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重慶農村商業銀行

CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

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

(Stock Code: 3618)

2020 THIRD QUARTERLY REPORT

The board of directors (the “**Board**”) of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the “**Bank**”) is pleased to announce the unaudited results (the “**Quarterly Report**”) of the Bank and its subsidiaries (the “**Group**”) prepared under the International Financial Reporting Standards (“**IFRSs**”) for the third quarter ended 30 September 2020 (the “**Reporting Period**”). The Quarterly Report is made in accordance with Rule 13.09 to 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1. IMPORTANT NOTICE

- 1.1 The Board, the board of supervisors and directors, supervisors and senior management of the Bank warrant the truthfulness, accuracy and completeness of the contents of the Quarterly Report, and that there are no false presentations, misleading statements or material omissions herein, and jointly and severally accept legal responsibility in this respect.
- 1.2 On 29 October 2020, the Bank convened the 44th meeting of the fourth session of the Board to consider and approve the 2020 Third Quarterly Report of the Bank. The number of directors who should attend the meeting is 11, with 11 directors actually attended the meeting, among them 4 directors entrusted other directors to vote on their behalf. Some supervisors and senior management personnel of the Bank attended the meeting.
- 1.3 The chairman of the Bank Liu Jianzhong, president Xie Wenhui, vice president in charge of financial function Shu Jing warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.
- 1.4 The financial statements in the Third Quarterly Report of the Bank have not been audited.

2. BASIC INFORMATION

2.1 Major financial data

The financial information of the Bank and its subsidiaries (collectively referred as to the “**Group**”) set forth in the Quarterly Report is prepared on a consolidated basis in accordance with International Financial Reporting Standards (“**IFRSs**”) and expressed in Renminbi (“**RMB**”), unless otherwise stated.

(Expressed in RMB million, unless otherwise stated)	30 September 2020	31 December 2019	Increase/ (decrease) as compared to the end of the previous year (%)
Total assets	1,108,604.7	1,030,230.2	7.61
Loans and advances to customers, gross	495,655.6	437,084.9	13.40
Total liabilities	1,013,983.3	940,427.9	7.82
Deposits from customers	745,335.2	673,401.8	10.68
Equity attributable to shareholders of the Bank	92,906.5	88,213.5	5.32
Total equity	94,621.4	89,802.3	5.37
Net assets per share attributable to shareholders of the Bank (<i>RMB yuan</i>)	8.18	7.77	5.28

(Expressed in RMB million, unless otherwise stated)	January to September 2020	January to September 2019	Increase/ (decrease) as compared to the same period of the previous year (%)
Net cash flows generated from operating activities	69,267.4	33,376.9	107.53

(Expressed in RMB million, unless otherwise stated)	July to September 2020	Increase/ (decrease) as compared to the same period of the previous year (%)	January to September 2020	Increase/ (decrease) as compared to the same period of the previous year (%)
Operating income	7,065.0	5.02	20,988.0	4.95
Net profit	2,678.8	(9.33)	7,943.9	(9.68)
Net profit attributable to shareholders of the Bank	2,586.2	(10.08)	7,768.9	(9.95)
Basic and diluted earnings per share (<i>RMB/Share</i>)	0.23	(20.69)	0.68	(20.93)
Weighted average return on net assets (<i>%, annualised</i>)	11.20	Decreased by 3.84 percentage points	11.41	Decreased by 4.11 percentage points
Average return on assets (<i>%, annualised</i>)	0.98	Decreased by 0.16 percentage point	0.99	Decreased by 0.19 percentage point

2.2 Explanations of the differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

2.2.1 Differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

As a financial institution incorporated in the People's Republic of China, the Bank prepares the consolidated financial statements of the Bank and its combined subsidiaries in accordance with the Accounting Standards for Enterprises promulgated by the Ministry of Finance of the People's Republic of China, relevant regulations issued by the China Securities Regulatory Commission and other regulatory agencies (collectively referred to as "**Accounting Standards for Enterprises**").

