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重庆银行
BANK OF CHONGQING

BANK OF CHONGQING CO., LTD.*

重慶銀行股份有限公司*

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

(Stock Code: 1963)

(Stock Code of Preference Shares: 4616)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR 2018

The board of directors (the “**Board**”) of Bank of Chongqing Co., Ltd.* (the “**Bank**” or “**Bank of Chongqing**”) is pleased to announce the unaudited results announcement of the Bank and its subsidiaries (the “**Group**”) for the third quarter ended September 30, 2018 (the “**Reporting Period**”) prepared in accordance with the International Financial Reporting Standards (the “**IFRSs**”). This quarterly results announcement is made 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

1. IMPORTANT NOTICE

- 1.1 The Board, the board of supervisors, the directors, supervisors and senior management of the Bank confirm that there are no misstatements, misleading representations or material omissions in this quarterly results announcement, and assume joint and several liability for the truthfulness, accuracy and completeness of this quarterly results announcement.
- 1.2 This quarterly results announcement has been reviewed and approved at the board meeting of the Bank held on October 30, 2018.
- 1.3 The financial information contained in this quarterly results announcement has not been audited.
- 1.4 The unaudited operating information for the third quarter is provided as additional information.

* The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of 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.

2. CORPORATE INFORMATION

2.1 Company information

Stock Name of H shares:	BCQ
Stock Code of H shares:	1963
Listing Exchange of H shares:	The Stock Exchange of Hong Kong Limited
Stock Name of Offshore Preference Shares:	BCQ 17USDPREF
Stock Code of Offshore Preference Shares:	4616
Listing Exchange of Offshore Preference Shares:	The Stock Exchange of Hong Kong Limited
Legal Representative:	LIN Jun
Authorized Representatives:	LIN Jun WONG Wah Sing
Secretary to the Board:	PENG Yanxi
Joint Company Secretaries:	WONG Wah Sing HO Wing Tsz Wendy
Registered Address:	No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the People's Republic of China (the "PRC"), 400024
Principal Place of Business in Hong Kong:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	+86 (23) 6379 2129
Fax:	+86 (23) 6379 2238
E-mail:	ir@cqcbank.com

2.2 Financial highlights

The financial information set out in this quarterly results announcement was prepared on a consolidated basis according to IFRSs. Unless otherwise stated, such information is the data of the Group denominated in RMB.

In respect of the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards) and those under the IFRSs, there is no difference between the net profit attributable to shareholders of the Bank for the Reporting Period ended September 30, 2018 and equity attributable to shareholders of the Bank as at the end of the Reporting Period.

Major financial data and indicators

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	September 30, 2018	December 31, 2017	Increase/ (decrease) at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	441,484,392	422,763,025	4.4
Loans and advances to customers, gross	207,033,886	177,206,904	16.8
Total liabilities	407,433,137	390,303,113	4.4
Customer deposits	251,447,924	238,704,678	5.3
Equity attributable to shareholders of the Bank	32,505,839	30,951,596	5.0
Total equity	34,051,255	32,459,912	4.9
Net assets per share attributable to shareholders of the Bank ⁽¹⁾ (RMB)	8.83	8.33	6.0

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	The Reporting Period (July – September 2018)	Increase/(decrease) in the Reporting Period as compared to the same period of the previous year (%)	The beginning of the year to the end of the Reporting Period (January – September 2018)	Increase/(decrease) in the period from the beginning of the year to the end of the Reporting Period as compared to the same period of the previous year (%)
Net profit	1,073,929	0.9	3,368,094	1.3
Net profit attributable to shareholders of the Bank	1,058,717	1.1	3,330,991	1.0

(All amounts expressed in thousands of RMB unless otherwise stated)	The Reporting Period (July – September 2018)	Increase/(decrease) in the Reporting Period as compared to the same period of the previous year	The beginning of the year to the end of the Reporting Period (January – September 2018)	Increase/(decrease) in the period from the beginning of the year to the end of the Reporting Period as compared to the same period of the previous year
Basic earnings per share (RMB)	0.34	0.01	1.07	0.02
Average annualized return on equity attributable to shareholders of the Bank ⁽²⁾ (%)	15.56	(0.83)	16.61	(1.13)

Notes: (1) Refers to equity attributable to shareholders of the Bank after deduction of preference shares as at the end of the Reporting Period divided by the total number of ordinary share capital as at the end of the Reporting Period.

