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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 2020

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 subsidiary (the “**Group**”) for the third quarter ended September 30, 2020 (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, 2020.
- 1.3 The financial information contained in this quarterly results announcement has not been audited.

* The Bank holds a financial licence number B0206H250000001 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 91500000202869177Y. The Bank is not an authorized institution within the meaning of the Hong Kong 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 of the Board:	PENG Yanxi
Company Secretary:	HO Wing Tsz Wendy
Registered Address:	No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the People's Republic of China (the“ PRC ”) Postal Code: 400024
Principal Place of Business in Hong Kong:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	+86 (23) 6379 9024
Fax:	+86 (23) 6379 9024
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.

With respect to the financial statements of the Group prepared under the IFRSs, the net profit attributable to shareholders of the Bank for the Reporting Period ended September 30, 2020 and the equity attributable to shareholders of the Bank as at the end of the Reporting Period have no difference from the corresponding data in the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards).

Major financial data and indicators

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	September 30, 2020	December 31, 2019	Increase/(decrease) at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	546,913,911	501,231,864	9.1
Total loans and advances to customers	268,273,760	247,348,738	8.5
Total liabilities	505,134,998	462,618,195	9.2
Customer deposits	311,232,518	281,048,911	10.7
Equity attributable to shareholders of the Bank	40,029,466	36,949,429	8.3
Total equity	41,778,913	38,613,669	8.2
Net assets per share attributable to shareholders of the Bank (RMB) ⁽¹⁾	11.23	10.25	9.6

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	The Reporting Period (July – September 2020)	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 2020)	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	1,383,802	4.9	4,003,970	5.1
Net profit attributable to shareholders of the Bank	1,345,213	3.6	3,890,833	4.6

				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
	The Reporting Period (July – September 2020)	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 2020)	
<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>				
Basic earnings per share <i>(RMB)</i>	0.43	0.01	1.24	0.05
Average annualized return on equity attributable to shareholders of the Bank <i>(%)</i> ⁽²⁾	15.52	(1.02)	15.48	(1.11)

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 annualized amounts in respect of 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 (%)	
Chongqing Yufu Capital Operation Group Co., Ltd. ⁽¹⁾	State-owned	407,929,748	13.05	
Chongqing Road & Bridge Co., Ltd. ⁽²⁾	Private	171,339,698	5.48	
Chongqing Land Group	State-owned	139,838,675	4.47	
Chongqing Water Conservancy Investment Group Co., Ltd. ⁽³⁾	State-owned	139,838,675	4.47	
Lifan Industry (Group) Co., Ltd.	Private	129,564,932	4.14	
Peking University Founder Group Co., Ltd.	State-owned	94,506,878	3.02	
Chongqing South Group Limited	Private	68,602,362	2.19	
Chongqing Development and Real Estate Management Company Limited ⁽⁴⁾	State-owned	37,456,522	1.20	
Chongqing Expressway Co., Ltd.	State-owned	29,942,325	0.96	
Minsheng Industrial (Group) Co., Ltd.	State-owned	24,191,310	0.77	
Total		1,243,211,125	39.75	

- Notes:*(1) Chongqing Yufu Assets Management Group Co., Ltd. was renamed as Chongqing Yufu Capital Operation Group Co., Ltd. on July 13, 2020. Chongqing Yufu Capital Operation Group Co., Ltd. directly held 407,929,748 domestic shares of the Bank and held 54,250,000 H shares of the Bank through its subsidiary Chongqing Yufu (HongKong) Limited. Southwest Securities Company, Ltd. and Chongqing Hotel Co., Ltd. in aggregate held 5,486,112 domestic shares of the Bank and acted in concert with Chongqing Yufu Capital Operation Group Co., Ltd.. Chongqing Yufu Capital Operation Group Co., Ltd., together with persons acting in concert with it, held an aggregate of 467,665,860 shares of the Bank, representing 14.96% of the Bank's total share capital.
- (2) Chongqing Road & Bridge Co., Ltd. directly held 171,339,698 domestic shares of the Bank, and Chongqing International Trust Co., Ltd., acting in concert with Chongqing Road & Bridge Co., Ltd., held 195,102 domestic shares of the Bank. Chongqing Road & Bridge Co., Ltd., together with persons acting in concert with it, held an aggregate of 171,534,800 domestic shares of the Bank, representing 5.49% of the Bank's total share capital.
- (3) Chongqing Water Conservancy Investment Group Co., Ltd. directly held 139,838,675 domestic shares of the Bank, and Chongqing Water Asset Management Co., Ltd., acting in concert with Chongqing Water Conservancy Investment Group Co., Ltd., held 10,068,631 domestic shares of the Bank. Chongqing Water Conservancy Investment Group Co., Ltd., together with persons acting in concert with it, held an aggregate of 149,907,306 domestic shares of the Bank, representing 4.79% of the Bank's total share capital.
- (4) Chongqing Transport and Travel Investment Group Limited was renamed as Chongqing Development and Real Estate Management Company Limited on April 30, 2020.

