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**DRC Bank**

**Dongguan Rural Commercial Bank Co., Ltd.\***  
**東莞農村商業銀行股份有限公司\***

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

**(Stock code: 9889)**

## **FINANCIAL AND OPERATIONAL DATA FOR THE FIRST QUARTER OF 2023**

This announcement is made by Dongguan Rural Commercial Bank Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

### **BACKGROUND**

As the Bank has tier-two capital bonds issued and outstanding in the People's Republic of China (the “**PRC**”), the Bank is required to disclose certain unaudited financial and operational data for the three months ended 31 March 2023 on the websites of Shanghai Clearing House (<https://www.shclearing.com.cn>) and China Foreign Exchange Trade System and National Interbank Funding Center (<http://www.chinamoney.com.cn>) pursuant to the relevant rules and regulations of the PRC.

Shareholders and potential investors of the Bank are reminded that the unaudited financial data disclosed in this announcement is prepared in accordance with China Accounting Standards for Business Enterprises (the “**CASBE**”) and/or the standards adopted under the off-site regulatory report of the China Banking and Insurance Regulatory Commission (Form 1104) on a consolidated basis (the “**Consolidated CBIRC 1104 Standards**”), which are somewhat different from the International Financial Reporting Standards adopted in the financial statements of the Bank contained or to be contained in the interim results announcements, the interim reports, the annual results announcements and annual reports of the Bank published or to be published

\* *Dongguan Rural Commercial Bank 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.*

after the listing of the Bank on the Main Board of The Stock Exchange of Hong Kong Limited on 29 September 2021 (the “**Listing**”). As such, the unaudited financial data disclosed in this announcement may not be comparable to those disclosed or to be disclosed in the prospectus and the interim results announcements, interim reports, annual results announcements and annual reports of the Bank published or to be published after the Listing.

In addition, the unaudited financial and operational data for the three months ended 31 March 2023 disclosed in this announcement is prepared based on preliminary internal management information, which is unaudited nor reviewed, and may be subject to adjustment. Due to unforeseen factors such as changes in regulatory policies, changes in market conditions, adverse weather, natural disasters and seasonal factors, material differences may exist among the financial and operational data of different quarters and the unaudited financial and operational data in this announcement does not make any express or implied forecast or guarantee of the operating or financial prospect of the Bank and its subsidiaries (collectively, the “**Group**”). Shareholders and potential investors of the Bank are hereby reminded of the risks associated with reliance on or utilization of the information disclosed herein and should not rely solely on this announcement when making investment decision(s).

## **I. OVERALL OPERATION**

The table below sets forth various unaudited consolidated financial and operational data of the Group as at 31 March 2023 or for the three months ended 31 March 2023:

	<b>As at 31 March 2023</b> <i>RMB million (unaudited)</i>
Total assets	682,608
Total liabilities	626,871
Total equity	55,737
Deposits from customers	492,915
Loans and advances to customers	344,902
	<b>For the three months ended 31 March 2023</b> <i>RMB million (unaudited)</i>
Net profit	2,011

## II. CAPITAL INSTRUMENTS IN ISSUE

The Bank issued tier-two capital bonds, namely the Dongguan Rural Commercial Bank Co., Ltd. Tier-two Capital Bonds 2022, in the national interbank bond market in the PRC on 27 December 2022. As at the end of March 2023, the balance of the bond is RMB4.0 billion. The next interest payment date is 29 December 2023.

The balance of capital instruments of the Bank as at 31 March 2023 was RMB4.0 billion.

## III. CAPITAL MANAGEMENT

As at 31 March 2023, the capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio of the Group under the Consolidated CBIRC 1104 Standards were 15.36%, 13.20% and 13.16%, respectively, details of which are as follows:

### Capital Adequacy Ratios

	<i>RMB'000</i> <i>except</i> <i>percentages</i>
Total capital	62,962,090.9
Including: Core tier-one capital	54,053,688.2
Other tier-one capital	137,379.2
Tier-two capital	8,771,023.6
Capital deduction	602,739.4
Including: Core tier-one capital deduction	602,739.4
Other tier-one capital deduction	0.0
Tier-two capital deduction	0.0
Net core tier-one capital	53,450,948.8
Net tier-one capital	<u>53,588,328.0</u>
<b>Net capital</b>	<b><u><u>62,359,351.5</u></u></b>
Risk-weighted assets	406,031,264.9
Including: Credit risk-weighted assets	364,307,484.3
Market risk-weighted assets	17,648,216.3
Operational risk-weighted assets	24,075,564.3
Core tier-one capital adequacy ratio (%)	13.16
Tier-one capital adequacy ratio (%)	13.20
Capital adequacy ratio (%)	15.36

*Note: Based on the relevant requirements under the Capital Management Measures of Commercial Banks (Provisional) of the then China Banking Regulatory Commission (whose regulatory function is currently succeeded by the China Banking and Insurance Regulatory Commission), the Bank calculated the credit risk-weighted assets by the weighted approach, market risk-weighted assets by the standardised approach, and operation risk-weighted assets by the basic indicator approach.*