The Group also prepares consolidated financial statements in accordance with the IFRSs and their interpretations issued by the International Accounting Standards Board and the disclosure regulations applicable to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. There are some differences between the financial statements in this report and the Group's financial statements prepared in accordance with Chinese Accounting Standards. The differentiated items and amounts are listed below:

(RMB million)	Net Assets (Consolidated)		
	30 September 2020	31 December 2019	31 December 2018
In accordance with Accounting Standards for Enterprises	94,181.3	89,362.2	71,708.7
Differentiated items and amount – Goodwill from acquisitions	440.1	440.1	440.1
In accordance with IFRSs	94,621.4	89,802.3	72,148.8

2.2.2 Reasons for the differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

The Bank was incorporated on 27 June 2008 as a limited company by shares, and the newly incorporated company acquired all assets and liabilities of 38 County/District Rural Credit Cooperative Unions, including the former Chongqing Rural Credit Cooperative Union (重慶市農村信用合作社聯合社), Chongqing Yuzhong District Rural Credit Cooperative Union (重慶市渝中區農村信用合作社聯合社) and Chongqing Wulong Rural Cooperative Bank (重慶武隆農村合作銀行) (the “**Acquisition**”). The Bank first implemented the Accounting Standards for Enterprises on 1 January 2009 and was not required to recognise the goodwill generated from the Acquisition. The Bank made an initial public offering of overseas listed foreign shares (H shares) on the Hong Kong Stock Exchange on 16 December 2010 and adopted IFRSs for the first time in the same year. The goodwill generated from the Acquisition was retrospectively recognized in accordance with the relevant requirements of the first implementation of IFRSs.

2.3 Capital adequacy ratio

Set out below are the capital adequacy ratios at all levels of the Group and the Bank as at the end of September 2020 calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》).

(Expressed in RMB million, unless otherwise stated)	30 September 2020		31 December 2019	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	93,344.5	86,176.4	88,559.0	83,772.1
Net tier 1 capital	93,480.5	86,176.4	88,680.0	83,772.1
Net capital	111,441.4	103,450.0	106,070.5	100,534.8
Risk-weighted assets	762,767.0	723,538.1	712,885.7	678,740.2
Core tier 1 capital adequacy ratio (%)	12.24	11.91	12.42	12.34
Tier 1 capital adequacy ratio (%)	12.26	11.91	12.44	12.34
Capital adequacy ratio (%)	14.61	14.30	14.88	14.81

2.4 Leverage ratio

Set out below is the leverage ratio of the Group as at the end of September 2020 calculated in accordance with the Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised) (《商業銀行槓桿率管理辦法(修訂)》).

(Expressed in RMB million, unless otherwise stated)	30 September 2020	30 June 2020	31 March 2020	31 December 2019
Net tier 1 capital	93,480.5	91,252.8	92,026.4	88,680.0
Balance of assets on and off-balance sheet after adjustments	1,131,129.9	1,094,163.9	1,070,700.4	1,049,518.7
Leverage ratio (%)	8.26	8.34	8.59	8.45

2.5 Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of September 2020 calculated in accordance with the Methods for Liquidity Risk Management in Commercial Banks (《商業銀行流動性風險管理辦法》).

(Expressed in RMB million, unless otherwise stated)	30 September 2020
Qualified and high-quality liquid assets	108,675.46
Net cash outflows in future 30 days	58,015.58
Liquidity coverage ratio (%)	187.32

2.6 Highlights of quarterly results

From January to September 2020, the Group recorded a net profit of RMB7,944 million, of which the net profit attributable to shareholders of the Bank amounted to RMB7,769 million, representing a decrease of 9.68% and 9.95% as compared to the corresponding period of the previous year, respectively. Annualised average return on total assets was 0.99% and annualised weighted average return on net assets was 11.41%.

From January to September 2020, operating income amounted to RMB20,988 million, representing an increase of 4.95% as compared to the corresponding period of the previous year, among which net interest income amounted to RMB18,213 million, representing an increase of 5.23% as compared to the corresponding period of the previous year. Net fee and commission income amounted to RMB2,155 million, representing an increase of 8.20% as compared to the corresponding period of the previous year. Net interest margin was 2.29%, representing a decrease of 0.04 percentage point as compared to the corresponding period of the previous year.

