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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)

FIRST 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 subsidiaries (the “**Group**”) for the first quarter ended March 31, 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 results announcement.
- 1.2 This quarterly results announcement has been reviewed and approved at the Board meeting of the Bank held on April 28, 2020.
- 1.3 The financial information contained in this quarterly results announcement has not been audited.
- 1.4 The unaudited operating information for the first quarter is provided as additional information.

* *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, the financial information of the Group is expressed in RMB.

With regard to 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 March 31, 2020 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>	March 31, 2020	December 31, 2019	Increase/(decrease) at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	511,259,634	501,231,864	2.0
Loans and advances to customers, gross	257,811,092	247,348,738	4.2
Total liabilities	471,027,486	462,618,195	1.8
Customer deposits	294,800,660	281,048,911	4.9
Equity attributable to shareholders of the Bank	38,539,049	36,949,429	4.3
Total equity	40,232,148	38,613,669	4.2
Net assets per share attributable to shareholders of the Bank (RMB) ⁽¹⁾	10.75	10.25	4.9
 <i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	 January to March 2020	 January to March 2019	 Increase/(decrease) in the Reporting Period as compared to the same period of the previous year (%)
Net profit	1,406,318	1,232,170	14.1
Net profit attributable to shareholders of the Bank	1,377,459	1,211,794	13.7
 <i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	 January to March 2020	 January to March 2019	 Increase/(decrease) in the Reporting Period as compared to the same period of the previous year
Basic earnings per share (RMB)	0.44	0.39	0.05
Average annualized return on equity attributable to shareholders of the Bank (%) ⁽²⁾	16.87	17.01	(0.14)

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

<i>Unit: share</i>			
Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)
Chongqing Yufu Assets Management 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 Transport and Travel Investment Group Limited	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. 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 Assets Management Group Co., Ltd.. Chongqing Yufu Assets Management 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.

Pledge of domestic shares of the Bank

Name of shareholder	Total number of shares held	Shareholding percentage (%)	Number of shares pledged ⁽¹⁾	<i>Unit: share</i>
				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 Sincere Holding (Group) Co., Ltd.	4,877,587	0.16	4,877,587	100.00
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
Chongqing Rongjie Property Management Co., Ltd.	1,655,158	0.05	1,655,158	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	216,043,733	6.90	216,041,371	-

Note: (1) As of March 31, 2020, the total number of pledged domestic shares of the Bank amounted to 216,041,371, 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 March 31, 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:

<i>Unit: share</i>				
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 March 31, 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 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 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 places.

(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 March 31, 2020, the Group's total assets amounted to RMB511,260 million, representing an increase of RMB10,028 million or 2.0% as compared to the end of the previous year.

Customer deposits amounted to RMB294,801 million, representing an increase of RMB13,752 million or 4.9% 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 RMB187,375 million, RMB80,058 million, RMB8,745 million, RMB15,818 million and RMB2,805 million, respectively.

Total loans and advances to customers amounted to RMB257,811 million, representing an increase of RMB10,462 million or 4.2% as compared to the end of the previous year, of which, corporate loans, personal loans, discounted bills and interest receivables amounted to RMB148,134 million, RMB93,867 million, RMB14,242 million and RMB1,568 million, respectively.

The balance of non-performing loans amounted to RMB3,263 million, representing an increase of RMB132 million as compared to the end of the previous year; the non-performing loan ratio was 1.27%, remaining at the same level as compared with the end of the previous year; and the provision coverage ratio was 292.31%, representing an increase of 12.48 percentage points as compared to the end of the previous year.

For the three months ended March 31, 2020, the Group recorded a net profit of RMB1,406 million, representing an increase of RMB174 million or 14.1% as compared to the same period of the previous year. The average annualized return on total assets was 1.12%, representing an increase of 0.02 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 16.87%, representing a decrease of 0.14 percentage point as compared with the same period of the previous year. The Group recorded basic earnings per share of RMB0.44, representing an increase of RMB0.05 as compared with the same period of the previous year.

Net interest income amounted to RMB2,528 million, representing an increase of RMB505 million or 24.96% as compared with the same period of the previous year. Net fee and commission income amounted to RMB305 million, representing an increase of RMB12 million or 4.3% as compared with the same period of the previous year, primarily because commission income from wealth management agency services recorded an increase of 19.1% as compared with the same period of the previous year.

