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重慶農村商業銀行

CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

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

(Stock Code: 3618)

2023 THIRD QUARTERLY REPORT

The board of directors (the “**Board**”) of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the “**Bank**”) is pleased to announce the unaudited results (the “**Quarterly Report**”) of the Bank and its subsidiaries (the “**Group**”) prepared under the International Financial Reporting Standards (“**IFRSs**”) for the third quarter ended 30 September 2023 (the “**Reporting Period**”). The Quarterly Report is made in accordance with Rule 13.09 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

IMPORTANT NOTICE

1. The Board, the board of supervisors and directors, supervisors and senior management of the Bank warrant the truthfulness, accuracy and completeness of the contents of the Quarterly Report, and that there are no false presentations, misleading statements or material omissions herein, and jointly and severally accept legal responsibility in this respect.
2. The Bank’s chairman Xie Wenhui and vice president in charge of accounting and head of the accounting department Shu Jing warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.
3. The financial statements in the third Quarterly Report of the Bank have not been audited.

1. MAJOR FINANCIAL DATA

(1) Major accounting data and financial indicators

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

Unit: Million Currency: RMB

Items	July to September 2023	Increase/ (decrease) as compared to the same period of the previous year (%)	January to September 2023	Increase/ (decrease) as compared to the same period of the previous year (%)
Operating income	7,031.9	(2.68)	21,901.0	(2.76)
Net profit	3,023.7	3.48	10,144.2	7.71
Net profit attributable to shareholders of the Bank	2,968.9	3.70	9,954.9	7.71
Net cash flows generated from operating activities	N/A	N/A	9,963.6	(87.62)
Basic and diluted earnings per share (RMB/Share)	0.25	4.17	0.86	7.50
Weighted average return on net assets (%, annualised)	9.81	Decreased by 0.36 percentage point	11.65	Increased by 0.02 percentage point
Average return on total assets (%, annualised)	0.83	Decreased by 0.05 percentage point	0.97	-

Items	30 September 2023	31 December 2022	Increase/ (decrease) as compared to the end of the previous year (%)
Total assets	1,447,896.7	1,352,301.2	7.07
Loans and advances to customers, gross	679,258.4	632,677.1	7.36
Total liabilities	1,325,001.7	1,236,844.9	7.13
Deposits from customers	907,832.6	824,946.8	10.05
Total equity	122,895.0	115,456.3	6.44
Owner's equity attributable to shareholders of the Bank	120,973.0	113,723.5	6.37
Net assets per share attributable to ordinary shareholders of the Bank (<i>RMB/Share</i>)	10.12	9.49	6.64

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

Item	Change (%)	Main reason
Net cash flows generated from operating activities	(87.62)	Mainly due to the year-on-year decrease in the net increase in financial assets sold under repurchase agreements and the decrease in cash inflows from operating activities; meanwhile, the year-on-year increase in the net increase in financial assets held for trading purpose and the increase in cash outflows from operating activities.

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

1. Differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

As a financial institution incorporated in the People’s Republic of China, the Bank prepares the consolidated financial statements of the Bank and its combined subsidiaries in accordance with the Accounting Standards for Enterprises promulgated by the Ministry of Finance of the People’s Republic of China and relevant regulations issued by the China Securities Regulatory Commission and other regulatory agencies (collectively referred to as “**Accounting Standards for Enterprises**”).

The Group also prepares consolidated financial statements in accordance with the IFRSs and their interpretations issued by the International Accounting Standards Board and the disclosure regulations applicable to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. There are some differences between the financial statements in this Quarterly Report and the Group’s financial statements prepared in accordance with the Accounting Standards for Enterprises. The differentiated items and amounts are listed below:

Unit: Million Currency: RMB

Items	Net Assets (Consolidated)		
	30 September 2023	31 December 2022	31 December 2021
In accordance with Accounting Standards for Enterprises	122,454.9	115,016.2	106,044.0
Differentiated items and amount:			
– Goodwill from the Acquisition	440.1	440.1	440.1
In accordance with IFRSs	<u>122,895.0</u>	<u>115,456.3</u>	<u>106,484.1</u>

