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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)

FIRST QUARTERLY REPORT OF 2022

The board of directors (the “**Board**”) of Bank of Zhengzhou Co., Ltd.* (the “**Bank**”) hereby announces the unaudited first quarterly results of the Bank and its subsidiaries for the three months ended 31 March 2022 (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, the PRC
April 28, 2022

As at the date of this announcement, the Board comprises Mr. WANG Tianyu, Mr. SHEN Xueqing and Mr. XIA Hua as executive directors, Ms. WANG Dan, Mr. LIU Bingheng, Mr. SU Xiaojun, Mr. JI Hongjun and Mr. WANG Shihao as non-executive directors, and Ms. LI Yanyan, Mr. LI Xiaojian, Mr. SONG Ke and Ms. LI Shuk Yin Edwina 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 first quarterly report of 2022 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 IFRSs. 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 Qeshan 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. SUN Haigang, 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 information 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	January to March 2022	January to March 2021	Increase/ decrease as compared with the corresponding period of the previous year (%)
Operating income ⁽¹⁾	3,419,896	3,187,295	7.30
Net profit attributable to shareholders of the Bank	1,166,426	1,125,256	3.66
Net cash flows used in operating activities	(19,460,535)	(2,687,681)	624.06
Net cash flows used in operating activities per share (RMB/share) ⁽²⁾	(2.35)	(0.33)	612.12
Basic earnings per share (RMB/share) ⁽²⁾	0.14	0.14	–
Diluted earnings per share (RMB/share) ⁽²⁾	0.14	0.14	–
Weighted average return on net assets (%) (on annualised basis) ⁽²⁾	11.50	12.08	Decreased by 0.58 percentage point

Notes:

- (1) Operating income includes net interest income, net fee and commission income, net trading gains, net (losses)/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).

In December 2021, the Bank issued one new share to the ordinary shareholders for every 10 shares held by way of capitalisation issue. After the implementation of the capitalisation issue, the number of ordinary shares of the Bank increased from 7,514,125,090 shares to 8,265,537,599 shares. Net cash flows used in operating activities per share, basic earnings per share and diluted earnings per share for the comparison periods were recalculated based on the number of shares after the capitalisation issue. Weighted average net assets deducted other equity instruments.

Unit: RMB'000

Scale indicators	31 March 2022	31 December 2021	Increase/ decrease as compared with the end of the previous year (%)
Total assets	575,109,347	574,979,662	0.02
Loans and advances to customers			
Corporate loans	207,150,308	199,784,576	3.69
Personal loans	77,022,076	76,138,099	1.16
Discounted bills	22,372,512	13,104,993	70.72
Gross loans and advances to customers	306,544,896	289,027,668	6.06
Add: Accrued interests	1,546,402	1,439,787	7.40
Less: Provision for impairment losses ⁽¹⁾	9,193,569	8,068,364	13.95
Book value of loans and advances to customers	298,897,729	282,399,091	5.84
Total liabilities	514,406,358	515,568,122	(0.23)
Deposits from customers			
Corporate deposits	161,277,469	163,370,197	(1.28)
Personal deposits	126,487,487	121,680,427	3.95
Other deposits ⁽²⁾	34,402,353	33,762,827	1.89
Total deposits from customers	322,167,309	318,813,451	1.05
Add: Accrued interests	2,993,926	2,760,764	8.45
Book value of deposits from customers	325,161,235	321,574,215	1.12
Share capital	8,265,538	8,265,538	–
Shareholders' equity	60,702,989	59,411,540	2.17
Equity attributable to shareholders of the Bank	58,999,932	57,766,182	2.14
Equity attributable to ordinary shareholders of the Bank	41,175,569	39,941,819	3.09
Net assets per share attributable to ordinary shareholders of the Bank (RMB/share)	4.98	4.83	3.11

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 IFRSs and China Accounting Standards for Business Enterprises

There are no differences between the net profit attributable to shareholders of the Bank for the Reporting Period ended 31 March 2022 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 IFRSs and those prepared under China Accounting Standards for Business Enterprises.