Operating expenses amounted to RMB5,769 million, representing an increase of 13.68% as compared to the corresponding period of the previous year and cost-to-income ratio increased by 2.11 percentage points as compared to the corresponding period of the previous year to 27.49%, mainly due to the cancellation of large-scale medical insurance contributions for retirees in the previous year, resulting in relative less expense over the previous period. Credit impairment losses was RMB5,660 million, representing an increase of 31.72% as compared to the corresponding period of the previous year, which was mainly due to the fact that affected by the COVID-19 epidemic, the Group further optimized the expected credit impairment model to improve its risk resilience capability and increased the impairment provision for loans to customers accordingly.

As at 30 September 2020, the Group's total assets amounted to RMB1,108,605 million, representing an increase of RMB78,375 million or 7.61% from the end of the previous year. Gross amount of loans and advances to customers amounted to RMB495,656 million, representing an increase of RMB58,571 million or 13.40% from the end of the previous year. Among which, corporate loans of the Group amounted to RMB275,509 million, retail loans amounted to RMB198,613 million and discounted bills amounted to RMB21,534 million. Financial investment amounted to RMB409,912 million, representing an increase of RMB32,559 million or 8.63% from the end of the previous year.

Total liabilities amounted to RMB1,013,983 million, representing an increase of RMB73,555 million or 7.82% from the end of the previous year. Deposits from customers amounted to RMB745,335 million, representing an increase of RMB71,933 million or 10.68% from the end of the previous year. Among which, corporate deposit of the Group amounted to RMB174,022 million, retail deposit amounted to RMB564,016 million and other deposits amounted to RMB7,297 million.

Total shareholders' equity amounted to RMB94,621 million, representing an increase of RMB4,819 million or 5.37% from the end of the previous year.

For breakdown of loans by the five-category classification, the balance of non-performing loans amounted to RMB6,414 million, representing an increase of RMB955 million from the end of the previous year. The non-performing loan ratio was 1.29%, an increase of 0.04 percentage point from the end of the previous year. Provision coverage ratio was 359.00%, representing a decrease of 21.31 percentage points from the end of the previous year.

As at 30 September 2020, calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》), the Group's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio was 12.24%, 12.26% and 14.61%, respectively, all satisfying regulatory requirements.

2.7 Total number of shareholders, particulars of shareholdings of top ten shareholders and top ten shareholders of circulating shares (or shareholders without selling restrictions) as of the end of the Reporting Period

Unit: Share

Total number of shareholders ⁽¹⁾					277,555		
Particulars of Shareholdings of Top Ten Shareholders							
Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage (%)	Type of shares	Number of non-circulating shares	Pledged or frozen		Nature of shareholder
					Condition of shares	Number of shares	
Hong Kong Securities Clearing Company Nominees Limited ⁽²⁾	2,513,336,041	22.13	Circulated	0	Nil	0	Overseas legal person
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	988,000,000	8.70	Non-circulating	988,000,000	Nil	0	State-owned legal person
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	797,087,430	7.02	Non-circulating	797,087,430	Nil	0	State-owned legal person
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	589,084,181	5.19	Non-circulating	589,084,181	Nil	0	State-owned legal person
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	570,000,000	5.02	Non-circulating	570,000,000	Pledged/ judicially frozen	570,000,000	Domestic non-state-owned legal person
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	443,100,000	3.90	Non-circulating	443,100,000	Pledged	354,874,218	Domestic non-state-owned legal person
Beijing Jiuding Real Estate Co., Ltd. (北京九鼎房地產開發有限責任公司)	300,000,000	2.64	Non-circulating	300,000,000	Pledged	193,028,183	Domestic non-state-owned legal person
Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司)	200,000,000	1.76	Non-circulating	200,000,000	Nil	0	Domestic non-state-owned legal person
Jiangsu Huaxi Group Corporation Limited (江蘇華西集團有限公司)	150,000,000	1.32	Non-circulating	150,000,000	Pledged	150,000,000	Domestic non-state-owned legal person
Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	150,000,000	1.32	Non-circulating	150,000,000	Pledged	74,900,000	Domestic non-state-owned legal person

