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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)**

## **2023 THIRD 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).

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 40th meeting of the eighth session of the board of directors of the Bank (the “**Board**”) was convened on 26 October 2023, at which the resolution on the 2023 third quarterly report of Bank of Qingdao Co., Ltd. was considered and approved. There were 13 directors eligible for attending the meeting, of whom 13 directors were actually present (among them, 1 director attended by proxy. Mr. Liu Peng, due to work arrangements, designated Mr. Wu Xianming as his proxy to attend the meeting and vote on his behalf).
3. The Bank’s chairman Mr. Jing Zailun, president Mr. Wu Xianming, vice president in charge of finance function Ms. Chen Shuang and general manager of Financial Planning Department Mr. Li Zhenguo 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. In this report, IFRSs refer to the International Financial Reporting Standards issued by the International Accounting Standards Board; 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 the “**Bank**” refers to Bank of Qingdao Co., Ltd. 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	July- September 2023	Year-on-year change (%)	January- September 2023	Year-on-year change (%)
Operating income	<b>3,331,380</b>	0.58	9,702,191	1.88
Net profit attributable to shareholders of the Bank	<b>653,034</b>	13.26	2,988,738	15.17
Basic earnings per share (RMB/share) <sup>(1)</sup>	<b>0.07</b>	600.00	0.47	27.03
Diluted earnings per share (RMB/share) <sup>(1)</sup>	<b>0.07</b>	600.00	0.47	27.03
Net cash flows generated from operating activities	N/A	N/A	7,875,407	129.94
Weighted average return on net assets (%) (annualised) <sup>(1)</sup>	<b>7.50</b>	Increased by 1.54 percentage points	12.21	Increased by 2.05 percentage points
Item	<b>30 September 2023</b>		31 December 2022	Change from the end of last year (%)
Total assets	<b>581,184,488</b>		529,613,992	9.74
Total liabilities	<b>541,977,833</b>		493,020,697	9.93
Share capital	<b>5,820,355</b>		5,820,355	–
Equity attributable to shareholders of the Bank	<b>38,328,856</b>		35,816,312	7.02
Shareholders' equity	<b>39,206,655</b>		36,593,295	7.14
Net assets per share attributable to ordinary shareholders of the Bank (RMB/share) <sup>(2)</sup>		<b>5.49</b>	5.05	8.71
Total share capital of the Bank as of the trading day before the disclosure (share)				5,820,354,724
Interest paid on perpetual bonds (RMB)				233,200,000
Fully diluted earnings per share calculated using the latest share capital (RMB/share, in aggregate from January to September 2023)				0.47

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 issued offshore preference shares in 2017, which were redeemed in September 2022. The Bank issued perpetual bonds from July to August 2022, which were classified as other equity instruments. In calculating earnings per share and weighted average return on net assets for the period, the interest paid on perpetual bonds has been deducted from the “net profit attributable to ordinary shareholders of the Bank”, the effect of the perpetual bonds 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 instruments)/the number of ordinary shares as at the end of the period.

## 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 30 September 2023 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, unless otherwise stated*

Item	January-September 2023	Year-on-year change (%)	Main reason
Net cash flows generated from operating activities	7,875,407	129.94	Increase in deposits from customers

  

Item	July-September 2023	Year-on-year change (%)	Main reason
Basic earnings per share (RMB/share)	0.07	600.00	Year-on-year increase in net profit attributable to ordinary shareholders of the Bank in July-September
Diluted earnings per share (RMB/share)	0.07	600.00	Year-on-year increase in net profit attributable to ordinary shareholders of the Bank in July-September

