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BQD  **青岛银行**

Bank of Qingdao Co., Ltd.*

青島銀行股份有限公司*

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

(H Shares Stock Code: 3866)

(Preference Shares Stock Code: 4611)

2022 FIRST QUARTERLY REPORT

This announcement is made by Bank of Qingdao Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Unless otherwise specified, the amounts stated in this announcement are expressed in Renminbi (RMB).

This report is prepared in Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

IMPORTANT NOTICE:

1. The board of directors, board of supervisors, directors, supervisors and senior management of the Bank assure that the information contained in this quarterly report is true, accurate and complete, does not contain any false records, misleading statements or material omissions, and shall assume several and joint liabilities.
2. The 12th meeting of the eighth session of the board of directors of the Bank was convened on 29 April 2022 by way of communication voting. There were 15 directors eligible for attending the meeting, of whom 15 directors attended and voted at the meeting. The resolution on the 2022 first quarterly report of Bank of Qingdao Co., Ltd. was considered and approved at the meeting.
3. The Bank’s chairman Mr. Guo Shaoquan, president Mr. Wang Lin and chief financial officer Mr. Meng Dageng assure the authenticity, accuracy and completeness of the financial statements in this quarterly report.
4. The financial statements in this report were prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”) and are unaudited. IFRSs refer to the International Financial Reporting Standards issued by the International Accounting Standards Board; and the International Financial Reporting Standards include the International Accounting Standards.
5. In this report, the “**Company**” refers to Bank of Qingdao Co., Ltd. and its subsidiaries and branches, and the “**Bank**” refers to Bank of Qingdao Co., Ltd. and its branches. Unless otherwise stated, the data in this report are the consolidated data of the Company. The currency of the amounts mentioned in this report is RMB.

SECTION I BASIC INFORMATION

I. PRINCIPAL FINANCIAL DATA

1. Principal accounting data and financial indicators

Expressed in thousands of Renminbi, unless otherwise stated

Item	January- March 2022	January- March 2021	Year-on-year change (%)
Operating income	2,678,811	2,841,252	(5.72)
Net profit attributable to shareholders of the Bank	785,669	645,407	21.73
Basic earnings per share (RMB/share) ⁽¹⁾	0.15	0.14	7.14
Diluted earnings per share (RMB/share) ⁽¹⁾	0.15	0.14	7.14
Net cash flows generated from operating activities	(15,750,164)	(27,309,810)	42.33
Weighted average return on net assets (%) (annualized) ⁽¹⁾	11.49	11.30	Increased by 0.19 percentage point

Item	31 March 2022	31 December 2021	Change from the end of last year (%)
Total assets	527,225,963	522,249,610	0.95
Total liabilities	489,023,585	488,921,882	0.02
Share capital	5,820,355	4,509,690	29.06
Equity attributable to shareholders of the Bank	37,499,011	32,635,495	14.90
Shareholders' equity	38,202,378	33,327,728	14.63
Net assets per share attributable to ordinary shareholders of the Bank (RMB/share) ⁽²⁾	5.09	5.20	(2.12)
Total share capital of the Bank as of the trading day before the disclosure (share)			5,820,354,724
Preference share dividend paid (RMB) ⁽³⁾			–
Fully diluted earnings per share calculated using the latest share capital (RMB/share, in aggregate from January to March 2022)			0.13

Notes:

- (1) Earnings per share and weighted average return on net assets were calculated in accordance with the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第9號 – 淨資產收益率和每股收益的計算及披露》(2010年修訂)). The Bank completed A share and H share rights issue in January and February 2022 respectively. In accordance with the Accounting Standards for Enterprises No. 34 – Earnings per Share and the relevant application guidelines, the rights issue is an issue of ordinary shares to all existing shareholders at a price lower than the prevailing market price, which can be understood as a combination of issuance of shares at market price and bonus shares without consideration. Earnings per share for the period under comparison was recalculated in consideration of the bonus issue factors included in the rights issue. The basic earnings per share and diluted earnings per share for January to March 2021 before recalculation were both RMB0.14 per share. The Bank issued offshore preference shares in 2017. Therefore, in calculating weighted average return on net assets, the effect from preference shares has been deducted from the “weighted average net assets”.
- (2) Net assets per share attributable to ordinary shareholders of the Bank = (equity attributable to shareholders of the Bank – other equity instrument)/the number of ordinary shares as at the end of the period. The adjusted net assets per share attributable to ordinary shareholders of the Bank as at 31 December 2021 has taken account of the bonus issue factors included in the rights issue.
- (3) The Bank did not pay preference share dividend in the first quarter of 2022.