Particulars of Shareholdings of Top Ten Shareholders of Circulating Shares			
Name of shareholder	Number of circulating shares at the end of the period	Type and number of shares	
		Type	Number
Hong Kong Securities Clearing Company Nominees Limited	2,513,336,041	Overseas listed foreign shares	2,513,336,041
Hong Kong Securities Clearing Company Limited	18,563,351	RMB-denominated ordinary shares	18,563,351
Rizhao Steel Holding Group Co., Ltd. (日照鋼鐵控股集團有限公司)	14,863,009	RMB-denominated ordinary shares	14,863,009
Wang Guoqing	7,941,300	RMB-denominated ordinary shares	7,941,300
Lv Qiang (呂強)	7,668,000	RMB-denominated ordinary shares	7,668,000
Wang Huafeng	7,300,000	RMB-denominated ordinary shares	7,300,000
Li Xiaomin	5,602,700	RMB-denominated ordinary shares	5,602,700
Hwabao Securities Co. Ltd.	4,800,000	RMB-denominated ordinary shares	4,800,000
China Merchants Securities Co., Ltd.- Tianhong CSI Bank Index Initiated Securities Investment Fund (天弘中 證銀行指數型發起式證券投資基金)	4,585,000	RMB-denominated ordinary shares	4,585,000
Bank of China Limited – Hwabao CSI Bank Trading Index Securities Investment Open-ended Fund (華寶 中證銀行交易型開放式指數證券投 資基金)	3,841,500	RMB-denominated ordinary shares	3,841,500

Statement on the connected relations and concerted actions between the shareholders above	<p>Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司), Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司) and Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司), the related parties of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), hold 2,000,000, 10,000,000 and 7,732,825 A shares of the Bank respectively, jointly hold 1,007,732,825 A shares of the Bank, accounting for 8.87% of the total share capital collectively.</p> <p>Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司), a related party of Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司), holds 30,000,000 A shares of the Bank, jointly holds 827,087,430 A shares of the Bank, accounting for 7.28% of the total share capital collectively.</p> <p>Chongqing Casin Real Estate Development Co., Ltd. (重慶財信房地產開發有限公司), a related party of Chongqing Casin Group Co., Ltd (重慶財信企業集團有限公司), holds 110,700 A shares of the Bank, jointly holds 443,210,700 A shares of the Bank, accounting for 3.90% of the total share capital collectively.</p>
Statement on preference shareholder with voting rights restored and their number of shareholding	Nil

Notes:

- (1) Including 276,289 holders of A shares and 1,266 registered shareholders of H shares.
- (2) The number of shares held by Hong Kong Securities Clearing Company Nominees Limited refers to the total number of shares recorded in the H shareholder account of the Bank in the trading system represented by Hong Kong Securities Clearing Company Nominees Limited.
- (3) The 570,000,000 shares under pledge held by Loncin Holding Co., Ltd. are also being judicially frozen.

2.8 Total number of preference shareholders, particulars of shareholdings of top ten preference shareholders and top ten preference shareholders without selling restrictions as of the end of the Reporting Period

Applicable N/A

3. MAJOR ISSUES

3.1 Significant changes in major accounting items and financial indicators of the Company and the reasons thereof

Applicable N/A

(Expressed in RMB million, unless otherwise stated)	January to September 2020	January to September 2019	Increase/ (decrease) (%)	Main reason(s) of the change
Share of profits of associates	1.3	-	N/A	Primarily due to the change in profit or loss during the period as a result of the Group's equity participation in Chongqing Xiaomi Consumer Finance Co., Ltd.
Other operating income, net	29.4	57.9	(49.22)	Primarily due to the increase in donation outlay for the period as a result of our active support for pandemic prevention and control and the impact of exchange rate fluctuations on the foreign exchange business
Net gains from derecognition of financial assets at fair value through other comprehensive income	40.6	-	N/A	Primarily due to the increase in disposal of financial assets at fair value through other comprehensive income for the period
Net gains from derecognition of financial assets measured at amortised cost	1.0	77.5	(98.71)	Primarily due to the decrease in disposal of financial assets measured at amortised cost for the period
Credit impairment losses	(5,659.6)	(4,296.7)	31.72	Primarily due to the increase in the Group's provisions for credit impairment losses to the customer
Other comprehensive income for the period (net of tax)	(463.8)	(93.1)	398.17	Primarily due to decrease in fair value of financial assets measured at fair value through other comprehensive income for the period

