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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 2019

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, 2019 (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 30, 2019.
- 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 is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

2. CORPORATE INFORMATION

2.1 Company information

Stock name of H shares:	BCQ
Stock code of H shares:	1963
Listing Exchange of H shares:	The Stock Exchange of Hong Kong Limited
Stock Name of Offshore Preference Shares:	BCQ 17USDPREF
Stock Code of Offshore Preference Shares:	4616
Listing Exchange of Offshore Preference Shares:	The Stock Exchange of Hong Kong Limited
Legal Representative:	LIN Jun
Authorized Representatives:	LIN Jun WONG Wah Sing
Secretary of the Board:	PENG Yanxi
Joint Company Secretaries:	WONG Wah Sing HO Wing Tsz Wendy
Registered Address:	No. 6 Yongpingmen Street, Jiangbei District, Chongqing, the People's Republic of China (the "PRC"), 400024
Principal Place of Business in Hong Kong:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	+86 (23) 6379 2129
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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 equity holders of the Bank for the Reporting Period ended March 31, 2019 and equity attributable to equity holders 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, 2019	December 31, 2018	Increase/ (decrease) at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	457,707,718	450,368,973	1.6
Loans and advances to customers, gross	223,396,747	212,430,769	5.2
Total liabilities	421,578,570	415,757,400	1.4
Customer deposits	267,433,459	256,394,193	4.3
Equity attributable to shareholders of the Bank	34,548,211	33,051,012	4.5
Total equity	36,129,148	34,611,573	4.4
Net assets per share attributable to shareholders of the Bank (RMB) ⁽¹⁾	9.48	9.00	5.3

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to March 2019	January to March 2018	Increase/ (decrease) in the Reporting Period as compared to the same period of the previous year (%)
Net profit	1,232,170	1,121,207	9.9
Net profit attributable to shareholders of the Bank	1,211,794	1,113,607	8.8

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to March 2019	January to March 2018	Increase/ (decrease) in the Reporting Period as compared to the same period of the previous year
Basic earnings per share (RMB)	0.39	0.36	0.03
Average annualized return on equity attributable to shareholders of the Bank (%) ⁽²⁾	17.01	17.42	(0.41)

Notes:

- (1) Refers to equity attributable to shareholders of the Bank after deduction of preference shares as at the end of the Reporting Period divided by the total number of ordinary share capital as at the end of the Reporting Period.
- (2) Refers to the percentage of net profit attributable to shareholders of the Bank to the average balance of equity attributable to shareholders of the Bank after deduction of preference shares at the beginning and the end of the period.

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

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

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

Unit: share

Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)
Chongqing Yufu Assets Management Group Co., Ltd.	State-owned	407,929,748	13.05
Chongqing Road & Bridge Co., Ltd. ⁽¹⁾	Private	171,339,698	5.48
Chongqing Land Group	State-owned	139,838,675	4.47
Chongqing Water Conservancy Investment Group Co., Ltd.	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

Note: (1) 195,102 non-overseas listed shares of the Bank held by Chongqing International Trust Company Limited, a party acting in concert of Chongqing Road & Bridge Co., Ltd., which jointly held 171,534,800 non-overseas listed shares of the Bank and 5.49% of shareholding of the Bank.

Pledge of domestic shares of the Bank

Unit: share

Name of shareholder	Total number of shares held	Shareholding percentage (%)	Number of shares pledged	Pledged shares as a percentage of total shares held (%)
Chongqing South Group Limited	68,602,362	2.19	68,600,000	99.99
Chongqing Shengwang Mechanical and Electrical Equipment Import and Export Co., Ltd. (重慶勝王機電設備進出口有限公司)	5,000,000	0.16	5,000,000	100.00
Chongqing Sincere Holdings (Group) Co. Ltd.	4,877,587	0.16	4,877,587	100.00
Chongqing Zungui Construction Engineering Co., Ltd. (重慶尊貴建設工程有限公司)	4,500,000	0.14	4,500,000	100.00
Chongqing Hubang Industry (Group) Co., Ltd. (重慶互邦實業(集團)有限公司)	4,052,290	0.13	4,052,290	100.00
Haikou Xinyuan Industrial Development Co., Ltd. (海口新源實業發展有限公司)	2,281,734	0.07	2,281,734	100.00
Hainan Venture Capital Management Co., Ltd. (海南創業投資管理有限公司)	1,488,054	0.05	1,488,054	100.00
ZHANG Jialun	595,064	0.02	595,064	100.00
Total	91,397,091	2.92	91,394,729	N/A