2. Explanation on differences between the financial statements respectively prepared in accordance with the Chinese Accounting Standards for Business Enterprises and the IFRSs

In the financial statements prepared by the Company in accordance with the Chinese Accounting Standards for Business Enterprises and the IFRSs, there is no difference 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 at the end of the reporting period.

3. Changes of principal accounting data and financial indicators and the reasons thereof

The above principal accounting data and financial indicators with changes of over 30% and the main reasons thereof are set out below:

Unit: RMB thousand

Item	January- March 2022	Year-on-year change (%)	Main reason
Net cash flows generated from operating activities	(15,750,164)	42.33	Increase in the net decrease in financial assets held under resale agreements

II. PRINCIPAL REGULATORY INDICATORS AND SUPPLEMENTARY FINANCIAL INDICATORS

1. Key indicators

Indicator	Regulatory standard	31 March 2022	31 December 2021	31 December 2020	31 December 2019
Capital adequacy ratio (%) ⁽¹⁾	≥10.5	16.30	15.83	14.11	14.76
Tier-one capital adequacy ratio (%) ⁽¹⁾	≥8.5	11.77	11.04	11.31	11.33
Core tier-one capital adequacy ratio (%) ⁽¹⁾	≥7.5	9.30	8.38	8.35	8.36
Leverage ratio (%)	≥4	6.63	5.87	6.14	7.46
Liquidity coverage ratio (%)	≥100	150.54	179.54	152.42	142.27
Liquidity ratio (%)	≥25	74.67	73.28	65.44	68.84
Non-performing loan ratio (%)	≤5	1.33	1.34	1.51	1.65
Provision coverage ratio (%)		198.38	197.42	169.62	155.09
Loan provision ratio (%)		2.64	2.64	2.56	2.56
Normal loan migration rate (%) ⁽²⁾		0.84	1.07	0.88	1.29
Special mention loan migration rate (%) ⁽²⁾		37.94	78.54	31.07	52.47
Substandard loan migration rate (%) ⁽²⁾		15.68	19.28	74.64	88.01
Doubtful loan migration rate (%) ⁽²⁾		10.83	2.45	21.91	10.91
Return on average total assets (%) (annualized) ⁽³⁾		0.61	0.61	0.59	0.68
Cost-to-income ratio (%) ⁽⁴⁾		29.93	33.90	33.59	31.86
Net interest spread (%) (annualized) ⁽⁵⁾		1.88	1.87	2.14	2.10
Net interest margin (%) (annualized) ⁽⁵⁾		1.75	1.79	2.13	2.13

Notes:

- (1) The relevant indicators of capital adequacy ratio were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and other relevant regulatory provisions.
- (2) The migration rate indicators as at 31 December 2021 and thereafter were calculated in accordance with the requirements of the Notice of the CBIRC on Revising the Definition and Calculation Formula of Basic Indicators for Off-site Regulation of the Banking Industry (Yin Jian Fa [2022] No. 2) (《中國銀保監會關於修訂銀行業非現場監管基礎指標定義及計算公式的通知》(銀監發[2022]年2號)).
- (3) Return on average total assets = net profit/average balance of total assets at the beginning and at the end of the period, of which total assets at the beginning of 2019 is the balance after the adoption of new leasing standard.
- (4) Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income.
- (5) Net interest spread = average yield of interest-earning assets – average cost rate of interest-bearing liabilities, net interest margin = net interest income/average balance of interest-earning assets.

2. Loans to and deposits from customers

Unit: RMB thousand

Item	31 March 2022	31 December 2021	Change from the end of last year (%)
Loans and advances to customers:			
Corporate loans	178,914,982	167,462,292	6.84
Personal loans	76,758,800	76,743,188	0.02
Total loans to customers	255,673,782	244,205,480	4.70
Add: Accrued interest	715,420	829,555	(13.76)
Less: Provision for impairment on loans and advances to customers measured at amortized cost	(6,725,192)	(6,426,337)	4.65
Loans and advances to customers	249,664,010	238,608,698	4.63
Provision for loan impairment	(6,744,422)	(6,439,606)	4.73
Of which: Impairment provision for loans and advances to customers at fair value through other comprehensive income	(19,230)	(13,269)	44.92
Deposits from customers:			
Corporate deposits	190,021,073	202,889,723	(6.34)
Personal deposits	118,877,050	110,430,522	7.65
Other deposits ^(Note)	108,905	204,678	(46.79)
Total customer deposits	309,007,028	313,524,923	(1.44)
Add: Accrued interest	4,776,771	4,440,884	7.56
Deposits from customers	313,783,799	317,965,807	(1.32)

Note: Other deposits include outward remittance and remittance payables as well as fiscal deposits to be transferred.