(III) Supplementary financial indicators

Regulatory indicators	Regulatory standards	31 March 2022	31 December 2021	31 December 2020	31 December 2019
Core tier-one capital adequacy ratio (%) ⁽¹⁾	≥7.5	9.36	9.49	8.92	7.98
Tier-one capital adequacy ratio (%) ⁽¹⁾	≥8.5	13.44	13.76	10.87	10.05
Capital adequacy ratio (%) ⁽¹⁾	≥10.5	14.55	15.00	12.86	12.11
Leverage ratio (%) ⁽²⁾	≥4	8.93	8.72	6.63	6.34
Liquidity ratio (%) ⁽²⁾	≥25	60.87	63.72	70.41	56.44
Liquidity coverage ratio (%) ⁽²⁾	≥100	253.97	339.61	353.94	300.37
Non-performing loan ratio (%) ⁽³⁾	≤5	1.80	1.85	2.08	2.37
Allowance to non-performing loans (%) ⁽³⁾	≥150	171.62	156.58	160.44	159.85
Allowance to total loans (%) ⁽³⁾	≥2.5	3.10	2.90	3.33	3.79
Return on total assets (%) (on annualised basis)		0.85	0.61	0.63	0.70
Cost-to-income ratio (%) ⁽⁴⁾		15.53	23.06	22.53	26.62

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 China Banking and Insurance Regulatory Commission and relevant requirements and based on statutory financial statements prepared under China Accounting Standards for Business Enterprises.
- (2) Among the above regulatory indicators, leverage ratio, liquidity ratio, and liquidity coverage 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	31 March 2022	31 December 2021
Net core tier-one capital	41,280,484	39,949,166
Net tier-one capital	59,275,893	57,931,340
Net tier-two capital	4,914,199	5,235,294
Net total capital	64,190,092	63,166,634
Total risk-weighted assets	441,048,591	421,013,820
Core tier-one capital adequacy ratio (%)	9.36	9.49
Tier-one capital adequacy ratio (%)	13.44	13.76
Capital adequacy ratio (%)	14.55	15.00

Leverage ratio

Unit: RMB'000

Item	31 March 2022	31 December 2021	30 September 2021	30 June 2021
Net tier-one capital	60,807,166	59,551,505	50,258,453	49,359,419
Balance of on/off-balance sheet assets after adjustment	681,162,861	683,259,572	681,804,329	706,962,293
Leverage ratio (%)	8.93	8.72	7.37	6.98

Note: Indicators related to leverage ratio as at the end of the Reporting Period, the end of 2021, the end of the third quarter of 2021 and the end of the first half of 2021 are all calculated in accordance with the requirements of the Administrative Measures on the Leverage Ratio of Commercial Banks (Revised) issued by China Banking and Insurance Regulatory Commission, and are consistent with the data reported to the regulatory authorities.

(V) Analysis on liquidity coverage ratio

Unit: RMB'000

Item	31 March 2022
Qualified quality liquid assets	62,842,556
Net cash outflow for the next 30 days	24,744,314
Liquidity coverage ratio (%)	253.97

(VI) Analysis on the five-category loan classification*Unit: RMB'000*

Five-category loan classification	31 March 2022		31 December 2021		Change (%)
	Amount	Proportion (%)	Amount	Proportion (%)	
Normal	294,451,291	96.06	277,294,011	95.94	6.19
Special-mention	6,560,854	2.14	6,388,575	2.21	2.70
Sub-standard	4,870,959	1.59	4,593,529	1.59	6.04
Doubtful	624,196	0.20	711,808	0.25	(12.31)
Loss	37,596	0.01	39,745	0.01	(5.41)
Total	306,544,896	100.00	289,027,668	100.00	6.06

(VII) Changes in major accounting data and financial indicators and the reasons therefor*Unit: RMB'000*

Item	January to March 2022	January to March 2021	Increase/decrease as compared with the corresponding period of the previous year (%)	Main reason
Fee and commission income	268,611	384,396	(30.12)	Due to the fact that the Bank actively responded to the regulatory fee reduction policy and the decrease in the scale of capital management business during the Reporting Period.
Net trading gains	195,680	85,736	128.24	Due to the change in investment income of bonds held for trading during the Reporting Period as compared with the corresponding period of the previous year.
Net gains arising from investments	(91,373)	4,600	(2,086.37)	Due to the change in fair value of financial assets at fair value through profit or loss.
Other operating income	3,951	17,582	(77.53)	Due to the decrease in government grants.