2. Reasons for the differences between the financial statements prepared in accordance with Chinese Accounting Standards and IFRSs

The Bank was incorporated on 27 June 2008 as a joint stock company with limited liability, and the newly incorporated joint stock company with limited liability acquired all assets and liabilities of 38 County (District) Rural Credit Cooperative Unions, including the former Chongqing Rural Credit Cooperative Union (重慶市農村信用合作社聯合社), Chongqing Yuzhong District Rural Credit Cooperative Union (重慶市渝中區農村信用合作社聯合社) and Chongqing Wulong Rural Cooperative Bank (重慶武隆農村合作銀行) (the “**Acquisition**”). The Bank first implemented the Accounting Standards for Enterprises on 1 January 2009 and was not required to recognise the goodwill generated from the Acquisition. The Bank made an initial public offering of overseas listed foreign shares (H shares) on the Hong Kong Stock Exchange on 16 December 2010 and adopted IFRSs for the first time in the same year. The goodwill generated from the Acquisition was retrospectively recognized in accordance with the relevant requirements of the first implementation of IFRSs.

(4) Capital adequacy ratio

Set out below are the capital adequacy ratios at all levels of the Group and the Bank as at the end of September 2023 calculated in accordance with the Measures for the Administration of the Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》).

Unit: Million Currency: RMB

Items	30 September 2023		31 December 2022	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	115,315.1	103,935.3	107,950.9	97,443.0
Net tier 1 capital	121,448.0	109,932.9	114,065.8	103,440.7
Net capital	136,638.0	124,136.6	128,708.3	117,221.9
Risk-weighted assets	874,837.4	811,762.1	824,181.2	768,312.2
Core tier 1 capital adequacy ratio (%)	13.18	12.80	13.10	12.68
Tier 1 capital adequacy ratio (%)	13.88	13.54	13.84	13.46
Capital adequacy ratio (%)	15.62	15.29	15.62	15.26

(5) Leverage ratio

Set out below is the leverage ratio of the Group as at the end of September 2023 calculated in accordance with the Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised) (《商業銀行槓桿率管理辦法(修訂)》).

Unit: Million Currency: RMB

Items	30 September 2023	30 June 2023	31 March 2023	31 December 2022
Net tier 1 capital	121,448.0	118,773.7	118,046.6	114,065.8
Balance of assets on and off-balance sheet after adjustments	1,473,724.5	1,467,609.7	1,453,579.4	1,378,692.5
Leverage ratio (%)	8.24	8.09	8.12	8.27

(6) Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of September 2023 calculated in accordance with the Measures for the Liquidity Risk Management in Commercial Banks (《商業銀行流動性風險管理辦法》).

Unit: Million Currency: RMB

Items	30 September 2023
Qualified and high-quality liquid assets	160,397.77
Net cash outflows in future 30 days	46,822.87
Liquidity coverage ratio (%)	342.56

(7) Highlights of quarterly results

From January to September 2023, the Group recorded a net profit of RMB10,144 million, of which the net profit attributable to shareholders of the Bank amounted to RMB9,955 million, representing an increase of 7.71% and 7.71% as compared to the corresponding period of the previous year, respectively. Annualised average return on total assets was 0.97%, which was the same as the corresponding period of the previous year and annualised weighted average return on net assets was 11.65%, representing an increase of 0.02 percentage point as compared to the corresponding period of the previous year.

From January to September 2023, operating income of the Group amounted to RMB21,901 million, representing a decrease of 2.76% as compared to the corresponding period of the previous year. Of which, net interest income amounted to RMB17,946 million and net fee and commission income amounted to RMB1,405 million. Net interest margin was 1.77%.

