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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)

2022 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 2022 (the “**Reporting Period**”). The Quarterly Report is made in accordance with Rule 13.09 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) 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).

IMPORTANT NOTICE

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.
2. The Bank’s chairman and president Xie Wenhui and vice president in charge of accounting and head of the accounting department Gao Song warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.
3. The financial statements in the Quarterly Report of the Bank have not been audited.

1. MAJOR FINANCIAL DATA

(1) Major accounting data and financial indicators

The financial information of the Group set forth in the Quarterly Report is prepared on a consolidated basis in accordance with IFRSs and expressed in Renminbi (“RMB”) unless otherwise stated.

Unit: Million Currency: RMB

Items	July to September 2022	Increase/(decrease) as compared to the same period of the previous year (%)	January to September 2022	Increase/(decrease) as compared to the same period of the previous year (%)
Operating income	7,225.6	(8.64)	22,523.5	(2.41)
Net profit	2,922.0	(4.69)	9,418.3	6.02
Net profit attributable to shareholders of the Bank	2,862.9	(5.14)	9,241.9	5.60
Net cash flows generated from operating activities	N/A	N/A	80,494.8	281.93
Basic and diluted earnings per share (RMB/Share)	0.24	(11.11)	0.80	3.90
Weighted average return on net assets (% , annualised)	10.17	Decreased by 1.74 percentage points	11.63	Decreased by 0.15 percentage point
Average return on total assets (% , annualised)	0.88	Decreased by 0.10 percentage point	0.97	Decreased by 0.02 percentage point

Items	30 September 2022	31 December 2021	Increase/ (decrease) as compared to the end of the previous year (%)
Total assets	1,330,849.6	1,266,291.2	5.10
Loans and advances to customers, gross	630,038.1	582,166.5	8.22
Total liabilities	1,216,251.1	1,159,807.1	4.87
Deposits from customers	823,633.1	759,360.2	8.46
Total equity	114,598.5	106,484.1	7.62
Owner's equity attributable to shareholders of the Bank	112,891.7	104,952.8	7.56
Net assets per share attributable to ordinary shareholders of the Bank (RMB/Share)	9.41	8.89	5.85

(2) **Change in major accounting data and financial indicator and the reason thereof**

Item	Change (%)	Main reason
Net cash flows generated from operating activities	281.93	Mainly due to the year-on-year increase in the net increase in deposits from customers and deposits from banks and other financial institutions, the increase in cash inflows from operating activities; and the year-on-year decrease in the net increase in loans and advances to customers, the decrease in cash outflows from operating activities.

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

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 and 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 Listing Rules. There are some differences between the financial statements in this Quarterly Report and the Group’s financial statements prepared in accordance with the Accounting Standards for Enterprises. The differentiated items and amounts are listed below:

Unit: Million Currency: RMB

Items	Net Assets (Consolidated)		
	30 September 2022	31 December 2021	31 December 2020
In accordance with Accounting Standards for Enterprises	114,158.4	106,044.0	94,632.1
Differentiated items and amount:			
– Goodwill from the Acquisition	440.1	440.1	440.1
In accordance with IFRSs	<u>114,598.5</u>	<u>106,484.1</u>	<u>95,072.2</u>

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 joint stock company with limited liability, and the newly incorporated joint stock company with limited liability 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.

(4) 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 2022 calculated in accordance with the Measures for the Administration of the Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》).

Unit: Million Currency: RMB

Items	30 September 2022		31 December 2021	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	107,117.6	97,375.9	101,073.5	92,637.8
Net tier 1 capital	113,231.3	103,373.5	105,172.6	96,636.1
Net capital	127,924.9	117,213.3	119,665.7	110,410.3
Risk-weighted assets	826,704.6	772,307.7	810,234.5	764,783.2
Core tier 1 capital adequacy ratio (%)	12.96	12.61	12.47	12.11
Tier 1 capital adequacy ratio (%)	13.70	13.39	12.98	12.64
Capital adequacy ratio (%)	15.47	15.18	14.77	14.44

(5) Leverage ratio

Set out below is the leverage ratio of the Group as at the end of September 2022 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)》).