Item	January to March 2022	January to March 2021	Increase/ decrease as compared with the corresponding period of the previous year (%)	Main reason
Share of profits of associates	2,870	10,020	(71.36)	Due to the decrease in the profit of the associates as compared with the corresponding period of the previous year.
Net profit attributable to non-controlling interests	57,699	39,788	45.02	Due to the increase in the profit of the subsidiaries during the Reporting Period as compared with the corresponding period of the previous year.
Other comprehensive income (net of tax)	67,324	35,711	88.52	Mainly due to the increase in fair value of financial investment at fair value through other comprehensive income during the Reporting Period as compared with the previous period.
Total comprehensive income attributable to non-controlling interests	57,699	39,788	45.02	Due to the increase in the profit of the subsidiaries during the Reporting Period as compared with the corresponding period of the previous year.

Unit: RMB'000

Item	31 March 2022	31 December 2021	Increase/ decrease as compared with the end of the previous year (%)	Main reason
Derivative financial assets	5,597	173,981	(96.78)	Due to maturity of some derivative financial instruments at the end of the Reporting Period.
Tax payable	590,137	359,712	64.06	Due to the increase in income tax payable at the end of the Reporting Period.
Investment revaluation reserve	(106,133)	(173,457)	(38.81)	Mainly due to the change in fair value of financial investment at fair value through other comprehensive income during the Reporting Period.

II. DISCUSSION AND ANALYSIS ON OPERATION

During the Reporting Period, under the leadership of the Board, the Bank overcame difficulties, calmly coped with the COVID-19 challenge, unswervingly followed the path of high-quality development, and steadily carried out operations and management activities.

The business indicators remained stable. As at the end of the Reporting Period, the Bank's total assets amounted to RMB575,109 million, basically flat compared to the beginning of the year; total loans amounted to RMB306,545 million, an increase of 6.06% from the beginning of the year; total deposits reached RMB322,167 million, an increase of 1.05% from the beginning of the year. During the Reporting Period, the Bank recorded an operating income of RMB3,420 million, a year-on-year increase of 7.30%, and a net profit of RMB1,224 million, a year-on-year increase of 5.07%. The non-performing loan ratio was 1.80%, down 0.05 percentage point from the beginning of the year; and the allowance to non-performing loans was 171.62%, up 15.04 percentage points from the beginning of the year. The main indicators meet the regulatory requirements.

The “Five & Four Strategy” was further promoted. During the Reporting Period, the Bank focused on “Four New Types of Finance” (for retail banking) and “Five Clouds” (for corporate banking) to promote high-quality development. In terms of technological innovation finance, the Bank held a signing ceremony for bank-enterprise strategic cooperation to sign strategic cooperation agreements with 17 technological innovation companies. The Bank was assigned as the policy financial operation body serving technological innovation in Henan Province by the Party Committee and the Government of Henan Province. In terms of small and micro enterprise finance, the Bank solidly promoted the “10,000 people helping 10,000 enterprises” initiative and engaged with key small and micro enterprise parks in Henan Province. In terms of rural finance, the Bank accelerated the construction of financial service outlets in rural areas to fully support rural revitalization. In terms of citizen finance, the Bank made efforts to develop daily consumption scenarios and social security card business for residents with a focus on creating characteristic application scenarios, so as to broaden customer acquisition channels and expand the customer base. To improve the quality and efficiency of “Five Clouds”, the Bank focused on system construction and scenario development to achieve full coverage of transaction banking business of its branches, and made a breakthrough in interbank cooperation on the Cloud Business platform from scratch.

Digital transformation continued to advance. During the Reporting Period, the Bank promoted high-quality development through digital transformation. Specifically, the Bank strengthened the construction of customer data system, comprehensively digitalized customer data in the CRM+ platform, set up a screen for the “visualization of customer development” for marketing to corporate customers, and refined the management of process point system; improved the management system for 360° view of small and micro enterprise customers, analyzed the profiles of key customers in retail, channel and credit card business, and continuously promoted the shift to digital outlets and omni-channel development; enhanced digital risk control capabilities, intensified risk model optimization and risk analysis, established a database of model risk indicators, and conducted risk analysis and testing of various product marketing models on a daily basis to improve the accuracy of risk prevention and control.