(2) Refers to the percentage of net profit attributable to shareholders of the Bank to the average balance of equity attributable to shareholders of the Bank after deduction of preference shares at the beginning and the end of the period.

2.3 Particulars of shareholdings of ordinary shares as at the end of the Reporting Period

As at the end of the Reporting Period, the Bank had a total of 3,127,054,805 ordinary shares, comprising 1,548,033,993 domestic shares and 1,579,020,812 H shares.

Particulars of shareholdings of the top ten shareholders of domestic shares of the Bank

Unit: share

Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)	Number of shares pledged
Chongqing Yufu Assets Management Group Co., Ltd.	State-owned	407,929,748	13.05	0
Chongqing Road & Bridge Co., Ltd.	Private	171,339,698	5.48	0
Chongqing Land Group	State-owned	139,838,675	4.47	0
Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned	139,838,675	4.47	0
Lifan Industry (Group) Co., Ltd.	Private	129,564,932	4.14	0
Peking University Founder Group Co., Ltd.	State-owned	94,506,878	3.02	0
Chongqing South Group Limited	Private	68,602,362	2.19	68,600,000
Chongqing Transport and Travel Investment Group Limited	State-owned	37,456,522	1.20	0
Chongqing Expressway Co., Ltd.	State-owned	29,942,325	0.96	0
Minsheng Industrial (Group) Co., Ltd.	State-owned	24,191,310	0.77	0
Total		1,243,211,125	39.76	68,600,000

Interests and short positions of substantial shareholders and other persons

As at September 30, 2018, the interests of substantial shareholders (as defined under the SFO), other than directors and supervisors of the Bank, in the H shares and underlying shares of the Bank to the best knowledge of the Bank and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Unit: share

Name of shareholder	Capacity	Number of H shares held	Percentage of the total number of H shares of the Bank (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Bank, Limited ⁽¹⁾	Beneficial owner	458,574,853 (long position)	29.04	14.66
Dah Sing Banking Group Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	29.04	14.66
Dah Sing Financial Holdings Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	29.04	14.66
HSBC International Trustee Limited ⁽⁵⁾	Interest of a trustee	458,574,853 (long position)	29.04	14.66
David Shou-Yeh WONG ⁽¹⁾	Settlor of a discretionary trust/ interest of the beneficiary of a trust	458,574,853 (long position)	29.04	14.66
Christine Yen WONG ⁽¹⁾	Interest of spouse	458,574,853 (long position)	29.04	14.66
Harold Tsu-Hing WONG ⁽¹⁾	Deemed interest	458,574,853 (long position)	29.04	14.66
SAIC Motor HK Investment Limited ⁽²⁾	Beneficial owner	240,463,650 (long position)	15.23	7.69
SAIC Motor Corporation Limited ⁽²⁾	Interest of a controlled corporation	240,463,650 (long position)	15.23	7.69
Lifan International (Holdings) Limited ⁽³⁾	Beneficial owner	165,254,000 (long position)	10.47	5.28
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
Lifan Industry (Group) Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
Chongqing Lifan Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
Chongqing Huiyang Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
YIN Mingshan ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
CHEN Qiaofeng ⁽³⁾	Interest of spouse	165,254,000 (long position)	10.47	5.28
Funde Sino Life Insurance Co., Ltd. ⁽⁴⁾	Beneficial owner	150,000,000 (long position)	9.50	4.80
	Interest of a controlled corporation	67,570,150 (long position)	4.28	2.16
Chongqing Beiheng Investment & Development Limited	Beneficial owner	84,823,500 (long position)	5.37	2.71
Fund Resources Investment Holding Group Company Limited ⁽⁴⁾	Beneficial owner	67,570,150 (long position)	4.28	2.16

Notes:

- (1) Dah Sing Bank, Limited held 458,574,853 H shares of the Bank. Dah Sing Bank, Limited is wholly owned by Dah Sing Banking Group Limited, which is in turn owned as to approximately 74.42% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 40.97% of the issued share capital of Dah Sing Financial Holdings Limited and Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. For the purpose of the SFO, Dah Sing Banking Group Limited, Dah Sing Financial Holdings Limited, Mr. David Shou-Yeh WONG, Ms. Christine Yen WONG and Mr. Harold Tsu-Hing WONG are deemed to be interested in the shares of the Bank held by Dah Sing Bank, Limited.

