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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)

2024 FIRST 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 first quarter ended 31 March 2024 (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 Xie Wenhui and president in charge of accounting Sui Jun and head of the accounting department Liu Yi warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.
3. The financial statements of the first quarter 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 in accordance with IFRSs and expressed in Renminbi (“**RMB**”) unless otherwise stated.

Unit: Million Currency: RMB

Items	January to March 2024	January to March 2023	Increase/(decrease) as compared to the same period of the previous year (%)
Operating income	7,125.5	7,341.6	(2.94)
Net profit	3,661.6	4,013.7	(8.77)
Net profit attributable to shareholders of the Bank	3,524.3	3,951.4	(10.81)
Net cash flows generated from operating activities	69,904.6	38,170.9	83.14
Basic and diluted earnings per share (<i>RMB/Share</i>)	0.31	0.35	(11.43)
Weighted average return on net assets (<i>%, annualised</i>)	11.97	14.61	Decreased by 2.64 percentage points
Average return on total assets (<i>%, annualised</i>)	1.00	1.17	Decreased by 0.17 percentage point

Items	31 March 2024	31 December 2023	Increase/(decrease) as compared to the end of the previous year (%)
Total assets	1,491,522.8	1,441,522.1	3.47
Loans and advances to customers, gross	696,970.7	676,710.6	2.99
Total liabilities	1,363,024.5	1,317,580.3	3.45
Deposits from customers	951,560.4	896,202.2	6.18
Total equity	128,498.3	123,941.8	3.68
Owner’s equity attributable to shareholders of the Bank	126,675.0	122,173.8	3.68
Net assets per share attributable to ordinary shareholders of the Bank (<i>RMB/Share</i>)	10.63	10.23	3.91

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

Item	Change percentage (%)	Main reason
Net cash flows generated from operating activities	83.14	Mainly due to the decline in the net increase in loans and advances to customers and the net increase in financial assets held for trading purpose as compared to the corresponding period of the previous year.

(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 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 the 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:

Items	Net Assets (Consolidated)		
	31 March 2024	31 December 2023	31 December 2022
In accordance with Accounting Standards for Enterprises	128,058.2	123,501.7	115,016.2
Differentiated items and amount:			
– Goodwill from the Acquisition	440.1	440.1	440.1
In accordance with IFRSs	<u>128,498.3</u>	<u>123,941.8</u>	<u>115,456.3</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 March 2024 calculated in accordance with the Measures for the Administration of the Capital of Commercial Banks (《商業銀行資本管理辦法》) and the capital adequacy ratios at all levels as at the end of December 2023 were 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	31 March 2024		31 December 2023	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	120,889.6	107,944.5	116,457.3	104,057.3
Net tier 1 capital	127,010.9	113,942.1	122,587.9	110,054.9
Net capital	142,190.0	128,114.5	137,660.4	124,143.1
Risk-weighted assets	866,972.8	800,763.3	860,884.9	796,915.7
Core tier 1 capital adequacy ratio (%)	13.94	13.48	13.53	13.06
Tier 1 capital adequacy ratio (%)	14.65	14.23	14.24	13.81
Capital adequacy ratio (%)	16.40	16.00	15.99	15.58

(5) Leverage ratio

Set out below is the leverage ratio of the Group as at the end of March 2024 calculated in accordance with the Measures for the Administration of the Capital of Commercial Banks (《商業銀行資本管理辦法》) and the leverage ratios as at the end of June, September and December 2023 were 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	31 March 2024	31 December 2023	30 September 2023	30 June 2023
Net tier 1 capital	127,010.9	122,587.9	121,448.0	118,773.7
Balance of assets on and off-balance sheet after adjustments	1,539,157.3	1,459,669.7	1,473,724.5	1,467,609.7
Leverage ratio (%)	8.25	8.40	8.24	8.09

(6) Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of March 2024 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	31 March 2024
Qualified and high-quality liquid assets	110,968.16
Net cash outflows in future 30 days	36,171.90
Liquidity coverage ratio (%)	306.78

(7) Highlights of quarterly results

In the first quarter of 2024, the Group recorded a net profit of RMB3,662 million, of which the net profit attributable to shareholders of the Bank amounted to RMB3,524 million, representing a decrease of 8.77% and 10.81% as compared to the corresponding period of the previous year, respectively, which was mainly due to the change of the credit impairment losses. During the period, the credit impairment losses were RMB1,333 million, representing an increase of RMB1,203 million as compared to the corresponding period of the previous year, which was mainly due to the fact that the Group collected from the disposal of the large-amount non-performing assets in the corresponding period of the previous year with the amount accounting for 70.76% of the whole year, therefore, the comparison base for credit impairment losses of the Group was lower, while the comparison base for net profit was higher in the corresponding period of the previous year. The Group will continue to increase its efforts on disposal and collection of non-performing assets and strive to maintain stable recovery throughout the year while making provision for assets impairment losses in a prudent manner. During the period, the profit before provision was RMB5,123 million, representing an increase of 5.44% as compare to the corresponding period of the previous year, annualised average return on total assets was 1.00%, representing a decrease of 0.17 percentage point as compared to the corresponding period of the previous year, and annualised weighted average return on net assets was 11.97%, representing a decrease of 2.64 percentage points as compared to the corresponding period of the previous year.