Pledge of domestic shares of the Bank

Unit: share

Name of shareholder	Total number of shares held	Shareholding percentage (%)	Number of shares pledged ⁽¹⁾	Pledged shares as a percentage of total shares held (%)
Lifan Industry (Group) Co., Ltd.	129,564,932	4.14	129,564,932	100.00
Chongqing South Group Limited	68,602,362	2.19	68,600,000	99.99
Chongqing Hubang Industry (Group) Co., Ltd.	4,052,290	0.13	4,052,290	100.00
Chongqing Jingtong Industry (Group) Co., Ltd.	2,926,552	0.09	2,926,552	100.00
Haikou Xinyuan Industrial Development Co., Ltd.	2,281,734	0.07	2,281,734	100.00
Hainan Venture Capital Management Co., Ltd.	1,488,054	0.05	1,488,054	100.00
Zhang Jialun	595,064	0.02	595,064	100.00
Total	209,510,988	6.69	209,508,626	—

- Notes:*(1) As of September 30, 2020, the total number of pledged domestic shares of the Bank amounted to 209,508,626, of which 129,564,932 were under judicial freeze, representing 4.14% of the Bank's total share capital.

Interests and short positions of substantial shareholders and other persons

As at September 30, 2020, 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
		122,500,000 (short position)	7.75	3.91
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
		122,500,000 (short position)	7.75	3.91

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 (%)
Lifan Industry (Group) Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
		122,500,000 (short position)	7.75	3.91
Chongqing Lifan Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
		122,500,000 (short position)	7.75	3.91
Chongqing Huiyang Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
		122,500,000 (short position)	7.75	3.91
YIN Mingshan ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.47	5.28
		122,500,000 (short position)	7.75	3.91
CHEN Qiaofeng ⁽³⁾	Interest of spouse	165,254,000 (long position)	10.47	5.28
		122,500,000 (short position)	7.75	3.91
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 74.37% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 42.96% 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 Industry (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, 2020, 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 76.00% by Chongqing Huiyang Holdings Co., Ltd.. Mr. YIN Mingshan is the beneficial owner of approximately 51.00% 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 Industry (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 family discretionary trust established with Mr. David Shou-Yeh WONG as the grantor, held 39.49% 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).

2.4 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 1.

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.

(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, 2020, the Group's total assets amounted to RMB546,914 million, representing an increase of RMB45,682 million or 9.1% as compared to the end of the previous year.

Customer deposits amounted to RMB311,233 million, representing an increase of RMB30,184 million or 10.7% as compared to the end of the previous year. Of which: time deposits, demand deposits, pledged deposits held as collateral, other deposits and interest payable amounted to RMB207,943 million, RMB87,217 million, RMB7,227 million, RMB6,077 million and RMB2,769 million, respectively.

Total loans and advances to customers amounted to RMB268,274 million, representing an increase of RMB20,925 million or 8.5% as compared to the end of the previous year. Of which: corporate loans, personal loans, discounted bills and interest receivable amounted to RMB157,518 million, RMB92,824 million, RMB16,058 million and RMB1,874 million, respectively.

The balance of non-performing loans amounted to RMB3,284 million, representing an increase of RMB153 million as compared to the end of the previous year; the non-performing loan ratio was 1.23%, representing a decrease of 0.04 percentage point as compared to the end of the previous year; and the provision coverage ratio was 326.14%, representing an increase of 46.31 percentage points as compared to the end of the previous year.

For the nine months ended September 30, 2020, the Group recorded a net profit of RMB4,004 million, representing an increase of RMB195 million or 5.1% as compared to the same period of the previous year. The average annualized return on total assets was 1.02%, representing a decrease of 0.09 percentage point as compared to the same period of the previous year. The average annualized return on equity attributable to shareholders of the Bank was 15.48%, representing a decrease of 1.11 percentage points as compared to the same period of the previous year. The Group recorded basic earnings per share of RMB1.24, representing an increase of RMB0.05 as compared to the same period of the previous year.