## II. PRINCIPAL REGULATORY INDICATORS AND SUPPLEMENTARY FINANCIAL INDICATORS

### 1. Key indicators

Indicator	Regulatory standard	30 September 2023	31 December 2022	31 December 2021	31 December 2020
Capital adequacy ratio (%) <sup>(1)</sup>	≥10.5	<b>12.78</b>	13.56	15.83	14.11
Tier-one capital adequacy ratio (%) <sup>(1)</sup>	≥8.5	<b>10.08</b>	10.69	11.04	11.31
Core tier-one capital adequacy ratio (%) <sup>(1)</sup>	≥7.5	<b>8.37</b>	8.75	8.38	8.35
Leverage ratio (%)	≥4	<b>6.01</b>	6.07	5.87	6.14
Liquidity coverage ratio (%)	≥100	<b>128.72</b>	122.83	179.54	152.42
Liquidity ratio (%)	≥25	<b>80.59</b>	88.21	73.28	65.44
Non-performing loan ratio (%)	≤5	<b>1.14</b>	1.21	1.34	1.51
Provision coverage ratio (%)		<b>254.67</b>	219.77	197.42	169.62
Loan provision ratio (%)		<b>2.90</b>	2.65	2.64	2.56
Normal loan migration rate (%) <sup>(2)</sup>		<b>1.04</b>	1.01	1.07	0.88
Special mention loan migration rate (%) <sup>(2)</sup>		<b>39.53</b>	43.54	78.54	31.07
Substandard loan migration rate (%) <sup>(2)</sup>		<b>20.73</b>	22.43	19.28	74.64
Doubtful loan migration rate (%) <sup>(2)</sup>		<b>27.29</b>	3.19	2.45	21.91
Return on average total assets (%) (annualised) <sup>(3)</sup>		<b>0.74</b>	0.60	0.61	0.59
Cost-to-income ratio (%) <sup>(4)</sup>		<b>29.38</b>	34.95	33.90	33.59
Net interest spread (%) (annualised) <sup>(5)</sup>		<b>1.86</b>	1.85	1.87	2.14
Net interest margin (%) (annualised) <sup>(5)</sup>		<b>1.84</b>	1.76	1.79	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)), with annual conversion factor included in the calculation caliber.
- (3) Return on average total assets = net profit/average balance of total assets at the beginning and at the end of the period.
- (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*

<b>Item</b>	<b>30 September 2023</b>	31 December 2022	Change from the end of last year (%)
Loans and advances to customers:			
Corporate loans	<b>219,895,635</b>	195,649,422	12.39
Personal loans	<b>77,657,593</b>	73,380,030	5.83
Total loans to customers	<b>297,553,228</b>	269,029,452	10.60
Add: Accrued interest	<b>734,001</b>	598,681	22.60
Less: Provision for impairment on loans and advances to customers measured at amortized cost	<b>(8,346,620)</b>	(7,109,471)	17.40
Loans and advances to customers	<b>289,940,609</b>	262,518,662	10.45
Provision for loan impairment	<b>(8,625,877)</b>	(7,137,141)	20.86
Of which: Impairment provision for loans and advances to customers at fair value through other comprehensive income	<b>(279,257)</b>	(27,670)	909.24
Deposits from customers:			
Corporate deposits	<b>200,229,323</b>	193,629,694	3.41
Personal deposits	<b>178,506,797</b>	147,328,169	21.16
Other deposits <sup>(Note)</sup>	<b>510,364</b>	389,313	31.09
Total customer deposits	<b>379,246,484</b>	341,347,176	11.10
Add: Accrued interest	<b>8,585,836</b>	6,696,131	28.22
Deposits from customers	<b>387,832,320</b>	348,043,307	11.43

*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	30 September 2023		31 December 2022	
	The Company	The Bank	The Company	The Bank
Net core tier-one capital	<b>31,821,654</b>	<b>28,427,291</b>	29,169,606	26,035,971
Net tier-one capital	<b>38,306,159</b>	<b>34,823,074</b>	35,643,177	32,431,754
Total net capital	<b>48,568,791</b>	<b>44,706,145</b>	45,212,218	41,666,847
Total risk weighted assets	<b>380,054,665</b>	<b>362,248,996</b>	333,440,925	317,558,522
Core tier-one capital adequacy ratio (%)	<b>8.37</b>	<b>7.85</b>	8.75	8.20
Tier-one capital adequacy ratio (%)	<b>10.08</b>	<b>9.61</b>	10.69	10.21
Capital adequacy ratio (%)	<b>12.78</b>	<b>12.34</b>	13.56	13.12