From January to September 2023, the Group's operating expenses amounted to RMB7,032 million, representing an increase of 4.36% as compared to the corresponding period of the previous year. Cost-to-income ratio was 31.06%, representing an increase of 2.10 percentage points as compared to the corresponding period of the previous year. The credit impairment losses were RMB3,331 million, representing a decrease of 35.12% as compared to the corresponding period of the previous year.

As at 30 September 2023, total assets of the Group amounted to RMB1,447,897 million, representing an increase of RMB95,596 million or 7.07% from the end of last year. Gross amount of loans and advances to customers amounted to RMB679,258 million, representing an increase of RMB46,581 million or 7.36% from the end of last year. Among which, corporate loans of the Group amounted to RMB329,971 million, retail loans amounted to RMB294,201 million and discounted bills amounted to RMB55,086 million. Financial investment amounted to RMB612,698 million, representing an increase of RMB39,715 million or 6.93% from the end of last year.

As at 30 September 2023, total liabilities of the Group amounted to RMB1,325,002 million, representing an increase of RMB88,157 million or 7.13% from the end of last year. Deposits from customers amounted to RMB907,833 million, representing an increase of RMB82,886 million or 10.05% from the end of last year. Among which, corporate deposit of the Group amounted to RMB149,991 million, personal deposit amounted to RMB748,439 million and other deposits amounted to RMB9,403 million.

As at 30 September 2023, total shareholders' equity of the Group amounted to RMB122,895 million, representing an increase of RMB7,439 million or 6.44% from the end of last year.

As at 30 September 2023, the balance of non-performing loans of the Group amounted to RMB8,175 million, representing an increase of RMB458 million from the end of last year. The non-performing loan ratio was 1.20%, representing a decrease of 0.02 percentage point from the end of last year. Provision coverage ratio was 353.89%, representing a decrease of 3.85 percentage points from the end of last year.

2. INFORMATION ON SHAREHOLDERS

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

Unit: Share

Total number of shareholders of ordinary shares as at the end of the Reporting Period	207,940	Total number of shareholders of preference shares with voting rights restored as at the end of the Reporting Period	Nil			
Particulars of Shareholdings of Top Ten Shareholders						
Name of shareholders	Nature of shareholders	Number of shares held	Shareholding percentage (%)	Number of shares held with selling restrictions	Pledged, marked or frozen	
					Condition of shares	Number
HKSCC Nominees Limited	Overseas legal person	2,505,879,691	22.06	0	–	–
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	State-owned legal person	988,000,000	8.70	0	–	–
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	State-owned legal person	797,087,430	7.02	0	–	–
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	State-owned legal person	589,084,181	5.19	0	–	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	434,817,738	3.83	0	–	–
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	State-owned legal person	433,221,289	3.81	0	–	–
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	Domestic non-state-owned legal person	160,000,000	1.41	0	Pledged Judicial freezing	160,000,000
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	Domestic non-state-owned legal person	136,778,711	1.20	0	Pledged Judicial freezing	127,425,073 136,778,711
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	State-owned legal person	125,000,000	1.10	0	–	–
Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)	Domestic non-state-owned legal person	117,220,000	1.03	0	–	–

Particulars of Shareholdings of Top Ten Shareholders without Selling Restrictions			
Name of shareholders	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type of shares	Number
HKSCC Nominees Limited	2,505,879,691	H shares	2,505,879,691
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	988,000,000	A shares	988,000,000
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	797,087,430	A shares	797,087,430
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	589,084,181	A shares	589,084,181
Hong Kong Securities Clearing Company Limited	434,817,738	A shares	434,817,738
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	433,221,289	A shares	433,221,289
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	160,000,000	A shares	160,000,000
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	136,778,711	A shares	136,778,711
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	125,000,000	A shares	125,000,000
Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)	117,220,000	A shares	117,220,000
Statement on the related relations or concerted actions among the shareholders above	HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited, and Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) and Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) are persons acting-in-concert with each other		
Statement on particulars of participation of the top ten shareholders and top ten shareholders without selling restrictions in margin financing and securities lending and refinancing business	Nil		

