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BQD  **青島銀行**

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)

UPDATES ON 2023 PRELIMINARY ANNUAL RESULTS

This announcement is made by Bank of Qingdao Co., Ltd. (the “**Bank**”, together with its subsidiaries, the “**Company**”) 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**”).

The financial data of 2023 contained in this announcement are the consolidated data preliminarily calculated according to the China Accounting Standards for Business Enterprises and have not been audited by accounting firm. For detailed data, the data disclosed in 2023 annual report of the Bank to be released in due course shall prevail. Shareholders and potential investors of the Bank should exercise caution when dealing in the securities of the Bank.

I. KEY FINANCIAL DATA AND INDICATORS OF 2023

Unit: in RMB thousand, unless otherwise specified

Item	2023 (Unaudited)	2022 (Audited)	Changes (%)
Operating income	12,472,276	11,644,007	7.11
Operating profit	3,924,067	3,127,635	25.46
Total profit	3,933,397	3,135,959	25.43
Net profit attributable to shareholders of the Bank	3,548,599	3,082,775	15.11
Net profit attributable to shareholders of the Bank after deducting non-recurring profit or loss	3,436,214	3,002,385	14.45
Basic earnings per share ⁽¹⁾ (RMB/share)	0.57	0.45	26.67
Weighted average return on net assets ⁽¹⁾ (%)	10.71	8.95	Increase by 1.76 percentage points

Item	31 December 2023 (Unaudited)	31 December 2022 (Audited)	Changes (%)
Total assets	607,985,372	529,613,992	14.80
Equity attributable to equity shareholders of the Bank	39,063,939	35,816,312	9.07
Share capital	5,820,355	5,820,355	–
Net assets per share attributable to ordinary shareholders of the Bank ⁽²⁾ (RMB/share)	5.61	5.05	11.09
Non-performing loan ratio (%)	1.18	1.21	Decrease by 0.03 percentage point
Provision coverage ratio (%)	225.96	219.77	Increase by 6.19 percentage points

Notes: (1) Basic earnings per share and weighted average return on net assets were calculated according to 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)). Both basic earnings per share and weighted average return on net assets for the period achieved an increase as compared with that of the previous year, which was mainly due to the increase in net profit attributable to ordinary shareholders of the Bank. The Bank issued offshore preference shares in 2017 and redeemed the same in September 2022. The Bank issued perpetual bonds from July to August 2022, which were classified as other equity instruments. Therefore, in calculating earnings per share and weighted average return on net assets, the dividends of preference shares and the interest for perpetual bonds have been deducted from the “net profit attributable to ordinary shareholders of the Bank”, and the effect from preferences shares and 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 equity shareholders of the Bank – other equity instruments)/the number of ordinary shares as at the end of the period.

(3) The “audit” in the above unaudited and audited data and indicators refers to the audit by the accounting firm.

II. INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

In 2023, the Company ushered in the road toward high-quality development under the guidance of the new triennial strategic planning. By adhering to the annual basic operating philosophy of “consolidating the strength and making up for the weakness, serving the real economy, governing the risks and standardizing the management”, we took active countermeasures to embrace the operating challenges such as declining interest rate, continued to optimize the

business structure, and carried out comprehensive cost reduction and profitability improvement without compromising the synergy between scale and quality. Therefore, we maintained a steady improvement in our operating quality and efficiency and realized sound operating results.

The business scale expanded steadily. As at the end of 2023, the total assets of the Company reached RMB607.985 billion, representing an increase of RMB78.371 billion or 14.80% as compared with that at the end of the previous year, among which, the total loans to customers reached RMB300.090 billion, representing an increase of RMB31.060 billion or 11.55% as compared with that at the end of the previous year; the total liabilities reached RMB568.046 billion, representing an increase of RMB75.025 billion or 15.22% as compared with that at the end of the previous year, among which, total deposits from customers reached RMB386.062 billion, representing an increase of RMB44.715 billion or 13.10% as compared with that at the end of the previous year.

The profitability increased continuously. In 2023, the Company achieved a net profit attributable to shareholders of the Bank of RMB3.549 billion, representing an increase of RMB466 million or 15.11% as compared with that of the previous year; the operating income reached RMB12.472 billion, representing an increase of RMB828 million or 7.11% as compared with that of the previous year; the weighted average return on net assets amounted to 10.71%, representing an increase of 1.76 percentage points as compared with that of the previous year; and the basic earnings per share came to RMB0.57, representing an increase of 26.67% as compared with that of the previous year.

The asset quality enhanced soundly. As at the end of 2023, the non-performing loan ratio of the Company was 1.18%, representing a decrease of 0.03 percentage point as compared with that at the end of the previous year; and the provision coverage ratio was 225.96%, representing an increase of 6.19 percentage points as compared with that at the end of the previous year.

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

Qingdao, Shandong Province, the PRC
29 January 2024

As at the date of this announcement, the board of directors of the Bank comprises Mr. Jing Zailun, Mr. Wu Xianming, Ms. Chen Shuang 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; Ms. Fang Qiaoling, Mr. Xing Lecheng, Mr. Zhang Xu, Mr. Cheung Man Chor, Elton and Mr. Du Ning 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.*