Unit: Million Currency: RMB

Items	30 September 2022	30 June 2022	31 March 2022	31 December 2021
Net tier 1 capital	113,231.3	110,351.6	108,564.8	105,172.6
Balance of assets on and off- balance sheet after adjustments	1,361,234.0	1,343,668.5	1,329,177.2	1,284,769.7
Leverage ratio (%)	8.32	8.21	8.17	8.19

(6) Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of September 2022 calculated in accordance with the Measures for the Liquidity Risk Management in Commercial Banks (《商業銀行流動性風險管理辦法》).

Unit: Million Currency: RMB

Items	30 September 2022
Qualified and high-quality liquid assets	154,457.89
Net cash outflows in future 30 days	55,900.14
Liquidity coverage ratio (%)	276.31

(7) Highlights of quarterly results

From January to September 2022, the Group recorded a net profit of RMB9,418 million, of which the net profit attributable to shareholders of the Bank amounted to RMB9,242 million, representing an increase of 6.02% and 5.60% as compared to the corresponding period of the previous year, respectively. Annualised average return on total assets was 0.97% and annualised weighted average return on net assets was 11.63%.

From January to September 2022, operating income of the Group amounted to RMB22,524 million, representing a decrease of 2.41% as compared to the corresponding period of the previous year. Of which, net interest income amounted to RMB18,845 million and net fee and commission income amounted to RMB1,472 million. Net interest margin was 1.98%.

From January to September 2022, the Group's operating expenses amounted to RMB6,739 million, representing an increase of 7.96% as compared to the corresponding period of the previous year. Cost-to-income ratio was 28.96%, representing an increase of 2.77 percentage points as compared to the corresponding period of the previous year. The credit impairment losses were RMB5,134 million, representing a decrease of 17.24% as compared to the corresponding period of the previous year.

As at 30 September 2022, total assets of the Group amounted to RMB1,330,850 million, representing an increase of RMB64,558 million or 5.10% from the end of last year. Gross amount of loans and advances to customers amounted to RMB630,038 million, representing an increase of RMB47,872 million or 8.22% from the end of last year. Among which, corporate loans of the Group amounted to RMB295,504 million, retail loans amounted to RMB279,139 million and discounted bills amounted to RMB55,395 million. Financial investment amounted to RMB553,162 million, representing an increase of RMB31,563 million or 6.05% from the end of last year.

As at 30 September 2022, total liabilities of the Group amounted to RMB1,216,251 million, representing an increase of RMB56,444 million or 4.87% from the end of last year. Deposits from customers amounted to RMB823,633 million, representing an increase of RMB64,273 million or 8.46% from the end of last year. Among which, corporate deposit of the Group amounted to RMB148,231 million, personal deposit amounted to RMB668,069 million and other deposits amounted to RMB7,333 million.

As at 30 September 2022, total shareholders' equity of the Group amounted to RMB114,599 million, representing an increase of RMB8,114 million or 7.62% from the end of last year.

As at 30 September 2022, the balance of non-performing loans of the Group amounted to RMB7,738 million, representing an increase of RMB438 million from the end of the previous year. The non-performing loan ratio was 1.23%, representing a decrease of 0.02 percentage point from the end of the previous year. Provision coverage ratio was 361.26%, representing an increase of 21.01 percentage points from the end of the previous year.

2. INFORMATION ON SHAREHOLDERS

(I) Total number of shareholders of ordinary shares, number of shareholders of preference shares with voting right restored and particulars of shareholdings of top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the Reporting Period		Total number of shareholders of preference shares with voting right restored as at the end of the Reporting Period				
	230,787					Nil
Particulars of Shareholdings of Top Ten Shareholders						
Name of shareholders	Nature of shareholders	Number of shares held	Shareholding percentage (%)	Number of shares held with selling restrictions	Pledged, marked or frozen	
					Condition of shares	Number
HKSCC Nominees Limited	Overseas legal person	2,513,336,041	22.13	0	-	-
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	State-owned legal person	988,000,000	8.70	988,000,000	-	-
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建设投資(集團)有限公司)	State-owned legal person	797,087,430	7.02	797,087,430	-	-
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	State-owned legal person	589,084,181	5.19	589,084,181	-	-
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	Domestic non-state-owned legal person	570,000,000	5.02	570,000,000	Pledged/frozen	570,000,000
Hong Kong Securities Clearing Company Limited	Overseas legal person	310,874,500	2.74	0	-	-
Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)	Domestic non-state-owned legal person	188,000,000	1.66	0	-	-
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	Domestic non-state-owned legal person	160,000,000	1.41	0	Pledged	160,000,000
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	State-owned legal person	125,000,000	1.10	0	-	-
Chongqing Guanghua Holding (Group) Co., Ltd. (重慶光華控股(集團)有限公司)	Domestic non-state-owned legal person	108,452,600	0.95	0	Frozen	366,538