Operating expenses amounted to RMB605 million, representing an increase of RMB96 million or 18.8% as compared to the same period of the previous year. The cost-to-income ratio was 17.35%, representing a decrease of 0.20 percentage point as compared to the same period of the previous year. The impairment losses amounted to RMB907 million, representing an increase of RMB204 million or 29.0% as compared to the same period of the previous year.

In accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial) (《商業銀行資本管理辦法(試行)》), 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 8.70%, 9.98% and 13.10%, 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 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 March 2020	January to March 2019	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Fee and commission expense	23,056	12,121	90.2	Primarily due to an increase in agency fee expenses during the Reporting Period, as compared with the same period of last year.
Net trading gains	48,534	34,313	41.4	Primarily due to an increase in exchange gains or losses on USD assets held by the Group resulting from an increase in the USD to RMB exchange rate, and a decrease in the valuation of equity investments classified as financial assets held for trading.
Other operating income	4,182	12,019	(65.2)	Primarily due to the non-recurrence of the proceeds from the disposal of property, plant and equipment by the Group during the Reporting Period which affected the account during the same period of last year.
<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	March 31, 2020	March 31, 2019	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Financial liabilities at fair value through profit or loss	5,120	3,602	42.1	Primarily due to an increase in financial liabilities resulting from a change in the valuation of interest rate swaps in structured deposits and hedging interest rate swaps.

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

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.

On Behalf of the Board
Bank of Chongqing Co., Ltd. *
WONG Wah Sing
Executive Director

Chongqing, the PRC, April 28, 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 Dr. JIN Jingyu.

APPENDIX FINANCIAL STATEMENTS ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020

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

	For the three months ended 31 March	
	2020 (Unaudited)	2019 (Unaudited)
Interest income	5,989,750	5,243,713
Interest expense	<u>(3,461,540)</u>	<u>(3,220,446)</u>
Net interest income	<u>2,528,210</u>	<u>2,023,267</u>
Fee and commission income	327,749	304,389
Fee and commission expense	<u>(23,056)</u>	<u>(12,121)</u>
Net fee and commission income	<u>304,693</u>	<u>292,268</u>
Net trading gains	48,534	34,313
Net gains on investment securities	425,533	368,820
Other operating income	<u>4,182</u>	<u>12,019</u>
Operating income	3,311,152	2,730,687
Operating expenses	(605,384)	(509,560)
Asset impairment losses	<u>(907,354)</u>	<u>(703,329)</u>
Operating profit	1,798,414	1,517,798
Share of profit of associates	<u>34,345</u>	<u>47,803</u>
Profit before income tax	1,832,759	1,565,601
Income tax	<u>(426,441)</u>	<u>(333,431)</u>
Net profit for the period	<u>1,406,318</u>	<u>1,232,170</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net gains on debt investments at fair value through other comprehensive income	285,241	380,286
Less: Relevant income tax impact	(71,310)	(95,072)
Subtotal	213,931	285,214
<i>Items that will not be reclassified to profit or loss:</i>		
Net gains on equity investments designated at fair value through other comprehensive income	–	–
Less: Relevant income tax impact	–	–
Subtotal	–	–
Remeasurement of retirement (losses)/benefits	(2,360)	255
Less: Relevant income tax impact	590	(64)
Subtotal	(1,770)	191
Total other comprehensive income, net of tax	212,161	285,405
Total comprehensive income for the period	1,618,479	1,517,575

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Net profit attributable to:		
Shareholders of the Bank	1,377,459	1,211,794
Non-controlling interests	28,859	20,376
	<u>1,406,318</u>	<u>1,232,170</u>
Total comprehensive income attributable to:		
Shareholders of the Bank	1,589,620	1,497,199
Non-controlling interests	28,859	20,376
	<u>1,618,479</u>	<u>1,517,575</u>
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)		
– basic and diluted	<u>0.44</u>	<u>0.39</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