3. Capital adequacy ratio

Unit: RMB thousand

Item	31 March 2022		31 December 2021	
	The Company	The Bank	The Company	The Bank
Net core tier-one capital	29,905,871	27,143,553	24,910,985	22,183,536
Net tier-one capital	37,833,279	34,997,517	32,823,496	30,037,500
Net capital base	52,403,884	49,241,818	47,075,226	44,027,496
Total risk weighted assets	321,478,748	305,865,408	297,412,693	284,616,189
Core tier-one capital adequacy ratio (%)	9.30	8.87	8.38	7.79
Tier-one capital adequacy ratio (%)	11.77	11.44	11.04	10.55
Capital adequacy ratio (%)	16.30	16.10	15.83	15.47

4. Leverage ratio

Unit: RMB thousand

Item	31 March	31 December	30 September	30 June
	2022	2021	2021	2021
Leverage ratio (%)	6.63	5.87	5.96	5.89
Net tier-one capital	37,833,279	32,823,496	32,170,544	31,629,657
The balance of assets on and off balance sheet after adjustments	570,494,146	559,303,265	539,915,346	536,964,780

5. Liquidity coverage ratio

Unit: RMB thousand

Item	31 March 2022	31 December 2021
Liquidity coverage ratio (%)	150.54	179.54
Qualified and high-quality current assets	73,448,687	99,172,073
Net cash outflows in next 30 days	48,791,270	55,237,499

6. Loans by five categories

Unit: RMB thousand

Five categories	31 March 2022		31 December 2021		Change from the end of last year (%)
	Amount	% of total	Amount	% of total	
Normal	249,936,646	97.76	238,428,347	97.63	4.83
Special mention	2,337,370	0.91	2,515,230	1.03	(7.07)
Substandard	1,634,271	0.64	1,563,381	0.64	4.53
Doubtful	1,441,789	0.56	1,429,220	0.59	0.88
Loss	323,706	0.13	269,302	0.11	20.20
Total loans to customers	255,673,782	100.00	244,205,480	100.00	4.70

III. ANALYSIS OF OPERATING RESULTS

In the first quarter of 2022, the Company adhered to the basic operation guiding principle of “deep cultivation and fine operation, intensified promotion, optimized structure, and sustained development”, implemented the national policy guidance and industry regulatory requirements, stabilized the total amount of assets and liabilities, continued to adjust the business structure and enhanced asset quality control. We overcame the impact of the pandemic and achieved stable opening, with rapid improvement in operating efficiency and a good start for the annual results.

The total amount of assets and liabilities was stable, and the structural adjustments continued to advance. As at the end of March 2022, the total assets of the Company amounted to RMB527.226 billion, representing an increase of RMB4.976 billion or 0.95% as compared with that at the end of last year, and a year-on-year increase of RMB62.253 billion or 13.39%; the total liabilities amounted to RMB489.024 billion, representing an increase of RMB102 million or 0.02% as compared with that at the end of last year, and a year-on-year increase of RMB55.820 billion or 12.89%. On the basis of steady asset growth in 2021, the Company continued to adjust its business structure and increase loan supply in the first quarter of 2022. Total loans to customers at the end of the quarter amounted to RMB255.674 billion, representing an increase of RMB11.468 billion or 4.70% as compared with that at the end of the last year, and a year-on-year increase of RMB31.668 billion or 14.14%, accounting for 48.49% of total assets, representing an increase of 1.73 percentage points as compared with that at the end of last year, and a year-on-year increase of 0.31 percentage point.

Operating efficiency improved rapidly. In the first quarter of 2022, the Company achieved net profit attributable to shareholders of the Bank of RMB786 million, representing a year-on-year increase of RMB140 million or 21.73%. During the reporting period, while striving to expand its business, the Company strictly controlled the quality of assets and the disposal of non-performing assets. As a result, the risk profile of assets continued to improve, the provision for credit impairment decreased, and the net profit attributable to the shareholders of the Bank achieved rapid growth. Operating income showed a year-on-year decrease, mainly because of the decline in interest rates in the loan market, coupled with the reduction in financing costs for enterprises and lower yields in the bond market, resulting in the narrowing of net interest margin and the corresponding decrease in net interest income. However, with the continuous advancement of structural adjustments, the decline in net interest income gradually slowed down. In addition, net non-interest income decreased due to exchange rate fluctuations. In the first quarter of 2022, net interest income amounted to RMB1.916 billion, representing a year-on-year decrease of RMB95 million or 4.73%, a slowdown of 1.42 percentage points as compared with that of 6.15% in 2021. Net non-interest income amounted to RMB762 million, representing a year-on-year decrease of RMB67 million or 8.12%, of which: net fee and commission income amounted to RMB412 million, representing a year-on-year increase of RMB5 million; net trading gains or losses amounted to RMB-39 million, representing a year-on-year decrease of RMB86 million; net gains arising from investments amounted to RMB382 million, representing a year-on-year increase of RMB14 million. Credit losses amounted to RMB956 million, representing a year-on-year decrease of RMB418 million or 30.43%.