### 4. Leverage ratio

*Unit: RMB thousand*

Item	30 September	30 June	31 March	31 December
	2023	2023	2023	2022
Leverage ratio (%)	<b>6.01</b>	6.07	5.99	6.07
Net tier-one capital	<b>38,306,159</b>	38,012,016	36,520,124	35,643,177
Balance of assets on and off balance sheet after adjustments	<b>637,124,318</b>	625,903,430	609,811,550	587,180,650

### 5. Liquidity coverage ratio

*Unit: RMB thousand*

Item	30 September	31 December
	2023	2022
Liquidity coverage ratio (%)	<b>128.72</b>	122.83
Qualified and high-quality current assets	<b>92,308,610</b>	90,470,924
Net cash outflows in next 30 days	<b>71,713,409</b>	73,656,093

## 6. Loans by five categories

*Unit: RMB thousand*

Five categories	30 September 2023		31 December 2022		Change from the end of last year (%)
	Amount	% of total	Amount	% of total	
Normal	292,157,114	98.18	263,563,488	97.97	10.85
Special mention	2,008,990	0.68	2,218,483	0.82	(9.44)
Substandard	1,368,814	0.46	1,252,410	0.46	9.29
Doubtful	722,336	0.24	822,032	0.31	(12.13)
Loss	1,295,974	0.44	1,173,039	0.44	10.48
Total loans to customers	297,553,228	100.00	269,029,452	100.00	10.60

## III. ANALYSIS OF OPERATIONS

In the first three quarters of 2023, the Company initiated a process of high-quality development under the guidance of the new three-year strategic plan. Guided by the annual basic operating guiding ideology of “consolidating the strength and making up for the weakness, serving the real economy, governing the risks and standardizing the management”, the Company has steadily expanded its scale of operation, continued to optimize its business structure, with the quality and efficiency of its operation steadily improving and better operating results being achieved.

**Assets and liabilities grew steadily, and business structure continued to optimize.** As at the end of September 2023, the total assets of the Company amounted to RMB581.184 billion, representing an increase of RMB51.570 billion or 9.74% as compared with that at the end of last year; the total liabilities amounted to RMB541.978 billion, representing an increase of RMB48.957 billion or 9.93% as compared with that at the end of last year. During the reporting period, the Company strengthened the financial services’ role of serving and protecting real economy, enhanced market penetration and customer base development, and continued to increase its loans granted, expand the scale of deposits, and further increase the proportion of loans and deposits in the total assets and liabilities. As at the end of reporting period, the total loans to customers amounted to RMB297.553 billion, representing an increase of RMB28.524 billion or 10.60% as compared with that at the end of last year, accounting for 51.20% of total assets, representing an increase of 0.40 percentage point as compared with that at the end of last year. The total customer deposits amounted to RMB379.246 billion, representing an increase of RMB37.899 billion or 11.10% as compared with that at the end of last year, accounting for 69.97% of total liabilities, representing an increase of 0.73 percentage point as compared with that at the end of last year.

**Operating performance improved steadily with better operating results.** In the first three quarters of 2023, the Company achieved a net profit attributable to shareholders of the Bank of RMB2.989 billion, representing a year-on-year increase of RMB394 million or 15.17%; operating income amounted to RMB9.702 billion, representing a year-on-year increase of RMB179 million or 1.88%, after excluding the impact of the redemption of the offshore preference shares<sup>Note</sup>, a year-on-year increase of RMB854 million or 9.66% year-on-year. Weighted average return on net assets (annualised) was 12.21%, representing a year-on-year increase of 2.05 percentage points; basic earnings per share was RMB0.47, representing a year-on-year increase of RMB0.10; and, as a percentage of operating income, net fee and commission income accounted for 13.79%, representing a year-on-year increase of 0.65 percentage point. During the reporting period, the Company, while achieving steady growth in operating income and structural optimisation, embarked on cost reduction and efficiency enhancement, strengthened risk control and expense management, and recorded a decline in credit impairment and expenses, thereby achieving growth in net profit and improvement in profitability. In the first three quarters of 2023, net interest income amounted to RMB6.883 billion, representing a year-on-year increase of RMB758 million or 12.38%. Net non-interest income amounted to RMB2.820 billion, of which: net fee and commission income amounted to RMB1.338 billion, representing a year-on-year increase of RMB86 million; net gains arising from investments amounted to RMB1.456 billion, representing a year-on-year increase of RMB93 million. Net trading gains and losses of RMB-108 million, representing a year-on-year decrease of RMB809 million, after excluding the impact of the redemption of the offshore preference shares<sup>Note</sup>, a year-on-year decrease of RMB133 million, which was mainly attributable to the capital cost of the new foreign exchange swap business. Credit losses amounted to RMB3.233 billion, representing a year-on-year decrease of RMB379 million, operating expenses amounted to RMB2.972 billion, representing a year-on-year decrease of RMB113 million.