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 99,199 holders of ordinary shares, including 99,142 holders of A shares and 57 holders of H shares.

Unit: share

Name of shareholder	Nature of shareholder	Class of shares	Shareholding of the top 10 holders of ordinary shares				Pledged, marked or frozen Status of shares	Number
			Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading moratorium			
HKSCC Nominees Limited ⁽²⁾	Overseas legal person	H shares	1,836,581,354	22.22	-	Unknown	-	
Zhengzhou Finance Bureau (鄭州市財政局)	State-owned	A shares	597,496,646	7.23	-	Pledged	84,799,000	
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	State-owned legal person	A shares	449,810,819	5.44	188,650,000	-	-	
Bridge Trust Co., Ltd. (百瑞信託有限責任公司)	State-owned legal person	A shares	350,846,279	4.24	203,879,280	-	-	
Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	Domestic non state-owned legal person	A shares	350,846,233	4.24	110,000,000	Pledged	240,295,000	
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	317,020,000	3.84	-	Pledged	317,020,000	
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	290,469,272	3.51	-	Pledged	151,250,000	
Zhongyuan Trust Co., Ltd. (中原信託有限公司)	State-owned legal person	A shares	289,706,030	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	273,460,000	3.31	-	Pledged	136,729,997	
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	121,000,000	1.46	-	Pledged Frozen	121,000,000 121,000,000	

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	Class of shares	Type of shares
			Number
HKSCC Nominees Limited ⁽²⁾	1,836,581,354	H shares	1,836,581,354
Zhengzhou Finance Bureau (鄭州市財政局)	597,496,646	A shares	597,496,646
Yutai International (Henan) Real Estate Development Co., Ltd. (豫泰國際(河南)房地產開發有限公司)	317,020,000	A shares	317,020,000
Henan Xingye Real Estate Development Co., Ltd. (河南興業房地產開發有限公司)	290,469,272	A shares	290,469,272
Zhongyuan Trust Co., Ltd. (中原信託有限公司)	289,706,030	A shares	289,706,030
Henan Chendong Industry Co., Ltd. (河南晨東實業有限公司)	273,460,000	A shares	273,460,000
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	261,160,819	A shares	261,160,819
Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	240,846,233	A shares	240,846,233
Bridge Trust Co., Ltd. (百瑞信託有限責任公司)	146,966,999	A shares	146,966,999
Henan Shengrun Holding Group Co., Ltd. (河南盛潤控股集團有限公司)	121,000,000	A shares	121,000,000

Description of related party relationships or concerted actions of the above shareholders

Zhengzhou Finance Bureau (鄭州市財政局) 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). 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)

Henan Xingye Real Estate Development Co., Ltd. (河南興業房地產開發有限公司) holds 271,439,272 A shares through general securities account and 19,030,000 A shares through client account of collateral securities for margin trading at Guotai Junan Securities Company Limited, totaling 290,469,272 A shares.

Notes:

- (1) The figures above are sourced from the register of shareholders of the Bank as at 31 March 2022.
- (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

Name of shareholder	Shareholding of the top 10 holders of offshore preference shares				Number of shares held subject to trading moratorium	Pledged, marked or frozen	
	Nature of shareholder	Class of shares	Number of shares held	Shareholding percentage ⁽³⁾ (%)		Status of shares	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 31 March 2022.
- (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 January 2022, the Bank transferred the creditor's rights involved in the dispute over the financial loan contract between the Bank's Jinshui East Road sub-branch and Zhengzhou Sino-Crystal Diamond Co., Ltd., Zhengzhou High-tech Enterprise Accelerator Development Co., Ltd. and Guo Liuxi. For details, please refer to the announcement dated 26 January 2022 published by the Bank on CNINFO and the website of The Stock Exchange of Hong Kong Limited.

In March 2022, the Bank fully redeemed the 10-year tier II capital bonds of RMB2.0 billion issued in March 2017. For details, please refer to the announcement dated 1 April 2022 published by the Bank on CNINFO and the website of The Stock Exchange of Hong Kong Limited.