Risk profile of assets improved steadily and the principal regulatory indicators met the standards. As at the end of March 2022, the non-performing loan ratio of the Company was 1.33%, representing a decrease of 0.01 percentage point as compared with that at the end of last year and a year-on-year decrease of 0.18 percentage point; the provision coverage ratio was 198.38%, representing an increase of 0.96 percentage point as compared with that at the end of last year and a year-on-year increase of 24.33 percentage points; the core tier-one capital adequacy ratio was 9.30%, representing an increase of 0.92 percentage point as compared with that at the end of last year; the capital adequacy ratio was 16.30%, representing an increase of 0.47 percentage point as compared with that at the end of last year. All the principal regulatory indicators met regulatory requirements. In the first quarter of 2022, the Company successfully completed A share and H share rights issue, replenishing capital of RMB4.154 billion, to enhance its capital adequacy level and support its business development.

Further improve the quality and efficiency of financial support for private and small and micro enterprises. The Bank continued to improve the availability of financing for private enterprises, and continued to improve the long-acting mechanism on dare to lend, willing to lend, able to lend and good at lending. Through a series of activities such as “senior management visits small and micro enterprises” and “financing review”, we communicated with customers in depth from the dimensions of product, efficiency and interest rate. At the same time, the Bank continued to optimize the credit process, improved the efficiency of credit approval and continued to consolidate the “three-tier investigation” basis of credit to ensure that credit funds were used to support private enterprises and the real economy. On the basis of ensuring the completion of the “two increases and two controls” assessment indicators for inclusive small and micro enterprises, we sped up product innovation, diversified the methods and models of serving small and micro enterprises, launching “growth loan” business for technology enterprises, direct credit business for agricultural business entities, and further promoting the “talent loan” business and other inclusive financial products in the province.

SECTION II SHAREHOLDER INFORMATION

I. TOTAL NUMBER OF ORDINARY SHAREHOLDERS AND THE PREFERENCE SHAREHOLDERS WITH VOTING RIGHTS RESTORED AND SHAREHOLDINGS OF THE TOP 10 SHAREHOLDERS

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period	71,153	Total number of preference shareholders with voting rights restored as at the end of the reporting period (if any)	-
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Shareholdings of the top 10 ordinary shareholders

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares	Number of shares subject to restrictions on sale	Shares pledged, marked or frozen Status of shares	Number
HKSCC Nominees Limited	Overseas legal entity	21.87%	1,272,947,424	-	Unknown	Unknown
Intesa Sanpaolo S.p.A. (意大利聯合聖保羅銀行)	Overseas legal entity	17.50%	1,018,562,076	-	-	-
Qingdao Conson Industrial Co., Ltd. (青島國信實業有限公司)	State-owned legal entity	11.25%	654,623,243	-	-	-
Qingdao Haier Industrial Development Co., Ltd. (青島海爾產業發展有限公司)	Domestic non-state-owned legal entity	9.15%	532,601,341	409,693,339	-	-
Qingdao Haier Air-Conditioner Electronics Co., Ltd. (青島海爾空調電子有限公司)	Domestic non-state-owned legal entity	4.88%	284,299,613	-	-	-
Haier Smart Home Co., Ltd. (海爾智家股份有限公司)	Domestic non-state-owned legal entity	3.25%	188,886,626	-	-	-
Qingdao Hairen Investment Co., Ltd. (青島海仁投資有限責任公司)	Domestic non-state-owned legal entity	2.99%	174,083,000	-	-	-
Shandong Sanliyuan Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	Domestic non-state-owned legal entity	2.61%	152,170,000	-	Pledged	151,600,000
Qingdao China Prosperity State-owned Capital Investment and Operation Group Co., Ltd. (青島華通國有資本投資運營集團有限公司)	State-owned legal entity	2.12%	123,457,855	94,967,581	-	-
Qingdao Jifa Group Co., Ltd. (青島即發集團股份有限公司)	Domestic non-state-owned legal entity	2.03%	118,217,013	-	-	-

Shareholdings of the top 10 ordinary shareholders not subject to restrictions on sale