**Quality of loans continued to improve with principal indicators meeting the regulatory standards.** As at the end of September 2023, the non-performing loan ratio of the Company was 1.14%, representing a decrease of 0.07 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 254.67%, representing an increase of 34.90 percentage points as compared with that at the end of last year and a year-on-year increase of 48.47 percentage points; the core tier-one capital adequacy ratio was 8.37%, representing a decrease of 0.38 percentage point as compared with that at the end of last year; the capital adequacy ratio was 12.78%, representing a decrease of 0.78 percentage point as compared with that at the end of last year, mainly due to the steady development of various businesses of the Company and the increase in risk-weighted assets in tandem with the business growth. All the principal regulatory indicators met regulatory requirements.

*Note:* In September 2022, the Company redeemed its offshore preference shares in the amount of US\$1.203 billion. Prior to the redemption, exchange rate fluctuated and the US dollar appreciated, and the corresponding US dollar net position of the Company's offshore preference shares resulted in a cumulative foreign exchange gains or losses of RMB676 million for the first three quarters of the year; subsequent to the redemption, the aforesaid US dollar net position was cleared to zero, thus no such exchange gains or losses were incurred thereafter.



**Quality and efficiency of financial services were enhanced to continuously improve the availability of financing for private and small and micro enterprises.** Firstly, we continued to optimize and polish competitive products of asset businesses such as “inclusive finance, personal consumption, and loans for agriculture” as well as optimize and perfect the featured products; secondly, we constantly innovated the distinctive financial service mode through in-depth research on the relevance of various links in the industrial chain of agricultural products to dig deeper into the value, production, and commodity chains related to the industrial chain; thirdly, we actively developed bank-government-insurance business cooperation and strengthened cooperation with various parties, including professional guarantee companies, the National Financing Guarantee Fund and government’s risk compensation funds, in bid to establish channels for inclusive business cooperation at the provincial level; and fourthly, we promoted technological empowerment to continuously improve the construction of online financing products for private and small and micro enterprises, while simplifying the report template of credit investigation to optimize the approval process and improve business efficiency. As at the end of September 2023, the balance of loans to private enterprises of the Bank was RMB73.200 billion, representing an increase of RMB1.442 billion or 2.01% as compared with that at the end of last year; the balance of inclusive loans to small and micro enterprises was RMB32.918 billion (the customers included small and micro enterprises, individual business owners and owners of small and micro enterprises with an individual lending amount of RMB10 million and below, excluding any discounted amount), representing an increase of RMB5.793 billion or 21.36% as compared with that at the end of last year.

## 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	60,828	Total number of preference shareholders with voting rights restored as at the end of the reporting period (if any)	0
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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%	1,272,956,244	-	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	-	-	-
Qingdao China Prosperity State-owned Capital Investment 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	-	-	-
Shandong Sanliyuan Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	Domestic non-state-owned legal entity	2.09%	121,600,000	-	Pledged Marked	121,600,000 121,600,000
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**

<b>Name of shareholder</b>	<b>Number of shares not subject to restrictions on sale</b>	<b>Class of shares</b>	<b>Number</b>
HKSCC Nominees Limited	1,272,956,244	Overseas listed foreign shares	1,272,956,244
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 Hairen Investment Co., Ltd. (青島海仁投資有限責任公司)	174,083,000	RMB ordinary shares	174,083,000
Qingdao China Prosperity State-owned Capital Investment Operation Group Co., Ltd. (青島華通國有資本投資運營集團 有限公司)	123,457,855	RMB ordinary shares	123,457,855
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
Shandong Sanliyuan Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	121,600,000	RMB ordinary shares	121,600,000
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