	31 March 2020 (Unaudited)	31 December 2019 (Audited)
ASSETS		
Cash and balances with central bank	33,806,719	32,033,098
Due from other banks and financial institutions	53,504,175	61,276,742
Financial assets at fair value through profit or loss	27,973,828	26,977,016
Loans and advances to customers	248,305,265	238,626,834
Investment securities		
– Financial assets at fair value through other comprehensive income	37,536,289	36,094,078
– Financial assets measured at amortised cost	100,283,548	96,407,351
Investment in associates	1,835,918	1,801,573
Property, plant and equipment	3,035,155	3,070,011
Deferred tax assets	2,508,834	2,479,531
Other assets	2,469,903	2,465,630
	<hr/>	<hr/>
Total assets	511,259,634	501,231,864
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Due to and placements from other banks and financial institutions	65,934,595	70,149,225
Customer deposits	294,800,660	281,048,911
Financial liabilities at fair value through profit or loss	5,120	3,602
Current tax liabilities	551,641	503,815
Debt securities issued	104,571,212	105,386,006
Other liabilities	5,164,258	5,526,636
	<hr/>	<hr/>
Total liabilities	471,027,486	462,618,195
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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)*AS AT 31 MARCH 2020**(All amounts expressed in thousands of RMB unless otherwise stated)*

	31 March 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	9,510,931	9,298,770
Retained earnings	16,311,118	14,933,659
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Equity attributable to shareholders of the Bank	38,539,049	36,949,429
Non-controlling interests	1,693,099	1,664,240
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Total shareholders' equity	40,232,148	38,613,669
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Total liabilities and shareholders' equity	511,259,634	501,231,864
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CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	1,832,759	1,565,601
Adjustments:		
Depreciation and amortisation	76,498	61,027
Impairment losses on loans	1,072,438	619,506
Provision for impairment losses on other assets	(165,084)	83,823
Net losses/(gains) on disposal of property, plant and equipment and foreclosed assets	1	(6,481)
Fair value gains	(18,131)	(137,286)
Net gains arising from financial investments	(359,616)	(368,820)
Share of profit of associates	(34,345)	(47,803)
Interest income arising from investment securities	(1,885,787)	(1,597,765)
Interest expense arising from financing activities	848,768	934,844
	<hr/>	<hr/>
Net increase in operating assets:		
Net decrease in restricted deposit balances with central bank	347,748	1,534,110
Net decrease in due from and placements to banks and other financial institutions	2,193,413	640,892
Net decrease in financial assets held under resale agreements	6,890,701	5,632,913
Net increase in loans and advances to customers	(10,682,686)	(11,311,594)
Net increase in other operating assets	(795,845)	(746,380)
Net increase in operating liabilities:		
Net increase/(decrease) in borrowings from central banks	4,765,300	(2,095,025)
Net decrease in due to and placements from banks and other financial institutions	(7,341,556)	(8,643,508)
Net (decrease)/increase in financial assets sold under repurchase agreements	(1,638,374)	6,107,748
Net increase in customer deposits	13,751,749	11,039,266
Net decrease in other operating liabilities	(111,764)	(469,175)
Income tax paid	(479,229)	(426,766)
	<hr/>	<hr/>
Net cash inflows from operating activities	8,266,958	2,369,127
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CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2020
(All amounts expressed in thousands of RMB unless otherwise stated)

**For the three months
ended 31 March**

	2020	2018
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	1,315	6,254
Purchase of property, plant and equipment, intangible assets and other long-term assets	(14,105)	(44,822)
Proceeds from sale and redemption of investments	9,297,884	38,327,694
Purchase of investment securities	(12,376,383)	(38,601,642)
Net cash outflows from investing activities	(3,091,289)	(312,516)
Cash flows from financing activities:		
Proceeds from issuance of debt securities and inter-bank certificates of deposit	24,881,431	25,471,017
Cash paid to redeem debt securities and inter-bank certificates of deposit issued	(26,190,000)	(26,930,000)
Cash paid for lease liabilities	(12,163)	–
Interest paid in relation to financing activities	(354,000)	(354,000)
Dividends paid to shareholders	(21,618)	(12,415)
Net cash outflows from financing activities	(1,696,350)	(1,825,398)
Impact from exchange rate changes on cash and cash equivalents	41,562	(83,723)
Net increase in cash and cash equivalents	3,520,881	147,490
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	13,479,560	14,414,562