Name of shareholder	Number of shares not subject to restrictions on sale	Class of shares	Number
HKSCC Nominees Limited	1,272,947,424	Overseas listed foreign shares	1,272,947,424
Intesa Sanpaolo S.p.A. (意大利聯合聖保羅銀行)	1,018,562,076	Overseas listed foreign shares	1,018,562,076
Qingdao Conson Industrial Co., Ltd. (青島國信實業有限公司)	654,623,243	RMB ordinary shares	654,623,243
Qingdao Haier Air-Conditioner Electronics Co., Ltd. (青島海爾空調電子有限公司)	284,299,613	RMB ordinary shares	284,299,613
Haier Smart Home Co., Ltd. (海爾智家股份有限公司)	188,886,626	RMB ordinary shares	188,886,626
Qingdao Hai ren Investment Co., Ltd. (青島海仁投資有限責任公司)	174,083,000	RMB ordinary shares	174,083,000
Shandong Sanli yuan Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	152,170,000	RMB ordinary shares	152,170,000
Qingdao Haier Industrial Development Co., Ltd. (青島海爾產業發展有限公司)	122,908,002	RMB ordinary shares	122,908,002
Qingdao Jifa Group Co., Ltd. (青島即發集團股份有限公司)	118,217,013	RMB ordinary shares	118,217,013
Guosen Securities Co., Ltd (國信證券股份有限公司)	68,302,292	RMB ordinary shares	68,302,292

**Description of the related
relationships or acting in
concert among the
above-mentioned
shareholders**

Qingdao Haier Industrial Development Co., Ltd., Qingdao Haier Air-Conditioner Electronics Co., Ltd. and Haier Smart Home Co., Ltd. are all under Haier Group, and Qingdao Haier Industrial Development Co., Ltd. and Qingdao Haier Air-Conditioner Electronics Co., Ltd. have entrusted Haier Smart Home Co., Ltd. to exercise the voting rights of the shareholders corresponding to their shares. The Bank is not aware of any related relationship or acting in concert relationship among other above-mentioned shareholders.

**Description of the top 10 ordinary
shareholders participating in
securities margin trading
business**

The Bank is not aware of any holder of shares held on behalf by HKSCC Nominees Limited participating in securities margin trading and refinancing businesses. As at the end of the reporting period, other top 10 ordinary shareholders did not participate in securities margin trading and refinancing businesses.

Remarks

1. Among the total number of ordinary shareholders at the end of the reporting period, there are 70,999 A shareholders and 154 registered H shareholders;
2. The shares held by HKSCC Nominees Limited are the total number of shares in the Bank's H shareholders accounts traded on the trading platform of HKSCC Nominees Limited by it as an agent;
3. As at the end of the reporting period, Intesa Sanpaolo S.p.A., as a registered H shareholder of the Bank, held 1,015,380,976 H shares, and the remaining 3,181,100 H shares were agented to and under the name of HKSCC Nominees Limited, and in this table, those agented shares have been deducted from the number of shares held by HKSCC Nominees Limited;
4. The top 10 ordinary shareholders and the top 10 ordinary shareholders not subject to restrictions on sale of the Bank did not conduct any transactions on agreed repurchases during the reporting period.

II. TOTAL NUMBER AND SHAREHOLDINGS OF PREFERENCE SHAREHOLDERS OF THE BANK

Unit: Share

Total number of preference shareholders as at the end of the reporting period 1

Name of shareholder	Shareholdings of preference shareholders			Number of shares subject to restrictions on sale	Shares pledged, marked or frozen	
	Nature of shareholder	Percentage of shareholding	Number of shares		Status of shares	Number
The Bank of New York Depository (Nominees) Limited	Overseas legal entity	100%	60,150,000	-	Unknown	Unknown

Note: During the reporting period, the Bank did not have any preference shareholder with voting rights restored.

SECTION III OTHER SIGNIFICANT EVENTS

I. UNDERTAKINGS MADE BY THE PARTIES INVOLVING IN THE UNDERTAKINGS INCLUDING DE FACTO CONTROLLERS, SHAREHOLDERS, RELATED-PARTIES, ACQUIRERS AND THE BANK AND FULFILLMENT THEREOF

There was no de facto controllers and acquirers of the Bank. During the reporting period, parties involving in the undertakings including the Bank, shareholders and related parties of the Bank performed their undertakings in a normal manner. For details of the undertakings, please refer to 2021 annual report of the Bank.