- (2) SAIC Motor HK Investment Limited held 240,463,650 H shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares of the Bank held by SAIC Motor HK Investment Limited.
- (3) As confirmed by Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng, as at September 30, 2018, Lifan International (Holdings) Limited held 165,254,000 H shares of the Bank. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Industry (Group) Co., Ltd. Lifan Industry (Group) Co., Ltd. is owned as to 49.40% by Chongqing Lifan Holdings Co., Ltd., which is in turn owned as to 72% by Chongqing Huiyang Holdings Co., Ltd. Mr. YIN Mingshan is the beneficial owner of approximately 51% of the interest of Chongqing Huiyang Holdings Co., Ltd. and Ms. CHEN Qiaofeng is the spouse of Mr. YIN Mingshan. For the purpose of the SFO, Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng are deemed to be interested in the shares of the Bank held by Lifan International (Holdings) Limited.
- (4) Funde Sino Life Insurance Co., Ltd. held 150,000,000 H shares of the Bank, and Fund Resources Investment Holding Group Company Limited held 67,570,150 H shares of the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares of the Bank held by Fund Resources Investment Holding Group Company Limited.
- (5) HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of the family members of Mr. David Shou-Yeh WONG (the grantor), held 37.66% interests in Dah Sing Financial Holdings Limited indirectly. For the purpose of the SFO, HSBC International Trustee Limited is deemed to be interested in the shares of the Bank held by Dah Sing Bank, Limited (see note (1) above).

2.3 Particulars of shareholdings of preference shares as at the end of the Reporting Period

As of the end of the Reporting Period, the total number of preference shareholders (or nominees) of the Bank is one.

Particulars of shareholdings of the offshore preference shareholders (or nominees)

Unit: share

Name of preference shareholder	Nature of shareholder	Increase and decrease during the Reporting Period	Number of shares held at the end of the period	Shareholding percentage (%)	Number of shares pledged or frozen
The Bank of New York Depository (Nominees) Limited	Offshore legal person	–	37,500,000	100.00	Unknown

Notes: (1) All of the shares held by the aforesaid shareholder are without selling restrictions.

(2) Particulars of shareholdings of the preference shareholders are based on the information in the Bank's register of preference shareholders as at September 30, 2018.

- (3) As the issuance is a private offering, the register of preference shareholders presents the information of the nominees of the placees.
- (4) The Bank is not aware of any connected relationship or acting in concert relationship between the aforesaid preference shareholder and the ordinary shareholders.
- (5) “Shareholding percentage” refers to the percentage of offshore preference shares held by the preference shareholder to the total number of offshore preference shares.

3. HIGHLIGHTS OF QUARTERLY RESULTS

As at September 30, 2018, the Group’s total assets amounted to RMB441,484.39 million, representing an increase of RMB18,721.37 million or 4.4% as compared to the end of the previous year.

Customer deposits amounted to RMB251,447.92 million, representing an increase of RMB12,743.25 million or 5.3% as compared to the end of the previous year. Of which: time deposits, demand deposits, pledged deposits held as collateral and other deposits amounted to RMB151,140.22 million, RMB81,634.17 million, RMB11,319.21 million, and RMB7,354.32 million, respectively.

Total loans and advances to customers amounted to RMB207,033.89 million, representing an increase of RMB29,826.98 million or 16.8% as compared to the end of the previous year. Of which: corporate loans, personal loans and discounted bills amounted to RMB128,741.59 million, RMB68,142.94 million and RMB10,149.36 million, respectively.

The balance of non-performing loans amounted to RMB2,632.56 million, representing an increase of RMB232.10 million as compared to the end of the previous year; the non-performing loan ratio was 1.27%, representing a decrease of 0.08 percentage point as compared to the end of the previous year; and the provision coverage ratio was 216.90%, representing an increase of 6.74 percentage points as compared to the end of the previous year.

For the nine months ended September 30, 2018, the Group recorded a net profit of RMB3,368.09 million, representing an increase of RMB44.71 million or 1.3% as compared to the same period of the previous year. The average annualized return on total assets was 1.04%, representing a decrease of 0.10 percentage point as compared with the same period of the previous year. The average annualized return on equity attributable to shareholders of the Bank was 16.61%, representing a decrease of 1.13 percentage points as compared with the same period of the previous year. The Group recorded basic earnings per share of RMB1.07, representing an increase of RMB0.02 as compared with the same period of the previous year.

Net interest income amounted to RMB5,128.12 million. Based on IAS 39 – Financial Instruments: Recognition and Measurement, the net interest income calculated as the same period in the previous year amounted to 6,465.15 million, representing an increase of RMB340.77 million or 5.6% as compared with the same period of the previous year. The adjusted annualized net interest margin⁽¹⁾ was 2.08%, representing a decrease of 6 basis points as compared with the same period of the previous year.