Interests and short positions of substantial shareholders and other persons

As at March 31, 2019, 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)	10.46	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)	10.46	5.28
		122,500,000 (short position)	7.75	3.91
Lifan Industry (Group) Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position)	10.46	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)	10.46	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 (%)
Chongqing Huiyang Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position) 122,500,000 (short position)	10.46 7.75	5.28 3.91
YIN Mingshan ⁽³⁾	Interest of a controlled corporation	165,254,000 (long position) 122,500,000 (short position)	10.46 7.75	5.28 3.91
CHEN Qiaofeng ⁽³⁾	Interest of spouse	165,254,000 (long position) 122,500,000 (short position)	10.46 7.75	5.28 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 Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng, as at March 31, 2019, Lifan International (Holdings) Limited held 165,254,000 H shares of the Bank. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Industry (Group) Co., Ltd. Lifan Industry (Group) Co., Ltd. is owned as to 49.40% by Chongqing Lifan Holdings Co., Ltd., which is in turn owned as to 72% by Chongqing Huiyang Holdings Co., Ltd.. Mr. YIN Mingshan is the beneficial owner of approximately 51% of the interest of Chongqing Huiyang Holdings Co., Ltd. and Ms. CHEN Qiaofeng is the spouse of Mr. YIN Mingshan. For the purpose of the SFO, Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng are deemed to be interested in the shares of the Bank held by Lifan International (Holdings) Limited.

- (4) Funde Sino Life Insurance Co., Ltd. held 150,000,000 H shares of the Bank, and Fund Resources Investment Holding Group Company Limited held 67,570,150 H shares of the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd.. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares of the Bank held by Fund Resources Investment Holding Group Company Limited.
- (5) HSBC International Trustee Limited, the trustee of a 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 March 31, 2019, the Group's total assets amounted to RMB457,707.72 million, representing an increase of RMB7,338.75 million or 1.6% as compared to the end of the previous year.

Customer deposits amounted to RMB267,433.46 million, representing an increase of RMB11,039.27 million or 4.3% 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 RMB169,340.38 million, RMB72,170.83 million, RMB15,523.28 million, RMB7,804.37 million and RMB2,594.60 million, respectively.

Total loans and advances to customers amounted to RMB223,396.75 million, representing an increase of RMB10,965.98 million or 5.2% as compared to the end of the previous year. Of which, corporate loans, personal loans, discounted bills and interest receivables amounted to RMB133,808.17 million, RMB72,546.69 million, RMB15,790.69 million and RMB1,251.20 million, respectively.

The balance of non-performing loans amounted to RMB3,128.77 million, representing an increase of RMB247.60 million as compared to the end of the previous year; the nonperforming loan ratio was 1.41%, representing an increase of 0.05 percentage point as compared to the end of the previous year; and the provision coverage ratio was 211.79%, representing a decrease of 14.08 percentage points as compared to the end of the previous year.

For the three months ended March 31, 2019, the Group recorded a net profit of RMB1,232.17 million, representing an increase of RMB110.96 million or 9.9% as compared to the same period of the previous year. The average annualized return on total assets was 1.10%, representing an increase of 0.03 percentage point as compared with the same period of the previous year. The average annualized return on equity was 17.01%, representing a decrease of 0.41 percentage point as compared with the same period of the previous year. The Group recorded basic earnings per share of RMB0.39, representing an increase of RMB0.03 as compared with the same period of the previous year.

Net interest income amounted to RMB2,023.27 million, representing an increase of RMB421.63 million or 26.3% as compared with the same period of the previous year. Net fee and commission income amounted to RMB292.27 million, representing an increase of RMB17.24 million or 6.3% as compared with the same period of the previous year, primarily because fee and commission income recorded a decrease of 87.9% as compared with the same period of the previous year.

Operating expenses amounted to RMB509.56 million, representing a decrease of RMB77.90 million or 13.3% as compared to the same period of the previous year. The cost-to-income ratio was 17.55%, representing a decrease of 6.71 percentage point as compared to the same period of the previous year. The impairment losses amounted to RMB703.33 million, representing an increase of RMB232.11 million or 49.3% 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 8.73%, 10.18% and 13.38%, respectively, representing an increase of 0.26, 0.24 and 0.17 percentage point, respectively as compared to the end of the previous year, fulfilling the latest regulatory requirements on capital adequacy ratios applicable to the PRC banking industry.