II. ISSUANCE OF SECURITIES

In January 2022, the Bank placed shares to all A shareholders on the basis of 3 shares for every 10 shares at a price of RMB3.20 per share. The actual number of shares issued under A share rights issue was 781,754,230 shares, which were listed and traded on 28 January 2022. For details, please refer to the Changes in Shares under A Share Rights Issue and Listing Announcement of A Rights Shares (Announcement No.: 2022-011) dated 26 January 2022 published by the Bank on CNINFO website and the Changes in Shares under A Share Rights Issue and Listing Announcement of A Rights Shares published on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on the same day.

In January to February 2022, the Bank placed shares to all H shareholders on the basis of 3 shares for every 10 shares. The price of the rights issue was the same as that of A share rights issue, which was HK\$3.92 per share after exchange rate conversion. The actual number of shares issued under H share rights issue was 528,910,494 shares, which were listed and traded on 11 February 2022. For details, please refer to the Announcement on Results H Share Rights Issue and Changes in Shares (Announcement No.: 2022-012) dated 9 February 2022 published by the Bank on CNINFO website and the announcement on results of H share rights issue published on the HKEXnews website of the Hong Kong Stock Exchange on the same day.

In April 2022, the Bank completed the changes of industrial and commercial registration for the registered capital according to the issuance of rights shares. The registered capital increased from RMB4,509,690,000 to RMB5,820,354,724. For details, please refer to the Announcement on the Completion of the Changes of Industrial and Commercial Registration for the Registered Capital and the Articles of Association (Announcement No.: 2022-025) dated 13 April 2022 published by the Bank on CNINFO website and the Announcement on the Completion of the Changes of Industrial and Commercial Registration for the Registered Capital and the Articles of Association published on the HKEXnews website of the Hong Kong Stock Exchange on the same day.

III. RECEPTION OF ACTIVITIES SUCH AS SURVEYS, COMMUNICATIONS AND INTERVIEWS DURING THE REPORTING PERIOD

The contact telephone of the Bank's investor relations: 40066 96588 ext 6

The official website of the Bank: <http://www.qdccb.com/>

Date of reception	Site of reception	Way of reception	Type of recipient	Recipient	Major discussion points and information provided	Index of the basic particulars of the survey
21 February 2022	Head office	Field research	Institutions	Liao Zhiming, Shao Chunyu from China Merchants Securities, Zhang Jiasheng from Tenbagger Investment (拾貝投資).	Exchanges on the asset quality and the trend of net interest margin of the Bank, and the Bank did not provide relevant information.	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022.
22 February 2022	Head office	Telephone conference	Institutions	Dai Zhifeng, Deng Meijun, Jia Jing, Yao Yubo from Zhongtai Securities, Jiang Zhaopeng from Southern Asset Management, Han Xue from Fullgoal Fund, Song Yue, Ding Jingjing from Wanjia Asset, Cui Bojian, Shi Guocai from CCB Fund, Xiao Yuchen from China Post Fund, Tang Ling from ICBC-AXA, Yang Xue from Zhong Geng Fund, Han Yuefeng from Mingyuan Asset Management, Luo Jie from Guoxin Proprietary, Li Chuanpeng from Hotland Innovation, Qi Yuying from Evergrande Life, Lan Tian from Shengdian Technology, Qiu Boyuan from Co-Power Capital.	Exchanges on the loan structure and the green finance of the Bank, and the Bank did not provide relevant information.	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022.

Date of reception	Site of reception	Way of reception	Type of recipient	Recipient	Major discussion points and information provided	Index of the basic particulars of the survey
23 February 2022	Head office	Telephone conference	Institutions	Shen Juan, Anna, Feng Songyue from Huatai Securities, Wu Yingying from Yinhua Fund, Xie Weiwei from PICC Pension, Yuanye from AVIVA-COFCO, Hong Liu from Mighty Divine Investment Management.	Exchanges on the arrangement of assets and liabilities and the development of wealth management of the Bank, and the Bank did not provide relevant information.	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022.
24 February 2022	Head office	Telephone conference	Institutions	Guo Qiwei, Liao Ziyuan, Liu Feiran, Xie Wenxu from TF Securities, Sun Siyi from China Securities Funds, Guo Yuze from Xinhe Fund, Yan Cheng from China Life Pension, Liang Weidong from Shenzhen Hongding Wealth Management, Zhang Yahui from Zhaoxin Asset Management, Huang Xianqing from Hangzhou Lequ Investment Management, Liu Hanlin, Lu Wenjing from ICBC Wealth Management, Chen Xueshi from Guosen Securities, Bi Jing from China Future Capital Management.	Exchanges on the retail banking and the asset quality of the Bank, and the Bank did not provide relevant information.	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022.