Net fee and commission income amounted to RMB1,027.84 million, representing a decrease of RMB213.47 million or 17.2% as compared with the same period of the previous year, primarily because fee and commission income recorded a decrease of 21.8% as compared with the same period of the previous year. Of which: fee income from settlement and agency

services recorded a decrease of 45.8% as compared with the same period of the previous year; commission income from wealth management agency service recorded a decrease of 29.5% as compared with the same period of the previous year.

Operating expenses amounted to RMB1,723.96 million, representing an increase of RMB64.03 million or 3.9% as compared to the same period of the previous year. The cost-to-income ratio was 20.35%, representing a decrease of 0.86 percentage point as compared to the same period of the previous year. The asset impairment losses amounted to RMB2,123.82 million, representing an increase of RMB291.44 million or 15.9% as compared to the same period of the previous year.

In accordance with the “Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)”, as at the end of the Reporting Period, the Group’s Core Tier One capital adequacy ratio, Tier One capital adequacy ratio and capital adequacy ratio were 8.46%, 9.97% and 13.20%, respectively, representing a decrease of 0.16, 0.27 and 0.40 percentage point respectively as compared to the end of the previous year, fulfilling the latest regulatory requirements on capital adequacy ratios applicable to the PRC banking industry.

Note: (1) The Group adopted IFRS 9 – Financial Instruments (IFRS 9) issued by IASB in July 2014. IFRS 9 was first implemented on January 1, 2018. Combined with the requirements under IFRS 9 and IAS 1, Presentation of Financial Statements (IAS 1), the realised and unrealised interest income from financial assets at fair value through profit or loss are classified into net gains on investment securities and net trading gains, and the financial assets at fair value through profit or loss are no longer presented as interest-earning assets, respectively, and thereby affecting the net interest income, net gains on investment securities, net trading gains, net interest spread and net interest margin. In accordance with the transition requirements under IFRS 9, the Group chooses not to restate the information of the comparative periods. The adjusted annualized net interest margin is calculated based on the same caliber of the same period in the previous year according to IAS 39 in order to maintain the comparability of significant financial indicators for the two periods.

4. SIGNIFICANT EVENTS

4.1 Particulars and reasons of material changes in major accounting statement items and financial indicators

☒ Applicable ☐ Not applicable

The main reasons for material changes over 30% in the major accounting statement items and financial indicators as compared to the same period of the previous year or the end of the previous year are as follows:

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to September 2018	January to September 2017	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Fee and commission expense	(70,324)	(163,067)	(56.9)	Mainly due to the entry adjustment for the online consumer loan platform fee this year
Net trading gains/(losses)	632,420	(12,721)	N/A	Mainly due to the appreciation of US dollar and other major foreign currencies held by the Bank
Net gains on investment securities	1,206,257	142,035	749.3	Mainly due to the Group’s implementation of new financial instrument standards since January 1, 2018, leading to the partial reclassification of interest income
Share of profit of associates	142,440	99,767	42.8	Mainly due to the fact that Chongqing Three Gorges Bank Co., Ltd. has become an associated company of the Group since April 2017 and the investment income was recognized

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	September 30, 2018	December 31, 2017	Change rate as compared to the end of the previous year (%)	Main reasons of the changes
Due from other banks and financial institutions	51,043,803	37,000,091	38.0	Mainly due to the growth of the assets as a result of the normal business development
Investment in associates	1,559,455	1,113,146	40.1	Mainly due to the increase of the investments in associated companies by the Bank in the third quarter of 2018
Deferred income tax assets	1,825,962	1,380,953	32.2	Mainly due to the increase in impairment allowances as a result of applying new financial instrument standards
Current tax liabilities	496,389	358,515	38.5	Mainly due to the increase of profit between the third quarter of 2018 and the fourth quarter of 2017
Investment Securities-Loans and receivables	-	100,607,725		
Investment Securities-Available-for-sale financial assets	-	37,106,799		
Investment Securities-Held-to-maturity	-	21,012,375		
Financial assets at fair value through profit or loss	30,695,031	702,202	N/A	Mainly due to the Group's implementation of new financial instrument standards since January 1, 2018
Investment Securities-Fair value through other comprehensive income	30,871,677	-		
Investment Securities-Amortised cost	77,510,857	-		