**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 margin trading and securities lending business**

1. The Bank is not aware of any holder of shares held on behalf by HKSCC Nominees Limited participating in margin trading and securities lending and refinancing businesses;
2. In the third quarter of 2023, Qingdao China Prosperity State-owned Capital Investment Operation Group Co., Ltd. engaged in refinancing business, while refraining from involvement in margin trading and securities lending business. The increase of 4,000 shares in its shareholding at the end of the third quarter of 2023 as compared to that at the end of the first half of 2023 was due to its participation in refinancing business;
3. Except for the above, as at the end of the reporting period, the remaining shareholders among the top ten ordinary shareholders did not participate in margin trading and securities lending business and refinancing business.

**Remarks**

1. Among the total number of ordinary shareholders at the end of the reporting period, there are 60,681 A shareholders and 147 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

As at the end of the reporting period, the Bank had no existing preference shares.

## 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 were no de facto controllers and acquirers of the Bank. In the third quarter of 2023, 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 the 2022 annual report and the 2023 interim report of the Bank.

### II. RECEPTION OF ACTIVITIES SUCH AS SURVEYS, COMMUNICATIONS AND INTERVIEWS

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

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

In the third quarter of 2023, the record form of investor relations activities published by the Bank is as follows:

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
7 September 2023	Head office of the Bank	Online communication on the Internet platforms	Others	Investors who participated in the Bank's 2023 Interim Results Presentation through the "Investor Relations Interactive Platform" ( <a href="https://ir.p5w.net">https://ir.p5w.net</a> ) via <a href="http://www.p5w.net">www.p5w.net</a> .	Communications on the retail banking, asset quality, profitability and others of the Bank. The Bank did not provide the relevant information.	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website ( <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ) dated 7 September 2023.

## SECTION IV PUBLICATION OF QUARTERLY REPORT

This report is simultaneously published on the HKEXnews website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk/>) and the website of the Bank (<http://www.qdccb.com/>). Quarterly report prepared according to 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 2023 to 30 September 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 30 September	
	2023	2022
	(unaudited)	(unaudited)
Interest income	15,651,248	14,813,090
Interest expense	(8,768,653)	(8,688,730)
<b>Net interest income</b>	<b>6,882,595</b>	6,124,360
Fee and commission income	1,710,797	1,460,221
Fee and commission expense	(373,058)	(208,437)
<b>Net fee and commission income</b>	<b>1,337,739</b>	1,251,784
Net trading (losses)/gains	(108,211)	701,000
Net gains arising from investments	1,456,480	1,363,670
Other operating income	133,588	82,734
<b>Operating income</b>	<b>9,702,191</b>	9,523,548
Operating expenses	(2,971,760)	(3,084,614)
Credit losses	(3,233,354)	(3,612,432)
Impairment losses on other assets	–	(6,027)
<b>Profit before taxation</b>	<b>3,497,077</b>	2,820,475
Income tax expense	(407,523)	(159,424)
<b>Net profit for the period</b>	<b>3,089,554</b>	2,661,051
<b>Net profit attributable to:</b>		
Equity shareholders of the Bank	2,988,738	2,594,976
Non-controlling interests	100,816	66,075
Basic and diluted earnings per share (in RMB)	0.47	0.37

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

for the period from 1 January 2023 to 30 September 2023

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Net profit for the period</b>	<b>3,089,554</b>	<b>2,661,051</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss		
– Remeasurement of defined benefit liability	<b>(1,365)</b>	<b>(2,220)</b>
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	<b>484,686</b>	<b>433,121</b>
– Credit losses of financial assets measured at fair value through other comprehensive income	<b>204,942</b>	<b>(203,828)</b>
<b>Other comprehensive income, net of tax</b>	<b>688,263</b>	<b>227,073</b>
<b>Total comprehensive income</b>	<b>3,777,817</b>	<b>2,888,124</b>
<b>Total comprehensive income attributable to:</b>		
Equity shareholders of the Bank	<b>3,677,001</b>	<b>2,822,049</b>
Non-controlling interests	<b>100,816</b>	<b>66,075</b>