SECTION IV PUBLICATION OF QUARTERLY REPORT

This report is simultaneously published on the HKEXnews website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk/>) and the website of the Bank (<http://www.qdccb.com/>). Quarterly report prepared according to the Chinese Accounting Standards for Business Enterprises is also simultaneously published on the website of the Shenzhen Stock Exchange (<http://www.szse.cn/>) and the website of the Bank.

SECTION V FINANCIAL STATEMENTS

Bank of Qingdao Co., Ltd.

Unaudited consolidated statement of profit or loss

for the period from 1 January 2022 to 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 31 March	
	2022	2021
	(unaudited)	(unaudited)
Interest income	4,740,739	4,376,131
Interest expense	(2,824,363)	(2,364,673)
Net interest income	1,916,376	2,011,458
Fee and commission income	463,426	436,526
Fee and commission expense	(51,364)	(29,618)
Net fee and commission income	412,062	406,908
Net trading (losses)/gains	(38,908)	47,031
Net gains arising from investments	381,600	367,290
Other operating income	7,681	8,565
Operating income	2,678,811	2,841,252
Operating expenses	(837,823)	(748,967)
Credit losses	(956,431)	(1,374,836)
Impairment losses on other assets	(6,027)	–
Profit before taxation	878,530	717,449
Income tax expense	(81,727)	(55,700)
Net profit for the period	796,803	661,749
Profit attributable to:		
Equity shareholders of the Bank	785,669	645,407
Non-controlling interests	11,134	16,342
Basic and diluted earnings per share (in RMB)	0.15	0.14

Bank of Qingdao Co., Ltd.**Unaudited consolidated statement of profit or loss and other comprehensive income**

for the period from 1 January 2022 to 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 31 March	
	2022	2021
	(unaudited)	(unaudited)
Net profit for the period	796,803	661,749
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
– Remeasurement of defined benefit liability	–	53
Items that may be reclassified subsequently to profit or loss		
– Changes in fair value of financial assets measured at fair value through other comprehensive income	(103,263)	(77,485)
– Credit losses of financial assets measured at fair value through other comprehensive income	26,804	277,365
Other comprehensive income, net of tax	(76,459)	199,933
Total comprehensive income	720,344	861,682
Total comprehensive income attributable to:		
Equity shareholders of the Bank	709,210	845,340
Non-controlling interests	11,134	16,342

Bank of Qingdao Co., Ltd.**Unaudited consolidated statement of financial position**

as at 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	31 March 2022 (unaudited)	31 December 2021 (audited)
Assets		
Cash and deposits with central bank	40,808,942	53,241,394
Deposits with banks and other financial institutions	2,425,980	2,126,922
Placements with banks and other financial institutions	5,670,274	5,108,646
Derivative financial assets	137,688	146,617
Financial assets held under resale agreements	1,493,295	12,288,925
Loans and advances to customers	249,664,010	238,608,698
Financial investments:		
– Financial investments measured at fair value through profit or loss	65,373,969	55,947,254
– Financial investments measured at fair value through other comprehensive income	77,204,042	72,613,395
– Financial investments measured at amortised cost	60,518,247	61,422,152
Long-term receivables	14,649,422	11,688,253
Property and equipment	3,387,391	3,390,193
Right-of-use assets	873,798	845,889
Deferred tax assets	2,471,259	2,505,442
Other assets	2,547,646	2,315,830
Total assets	527,225,963	522,249,610
Liabilities		
Borrowings from central bank	25,399,439	25,494,116
Deposits from banks and other financial institutions	3,049,343	6,341,814
Placements from banks and other financial institutions	18,089,758	16,904,500
Derivative financial liabilities	135,358	144,689
Financial assets sold under repurchase agreements	22,535,243	25,305,596
Deposits from customers	313,783,799	317,965,807
Income tax payable	43,915	124,032
Debt securities issued	99,898,384	92,218,300
Lease liabilities	533,383	505,895
Other liabilities	5,554,963	3,917,133
Total liabilities	489,023,585	488,921,882

Bank of Qingdao Co., Ltd.**Unaudited consolidated statement of financial position (continued)**

as at 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	31 March 2022 (unaudited)	31 December 2021 (audited)
Equity		
Share capital	5,820,355	4,509,690
Other equity instrument		
Including: preference shares	7,853,964	7,853,964
Capital reserve	11,181,510	8,337,869
Surplus reserve	2,103,883	2,103,883
General reserve	5,576,461	5,576,461
Other comprehensive income	670,040	746,499
Retained earnings	4,292,798	3,507,129
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	37,499,011	32,635,495
Non-controlling interests	703,367	692,233
	<hr/>	<hr/>
Total equity	38,202,378	33,327,728
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Total liabilities and equity	527,225,963	522,249,610
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Approved and authorized for issue by the board of directors on 29 April 2022.