During the period, operating income of the Group achieved RMB7,125 million, representing a decrease of 2.94% as compared to the corresponding period of the previous year, and the decrease was narrowed by 0.32 percentage point. Of which, net interest income amounted to RMB5,519 million and net fee and commission income amounted to RMB523 million, representing an increase of 0.19%. Net interest margin was 1.64%. During the period, the Group's operating expenses amounted to RMB2,003 million. Cost-to-income ratio was 27.22%, representing a decrease of 5.79 percentage points as compared to the corresponding period of the previous year, which was mainly due to the fact that the Group actively optimized resource allocation and took multiple measures to reduce costs and improve efficiency.

As at 31 March 2024, total assets of the Group amounted to RMB1,491,523 million, representing an increase of RMB50,001 million or 3.47% from the end of last year. Gross amount of loans and advances to customers amounted to RMB696,971 million, representing an increase of RMB20,260 million or 2.99% from the end of last year. Among which, corporate loans amounted to RMB343,390 million, retail loans amounted to RMB294,785 million and discounted bills amounted to RMB58,796 million. Financial investment amounted to RMB608,599 million, representing an increase of RMB9,816 million or 1.64% from the end of last year.

As at 31 March 2024, total liabilities of the Group amounted to RMB1,363,025 million, representing an increase of RMB45,444 million or 3.45% from the end of last year. Deposits from customers amounted to RMB951,560 million, representing an increase of RMB55,358 million or 6.18% from the end of last year. Among which, corporate deposits amounted to RMB137,597 million, personal deposit amounted to RMB808,295 million and other deposits amounted to RMB5,668 million.

As at 31 March 2024, total shareholders' equity of the Group amounted to RMB128,498 million, representing an increase of RMB4,557 million or 3.68% from the end of last year.

As at 31 March 2024, the balance of non-performing loans of the Group amounted to RMB8,274 million, representing an increase of RMB215 million from the end of last year. The non-performing loan ratio was 1.19%, which kept flat as compared with the end of last year. Provision coverage ratio was 367.54%, representing an increase of 0.84 percentage point from the end of last year.

2. INFORMATION ON SHAREHOLDERS

(1) 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	186,110	Total number of shareholders of preference shares with voting right restored as at the end of the Reporting Period	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	Class of shares	Pledged, marked or frozen	
						Condition of shares	Number
HKSCC Nominees Limited	Overseas legal person	2,505,787,531	22.06	0	H shares	Unknown	-
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	0	A shares	-	-
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	State-owned legal person	797,087,430	7.02	0	A shares	-	-
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	0	A shares	-	-
Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	State-owned legal person	566,714,256	4.99	0	A shares	-	-
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	State-owned legal person	433,221,289	3.81	0	A shares	-	-
		23,814,000	0.21		H shares	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	394,433,713	3.47	0	A shares	Unknown	-
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	A shares	Pledged, frozen	160,000,000
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	Domestic non-state-owned legal person	136,778,711	1.20	0	A shares	Pledged	127,425,073
						Frozen	136,778,711
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	A shares	-	-
Statement on the related relations or concerted actions among the shareholders above				HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited, and Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) is the person acting-in-concert with Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司).			
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			

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of H shares of the Bank it held in its capacity as nominee on behalf of all institutional and individual investors who maintained an account with it as at the end of the Reporting Period, which includes the H shares of the Bank held by Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) as set out in the above table.
- (2) The number of shares held by Hong Kong Securities Clearing Company Limited represents the number of A Shares of the Bank (northbound shares under Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.
- (3) As at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) held 988,000,000 A shares of the Bank, representing 8.70% of the total share capital of the Bank, and its related party Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司) held 13,246,000 H shares of the Bank. Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司) and Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司), all being 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), respectively held 10,000,000 A shares, 15,000,454 A shares and 2,000,000 A shares of the Bank. Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and above 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. The shares held by Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司) included 138,200 shares lent through refinancing business.

Note: In order to deepen the reform of state-owned enterprises, on 31 August 2023, Chongqing SASAC decided to transfer its 80% equity interest in Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) to Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) at nil consideration. Upon the transfer, Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), a shareholder of the Bank, became a related party of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司). 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 1,153,246,454 shares of the Bank, accounting for 10.15% of the total share capital of the Bank. As at the date of the Quarterly Report, the transfer matter at nil consideration was subject to the completion of the relevant transfer registration procedures.