- (1) The number of shares held by HKSCC Nominees Limited refers to the aggregate number of H shares it held in its capacity as nominee on behalf of all institutional and individual investors registered with the company as at the end of the Reporting Period. The number of shares held by Hong Kong Securities Clearing Company Limited represents the number of A shares of the Bank (northbound shares under Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.
- (2) As at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) held 988,000,000 A shares of the Bank, representing 8.70% of the total share capital of the Bank, and its subsidiary Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司) held 13,246,000 H shares of the Bank, Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司), Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司), all being related parties of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), respectively held 2,000,000 A shares, 10,000,000 A shares and 15,000,454 A shares of the Bank, respectively. Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and its related parties jointly held 1,028,246,454 shares of the Bank, accounting for 9.05% of the total share capital of the Bank.
- (3) As at the end of the Reporting Period, Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) held 797,087,430 A shares of the Bank, representing 7.02% of the total share capital of the Bank, and its related party Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司) held 30,000,000 A shares of the Bank. Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and its related party jointly held 827,087,430 A shares of the Bank, accounting for 7.28% of the total share capital of the Bank.
- (4) As at the end of the Reporting Period, Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) held 589,084,181 A shares of the Bank, representing 5.19% of the total share capital of the Bank, and its related party Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) held 433,221,289 A shares of the Bank, representing 3.81% of the total share capital of the Bank. Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) and its related party jointly held 1,022,305,470 A shares of the Bank, accounting for 9.00% of the total share capital of the Bank.

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

Applicable ✓ N/A

3. OTHER REMINDERS

Applicable ✓ N/A

4. PUBLICATION OF QUARTERLY REPORT

The Quarterly Report prepared under IFRSs is available on both the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.cqrcb.com). The Quarterly Report prepared under Chinese Accounting Standards is available on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Bank (www.cqrcb.com).

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

Chongqing, the PRC, 27 October 2023

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

* *The Bank holds a financial licence number B0335H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code of 91500000676129728J. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

APPENDIX: FINANCIAL STATEMENTS PREPARED UNDER IFRSs

CONSOLIDATED INCOME STATEMENT

(Amounts in thousands of Renminbi, unless otherwise stated)

	Three months ended		Nine months ended	
	30 September 2023 (Unaudited)	2022 (Unaudited)	30 September 2023 (Unaudited)	2022 (Unaudited)
Interest income	12,618,398	12,504,036	37,812,491	38,481,026
Interest expense	<u>(6,715,745)</u>	<u>(6,450,053)</u>	<u>(19,866,267)</u>	<u>(19,636,200)</u>
Net interest income	<u>5,902,653</u>	6,053,983	<u>17,946,224</u>	18,844,826
Fee and commission income	514,531	566,299	1,727,849	1,775,812
Fee and commission expense	<u>(101,365)</u>	<u>(133,340)</u>	<u>(322,365)</u>	<u>(303,954)</u>
Net fee and commission income	<u>413,166</u>	432,959	<u>1,405,484</u>	1,471,858
Net trading gains	577,377	560,067	1,869,838	1,531,180
Share of profits of associates	10,503	1,637	(6,598)	(26,322)
Other operating income, net	107,986	142,419	441,256	323,899
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	10,114	33,208	219,088	313,443
Net gains on derecognition of financial assets measured at amortised cost	<u>10,096</u>	<u>1,299</u>	<u>25,712</u>	<u>64,637</u>
Operating income	7,031,895	7,225,572	21,901,004	22,523,521
Operating expenses	(2,225,543)	(2,422,033)	(7,032,062)	(6,738,519)
Credit impairment losses	<u>(1,485,599)</u>	<u>(1,514,483)</u>	<u>(3,330,779)</u>	<u>(5,134,006)</u>
Profit before tax	3,320,753	3,289,056	11,538,163	10,650,996
Income tax expense	<u>(297,079)</u>	<u>(367,075)</u>	<u>(1,393,981)</u>	<u>(1,232,727)</u>
Profit for the period	<u>3,023,674</u>	<u>2,921,981</u>	<u>10,144,182</u>	<u>9,418,269</u>