Capital adequacy ratio calculated according to the Administrative Measures for the Capital of Commercial Banks (for Trial) (《商業銀行資本管理辦法(試行)》)

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

	As at March 31, 2019		As at December 31, 2018	
	The Group	The Bank	The Group	The Bank
Net capital:				
Core Tier One Capital, net	30,087,848	27,743,369	28,552,917	26,317,273
Tier One Capital, net	35,085,242	32,651,047	33,541,222	31,226,580
Net capital	46,146,866	43,100,702	44,558,427	41,704,166
Capital adequacy ratio:				
Core Tier One Capital adequacy ratio (Expressed in percentage)	8.73	8.45	8.47	8.15
Tier One Capital adequacy ratio (Expressed in percentage)	10.18	9.94	9.94	9.67
Capital adequacy ratio (Expressed in percentage)	13.38	13.12	13.21	12.92

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:

(All amounts expressed in thousands of RMB unless otherwise stated)	January to March 2019	January to March 2018	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Fee and commission expense	12,121	100,333	(87.9)	Mainly due to the entry adjustment in cost accounting for the online consumer loan platform fee this year
Net trading gains	34,313	63,900	(46.3)	Mainly due to the fluctuation of the exchange rate affecting USD assets held by the Group

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to March 2019	January to March 2018	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Other operating income	12,019	4,403	173.0	Mainly due to the gains on disposal of fixed assets
Impairment losses	703,329	471,218	49.3	Mainly due to the increase in provision of financial assets held by the Group as compared to the same period of the previous year
Income tax	333,431	190,964	74.6	Mainly due to the transfer of income right of non-performing assets implemented by the Group in the first quarter of 2018 which was subject to tax deduction, resulting in significant decrease in current income expense whereas such transfer of income right of non-performing assets was not implemented in the first quarter of 2019 resulting in significant increase in income expense as compared with the same period of last year

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	March 31, 2019	March 31, 2018	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	1,812	657	175.8	Mainly due to the changes in the valuation of derivative financial products of the Group

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 Hong Kong Stock Exchange Limited (www.hkexnews.hk) and the website of the Bank (www.cqcbank.com).

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

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

Chongqing, the PRC, April 30, 2019

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

APPENDIX FINANCIAL STATEMENTS ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2019

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

	For the three months ended 31 March	
	2019 (Unaudited)	2018 (Unaudited)
Interest income	5,243,713	4,601,442
Interest expense	<u>(3,220,446)</u>	<u>(2,999,804)</u>
Net interest income	<u>2,023,267</u>	<u>1,601,638</u>
Fee and commission income	304,389	375,357
Fee and commission expense	<u>(12,121)</u>	<u>(100,333)</u>
Net fee and commission income	<u>292,268</u>	<u>275,024</u>
Net trading gains	34,313	63,900
Net gains on investment securities	368,820	366,709
Other operating income	<u>12,019</u>	<u>4,403</u>
Operating income	2,730,687	2,311,674
Operating expenses	<u>(509,560)</u>	<u>(587,459)</u>
Asset impairment losses	<u>(703,329)</u>	<u>(471,218)</u>
Operating profit	1,517,798	1,252,997
Share of profit of associates	<u>47,803</u>	<u>59,174</u>
Profit before income tax	1,565,601	1,312,171
Income tax	<u>(333,431)</u>	<u>(190,964)</u>
Net profit for the period	<u>1,232,170</u>	<u>1,121,207</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME(CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2019
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the three months ended 31 March	
	2019	2018
	(Unaudited)	(Unaudited)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net gains/(losses) on debt investments at fair value through other comprehensive income	380,286	(14,608)
Less: Relevant income tax impact	(95,072)	3,652
Subtotal	285,214	(10,956)
<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	–	31,547
Less: Relevant income tax impact	–	(7,887)
Subtotal	–	23,660
Remeasurement of retirement benefits/(losses)	255	(6,543)
Less: Relevant income tax impact	(64)	1,636
Subtotal	191	(4,907)
Total other comprehensive income, net of tax	285,405	7,797
Total comprehensive income for the period	1,517,575	1,129,004

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2019
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the three months ended 31 March	
	2019	2018
	(Unaudited)	(Unaudited)
Net profit attributable to:		
Shareholders of the Bank	1,211,794	1,113,607
Non-controlling interests	<u>20,376</u>	<u>7,600</u>
	<u>1,232,170</u>	<u>1,121,207</u>
Total comprehensive income attributable to:		
Shareholders of the Bank	1,497,199	1,121,404
Non-controlling interests	<u>20,376</u>	<u>7,600</u>
	<u>1,517,575</u>	<u>1,129,004</u>
Earnings per share attributable to the shareholders of the Bank (expressed in RMB per share)		
– basic and diluted	<u>0.39</u>	<u>0.36</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