- (4) As at the end of the Reporting Period, Chongqing City Construction Investment (Group) Company Co., Ltd. (重慶市城市建設投資(集團)有限公司) held 797,087,430 A shares of the Bank, representing 7.02% of the total share capital of the Bank, and its related party Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司) held 30,000,000 A shares of the Bank. 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.
- (5) As at the end of the Reporting Period, Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) held 589,084,181 A shares of the Bank, representing 5.19% of the total share capital of the Bank, and its related party Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) held 433,221,289 A shares and 23,814,000 H shares of the Bank, collectively representing 4.02% of the total share capital of the Bank. Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) and its related party jointly hold 1,046,119,470 shares of the Bank, accounting for 9.21% of the total share capital of the Bank.

(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 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
Chongqing Rural Commercial Bank Co., Ltd.*
重慶農村商業銀行股份有限公司*
Xie Wenhui
Chairman and Executive Director

Chongqing, the PRC, 26 April 2024

As at the date of this announcement, the executive directors of the Bank are Mr. Xie Wenhui, Mr. Sui Jun and Mr. Zhang Peizong; the non-executive directors of the Bank are Ms. Hu Chun and Mr. Yin Xianglin; and the independent non-executive directors of the Bank are 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 of 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 STATEMENT PREPARED UNDER IFRSs

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended	
	31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Interest income	11,917,712	12,545,677
Interest expense	<u>(6,398,978)</u>	<u>(6,468,820)</u>
Net interest income	<u>5,518,734</u>	<u>6,076,857</u>
Fee and commission income	633,972	639,687
Fee and commission expense	<u>(110,598)</u>	<u>(117,254)</u>
Net fee and commission income	<u>523,374</u>	<u>522,433</u>
Net trading gains	782,342	582,975
Share of profits of associates	(10,200)	(17,000)
Other operating income, net	66,556	73,770
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	91,884	101,381
Net gains on derecognition of financial assets measured at amortised cost	<u>152,792</u>	<u>1,135</u>
Operating income	<u>7,125,482</u>	<u>7,341,551</u>
Operating expenses	(2,002,651)	(2,482,810)
Credit impairment losses	<u>(1,333,226)</u>	<u>(130,247)</u>
Profit before tax	3,789,605	4,728,494
Income tax expense	<u>(127,968)</u>	<u>(714,769)</u>
Profit for the period	<u>3,661,637</u>	<u>4,013,725</u>
Attributable to:		
Shareholders of the Bank	3,524,329	3,951,350
Non-controlling interests	<u>137,308</u>	<u>62,375</u>
Earnings per share (Expressed in RMB Yuan per share)		
Basic and diluted	<u>0.31</u>	<u>0.35</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended	
	31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Profit for the period	3,661,637	4,013,725
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in remeasurement of defined benefit plans	104	–
Changes in fair value of equity instruments measured at fair value through other comprehensive income	<u>(17,038)</u>	<u>(26,304)</u>
Items that may be reclassified to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income	963,561	(31,691)
Credit impairment losses of debt instruments measured at fair value through other comprehensive income	<u>37,736</u>	<u>8,273</u>
Other comprehensive (loss) income for the period (net of tax)	<u>984,363</u>	<u>(49,722)</u>
Total comprehensive income for the period	<u>4,646,000</u>	<u>3,964,003</u>
Total comprehensive income attributable to:		
Shareholders of the Bank	4,508,671	3,901,628
Non-controlling interests	<u>137,329</u>	<u>62,375</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Renminbi, unless otherwise stated)

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Assets		
Cash and balances with central bank	57,575,366	55,782,700
Deposits with banks and other financial institutions	10,959,582	15,434,655
Placements with banks and other financial institutions	87,760,508	93,211,313
Derivative financial assets	10,681	20,911
Financial assets held under resale agreements	39,613,006	11,451,770
Loans and advances to customers	666,682,870	647,276,750
Financial investments		
Financial assets measured at fair value through profit or loss	112,068,484	110,774,968
Financial assets measured at fair value through other comprehensive income	188,219,660	166,235,752
Financial assets measured at amortised cost	308,311,157	321,772,087
Investments in associates	467,143	477,343
Property and equipment	4,722,433	4,835,972
Rights-of-use assets	176,483	188,534
Goodwill	440,129	440,129
Deferred tax assets	11,708,358	11,541,786
Other assets	2,806,967	2,077,402
Total assets	<u>1,491,522,827</u>	<u>1,441,522,072</u>
Liabilities		
Borrowings from central bank	105,297,911	107,161,736
Deposits from banks and other financial institutions	44,764,495	55,923,696
Placements from banks and other financial institutions	55,764,730	51,340,489
Financial liabilities measured at fair value through profit or loss	6,655,205	8,748,274
Derivative financial liabilities	4,821	15,061
Financial assets sold under repurchase agreements	87,361,013	63,309,673
Deposits from customers	951,560,430	896,202,230
Accrued staff costs	5,235,287	5,765,320
Income tax payable	1,003,191	466,000
Lease liabilities	161,753	165,213
Debt securities issued	96,192,927	119,579,392
Other liabilities	9,022,754	8,903,238
Total liabilities	<u>1,363,024,517</u>	<u>1,317,580,322</u>