Net interest income amounted to RMB7,957 million, representing an increase of RMB1,590 million or 25.0% as compared to the same period of the previous year. Net fee and commission income amounted to RMB1,073 million, representing an increase of RMB152 million or 16.4% as compared to the same period of the previous year, mainly due to the increase in commission income from wealth management agency services and commission income from settlement and agency services as compared to the same period of the previous year.

Operating expenses amounted to RMB1,912 million, representing an increase of RMB111 million or 6.2% as compared to the same period of the previous year. The cost-to-income ratio was 18.41%, representing a decrease of 1.23 percentage points as compared to the same period of the previous year. The asset impairment losses amounted to RMB2,952 million, representing an increase of RMB888 million or 43.1% 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 8.65%, 9.86% and 12.90%, respectively, fulfilling the latest regulatory requirements on capital adequacy ratios applicable to the PRC banking industry.

4. SIGNIFICANT EVENTS

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

☒ 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 2020	January to September 2019	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Net trading gains	(170,357)	277,891	(161.30)	Primarily due to the exchange losses on USD assets held resulting from a decrease in the USD to RMB exchange rate.
Other operating income	84,184	52,684	59.79	Primarily due to an increase in the proceeds from the fixed assets.
Asset impairment losses	(2,952,206)	(2,063,737)	43.05	Primarily due to the increase in loans and the increase in the provision of asset impairment losses in order to effectively cope with risks from decline in asset quality under the impact of the COVID-19 outbreak.

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	September 30, 2020	December 31, 2019	Change rate as compared to the end of the previous year (%)	Main reasons of the changes
Financial liabilities at fair value through profit or loss	6,905	3,602	91.70	Primarily due to a change in the valuation of derivative financial instruments.

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

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

This quarterly results announcement will be published on the HKEXnews 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.

For and on behalf of the Board
Bank of Chongqing Co., Ltd.*
WONG Wah Sing
Executive Director

Chongqing, the PRC, October 30, 2020

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 of the Bank are Mr. WONG Hon Hing, Mr. DENG Yong, Mr. YANG Yusong, Mr. TANG Xiaodong, Mr. WU Heng and Ms. LIU Ying; and the independent non-executive directors of the Bank are Dr. LIU Xing, Mr. WANG Rong, Dr. ZOU Hong, Dr. FUNG Don Hau and Mr. YUAN Xiaobin.

APPENDIX FINANCIAL STATEMENTS ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020

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

	For the nine months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)
Interest income	18,396,066	16,061,325
Interest expense	(10,439,549)	(9,695,273)
Net interest income	7,956,517	6,366,052
Fee and commission income	1,140,395	1,002,208
Fee and commission expense	(66,933)	(80,333)
Net fee and commission income	1,073,462	921,875
Net trading gains	(170,357)	277,891
Net gains on investment securities	853,435	1,037,270
Other operating income	84,184	52,684
Operating income	9,797,241	8,655,773
Operating expenses	(1,912,085)	(1,800,945)
Asset impairment losses	(2,952,206)	(2,063,737)
Operating profit	4,932,950	4,791,091
Share of profit of associates	93,451	118,390
Profit before income tax	5,026,401	4,909,481
Income tax	(1,022,431)	(1,100,823)
Net profit for the period	4,003,970	3,808,658

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net (losses)/gains on debt investments at fair value through other comprehensive income	(95,498)	593,595
Less: Relevant income tax effect	23,875	(148,399)
Subtotal	(71,623)	445,196
Remeasurement of retirement (losses)/benefits	(1,584)	608
Less: Relevant income tax effect	396	(152)
Subtotal	(1,188)	456
Total other comprehensive income, net of tax	(72,811)	445,652
Total comprehensive income for the period	3,931,159	4,254,310

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Net profit attributable to:		
Shareholders of the Bank	3,890,833	3,720,395
Non-controlling interests	113,137	88,263
	<u>4,003,970</u>	<u>3,808,658</u>
Net comprehensive income attributable to:		
Shareholders of the Bank	3,818,022	4,166,047
Non-controlling interests	113,137	88,263
	<u>3,931,159</u>	<u>4,254,310</u>
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)		
– basic and diluted	<u>1.24</u>	<u>1.19</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION*September 30, 2020**(All amounts expressed in thousands of RMB unless otherwise stated)*