Guo Shaoquan
Legal Representative
(Chairman)

Wang Lin
President

Meng Dageng
Chief Financial Officer

(Company Stamp)

Bank of Qingdao Co., Ltd.**Unaudited consolidated cash flow statement**

for the period from 1 January 2022 to 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 31 March	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit before taxation	878,530	717,449
<i>Adjustments for:</i>		
Credit losses	956,431	1,374,836
Impairment losses on other assets	6,027	–
Depreciation and amortisation	132,639	114,862
Unrealised foreign exchange losses/(gains)	34,239	(59,582)
Net losses on disposal of property and equipment, intangible assets and other assets	385	302
Gains from changes in fair value	(60,022)	(61,619)
Net gains arising from investment	(321,950)	(304,359)
Interest expense on debt securities issued	748,360	629,185
Interest income from financial investment	(1,258,419)	(1,324,200)
Others	(2,866)	(5,462)
	1,113,354	1,081,412
<i>Changes in operating assets</i>		
Net decrease in deposits with central bank	112,422	582,351
Net increase in loans and advances to customers	(11,872,586)	(17,811,826)
Net increase in deposits with banks and other financial institutions	(300,000)	–
Net increase in placements with banks and other financial institutions	(4,750,000)	–
Net decrease in financial assets held under resale agreements	10,804,380	882,600
Net (increase)/decrease in long-term receivables	(2,986,117)	1,302,221
Net (increase)/decrease in other operating assets	(202,949)	203,665
	(9,194,850)	(14,840,989)

Bank of Qingdao Co., Ltd.**Unaudited consolidated cash flow statement (continued)**

for the period from 1 January 2022 to 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 31 March	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from operating activities (continued)		
<i>Changes in operating liabilities</i>		
Net (decrease)/increase in borrowings from central bank	(164,949)	2,824,312
Net (decrease)/increase in deposits from customers	(4,517,895)	2,734,469
Net decrease in deposits from banks and other financial institutions	(3,302,080)	(10,273,822)
Net increase in placements from banks and other financial institutions	1,153,407	355,837
Net decrease in financial assets sold under repurchase agreements	(2,769,525)	(8,538,975)
Net increase/(decrease) in other operating liabilities	2,046,664	(637,496)
	(7,554,378)	(13,535,675)
<i>Income tax paid</i>	(114,290)	(14,558)
Net cash flows used in operating activities	(15,750,164)	(27,309,810)
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	18,164,946	20,337,695
Net cash received from investment gains and interest	1,722,303	1,842,713
Proceeds from disposal of property and equipment, intangible assets and other assets	322	465
Payments on acquisition of investments	(32,083,809)	(20,793,411)
Payments on acquisition of property and equipment, intangible assets and other assets	(92,416)	(87,343)
Net cash flows (used in)/generated from investing activities	(12,288,654)	1,300,119

Bank of Qingdao Co., Ltd.**Unaudited consolidated cash flow statement (continued)**

for the period from 1 January 2022 to 31 March 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 31 March	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from financing activities		
Cash received from investors	4,177,035	–
Net proceeds from debt securities issued	25,833,725	31,938,118
Repayment of debt securities issued	(18,171,832)	(14,517,166)
Interest paid on debt securities issued	(730,168)	(402,760)
Dividends paid	(4)	(278)
Payment of lease liabilities	(44,053)	(38,089)
Payment for other financing activities	(5,042)	–
Net cash flows generated from financing activities	11,059,661	16,979,825
Effect of foreign exchange rate changes on cash and cash equivalents	(23,582)	8,400
Net decrease in cash and cash equivalents	(17,002,739)	(9,021,466)
Cash and cash equivalents as at 1 January	42,853,368	29,279,481
Cash and cash equivalents as at 31 March	25,850,629	20,258,015
Net cash flows generated from operating activities include:		
Interest received	3,701,590	3,405,547
Interest paid	(1,593,876)	(1,614,645)

By order of the Board
Bank of Qingdao Co., Ltd.*
GUO Shaoquan
Chairman

Qingdao, Shandong Province, the PRC
29 April 2022

As at the date of this announcement, the board of directors of the Bank comprises Mr. Guo Shaoquan, Mr. Wang Lin, Mr. Liu Peng and Ms. Lu Lan as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Marco Mussita, Mr. Deng Youcheng and Mr. Choi Chi Kin, Calvin as non-executive directors; Mr. Simon Cheung, Ms. Fang Qiaoling, Mr. Tingjie Zhang, Mr. Xing Lecheng and Mr. Zhang Xu as independent non-executive directors.

* *Bank of Qingdao Co., Ltd. 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.*