Particulars of Shareholdings of Top Ten Shareholders without Selling Restrictions			
Name of shareholders	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type of shares	Number
HKSCC Nominees Limited	2,513,336,041	H shares	2,513,336,041
Hong Kong Securities Clearing Company Limited	310,874,500	A shares	310,874,500
Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)	188,000,000	A shares	188,000,000
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	160,000,000	A shares	160,000,000
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	125,000,000	A shares	125,000,000
Chongqing Guanghua Holding (Group) Co., Ltd. (重慶光華控股(集團)有限公司)	108,452,600	A shares	108,452,600
Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	106,000,000	A shares	106,000,000
Chongqing Jinyuan Times Shopping Mall Co. Ltd. (重慶金源時代購物廣場有限公司)	100,000,000	A shares	100,000,000
Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	90,400,631	A shares	90,400,631
Special securities account for agreed repurchase securities transactions of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司)	90,070,000	A shares	90,070,000
Statement on the related relations or concerted actions among the shareholders above	Not aware of related relations or concerted actions existing among the shareholders above		
Statement on particulars of participation of the top ten shareholders and top ten shareholders without selling restrictions in margin financing and securities lending and refinancing business	Nil		

Notes:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of shares in the H shareholders' account of the Bank in the trading system represented by HKSCC Nominees Limited.
- (2) As at the end of the Reporting Period, 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) and Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)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 A shares, 10,000,000 A shares, 15,000,454 A shares and 13,246,000 H shares of the Bank, respectively, and Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and its related parties jointly hold 1,028,246,454 shares of the Bank, accounting for 9.05% of the total share capital of the Bank collectively.
- (3) As at the end of the Reporting Period, 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, and Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and its related party jointly hold 827,087,430 A shares of the Bank, accounting for 7.28% of the total share capital of the Bank collectively.
- (4) As at the end of the Reporting Period, Xiamen Septwolves Asset Management Co., Ltd. (廈門七匹狼資產管理有限公司) and Fujian Septwolves Group Co., Ltd. (福建七匹狼集團有限公司), related parties of Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司), hold 4,000,000 A shares and 6,564,000 H shares of the Bank respectively, and Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司) and its related party jointly hold 198,564,000 shares of the Bank, accounting for 1.75% of the total share capital of the Bank collectively.
- (5) The number of shares held by Hong Kong Securities Clearing Company Limited represents the number of A shares of the Bank (northbound shares of Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.

(II) Total number of shareholders of preference shares and particulars of shareholdings of the top ten shareholders of preference shares

Applicable N/A

3. OTHER REMINDERS

Applicable N/A

4. PUBLICATION OF QUARTERLY REPORT

The Quarterly Report prepared under IFRSs is available on both the website of the Hong Kong Stock Exchange (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
Chongqing Rural Commercial Bank Co., Ltd.*
重慶農村商業銀行股份有限公司*
Xie Wenhui
Chairman and President

Chongqing, the PRC, 28 October 2022

As at the date of this announcement, the executive directors of the Bank are Mr. Xie Wenhui and Mr. Zhang Peizong; the non-executive directors of the Bank are Ms. Hu Chun, Mr. Zhang Peng, Mr. Yin Xianglin and Ms. Gu Xiaoxu; and the independent non-executive directors of the Bank are Mr. Song Qinghua, Mr. Zhang Qiaoyun, Mr. Lee Ming Hau, Mr. Li Jiaming and Ms. Bi Qian.