CONSOLIDATED INCOME STATEMENT (CONTINUED)

(Amounts in thousands of Renminbi, unless otherwise stated)

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Attributable to:				
– Shareholders of the Bank	2,968,920	2,862,926	9,954,935	9,241,894
– Non-controlling interests	54,754	59,055	189,247	176,375
Earnings per share				
(Expressed in Renminbi (“RMB”) Yuan per share)				
Basic and diluted	<u>0.25</u>	<u>0.24</u>	<u>0.86</u>	<u>0.80</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Renminbi, unless otherwise stated)

	Three months ended 30		Nine months ended	
	September 2023 (Unaudited)	2022 (Unaudited)	30 September 2023 (Unaudited)	2022 (Unaudited)
Profit for the period	3,023,674	2,921,981	10,144,182	9,418,269
Other comprehensive income, after tax:				
Items that will not be reclassified to profit or loss:				
– Changes in remeasurement of defined benefit plans	–	–	–	60
– Changes in fair value of equity instruments measured at fair value through other comprehensive income	25,580	(78,857)	(19,014)	(136,448)
Items that may be reclassified:				
– Changes in fair value of debt instruments measured at fair value through other comprehensive income	(167,657)	263,054	624,423	(149,379)
– Credit impairment losses of debt instruments measured at fair value through other comprehensive income	140	4,453	9,424	11,101
Other comprehensive income for the period (net of tax)	(141,937)	188,650	614,833	(274,666)
Total comprehensive income for the period	2,881,737	3,110,631	10,759,015	9,143,603
Total comprehensive income attributable to:				
Shareholders of the Bank	2,826,983	3,051,576	10,569,768	8,967,228
Non-controlling interests	54,754	59,055	189,247	176,375

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Renminbi, unless otherwise stated)

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Assets		
Cash and balances with central bank	53,716,979	52,894,028
Deposits with banks and other financial institutions	17,877,800	12,028,449
Placements with banks and other financial institutions	90,866,176	82,638,207
Derivative financial assets	54,184	16,314
Financial assets held under resale agreements	1,817,885	8,457,236
Loans and advances to customers	650,344,144	605,085,448
Financial investments:		
– Financial assets measured at fair value through profit or loss	107,943,641	65,835,694
– Financial assets measured at fair value through other comprehensive income	145,197,555	106,005,356
– Financial assets measured at amortised cost	359,556,938	401,141,674
Investments in associates	448,087	454,685
Property and equipment	4,780,827	4,738,478
Rights-of-use assets	200,084	157,986
Goodwill	440,129	440,129
Deferred tax assets	11,122,544	10,773,326
Other assets	3,529,699	1,634,235
Total assets	<u>1,447,896,672</u>	<u>1,352,301,245</u>
Liabilities		
Borrowings from central bank	95,657,513	86,393,367
Deposits from banks and other financial institutions	46,915,347	51,844,467
Placements from banks and other financial institutions	52,194,638	41,684,692
Financial liabilities measured at fair value through profit or loss	6,064,687	3,245,979
Derivative financial liabilities	18,905	12,450
Financial assets sold under repurchase agreements	55,493,477	42,465,622
Deposits from customers	907,832,617	824,946,754
Accrued staff costs	5,123,329	5,293,169
Debt securities issued	146,478,787	171,069,176
Income tax payable	704,477	654,438
Lease liabilities	174,785	135,385
Other liabilities	8,343,104	9,099,465
Total liabilities	<u>1,325,001,666</u>	<u>1,236,844,964</u>