4.2 The progress of significant events and their influence and analysis on the solutions

☐ Applicable ☒ Not applicable

4.3 Status of performance of undertakings of the Company, shareholders and de facto controller

☐ Applicable ☒ Not applicable

4.4 Implementation of the cash dividend policy during the Reporting Period

☒ Applicable ☐ Not applicable

A final dividend of RMB0.118 per share (tax inclusive) (2016: RMB0.291 (tax inclusive)) for the year ended December 31, 2017 (“**2017 Final Dividend**”), amounting to a total dividend of RMB368,992,466.99 (tax inclusive) based on the profit and number of shares issued for the year ended December 31, 2017, was distributed by

the Bank to all shareholders of the Bank upon consideration and approval at the 2017 annual general meeting held on May 25, 2018. The 2017 Final Dividend was distributed to holders of H shares and domestic shares on July 20, 2018.

4.5 Disclosure of, and reasons for, the warning in respect of forecast of a probable loss in respect of the accumulated net profit from the beginning of the year to the end of the next reporting period or any significant changes in profit as compared to the same period of the previous year

☐ Applicable ☒ Not applicable

5. PUBLICATION OF QUARTERLY RESULTS ANNOUNCEMENT

The quarterly results announcement will be published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.cqcbank.com).

This quarterly results announcement was prepared in both Chinese and English versions, where there is a discrepancy between the Chinese and English versions, the Chinese version shall prevail.

By Order of the Board
Bank of Chongqing Co., Ltd.*
WONG Wah Sing
Joint Company Secretary

Chongqing, the PRC, October 30, 2018

As at the date of this announcement, the executive directors of the Bank are Ms. LIN Jun, Mr. RAN Hailing, Mr. LIU Jianhua and Mr. WONG Wah Sing; the non-executive directors are Mr. WONG Hon Hing, Mr. DENG Yong and Ms. LV Wei; and the independent non-executive directors are Mr. LI He, Mr. KONG Xiangbin, Mr. WANG Pengguo and Dr. JIN Jingyu.

APPENDIX FINANCIAL STATEMENTS ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended 30 September	
	2018 (Unaudited)	2017 (Unaudited)
Interest income	14,465,536	13,967,175
Interest expense	(9,337,421)	(7,842,794)
Net interest income	5,128,115	6,124,381
Fee and commission income	1,098,159	1,404,367
Fee and commission expense	(70,324)	(163,067)
Net fee and commission income	1,027,835	1,241,300
Net trading gains/(losses)	632,420	(12,721)
Net gains on investment securities	1,206,257	142,035
Other operating income	37,198	50,950
Operating income	8,031,825	7,545,945
Operating expenses	(1,723,955)	(1,659,929)
Impairment losses	(2,123,817)	(1,832,380)
Operating profit	4,184,053	4,053,636
Share of profit of associates	142,440	99,767
Profit before income tax	4,326,493	4,153,403
Income tax	(958,399)	(830,015)
Net profit for the period	3,368,094	3,323,388
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Revaluation reserve for available-for-sale financial assets recognised in other comprehensive income	N/A	(422,292)
Less: Relevant income tax effect	N/A	105,573
Subtotal	N/A	(316,719)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended	
	30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Net loss from debt investment at fair value through other comprehensive income	(109,492)	N/A
Less: Relevant income tax effect	27,373	N/A
Subtotal	(82,119)	N/A
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Net gains on equity investments designated at fair value through other comprehensive income	200,000	N/A
Less: Relevant income tax effect	(50,000)	N/A
Subtotal	150,000	N/A
Remeasurement of pension benefits	(2,547)	1,469
Less: Relevant income tax effect	637	(367)
Subtotal	(1,910)	1,102
Other comprehensive income, net of tax	65,971	(315,617)
Comprehensive income for the period	3,434,065	3,007,771
Net profit attributable to:		
Shareholders of the Bank	3,330,991	3,296,579
Non-controlling interests	37,103	26,809
	3,368,094	3,323,388
Net comprehensive income attributable to:		
Shareholders of the Bank	3,396,962	2,980,962
Non-controlling interests	37,103	26,809
	3,434,065	3,007,771
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)		
Basic and diluted	1.07	1.05

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**AS AT 30 SEPTEMBER 2018***(All amounts expressed in thousands of RMB unless otherwise stated)*