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 first quarterly report of 2022 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 three months ended 31 March 2022 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	three months ended 31 March	
	2022	2021
	(unaudited)	(unaudited)
Interest income	6,354,872	6,148,870
Interest expense	<u>(3,275,754)</u>	<u>(3,411,245)</u>
Net interest income	3,079,118	2,737,625
Fee and commission income	268,611	384,396
Fee and commission expense	<u>(36,091)</u>	<u>(42,644)</u>
Net fee and commission income	232,520	341,752
Net trading gains	195,680	85,736
Net (losses)/gains arising from investments	(91,373)	4,600
Other operating income	<u>3,951</u>	<u>17,582</u>
Operating income	3,419,896	3,187,295
Operating expenses	(571,705)	(725,266)
Credit impairment losses	<u>(1,346,495)</u>	<u>(1,041,574)</u>
Operating profit	1,501,696	1,420,455
Share of profits of associates	<u>2,870</u>	<u>10,020</u>
Profit before taxation	1,504,566	1,430,475
Income tax expense	<u>(280,441)</u>	<u>(265,431)</u>
Profit for the period	1,224,125	1,165,044
Net profit attributable to:		
Equity shareholders of the Bank	1,166,426	1,125,256
Non-controlling interests	<u>57,699</u>	<u>39,788</u>
	1,224,125	1,165,044

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the three months ended 31 March 2022 – unaudited(continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	three months ended 31 March	
	2022	2021
	(unaudited)	(unaudited)
Profit for the period	1,224,125	1,165,044
Other comprehensive income:		
Other comprehensive income net of tax attributable to equity shareholders of the Bank	67,324	35,711
Items 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	67,324	35,711
Other comprehensive income net of tax	67,324	35,711
Total comprehensive income	1,291,449	1,200,755
Total comprehensive income attributable to:		
Equity shareholders of the Bank	1,233,750	1,160,967
Non-controlling interests	57,699	39,788
	1,291,449	1,200,755
Basic and diluted earnings per share (restated for comparative period) (in RMB)	0.14	0.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2022 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	31 March 2022 (unaudited)	31 December 2021 (audited)
Assets		
Cash and deposits with central bank	25,367,079	33,433,058
Deposits with banks and other financial institutions	2,443,507	2,919,058
Placements with banks and other financial institutions	3,207,867	4,182,213
Derivative financial assets	5,597	173,981
Financial assets held under resale agreements	10,102,820	14,228,603
Loans and advances to customers	298,897,729	282,399,091
Financial investments:		
Financial investments at fair value through profit or loss	44,013,549	41,109,728
Financial investments at fair value through other comprehensive income	12,968,188	17,311,509
Financial investments measured at amortised cost	136,570,778	139,328,387
Lease receivables	29,718,403	28,224,856
Interest in associates	409,956	407,086
Property and equipment	2,913,100	2,874,435
Deferred tax assets	3,900,289	3,900,289
Other assets	4,590,485	4,487,368
Total assets	575,109,347	574,979,662
Liabilities		
Due to central bank	21,662,767	22,785,695
Deposits from banks and other financial institutions	32,074,643	37,666,420
Placements from banks and other financial institutions	27,087,296	27,636,976
Financial assets sold under repurchase agreements	13,455,268	12,371,414
Deposits from customers	325,161,235	321,574,215
Tax payable	590,137	359,712
Debt securities issued	91,302,647	90,076,717
Other liabilities	3,072,365	3,096,973
Total liabilities	514,406,358	515,568,122

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*at 31 March 2022 – unaudited (continued)**(Expressed in thousands of Renminbi, unless otherwise stated)*

	31 March 2022 (unaudited)	31 December 2021 (audited)
Equity		
Share capital	8,265,538	8,265,538
Other equity instruments		
Include: preference shares	7,825,508	7,825,508
perpetual debts	9,998,855	9,998,855
Capital reserve	7,452,490	7,452,490
Surplus reserve	3,281,678	3,281,678
General reserve	7,481,353	7,481,353
Fair value reserve	(106,133)	(173,457)
Remeasurement of net defined benefit liability	(69,255)	(69,255)
Retained earnings	14,869,898	13,703,472
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	58,999,932	57,766,182
Non-controlling interests	1,703,057	1,645,358
	<hr/>	<hr/>
Total equity	60,702,989	59,411,540
	<hr/>	<hr/>
Total liabilities and equity	575,109,347	574,979,662
	<hr/> <hr/>	<hr/> <hr/>