* *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)

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Interest income	12,504,036	13,262,604	38,481,026	38,649,438
Interest expense	(6,450,053)	(6,529,346)	(19,636,200)	(18,812,199)
Net interest income	6,053,983	6,733,258	18,844,826	19,837,239
Fee and commission income	566,299	628,696	1,775,812	1,947,202
Fee and commission expense	(133,340)	(43,483)	(303,954)	(99,460)
Net fee and commission income	432,959	585,213	1,471,858	1,847,742
Net trading gains	560,067	334,546	1,531,180	870,696
Share of profits of associates	1,637	(1,644)	(26,322)	(21,242)
Other operating income, net	142,419	178,236	323,899	418,330
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	33,208	75,406	313,443	123,700
Net gains on derecognition of financial assets measured at amortised cost	1,299	3,993	64,637	3,993
Operating income	7,225,572	7,909,008	22,523,521	23,080,458
Operating expenses	(2,422,033)	(2,037,371)	(6,738,519)	(6,241,876)
Credit impairment losses	(1,514,483)	(2,250,352)	(5,134,006)	(6,203,311)
Profit before tax	3,289,056	3,621,285	10,650,996	10,635,271
Income tax expense	(367,075)	(555,536)	(1,232,727)	(1,751,635)
Profit for the period	2,921,981	3,065,749	9,418,269	8,883,636
Attributable to:				
– Shareholders of the Bank	2,862,926	3,018,149	9,241,894	8,751,399
– Non-controlling interests	59,055	47,600	176,375	132,237
Earnings per share (Expressed in Renminbi ("RMB") Yuan per share)				
Basic and diluted	0.24	0.27	0.80	0.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Profit for the period	2,921,981	3,065,749	9,418,269	8,883,636
Other comprehensive income, after tax:				
Items that will not be reclassified to profit or loss:				
– Changes in remeasurement of defined benefit plans	–	84,017	60	(183,935)
– Changes in fair value of equity instruments measured at fair value through other comprehensive income	(78,857)	(42,970)	(136,448)	258,370
Items that may be reclassified:				
– Changes in fair value of debt instruments measured at fair value through other comprehensive income	263,054	94,796	(149,379)	171,009
– Credit impairment losses of debt instruments measured at fair value through other comprehensive income	4,453	188	11,101	87
Other comprehensive income for the period (net of tax)	188,650	136,031	(274,666)	245,531
Total comprehensive income for the period	3,110,631	3,201,780	9,143,603	9,129,167
Total comprehensive income attributable to:				
Shareholders of the Bank	3,051,576	3,154,180	8,967,228	8,996,930
Non-controlling interests	59,055	47,600	176,375	132,237

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Renminbi, unless otherwise stated)

	30 September 2022	31 December 2021
ASSETS		
Cash and balances with central bank	58,255,872	61,349,640
Deposits with banks and other financial institutions	15,499,783	17,017,386
Placements with banks and other financial institutions	81,191,118	91,072,510
Derivative financial assets	41,058	32,221
Financial assets held under resale agreements	2,742,158	980,305
Loans and advances to customers	602,098,632	557,334,996
Financial investments:		
– Financial assets measured at fair value through profit or loss	83,978,033	48,347,564
– Financial assets measured at fair value through other comprehensive income	66,888,137	48,833,463
– Financial assets measured at amortised cost	402,295,644	424,417,885
Investments in associates	425,110	451,432
Property and equipment	4,679,049	4,956,161
Rights-of-use assets	157,173	158,897
Goodwill	440,129	440,129
Deferred tax assets	10,313,505	9,187,354
Other assets	1,844,266	1,711,256
Total assets	<u>1,330,849,667</u>	<u>1,266,291,199</u>
LIABILITIES		
Borrowings from central bank	88,817,476	80,539,791
Deposits from banks and other financial institutions	51,819,178	29,302,115
Placements from banks and other financial institutions	41,725,311	34,094,542
Financial liabilities measured at fair value through profit or loss	2,984,919	–
Derivative financial liabilities	46,971	12,447
Financial assets sold under repurchase agreements	47,667,966	19,088,452
Deposits from customers	823,633,143	759,360,236
Accrued staff costs	4,886,875	5,170,916
Income tax payable	958,645	348,818
Lease liabilities	130,863	138,487
Debt securities issued	146,301,443	225,254,410
Other liabilities	7,278,324	6,496,841
Total liabilities	<u>1,216,251,114</u>	<u>1,159,807,055</u>

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

	30 September 2022	31 December 2021
EQUITY		
Share capital	11,357,000	11,357,000
Other equity instruments	5,997,648	3,998,338
Capital reserve	20,924,618	20,924,618
Investment revaluation reserve	(78,966)	195,760
Actuarial changes reserve	(641,172)	(641,232)
Surplus reserve	12,930,678	12,930,678
General reserve	17,764,937	15,881,397
Retained earnings	44,636,931	40,306,220
	<hr/>	<hr/>
Equity attributable to shareholders of the Bank	112,891,674	104,952,779
Non-controlling interests	1,706,879	1,531,365
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Total equity	114,598,553	106,484,144
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Total equity and liabilities	1,330,849,667	1,266,291,199
	<hr/>	<hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Renminbi, unless otherwise stated)