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS		
Cash and balances with central bank	37,844,259	43,727,432
Due from other banks and financial institutions	51,043,803	37,000,091
Financial assets at fair value through profit or loss	30,695,031	702,202
Loans and advances to customers	201,323,854	172,162,090
Investment securities		
– Loans and receivables	N/A	100,607,725
– Available-for-sale (“AFS”)	N/A	37,106,799
– Held-to-maturity (“HTM”)	N/A	21,012,375
– Fair value through other comprehensive income (“FVOCI”)	30,871,677	N/A
– Amortised cost	77,510,857	N/A
Investment in associates	1,559,455	1,113,146
Property, plant and equipment	2,966,199	2,866,257
Deferred income tax assets	1,825,962	1,380,953
Other assets	5,843,295	5,083,955
Total assets	<u>441,484,392</u>	<u>422,763,025</u>
LIABILITIES		
Due to other banks and financial institutions	61,951,511	55,771,252
Customer deposits	251,447,924	238,704,678
Debt securities issued	86,010,686	88,727,330
Current tax liabilities	496,389	358,515
Other liabilities	7,526,627	6,741,338
Total liabilities	<u>407,433,137</u>	<u>390,303,113</u>
EQUITY		
Share capital	3,127,055	3,127,055
Preference shares	4,909,307	4,909,307
Capital surplus	4,680,638	4,680,638
Other reserves	7,467,760	6,637,648
Retained earnings	12,321,079	11,596,948
Equity attributable to shareholders of the Bank	<u>32,505,839</u>	<u>30,951,596</u>
Non-controlling interests	1,545,416	1,508,316
Total equity	<u>34,051,255</u>	<u>32,459,912</u>
Total liabilities and equity	<u>441,484,392</u>	<u>422,763,025</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended	
	30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	4,326,493	4,153,403
Adjustments:		
Depreciation and amortisation	154,549	136,783
Impairment losses on loans	1,547,118	1,191,757
Impairment losses on other assets	576,699	640,623
Net gains on disposal of property, plant and equipment and foreclosed assets	(5,056)	(379)
Fair value (gains)/losses	(379,638)	20,137
Net gains arising from financial investments	(1,207,137)	(164,577)
Share of profit of associates	(142,440)	(99,767)
Interest income arising from investment securities	(5,689,347)	(5,236,944)
Interest expense arising from debt securities issued	3,046,613	2,315,869
Net increase in operating assets:		
Net decrease/(increase) in restricted deposits with central bank	4,622,651	(767,601)
Net decrease in due from and placements with banks and other financial institutions	(3,194,649)	(7,380,944)
Net (decrease)/increase in financial assets held under resale agreement	(13,370,719)	23,143,972
Net increase in loans and advances to customers	(31,732,927)	(20,075,837)
Net increase in other operating assets	(1,942,422)	(774,845)
Net increase/(decrease) in operating liabilities:		
Net increase/(decrease) in borrowings from central bank	697,498	(657,148)
Net (decrease)/increase in due to and loans from banks and other financial institutions	(1,800,549)	2,622,414
Net increase/(decrease) in financial assets sold under repurchase agreement	7,283,310	(11,801,774)
Net increase in customer deposits	12,743,246	8,907,613
Net increase in other operating liabilities	880,166	1,177,468
Income tax paid	(796,282)	(883,466)
Net cash outflows from operating activities	(24,382,823)	(3,533,243)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)*FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018**(All amounts expressed in thousands of RMB unless otherwise stated)*

	For the nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Dividends received	880	22,542
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	99,956	25,241
Purchase of property, plant and equipment, intangible assets and other long-term assets	(317,883)	(258,193)
Proceeds from sale and redemption of investments	199,699,235	252,963,390
Purchase of securities investments	(173,099,696)	(264,665,101)
Net cash inflows/(outflows) from investing activities	26,382,492	(11,912,121)
Cash flows from financing activities:		
Capital contribution by non-controlling interests of a subsidiary	–	1,470,000
Proceeds from issuance of debt securities and inter-bank certificates of deposit	112,287,752	120,411,537
Cash paid to redeem debt securities and inter-bank certificates of deposit issued	(117,700,000)	(90,530,000)
Interest paid in relation to debt securities issued	(497,400)	(263,800)
Dividends paid to shareholders	(337,154)	(860,890)
Net cash (outflows)/inflows from financing activities	(6,246,802)	30,226,847
Impact from exchange rate changes on cash and cash equivalents	472,503	(114,484)
Net (decrease)/increase in cash and cash equivalents	(3,774,630)	14,666,999
Cash and cash equivalents at the beginning of the period	20,424,977	24,788,329
Cash and cash equivalents at the end of the period	16,650,347	39,455,328