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

as at 30 September 2023

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>30 September 2023 (unaudited)</b>	31 December 2022 (audited)
<b>Assets</b>		
Cash and deposits with central banks	<b>34,572,756</b>	27,825,306
Deposits with banks and other financial institutions	<b>2,962,465</b>	2,301,037
Placements with banks and other financial institutions	<b>12,178,314</b>	8,432,022
Derivative financial assets	<b>148,011</b>	108,376
Loans and advances to customers	<b>289,940,609</b>	262,518,662
Financial investments:		
– Financial investments measured at fair value through profit or loss	<b>45,399,313</b>	47,259,762
– Financial investments measured at fair value through other comprehensive income	<b>113,731,545</b>	96,678,701
– Financial investments measured at amortised cost	<b>53,681,914</b>	58,202,665
Long-term receivables	<b>17,014,068</b>	15,280,949
Property and equipment	<b>3,500,638</b>	3,466,386
Right-of-use assets	<b>829,837</b>	826,958
Deferred tax assets	<b>3,627,371</b>	3,446,343
Other assets	<b>3,597,647</b>	3,266,825
<b>Total assets</b>	<b><u>581,184,488</u></b>	<b><u>529,613,992</u></b>
<b>Liabilities</b>		
Borrowings from central banks	<b>18,353,092</b>	13,256,605
Deposits from banks and other financial institutions	<b>2,796,266</b>	6,439,660
Placements from banks and other financial institutions	<b>18,383,328</b>	17,808,095
Derivative financial liabilities	<b>87,950</b>	188,147
Financial assets sold under repurchase agreements	<b>27,551,787</b>	25,634,354
Deposits from customers	<b>387,832,320</b>	348,043,307
Income tax payable	<b>434,538</b>	703,876
Debt securities issued	<b>81,950,603</b>	74,866,951
Lease liabilities	<b>536,237</b>	515,043
Other liabilities	<b>4,051,712</b>	5,564,659
<b>Total liabilities</b>	<b><u>541,977,833</u></b>	<b><u>493,020,697</u></b>



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

as at 30 September 2023

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>30 September 2023 (unaudited)</b>	31 December 2022 (audited)
<b>Equity</b>		
Share capital	5,820,355	5,820,355
Other equity instruments		
Including: perpetual bonds	6,395,783	6,395,783
Capital reserve	10,687,634	10,687,634
Surplus reserve	2,388,248	2,388,248
General reserve	6,618,047	6,618,047
Other comprehensive income	771,989	83,726
Retained earnings	5,646,800	3,822,519
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	38,328,856	35,816,312
Non-controlling interests	877,799	776,983
	<hr/>	<hr/>
<b>Total equity</b>	<b>39,206,655</b>	<b>36,593,295</b>
	<hr/>	<hr/>
<b>Total liabilities and equity</b>	<b>581,184,488</b>	<b>529,613,992</b>
	<hr/>	<hr/>

Approved and authorised for issue by the Board on 26 October 2023.

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**Jing Zailun**  
*Legal Representative*  
*(Chairman)*

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**Wu Xianming**  
*President*

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**Chen Shuang**  
*Vice President in charge*  
*of finance function*

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**Li Zhenguo**  
*General Manager of the*  
*Financial Planning Department*

(Company Stamp)

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

for the period from 1 January 2023 to 30 September 2023

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>3,497,077</b>	2,820,475
<i>Adjustments for:</i>		
Credit losses	<b>3,233,354</b>	3,612,432
Impairment losses on other assets	–	6,027
Depreciation and amortisation	<b>419,658</b>	406,221
Unrealised foreign exchange losses/(gains)	<b>44,976</b>	(617,199)
Net (gains)/losses on disposal of property and equipment, intangible assets and other assets	<b>(28,223)</b>	1,059
Dividend income	<b>(5,800)</b>	–
(Gains)/losses from changes in fair value	<b>(677,688)</b>	155,349
Net gains arising from investments	<b>(770,510)</b>	(1,509,873)
Interest expense on debt securities issued	<b>1,514,053</b>	2,141,214
Interest income from financial investments	<b>(4,073,139)</b>	(3,891,580)
Others	<b>(9,512)</b>	9,115
	<b>3,144,246</b>	3,133,240
<i>Changes in operating assets</i>		
Net (increase)/decrease in deposits with central banks	<b>(1,279,284)</b>	181,472
Net decrease/(increase) in deposits with banks and other financial institutions	<b>100,000</b>	(80,000)
Net increase in placements with banks and other financial institutions	<b>(3,750,000)</b>	(6,250,000)
Net increase in loans and advances to customers	<b>(29,188,688)</b>	(27,404,242)
Net decrease in financial assets held under resale agreements	–	4,003,355
Net increase in long-term receivables	<b>(1,889,391)</b>	(3,490,488)
Net (increase)/decrease in other operating assets	<b>(434,439)</b>	85,548
	<b>(36,441,802)</b>	(32,954,355)