	Nine months ended	
	30 September	
	2022	2021
Operating activities		
Profit before tax	10,650,996	10,635,271
Adjustments for:		
Depreciation and amortisation	615,631	626,143
Credit impairment losses	5,134,006	6,203,311
Interest income arising from investment securities	(13,038,307)	(12,666,245)
Interest expense arising from debt securities issued	3,734,368	4,457,757
Net gain on disposal of investment securities	(1,412,769)	(780,719)
Net loss on investments in associates	26,322	21,242
Dividend income from investment securities	(8,631)	(3,624)
Net gain on disposal of property, equipment and other assets	(13,744)	(48,318)
Fair value gains	(345,394)	(226,968)
Foreign exchange gains	(109,245)	(17,565)
Operating cash flows before movements in working capital	5,233,233	8,200,285

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

	Nine months ended	
	30 September	
	2022	2021
Net change in operating assets and operating liabilities:		
Decrease in balances with central bank, deposits with banks and other financial institutions	5,001,494	14,916,541
Decrease in placements with banks and other financial institutions	4,398,132	32,091,669
Decrease/(increase) in financial assets held under resale agreements	384,471	(577,310)
Increase in financial assets held for trading purpose	(18,230,575)	(8,259,527)
Increase in loans and advances to customers	(48,418,550)	(73,970,607)
Increase in financial assets sold under repurchase agreements	28,512,478	7,642,479
Increase in borrowings from central bank	7,830,247	5,257,424
Increase in placements from banks and other financial institutions	7,465,066	7,187,490
Increase in deposits from customers, deposits from banks and other financial institutions	85,799,183	31,860,649
Increase in financial liabilities measured at fair value through profit or loss	2,984,919	–
(Increase)/decrease in other operating assets	(2,284,795)	349,664
Increase/(decrease) in other operating liabilities	3,477,009	(519,573)
	<u>82,152,312</u>	<u>24,179,184</u>
Cash from operating activities	82,152,312	24,179,184
Income tax paid	(1,657,496)	(3,103,464)
	<u>80,494,816</u>	<u>21,075,720</u>
Net cash generated from operating activities	80,494,816	21,075,720

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(Amounts in thousands of Renminbi, unless otherwise stated)

	Nine months ended	
	30 September	
	2022	2021
Investing activities:		
Cash received from disposal and redemption of investment securities	199,569,428	171,694,162
Interest income received from investment securities	14,493,422	12,678,877
Cash received from disposal of property, equipment and other assets	60,342	50,600
Dividend income from investment securities	8,631	3,624
Cash paid for purchase of investment securities	(213,110,672)	(231,238,748)
Cash paid for purchase of property, equipment and other assets	<u>(335,850)</u>	<u>(495,756)</u>
Net cash generated from/(used in) investing activities	685,301	(47,307,241)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(Amounts in thousands of Renminbi, unless otherwise stated)

	Nine months ended	
	30 September	
	2022	2021
Financing activities:		
Cash received from debt securities issued	153,668,765	229,262,429
Cash received from issuance of other equity instruments	1,999,310	4,000,000
Repayments of debt securities issued	(235,660,000)	(181,024,854)
Dividends paid to shareholders of the bank	(3,028,729)	(2,508,424)
Dividends paid to shareholders of non-controlling interests	(861)	(557)
Interest paid on debt securities issued	(696,100)	(732,400)
Cash paid in other financing activities	(56,432)	(59,120)
Net cash (used in)/generated from financing activities	<u>(83,774,047)</u>	<u>48,937,074</u>
Net (decrease)/increase in cash and cash equivalents	(2,593,930)	22,705,553
Cash and cash equivalents as at 1 January	35,785,425	19,268,138
Effect of foreign exchange rate changes	96,356	(18,764)
Cash and cash equivalents as at 30 September	<u>33,287,851</u>	<u>41,954,927</u>
Net cash from operating activities include:		
Interest received	25,096,292	26,093,300
Interest paid	(14,227,312)	(14,439,537)
Net interest received from operating activities	<u>10,868,980</u>	<u>11,653,763</u>