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

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Equity		
Share capital	11,357,000	11,357,000
Other equity instruments	5,997,648	5,997,648
Capital reserve	20,924,618	20,924,618
Investment revaluation reserve	269,071	(345,762)
Actuarial changes reserve	(576,208)	(576,208)
Surplus reserve	13,841,815	13,841,815
General reserve	19,097,412	17,848,932
Retained earnings	50,061,644	44,675,479
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Equity attributable to shareholders of the Bank	120,973,000	113,723,522
Non-controlling interests	1,922,006	1,732,759
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Total equity	<u>122,895,006</u>	<u>115,456,281</u>
	<hr/>	<hr/>
Total equity and liabilities	<u>1,447,896,672</u>	<u>1,352,301,245</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Renminbi, unless otherwise stated)

	Nine months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
Operating activities		
Profit before tax	11,538,163	10,650,996
<i>Adjustments for:</i>		
Depreciation and amortisation	621,571	615,631
Credit impairment losses	3,330,779	5,134,006
Interest income arising from investment securities	(12,713,193)	(13,038,307)
Interest expense arising from debt securities issued	2,907,998	3,734,368
Net gain on disposal of investment securities	(1,082,012)	(1,412,769)
Net loss on investments in associates	6,598	26,322
Dividend income from investment securities	(13,042)	(8,631)
Net gain on disposal of property, equipment and other assets	(18,546)	(13,744)
Fair value gains	(589,864)	(345,394)
Foreign exchange gains	(37,022)	(109,245)
	3,951,430	5,233,233
Operating cash flows before movements in working capital	3,951,430	5,233,233
Net change in operating assets and operating liabilities:		
Decrease in balances with central bank, deposits with banks and other financial institutions	1,523,439	5,001,494
(Increase)/decrease in placements with banks and other financial institutions	(9,273,621)	4,398,132
Decrease in financial assets held under resale agreements	1,805	384,471
Increase in financial assets held for trading purpose	(46,815,141)	(18,230,575)
Increase in loans and advances to customers	(46,944,690)	(48,418,550)
Increase in financial assets sold under repurchase agreements	13,143,424	28,512,478
Increase in borrowings from central bank	8,831,652	7,830,247
Increase in placements from banks and other financial institutions	10,380,201	7,465,066
Increase in deposits from customers, deposits from banks and other financial institutions	76,720,107	85,799,183
Increase in financial liabilities measured at fair value through profit or loss	2,816,685	2,984,919
Increase in other operating assets	(3,243,792)	(2,284,795)
Increase in other operating liabilities	770,186	3,477,009
	11,861,685	82,152,312
Cash from operating activities	11,861,685	82,152,312
Income tax paid	(1,898,105)	(1,657,496)
	9,963,580	80,494,816
Net cash generated from operating activities	9,963,580	80,494,816

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

	Nine months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
Investing activities		
Cash received from disposal and redemption of investment securities	236,410,423	199,569,428
Interest income received from investment securities	13,048,531	14,493,422
Cash received from disposal of property, equipment and other assets	47,105	60,342
Dividend income from investment securities	13,042	8,631
Cash paid for purchase of investment securities	(227,601,304)	(213,110,672)
Cash paid for purchase of property, equipment and other assets	(633,352)	(335,850)
Net cash used in investing activities	21,284,445	685,301
Financing activities		
Cash received from debt securities issued	182,336,206	153,668,765
Cash received from issuance of other equity instruments	–	1,999,310
Repayments of debt securities issued	(209,060,000)	(235,660,000)
Dividends paid to shareholders of the bank	(3,320,268)	(3,028,729)
Dividends paid to shareholders of non-controlling interests	–	(861)
Interest paid on debt securities issued	(774,592)	(696,100)
Cash paid in other financing activities	(55,663)	(56,432)
Net cash used in financing activities	(30,874,317)	(83,774,047)
Net increase/(decrease) in cash and cash equivalents	373,708	(2,593,930)
Cash and cash equivalents as at 1 January	31,518,342	35,785,425
Effect of foreign exchange rate changes	16,108	96,356
Cash and cash equivalents as at 30 September	31,908,158	33,287,851
Net cash from operating activities include:		
Interest received	23,973,554	25,096,292
Interest paid	(15,268,740)	(14,227,312)
Net interest received from operating activities	8,704,814	10,868,980