposits from banks and other financial institutions	**34,194,338**	20,210,404
Placements from banks and other financial institutions	**27,938,862**	20,467,593
Derivative financial liabilities	**5,851**	–
Financial assets sold under repurchase agreements	**17,728,287**	21,303,430
Deposits from customers	**315,378,562**	316,512,735
Tax payable	**774,083**	653,304
Debt securities issued	**88,440,313**	93,164,057
Other liabilities	**3,379,398**	3,563,355
Total liabilities	**512,007,929**	501,841,523
Equity		
Share capital	**7,514,125**	7,514,125
Other equity instruments		
Include: preference shares	**7,825,508**	7,825,508
Capital reserve	**8,203,903**	8,203,903
Surplus reserve	**2,976,573**	2,976,573
General reserve	**7,078,451**	7,078,451
Fair value reserve	**(167,026)**	(698,206)
Remeasurement of net defined benefit liability	**(62,782)**	(60,953)
Retained earnings	**14,987,310**	11,655,496
Total equity attributable to equity shareholders of the Bank	**48,356,062**	44,494,897
Non-controlling interests	**1,597,915**	1,477,024
Total equity	**49,953,977**	45,971,921
Total liabilities and equity	**561,961,906**	547,813,444

Wang Tianyu
Chairman of the Board of Directors
Executive Director

Shen Xueqing
President
Executive Director

Fu Chunqiao
Chief accountant

Gao Chenxin
General Manager of the Planning and Finance Department

(Company chop)

Consolidated cash flow statement
for the nine months ended 30 September 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2021	2020
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit before tax	**4,236,446**	4,231,856
Adjustments for:		
Impairment losses on assets	**4,001,737**	4,527,628
Depreciation and amortisation	**305,581**	296,938
Unrealised foreign exchange losses	**382,305**	208,867
Net losses from disposal of long-term assets	**1,140**	593
Net trading gains of financial investments at fair value through profit or loss	**(663,829)**	(169,429)
Net gains arising from investments	**(101,981)**	(783,588)
Share of profits of associates	**(12,760)**	(30,270)
Interest expense on debt securities issued	**2,058,397**	2,160,014
Interest income on financial investments	**(6,596,821)**	(7,318,376)
	3,610,215	3,124,233
Changes in operating assets		
Net decrease in deposits with central bank	**1,105,430**	2,636,575
Net decrease in deposits and placements with banks and other financial institutions	**–**	103,444
Net decrease/(increase) in financial investments at fair value through profit or loss	**3,536,500**	(5,768,620)
Net increase in loans and advances to customers	**(46,323,615)**	(36,881,620)
Net decrease in financial assets held under resale agreements	**4,705,398**	2,998,305
Net increase in Lease receivables	**(5,930,370)**	(9,155,719)
Net increase in other operating assets	**(70,202)**	(1,271,377)
	(42,976,859)	(47,339,012)

Consolidated cash flow statement
for the nine months ended 30 September 2021 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2021	2020
	(unaudited)	(unaudited)
Changes in operating liabilities		
Net (decrease)/increase in amounts due to central bank	**(1,851,763)**	9,332,518
Net increase in deposits and placements from banks and other financial institutions	**21,263,807**	9,505,410
Net (decrease)/increase in financial assets sold under repurchase agreements	**(3,571,716)**	4,906,495
Net (decrease)/increase in deposits from customers	**(1,364,074)**	22,103,961
Net increase/(decrease) in other operating liabilities	**249,638**	(1,028,423)
	14,725,892	44,819,961
Income tax paid	**(1,205,638)**	(1,204,784)
Net cash flows used in operating activities	**(25,846,390)**	(599,602)
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	**190,261,432**	220,338,423
Proceeds from disposal of property and equipment and other assets	**3,232**	418
Payments on acquisition of investments	**(170,881,927)**	(221,974,208)
Dividends and interest received	**7,183,628**	12,078,274
Payments on acquisition of property and equipment and other assets	**(375,756)**	(236,140)
Net cash flows generated from investing activities	**26,190,609**	10,206,767
Cash flows from financing activities		
Proceeds received from debt securities issued	**88,497,979**	82,232,866
Repayment of debt securities issued	**(93,388,637)**	(94,851,783)
Interest paid on debt securities issued	**(1,891,483)**	(2,479,388)
Dividends paid	**(4,678)**	(592,326)
Cash flows from other financing activities	**(96,596)**	(88,536)
Net cash flows used in financing activities	**(6,883,415)**	(15,779,167)
Net decrease in cash and cash equivalents	**(6,539,196)**	(6,172,002)

Consolidated cash flow statement
for the nine months ended 30 September 2021 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2021	2020
	(unaudited)	(unaudited)
Cash and cash equivalents as at 1 January	**19,600,052**	17,766,563
Effect of foreign exchange rate changes on cash and cash equivalents	**(28,362)**	(58,228)
Cash and cash equivalents as at 30 September	**13,032,494**	11,536,333
Net cash flows generated from operating activities include:		
Interest received	**13,894,832**	11,916,745
Interest paid	**(7,791,174)**	(7,661,764)