Wang Tianyu
Chairman of the Board of Directors
Executive Director

Shen Xueqing
President
Executive Director

Sun Haigang
Person in-charge-of accounting affairs

Gao Chenxin
Head of accounting department

(Company chop)

CONSOLIDATED CASH FLOW STATEMENT

for the three months ended 31 March 2022 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	three months ended 31 March	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit before tax	1,504,566	1,430,475
<i>Adjustments for:</i>		
Credit impairment losses	1,346,495	1,041,574
Depreciation and amortisation	80,451	78,516
Unrealised foreign exchange losses	225,022	385,012
Net losses from disposal of long-term assets	31	1,140
Net trading gains of financial investments at fair value through profit or loss	(189,468)	(521,106)
Net losses/(gains) arising from investments	91,373	(4,600)
Share of profits of associates	(2,870)	(10,020)
Interest expense on debt securities issued	668,674	690,579
Interest income on financial investments	(1,662,255)	(2,265,958)
	2,062,019	825,612
<i>Changes in operating assets</i>		
Net (increase)/decrease in deposits with central bank	(686,823)	462,575
Net decrease/(increase) in deposits and placements with banks and other financial institutions	723,640	(60,000)
Net (increase)/decrease in financial investments at fair value through profit or loss	(3,297,957)	894,111
Net increase in loans and advances to customers	(17,652,288)	(15,643,781)
Net decrease in financial assets held under resale agreements	4,124,922	5,552,132
Net increase in lease receivables	(1,238,688)	(4,712,252)
Net increase in other operating assets	(631,477)	(89,143)
	(18,658,671)	(13,596,358)

CONSOLIDATED CASH FLOW STATEMENT

for the three months ended 31 March 2022 – unaudited (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	three months ended 31 March	
	2022	2021
	(unaudited)	(unaudited)
<i>Changes in operating liabilities</i>		
Net (decrease)/increase in amounts due to central bank	(1,120,906)	204,605
Net (decrease)/increase in deposits and placements from banks and other financial institutions	(5,828,829)	11,405,018
Net increase in financial assets sold under repurchase agreements	1,072,606	130,940
Net increase/(decrease) in deposits from customers	3,416,348	(2,000,309)
Net (decrease)/increase in other operating liabilities	(372,959)	366,625
	<u>(2,833,740)</u>	<u>10,106,879</u>
Cash used in operations	(19,430,392)	(2,663,867)
Income tax paid	(30,143)	(23,814)
Net cash flows used in operating activities	<u>(19,460,535)</u>	<u>(2,687,681)</u>

CONSOLIDATED CASH FLOW STATEMENT

for the three months ended 31 March 2022 – unaudited (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	three months ended 31 March	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	38,240,138	50,254,354
Proceeds from disposal of property and equipment and other assets	448	1,103
Payments on acquisition of investments	(30,822,179)	(53,507,254)
Dividends and interest received	2,075,763	3,452,141
Payments on acquisition of property and equipment and other assets	(49,057)	(80,160)
Net cash flows generated from/(used in) investing activities	9,445,113	120,184
Cash flows from financing activities		
Proceeds received from debt securities issued	30,163,256	20,682,961
Repayment of debt securities issued	(29,044,462)	(25,887,288)
Interest paid on debt securities issued	(561,538)	(528,832)
Net cash flows used in financing activities	557,256	(5,733,159)
Net decrease in cash and cash equivalents	(9,458,166)	(8,300,656)
Cash and cash equivalents as at 1 January	21,412,333	19,600,052
Effect of foreign exchange rate changes on cash and cash equivalents	(19,064)	27,031
Cash and cash equivalents as at 31 March	11,935,103	11,326,427
Net cash flows generated from operating activities include:		
Interest received	4,209,046	4,007,258
Interest paid	(2,097,234)	(2,619,450)