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

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Equity		
Share capital	11,357,000	11,357,000
Perpetual bonds	5,997,648	5,997,648
Capital reserve	20,887,778	20,895,218
Investment revaluation reserve	1,679,185	694,926
Actuarial changes reserve	(719,231)	(719,314)
Surplus reserve	14,822,232	14,822,232
General reserve	19,132,303	19,117,715
Retained earnings	53,518,085	50,008,344
	<hr/>	<hr/>
Equity attributable to shareholders of the Bank	126,675,000	122,173,769
Non-controlling interests	1,823,310	1,767,981
	<hr/>	<hr/>
Total equity	128,498,310	123,941,750
	<hr/>	<hr/>
Total equity and liabilities	1,491,522,827	1,441,522,072
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended	
	31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Operating activities		
Profit before tax	3,789,605	4,728,494
Adjustments for:		
Depreciation and amortisation	215,185	218,641
Credit impairment losses	1,333,226	130,247
Interest income arising from investment securities	(3,907,024)	(4,279,097)
Interest expense arising from debt securities issued	763,605	984,313
Net gains on disposal of investment securities	(535,551)	(370,127)
Net losses on investments in associates	10,200	17,000
Dividend income from investment securities	–	(2,400)
Net (gains)/losses on disposal of property, equipment and other assets	(3,199)	573
Fair value gains	(78,352)	(206,708)
Foreign exchange (gains)/losses	(2,403)	10,409
	<u>1,585,292</u>	<u>1,231,345</u>
Operating cash flows before movements in working capital		
Net change in operating assets and operating liabilities		
Increase in balances with central bank, deposits with banks and other financial institutions	(608,158)	(1,539,923)
Decrease/(increase) in placements with banks and other financial institutions	4,899,931	(2,749,843)
Increase in financial assets held under resale agreements	(1,795)	(57,999)
Decrease/(increase) in financial assets held for trading purpose	17,156,119	(17,721,337)
Increase in loans and advances to customers	(19,805,172)	(31,308,831)
Increase in financial assets sold under repurchase agreements	24,132,217	5,291,370
(Decrease)/increase in borrowings from central bank	(2,033,114)	5,116,417
Increase in placements from banks and other financial institutions	4,458,856	6,470,045
Increase in deposits from customers, deposits from banks and other financial institutions	48,497,093	77,666,868
Decrease in financial liabilities measured at fair value through profit or loss	(2,092,797)	(292,913)
Increase in other operating assets	(1,638,645)	(716,362)
Decrease in other operating liabilities	(4,559,862)	(3,116,163)
	<u>69,989,965</u>	<u>38,272,674</u>
Cash from operating activities		
Income tax paid	(85,331)	(101,793)
	<u>69,904,634</u>	<u>38,170,881</u>

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

	For the three months ended	
	31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Investing activities		
Cash received from disposal and redemption of investment securities	50,677,109	65,903,170
Interest income received from investment securities	4,588,983	4,660,025
Cash received from disposal of property, equipment and other assets	7,295	153,515
Dividend income from investment securities	–	2,400
Cash paid for purchase of investment securities	(76,416,143)	(96,427,811)
Cash paid for purchase of property, equipment and other assets	(77,836)	(367,329)
Cash paid for acquisition of non-controlling interests in subsidiaries	(7,440)	–
Net cash used in investing activities	<u>(21,228,032)</u>	<u>(26,076,030)</u>
Financing activities		
Cash received from debt securities issued	15,679,930	40,241,625
Repayments of debt securities issued	(39,830,000)	(56,530,000)
Interest paid on debt securities issued	–	(297,029)
Cash paid in other financing activities	(9,701)	(23,256)
Net cash used in financing activities	<u>(24,159,771)</u>	<u>(16,608,660)</u>
Net increase/(decrease) in cash and cash equivalents	24,516,831	(4,513,809)
Cash and cash equivalents as at 1 January	43,210,418	31,518,342
Effect of foreign exchange rate changes	442	(6,960)
Cash and cash equivalents as at 31 March	<u>67,727,691</u>	<u>26,997,573</u>
Net cash from operating activities include:		
Interest received	7,932,204	7,836,951
Interest paid	(9,879,230)	(7,581,473)
Net interest (paid to)/received from operating activities	<u>(1,947,026)</u>	<u>255,478</u>