(Expressed in RMB million, unless otherwise stated)	30 September 2020	31 December 2019	Increase/ (decrease) (%)	Main reason(s) of the change
Deposits with banks and other financial institutions	33,116.5	15,625.4	111.94	Primarily due to the increase in time deposits placed with domestic commercial banks
Derivative financial assets	43.5	92.3	(52.87)	Primarily due to the decreased purchases of forward contracts and foreign exchange swaps
Financial assets measured at fair value through other comprehensive income	13,306.3	7,256.8	83.36	Primarily due to the increase in holdings of financial bonds issued by policy banks
Investment in associates	451.3	–	N/A	Primarily due to the Group's equity participation in Chongqing Xiaomi Consumer Finance Co., Ltd.
Other assets	3,326.0	1,523.7	118.28	Primarily due to the increase in temporary payment at the end of the period
Borrowings from central bank	45,149.8	31,218.0	44.63	Primarily due to the Group's active use of Central Bank's monetary instruments such as epidemic prevention and control, new Central Bank's special re-lending, re-loans in support of agriculture and micro and small enterprises, etc
Deposits from banks and other financial institutions	26,504.5	9,493.1	179.20	Primarily due to the increase in time deposits from domestic banks
Financial assets sold under repurchase agreements	22,450.2	15,086.1	48.81	Primarily due to the increase in holdings of financial assets held under resale agreements according to liquidity management arrangements
Investment revaluation reserve	(570.4)	(106.6)	435.08	Primarily due to the decrease in fair value of financial assets measured at fair value through other comprehensive income for the period

3.2 Description and analysis of the progress of material matters, the impact thereof and solution

Applicable N/A

The Bank has been granted to issue no more than RMB5 billion green financial bonds in China's national inter-bank bond market. For details, please refer to the "Announcement of Chongqing Rural Commercial Bank Co., Ltd. on Approval of Issuance of Green Financial Bonds" (Announcement No.: 2020-038) (《重慶農村商業銀行股份有限公司關於獲准發行綠色金融債券的公告》(公告編號: 2020-038)) issued by the Bank on the website of the Shanghai Stock Exchange on 7 July 2020.

3.3 Undertakings not performed during the Reporting Period

Applicable N/A

3.4 Warnings and explanations of any forecasted loss for the period from the beginning of the year to the end of the next reporting period or significant changes as compared to the same period of the previous year in accumulated net profit

Applicable N/A

3.5 Publication of quarterly report

The quarterly report prepared under IFRSs is available on both the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.cqrcb.com). The quarterly report prepared under Chinese Accounting Standards is available on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Bank (www.cqrcb.com).

For and on behalf of the Board
重慶農村商業銀行股份有限公司*
Chongqing Rural Commercial Bank Co., Ltd.*
Chairman and Executive Director
Liu Jianzhong

Chongqing, the PRC, 29 October 2020

As at the date of this announcement, the executive directors of the Bank are Mr. Liu Jianzhong, Mr. Xie Wenhui and Mr. Zhang Peizong; the non-executive directors of the Bank are Mr. Zhang Peng, Mr. Luo Yuxing and Mr. Wen Honghai; and the independent non-executive directors of the Bank are Mr. Yuan Zengting, Mr. Cao Guohua, Mr. Song Qinghua, Mr. Zhang Qiaoyun and Mr. Lee Ming Hau.