#### IV. LEVERAGE RATIO

As at 31 March 2023, the leverage ratio of the Group under the Consolidated CBIRC 1104 Standards was 7.79%. The table below sets forth the leverage ratio of the Group as at the respective dates indicated:

Items	Leverage Ratio			
	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022	As at 30 June 2022
Net tier-one capital (RMB'000)	53,588,328.0	51,668,395.2	51,327,215.9	48,682,561.5
Adjusted balance of on-and off-balance sheet assets (RMB'000)	687,951,509.7	663,054,018.7	637,174,526.6	628,212,500.0
Leverage ratio (%)	7.79	7.79	8.06	7.75

*Note: The above data are based on the Consolidated CBIRC 1104 Standards.*

#### V. EXTERNAL INVESTMENTS

As at 31 March 2023, the Bank invested in 12 external organisations (including subsidiaries of the Bank) with an aggregate investment amount of RMB4,621.4977 million, details of which are as follows:

External Investments		Amount of investment RMB'000	Shareholding percentage %
No.	Investee		
1	Guangdong Chaoyang Rural Commercial Bank Co., Ltd. (廣東潮陽農村商業銀行股份有限公司)	1,817,726.7	67.03
2	Zhanjiang Rural Commercial Bank Co., Ltd. (湛江農村商業銀行股份有限公司)	1,627,760.0	49.41
3	Huizhou Zhongkai Dongying County Bank Company Limited (惠州仲愷東盈村鎮銀行股份有限公司)	153,000.0	51.00
4	Yunfu Xinxing Dongying County Bank Company Limited (雲浮新興東盈村鎮銀行股份有限公司)	51,000.0	51.00

No.	Investee	Amount of investment RMB'000	Shareholding percentage %
5	Dongguan Dalang Dongying County Bank Company Limited (東莞大朗東盈村鎮銀行股份有限公司)	35,000.0	35.00
6	Hezhou Babu Dongying County Bank Company Limited (賀州八步東盈村鎮銀行股份有限公司)	51,000.0	51.00
7	Yaan Rural Commercial Bank Co., Ltd. (雅安農村商業銀行股份有限公司)	190,800.0	15.00
8	Guangdong Shunde Rural Commercial Bank Co., Ltd. (廣東順德農村商業銀行股份有限公司)	497,000.0	2.50
9	Guangdong Xuwen Rural Commercial Bank Co., Ltd. (廣東徐聞農村商業銀行股份有限公司)	59,611.0	7.94
10	Guangdong Lechang Rural Commercial Bank Co., Ltd. (廣東樂昌農村商業銀行股份有限公司)	83,600.0	8.00
11	China UnionPay Co., Ltd. <sup>note</sup> (中國銀聯股份有限公司)	25,000.0	0.34
12	Guangdong Province Rural Credit Cooperatives Union <sup>note</sup> (廣東省農村信用社聯合社)	30,000.0	10.00
	<b>Total</b>	<b><u>4,621,497.7</u></b>	<b><u>—</u></b>

*Note: English names translated for reference only and may not represent the official English name.*

## VI. NON-PERFORMING LOANS

As at 31 March 2023, under the Consolidated CBIRC 1104 Standards, the balance of non-performing loans of the Bank was RMB3,230 million and the non-performing loan ratio was 0.91%.

## VII. SIGNIFICANT EVENTS OCCURRED DURING THE THREE MONTHS ENDED 31 MARCH 2023 WHICH WOULD AFFECT THE DEBT REPAYMENT ABILITY OF THE BANK

None.

## VIII.UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2023

Prepared based on CASBE

Items	Three months ended 31 March 2022 RMB'000 (unaudited)	Three months ended 31 March 2023 RMB'000 (unaudited)
Interest income	5,657,504	5,667,617
Interest expense	<u>2,847,964</u>	<u>3,002,633</u>
<b>Net interest income</b>	<b>2,809,540</b>	<b>2,664,984</b>
Fee and commission income	264,504	303,001
Fee and commission expense	<u>98,149</u>	<u>101,411</u>
<b>Net fee and commission income</b>	<b>166,355</b>	<b>201,590</b>
Investment income	320,267	382,579
Other income	3,344	108,707
Gains on change in fair value	118,096	101,392
Exchange gains	26,015	8,878
Other operating income	8,294	7,505
Gains on disposal of assets	<u>69</u>	<u>1,624</u>
<b>Total operating revenue</b>	<b><u><u>3,451,980</u></u></b>	<b><u><u>3,477,259</u></u></b>
Taxes and surcharges	30,405	28,064
Operating and administrative expenses	834,373	781,370
Impairment losses on credit	502,274	479,240
Impairment losses on other assets	–	–
Other operating costs	<u>2,925</u>	<u>2,672</u>
<b>Operating expenses</b>	<b><u><u>1,369,977</u></u></b>	<b><u><u>1,291,346</u></u></b>