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
ASSETS		
Cash and balances with central bank	36,827,236	32,033,098
Due from and placements with banks and other financial institutions	55,501,458	61,276,742
Financial assets at fair value through profit or loss	27,212,430	26,977,016
Loans and advances to customers	257,599,328	238,626,834
Investment securities		
– Fair value through other comprehensive income	44,754,906	36,094,078
– Amortised cost	114,315,563	96,407,351
Investment in associates	1,875,629	1,801,573
Property, plant and equipment	3,111,346	3,070,011
Deferred income tax assets	3,160,433	2,479,531
Other assets	2,555,582	2,465,630
Total assets	<u>546,913,911</u>	<u>501,231,864</u>
LIABILITIES		
Due to and placements from banks and other financial institutions	81,189,462	70,149,225
Customer deposits	311,232,518	281,048,911
Financial liabilities at fair value through profit or loss	6,905	3,602
Current tax liabilities	597,495	503,815
Debt securities issued	106,121,856	105,386,006
Other liabilities	5,986,762	5,526,636
Total liabilities	<u>505,134,998</u>	<u>462,618,195</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)*September 30, 2020**(All amounts expressed in thousands of RMB unless otherwise stated)*

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
SHAREHOLDERS' 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	9,941,284	9,298,770
Retained earnings	17,371,182	14,933,659
Equity attributable to shareholders of the Bank	40,029,466	36,949,429
Non-controlling interests	1,749,447	1,664,240
Total shareholders' equity	41,778,913	38,613,669
Total liabilities and shareholders' equity	546,913,911	501,231,864

CONSOLIDATED STATEMENTS OF CASH FLOWS

September 30, 2020

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

	For the nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	5,026,401	4,909,481
Adjustments:		
Depreciation and amortisation	223,225	162,164
Impairment losses on loans	3,035,828	1,655,860
(Reversal of)/provision for impairment losses on other assets	(83,622)	407,877
Net gains on disposal of property, plant and equipment and foreclosed assets	(31,052)	(18,160)
Losses/(gains) on changes in fair value	221,434	(89,015)
Net gains arising from financial investments	(1,029,411)	(1,038,470)
Share of profit of associates	(93,451)	(118,390)
Interest income arising from investment securities	(5,930,722)	(4,934,466)
Interest expense arising from financing activities	2,439,495	2,700,645
Net increase in operating assets:		
Net (increase)/decrease in restricted deposit balances with central bank	(2,418,723)	2,236,561
Net decrease in due from and placements with banks and other financial institutions	4,609,822	2,759,195
Net decrease in financial assets held under resale agreements	1,525,408	2,079,793
Net increase in loans and advances to customers	(22,288,256)	(24,828,738)
Net increase in other operating assets	(1,399,437)	(494,439)
Net increase in operating liabilities:		
Net increase in borrowings from central bank	7,159,039	7,400,446
Net increase/(decrease) in due to and placements from banks and other financial institutions	6,174,177	(10,259,981)
Net (decrease)/increase in financial assets sold under repurchase agreements	(2,292,979)	1,283,172
Net increase in customer deposits	30,183,607	16,939,452
Net increase in other operating liabilities	1,209,100	1,149,395
Income tax paid	(1,590,727)	(1,462,815)
Net cash inflows from operating activities	24,649,156	439,567

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)*September 30, 2020**(All amounts expressed in thousands of RMB unless otherwise stated)*

	For the nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Dividends received	19,395	1,200
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	80,284	41,420
Purchase of property, plant and equipment, intangible assets and other long-term assets	(292,733)	(258,313)
Proceeds from sale and redemption of investments	46,057,055	47,913,942
Purchase of investment securities	(65,042,713)	(45,118,761)
Net cash (outflows)/inflows from investing activities	(19,178,712)	2,579,488
Cash flows from financing activities:		
Proceeds from issuance of debt securities and inter-bank certificates of deposit	95,874,710	76,489,210
Cash paid to redeem debt securities and inter-bank certificates of deposit issued	(97,090,000)	(79,250,000)
Cash paid for lease liabilities	(28,105)	(24,200)
Interest paid in relation to financing activities	(485,500)	(490,791)
Dividends paid to shareholders	(757,109)	(464,693)
Net cash outflows from financing activities	(2,486,004)	(3,740,474)
Impact from exchange rate changes on cash and cash equivalents	(97,705)	82,294
Net increase/(decrease) in cash and cash equivalents	2,886,735	(639,125)
Cash and cash equivalents at the beginning of the period	9,958,679	14,267,072
Cash and cash equivalents at the end of the period	12,845,414	13,627,947