* *The Bank holds a financial licence number B0335H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

APPENDIX: FINANCIAL STATEMENTS PREPARED UNDER IFRSs

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
Interest income	11,642,581	11,414,002	34,336,182	33,566,389
Interest expense	(5,446,179)	(5,592,525)	(16,123,396)	(16,259,190)
Net interest income	6,196,402	5,821,477	18,212,786	17,307,199
Fee and commission income	736,773	696,644	2,229,682	2,068,355
Fee and commission expense	(25,586)	(32,374)	(74,562)	(76,564)
Net fee and commission income	711,187	664,270	2,155,120	1,991,791
Net trading gain or loss	151,449	243,365	547,924	563,253
Share of net profits from associates	4,004	–	1,283	–
Other net business gain or loss	(167)	(1,350)	29,363	57,943
Net gain resulted from derecognition of financial assets at fair value through other comprehensive income	2,174	–	40,575	–
Net gain resulted from derecognition of financial assets measured at amortised cost	–	(206)	982	77,545
Operating income	7,065,049	6,727,556	20,988,033	19,997,731
Operating expenses	(1,959,718)	(2,079,589)	(5,769,201)	(5,074,890)
Credit impairment losses	(1,945,929)	(1,057,200)	(5,659,590)	(4,296,661)
Profit before tax	3,159,402	3,590,767	9,559,242	10,626,180
Income tax expense	(480,628)	(636,333)	(1,615,334)	(1,831,170)
Profit for the period	2,678,774	2,954,434	7,943,908	8,795,010
Attributable to				
Shareholders of the Bank	2,586,173	2,876,164	7,768,879	8,627,594
Non-controlling interests	92,601	78,270	175,029	167,416
Earnings per share (Expressed in RMB yuan per share)				
Basic and Diluted	0.23	0.29	0.68	0.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended		For the nine months ended	
	30 September 2020	2019	30 September 2020	2019
Profit for the period	2,678,774	2,954,434	7,943,908	8,795,010
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Changes in remeasurement of defined benefit plans	–	–	52	37
Changes in fair value of equity instruments measured at fair value through other comprehensive income	<u>(2,296)</u>	<u>(37,699)</u>	<u>(84,374)</u>	<u>(19,178)</u>
Items that may be reclassified subsequently to profit or loss:				
Net gains on debt instruments measured at fair value through other comprehensive income	<u>(431,074)</u>	<u>(48,594)</u>	<u>(379,497)</u>	<u>(73,973)</u>
Other comprehensive (loss) income for the period (net of tax)	<u>(433,370)</u>	<u>(86,293)</u>	<u>(463,819)</u>	<u>(93,114)</u>
Total comprehensive income for the period	<u>2,245,404</u>	<u>2,868,141</u>	<u>7,480,089</u>	<u>8,701,896</u>
Total comprehensive income attributable to:				
Shareholders of the Bank	2,152,803	2,789,871	7,305,060	8,534,480
Non-controlling interests	92,601	78,270	175,029	167,416
Total comprehensive income for the period	<u>2,245,404</u>	<u>2,868,141</u>	<u>7,480,089</u>	<u>8,701,896</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Renminbi, unless otherwise stated)

	30 September 2020	31 December 2019
ASSETS		
Cash and balances with central bank	66,431,689	77,413,594
Deposits with banks and other financial institutions	33,116,451	15,625,365
Placements with banks and other financial institutions	110,519,223	130,375,760
Derivative financial assets	43,471	92,263
Loans and advances to customers	472,635,257	416,340,781
Financial investments:		
Financial assets measured at fair value through profit and loss	30,438,230	23,677,991
Financial assets measured at amortised cost	366,167,794	346,418,416
Financial assets measured at fair value through other comprehensive income	13,306,328	7,256,842
Investment in associates	451,283	–
Property and equipment	4,674,781	4,973,884
Right-of-use assets	180,011	177,216
Deferred income tax assets	6,874,034	5,914,297
Goodwill	440,129	440,129
Other assets	3,325,989	1,523,697
Total assets	1,108,604,670	1,030,230,235
LIABILITIES		
Borrowings from central bank	45,149,751	31,217,989
Deposits from banks and other financial institutions	26,504,523	9,493,063
Placements from banks and other financial institutions	26,657,436	26,075,629
Derivative financial liabilities	42,102	59,616
Financial assets sold under repurchase agreements	22,450,246	15,086,128
Deposits from customers	745,335,190	673,401,819
Accrued staff costs	4,384,464	4,467,413
Tax payable	1,084,478	1,032,318
Lease liabilities	161,501	163,963
Debt securities issued	135,901,457	171,330,067
Other liabilities	6,312,140	8,099,903
Total liabilities	1,013,983,288	940,427,908