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

	31 March 2019 (Unaudited)	31 December 2018 (Audited)
ASSETS		
Cash and balances with central bank	33,554,754	33,216,841
Due from other banks and financial institutions	49,916,048	57,915,079
Financial assets at fair value through profit or loss	31,149,243	27,421,858
Loans and advances to customers	216,770,408	205,923,212
Investment securities		
– Fair value through other comprehensive income	35,345,388	34,687,167
– Amortised cost	82,002,176	82,523,309
Investment in associates	1,686,125	1,638,323
Property, plant and equipment	3,000,223	3,023,292
Deferred tax assets	1,861,659	1,890,680
Other assets	2,421,694	2,129,212
Total assets	457,707,718	450,368,973
LIABILITIES		
Due to other banks and financial institutions	52,459,155	57,089,939
Financial liabilities at fair value through profit or loss	1,812	657
Customer deposits	267,433,459	256,394,193
Current tax liabilities	482,473	548,673
Debt securities issued	96,104,473	96,982,613
Other liabilities	5,097,198	4,741,325
Total liabilities	421,578,570	415,757,400
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	8,574,597	8,289,192
Retained earnings	13,256,614	12,044,820
Equity attributable to shareholders of the Bank	34,548,211	33,051,012
Non-controlling interests	1,580,937	1,560,561
Total shareholders' equity	36,129,148	34,611,573
Total liabilities and shareholders' equity	457,707,718	450,368,973

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2019
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the three months ended 31 March	
	2019	2018
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	1,565,601	1,312,171
Adjustments:		
Depreciation and amortisation	61,027	51,595
Impairment losses on loans	619,506	657,683
Provision/(reversal of provision) for impairment losses on other assets	83,823	(186,465)
Net gains on disposal of property, plant and equipment and foreclosed assets	(6,481)	–
Fair value gains and losses	(137,286)	(68,190)
Net gains arising from financial investments	(368,820)	(366,709)
Share of profit of associates	(47,803)	(59,174)
Interest income arising from investment securities	(1,597,765)	(1,362,071)
Interest expense arising from debt securities issued	934,844	1,025,328
	<hr/>	<hr/>
Net increase in operating assets:		
Net decrease in restricted deposit balances with central bank	1,534,110	1,796,140
Net decrease in due from and placements to banks and other financial institutions	640,892	1,444,064
Net decrease/(increase) in financial assets held under resale agreements	5,632,913	(7,710,498)
Net increase in loans and advances to customers	(11,311,594)	(10,802,895)
Net (increase)/decrease in other operating assets	(746,380)	492,964
Net increase in operating liabilities:		
Net (decrease)/increase in borrowings from central banks	(2,095,025)	102,078
Net decrease in due to and placements from banks and other financial institutions	(8,643,508)	(9,293,209)
Net increase in financial assets sold under repurchase agreements	6,107,748	3,316,000
Net increase in customer deposits	11,039,266	6,467,396
Net decrease in other operating liabilities	(469,175)	(126,439)
Income tax paid	(426,766)	(404,506)
	<hr/>	<hr/>
Net cash inflows/(outflows) from operating activities	2,369,127	(13,714,737)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2019

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

	For the three months ended 31 March	
	2019	2018
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	6,254	25,756
Purchase of property, plant and equipment, intangible assets and other long-term assets	(44,822)	(48,163)
Proceeds from sale and redemption of investments	38,327,694	82,848,204
Purchase of investment securities	(38,601,642)	(70,819,071)
Net cash (outflows)/inflows from investing activities	(312,516)	12,006,726
Cash flows from financing activities:		
Proceeds from issuance of debt securities and inter-bank certificates of deposit	25,471,017	42,384,390
Cash paid to redeem debt securities and inter-bank certificates of deposit issued	(26,930,000)	(42,030,000)
Interest paid in relation to debt securities issued	(354,000)	(354,000)
Dividends paid to shareholders	(12,415)	(47)
Net cash (outflows)/inflows from financing activities	(1,825,398)	343
Impact from exchange rate changes on cash and cash equivalents	(83,723)	(133,612)
Net increase/(decrease) in cash and cash equivalents	147,490	(1,841,280)
Cash and cash equivalents at the beginning of the period	14,267,072	20,424,977
Cash and cash equivalents at the end of the period	14,414,562	18,583,697