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

for the period from 1 January 2023 to 30 September 2023

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities (continued)</b>		
<i>Changes in operating liabilities</i>		
Net increase/(decrease) in borrowings from central banks	<b>4,960,711</b>	(11,806,379)
Net (decrease)/increase in deposits from banks and other financial institutions	<b>(3,610,995)</b>	2,369,466
Net increase in placements from banks and other financial institutions	<b>596,326</b>	2,581,385
Net increase/(decrease) in financial assets sold under repurchase agreements	<b>1,914,083</b>	(11,654,556)
Net increase in deposits from customers	<b>37,899,308</b>	18,294,069
Net increase in other operating liabilities	<b>499,416</b>	3,990,876
	<b>42,258,849</b>	3,774,861
<i>Income tax paid</i>	<b>(1,085,886)</b>	(257,465)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>7,875,407</b>	(26,303,719)
<b>Cash flows from investing activities</b>		
Cash received from disposal and redemption of investments	<b>38,971,204</b>	54,317,609
Cash received from investment gains and interest	<b>5,400,186</b>	5,670,573
Cash received from disposal of property and equipment, intangible assets and other assets	<b>3,815</b>	604
Payments for acquisition of investments	<b>(49,666,614)</b>	(61,219,785)
Payments for acquisition of property and equipment, intangible assets and other assets	<b>(281,665)</b>	(306,486)
<b>Net cash flows used in investing activities</b>	<b>(5,573,074)</b>	(1,537,485)

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

for the period from 1 January 2023 to 30 September 2023

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from financing activities</b>		
Cash received from investors	–	4,177,035
Proceeds from issuance of other equity instruments	–	6,400,000
Cash received from debt securities issued	<b>77,207,999</b>	61,168,090
Repayment of debt securities issued	<b>(69,799,721)</b>	(60,034,025)
Payment for redemption of other equity instruments	–	(8,348,339)
Payments for interest on debt securities issued	<b>(1,838,679)</b>	(2,234,875)
Payments for dividends	<b>(1,163,562)</b>	(1,440,500)
Payment for lease liabilities	<b>(113,181)</b>	(106,733)
Payment for other financing activities	–	(29,533)
	<hr/>	<hr/>
<b>Net cash flows generated from/(used in) financing activities</b>	<b>4,292,856</b>	(448,880)
	<hr/>	<hr/>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>23,175</b>	86,227
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,618,364</b>	(28,203,857)
<b>Cash and cash equivalents as at 1 January</b>	<b>11,508,997</b>	42,853,368
	<hr/>	<hr/>
<b>Cash and cash equivalents as at 30 September</b>	<b>18,127,361</b>	14,649,511
	<hr/>	<hr/>
<b>Net cash flows generated from operating activities include:</b>		
Interest received	<b>12,069,884</b>	11,558,127
	<hr/>	<hr/>
Interest paid	<b>(5,316,756)</b>	(4,921,225)
	<hr/>	<hr/>

By order of the Board  
**Bank of Qingdao Co., Ltd.\***  
**Jing Zailun**  
*Chairman*

Qingdao, Shandong Province, the PRC  
26 October 2023

*As at the date of this announcement, the Board comprises Mr. Jing Zailun, Mr. Wu Xianming and Mr. Liu Peng as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Marco Mussita and Mr. Deng Youcheng as non-executive directors; Mr. Simon Cheung, Ms. Fang Qiaoling, Mr. Xing Lecheng, Mr. Zhang Xu and Mr. Cheung Man Chor, Elton 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.*