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*(Amounts in thousands of Renminbi, unless otherwise stated)*

	30 September 2020	31 December 2019
EQUITY		
Share capital	11,357,000	11,357,000
Capital reserve	21,014,618	21,014,618
Investment revaluation reserve	(570,429)	(106,558)
Actuarial changes reserve	(336,017)	(336,069)
Surplus reserve	11,283,588	11,283,588
General reserve	13,991,622	12,635,296
Retained earnings	36,166,071	32,365,628
	<hr/>	<hr/>
Equity attributable to shareholders of the Bank	92,906,453	88,213,503
Non-controlling interests	1,714,929	1,588,824
	<hr/>	<hr/>
Total equity	94,621,382	89,802,327
	<hr/>	<hr/>
Total equity and liabilities	1,108,604,670	1,030,230,235
	<hr/>	<hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the nine months ended	
	30 September	
	2020	2019
I. Cash flows from operating activities:		
Net decrease in deposits with central banks and other financial institutions	–	14,093,188
Net decrease in placements with banks and other financial institutions	21,768,626	–
Net increase in placements from banks and other financial institutions	639,778	–
Net increase in borrowings from central bank	13,838,730	–
Net increase in deposits from customers and deposits from banks and other financial institutions	87,762,801	52,898,438
Net increase in financial assets sold under repurchase agreements	7,352,820	4,768,805
Cash received from interest, charges and commissions	26,651,053	26,432,143
Cash received relating to other operating activities	376,895	1,152,498
Sub-total of cash flows from operating activities	158,390,703	99,345,072
Net increase in deposits with central banks and other financial institutions	(2,890,403)	–
Net increase in placements with banks and other financial institutions	–	(1,450,151)
Net increase in loans and advances to customers	(60,809,998)	(43,118,518)
Net increase in financial assets held for trading	(1,127,667)	(892,990)
Net decrease in borrowings from central bank	–	(1,186,069)
Net decrease in placements from banks and other financial institutions	–	(687,378)
Cash paid for interest, charges and commissions	(11,719,631)	(7,085,906)
Cash paid to and on behalf of employees	(3,766,285)	(4,139,072)
Taxes and charges payments	(3,857,357)	(3,891,137)
Cash paid relating to other operating activities	(4,951,980)	(3,516,916)
Sub-total of cash outflows from operating activities	(89,123,321)	(65,968,137)
Net cash flow from operating activities	69,267,382	33,376,935
2. Cash flow from investment activities:		
Cash received from recovery of investment	145,390,767	100,020,243
Cash received from investment return	11,422,632	9,837,284
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	39,025	11,101
Sub-total of cash inflows from investment activities	156,852,424	109,868,628
Cash paid for investments	(178,295,758)	(158,383,451)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(279,230)	(287,005)
Sub-total of cash outflows from investment activities	(178,574,988)	(158,670,456)
Net cash flow from investment activities	(21,722,564)	(48,801,828)

For the nine months ended
30 September
2020 **2019**

3. Cash flow from financing activities:		
Cash from issuance of debt securities	194,100,541	181,333,870
Sub-total of cash inflows from financing activities	194,100,541	181,333,870
Cash paid for distribution of dividends, profits, or cash paid for interest expenses	(2,464,136)	(6,135,156)
Cash paid for redemption of bonds issued	(232,350,000)	(163,410,000)
Distribution of dividends to minority shareholders of non-controlling subsidiaries	(48,924)	(40,000)
Other cash paid relating to financing activities	(75,113)	(52,644)
Sub-total of cash outflows from financing activities	(234,938,173)	(169,637,800)
Net cash flow (used in)/from financing activities	(40,837,632)	11,696,070
4. Effect of foreign exchange rate changes on cash and cash equivalents	10,885	14,313
5. Net change in cash and cash equivalents	6,718,071	(3,714,510)
Add: opening balance of cash and cash equivalents	20,533,230	34,637,437
6. Closing balance of cash and cash equivalents	27,251,301	30,922,927