<b>Items</b>	<b>Three months ended 31 March 2022 RMB'000 (unaudited)</b>	<b>Three months ended 31 March 2023 RMB'000 (unaudited)</b>
<b>Operating profit</b>	<b>2,082,003</b>	<b>2,185,913</b>
Add: non-operating income	3,772	1,104
Less: non-operating expense	450	5,717
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<b>Profit before tax</b>	<b><u>2,085,325</u></b>	<b><u>2,181,300</u></b>
Less: income tax expenses	203,775	170,289
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<b>Net profit</b>	<b><u>1,881,550</u></b>	<b><u>2,011,011</u></b>
Net profit attributable to the shareholders of the Bank	1,795,389	1,947,383
Profit and loss attributable to non-controlling interests	86,161	63,628

## IX. UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 March 2023

Prepared based on CASBE

	As at 31 December 2022 RMB'000 (audited)	As at 31 March 2023 RMB'000 (unaudited)
<b>Assets:</b>		
Cash and balance with the central bank	40,024,836	35,507,278
Deposits with banks and other financial institutions	6,401,303	6,019,200
Precious metals	760,683	30,652
Placements with and loans to banks and other financial institutions	6,729,050	5,642,448
Derivative financial assets	340,047	288,519
Financial assets held under resale agreements	2,384,726	4,078,469
Held-for-sale assets	—	—
Loans and advances to customers	321,748,124	344,902,454
Financial investments:		
Financial assets held-for-trading	51,507,046	48,904,747
Investments in debts	124,352,911	119,262,693
Other debt investments	93,222,715	107,282,752
Other equity investments	695,237	775,489
Long-term equity investments	480,421	489,007
Investment properties	10,565	10,148
Fixed assets	1,612,414	1,569,624
Construction in progress	863,216	881,046
Rights-of-use assets	368,320	390,302
Intangible assets	742,199	729,927
Goodwill	520,521	520,521
Deferred income tax assets	4,059,547	4,098,136
Other assets	866,087	1,224,403
<b>Total assets</b>	<b><u>657,689,968</u></b>	<b><u>682,607,815</u></b>



	<b>As at 31 December 2022 RMB'000 (audited)</b>	<b>As at 31 March 2023 RMB'000 (unaudited)</b>
<b>Liabilities:</b>		
Borrowings from the central bank	23,351,892	26,533,723
Deposits from banks and other financial institutions	13,005,682	10,328,285
Placements from banks and other financial institutions	2,001,558	4,265,475
Financial liabilities held-for-trading	1,809,212	1,186,391
Derivative financial liabilities	349,317	296,904
Financial assets sold under repurchase agreements	29,397,211	18,763,871
Deposits from customers	465,688,801	492,914,960
Salaries and welfare payable	2,163,740	1,744,644
Taxes payable	457,304	619,043
Held-for-sale liabilities	—	—
Estimated liabilities	153,174	159,833
Bonds payable	64,053,467	68,634,010
Including <sup>note</sup> : Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	456,116	473,896
Deferred income tax liabilities	—	—
Other liabilities	982,568	949,886
<b>Total liabilities</b>	<b><u>603,870,042</u></b>	<b><u>626,870,921</u></b>
<b>Equity:</b>		
Share capital	6,888,546	6,888,546
Other equity instruments	—	—
Including <sup>note</sup> : Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	6,230,429	6,230,429
Less: treasury stock	—	—
Other comprehensive income	604,567	512,703
Surplus reserve	8,323,435	8,323,435
General reserve	6,915,568	6,915,568
Retained earnings	22,165,171	24,112,554
Total equity attributable to the shareholders of the Bank	51,127,716	52,983,235
Non-controlling interests	2,692,210	2,753,659
<b>Total equity</b>	<b><u>53,819,926</u></b>	<b><u>55,736,894</u></b>
<b>Total liabilities and equity</b>	<b><u>657,689,968</u></b>	<b><u>682,607,815</u></b>

*Note: Certain sub-items are required to be separately disclosed pursuant to the relevant PRC requirements. The sub-items herein are not an exhaustive composition of the relevant item.*

**Board of Directors**  
**Dongguan Rural Commercial Bank Co., Ltd.**

Dongguan City, Guangdong Province, the PRC  
27 April 2023

*As at the date of this announcement, the Board of Directors of the Bank comprises Mr. WANG Yaoqiu (chairman), Mr. FU Qiang and Mr. YE Jianguang as executive directors; Mr. LAI Chun Tung, Mr. WANG Junyang, Mr. CAI Guowei, Mr. YE Jinquan, Mr. CHEN Haitao, Mr. ZHANG Qingxiang, Mr. CHEN Weiliang and Mr. TANG Wencheng as non-executive directors; Mr. ZENG Jianhua, Mr. YIP Tai Him, Mr. XU Zhi, Mr. TAN Fulong, Ms. LIU Yuou and Ms. XU Tingting as independent non-executive directors.*