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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)

2021 FIRST 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 first quarter ended 31 March 2021 (the “**Reporting Period**”). The Quarterly Report is made in accordance with Rule 13.09 to 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).

1. IMPORTANT NOTICE

- 1.1 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.
- 1.2 On 29 April 2021, the Bank convened the 55th meeting of the fourth session of the Board, at which the 2021 first quarterly report of the Bank was considered and approved. 12 directors were entitled to attend and all of them attended the meeting, among them 2 directors entrusted other directors to vote on their behalf. Certain supervisors and senior management of the Bank attended this meeting.
- 1.3 The Bank’s chairman Liu Jianzhong and president Xie Wenhui warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.
- 1.4 The financial statements in the first quarterly report of the Bank have not been audited.

2. BASIC INFORMATION

2.1 Major financial data

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.

(Expressed in RMB million, unless otherwise stated)	31 March 2021	31 December 2020	Increase/ (decrease) as compared to the end of the previous year (%)
Total assets	1,190,874.1	1,136,366.6	4.80
Loans and advances to customers, gross	538,615.4	507,885.9	6.05
Total liabilities	1,092,440.1	1,041,294.4	4.91
Deposits from customers	771,388.0	724,999.8	6.40
Equity attributable to shareholders of the Bank	96,977.9	93,668.7	3.53
Total equity	98,434.0	95,072.2	3.54
Net assets per share attributable to shareholders of the Bank (<i>RMB yuan</i>)	8.54	8.25	3.52

(Expressed in RMB million, unless otherwise stated)	January to March 2021	January to March 2020	Increase/ (decrease) as compared to the same period of the previous year (%)
Operating income	7,487.2	6,951.0	7.71
Net profit	3,300.9	3,144.3	4.98
Net profit attributable to shareholders of the Bank	3,248.3	3,079.6	5.48
Net cash flows generated from operating activities	16,668.2	41,336.0	(59.68)
Basic and diluted earnings per share (RMB yuan)	0.29	0.27	7.41
Weighted average return on net assets (%, annualised)	13.63	13.71	Decreased by 0.08 percentage point
Average return on total assets (%, annualised)	1.13	1.21	Decreased by 0.08 percentage point

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

2.2.1 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 bank and consolidated financial statements of the Bank and its 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 International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and the disclosure regulations applicable to the Listing Rules. There are some differences between the financial statements in this report and the Group's financial statements prepared in accordance with Accounting Standards for Enterprises. The differentiated items and amounts are listed below:

Items	Net Assets (Consolidated)		
	31 March 2021	31 December 2020	31 December 2019
In accordance with Accounting Standards for Enterprises	97,993.9	94,632.1	89,362.2
Differentiated items and amount – Goodwill from acquisitions	440.1	440.1	440.1
In accordance with IFRSs	<u>98,434.0</u>	<u>95,072.2</u>	<u>89,802.3</u>

2.2.2 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) and 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 Stock Exchange of Hong Kong Limited 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.

2.3 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 March 2021 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)》).

(Expressed in RMB million, unless otherwise stated)	31 March 2021		31 December 2020	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	96,701.9	89,050.2	93,726.7	86,352.5
Net tier 1 capital	96,795.1	89,050.2	93,814.2	86,352.5
Net capital	115,202.1	106,771.9	111,936.2	103,850.9
Risk-weighted assets	805,130.3	762,157.4	783,924.2	745,153.3
Core tier 1 capital adequacy ratio (%)	12.01	11.68	11.96	11.59
Tier 1 capital adequacy ratio (%)	12.02	11.68	11.97	11.59
Capital adequacy ratio (%)	14.31	14.01	14.28	13.94

2.4 Leverage ratio

Set out below is the leverage ratio of the Group as at the end of March 2021 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)》).

(Expressed in RMB million, unless otherwise stated)	31 March 2021	31 December 2020	30 September 2020	30 June 2020
Net tier 1 capital	96,795.1	93,814.2	93,480.5	91,252.8
Balance of assets on and off-balance sheet after adjustments	1,210,030.1	1,160,685.2	1,131,129.9	1,094,163.9
Leverage ratio (%)	8.00	8.08	8.26	8.34

2.5 Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of March 2021 calculated in accordance with the Measures for the Administration of the Liquidity Risk of Commercial Banks (《商業銀行流動性風險管理辦法》).

(Expressed in RMB million, unless otherwise stated)	31 March 2021
Qualified and high-quality liquid assets	121,986.29
Net cash outflows in future 30 days	56,297.68
Liquidity coverage ratio (%)	216.68

2.6 Highlights of quarterly results

From January to March 2021, the Group recorded a net profit of RMB3,301 million, of which the net profit attributable to shareholders of the Bank amounted to RMB3,248 million, representing an increase of 4.98% and 5.48% as compared to the corresponding period of the previous year, respectively. Annualised average return on assets was 1.13% and annualised weighted average return on net assets was 13.63%.

From January to March 2021, operating income amounted to RMB7,487 million, representing an increase of 7.71% as compared to the corresponding period of the previous year. Net interest income amounted to RMB6,527 million, representing an increase of 9.51% as compared to the corresponding period of the previous year. Net fee and commission income amounted to RMB587 million, representing a decrease of 13.66% as compared to the corresponding period of the previous year. Net interest margin was 2.26%, representing a decrease of 0.05 percentage point as compared to the corresponding period of the previous year. According to the Notice of Strict Implementation of Accounting Standards for Business Enterprises for Effective Improvement of the Work of 2020 Annual Report for Enterprises (《關於嚴格執行企業會計準則，切實加強企業2020年年報工作的通知》) promulgated by the Ministry of Finance of the PRC, the Stated-owned Assets Supervision and Administration Commission of the State Council, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission, the Group reclassified the credit card installment income of credit card holders from fee and commission income to interest income since 2020. The above-mentioned data has been restated.

From January to March 2021, operating expenses amounted to RMB2,008 million, representing an increase of 11.09% as compared to the corresponding period of the previous year. Cost-to-income ratio increased by 0.94 percentage point as compared to the corresponding period of the previous year to 26.12%. The credit impairment losses were RMB1,430 million, representing an increase of 20.16% as compared to the corresponding period of the previous year.

As at 31 March 2021, total assets of the Group amounted to RMB1,190,874 million, representing an increase of RMB54,508 million or 4.80% from the end of last year. Gross amount of loans and advances to customers amounted to RMB538,615 million, representing an increase of RMB30,730 million or 6.05% from the end of last year. Among which, corporate loans of the Group amounted to RMB290,774 million, retail loans amounted to RMB234,135 million and discounted bills amounted to RMB13,706 million. Financial investment amounted to RMB450,149 million, representing an increase of RMB20,194 million or 4.70% from the end of last year.

As at 31 March 2021, total liabilities of the Group amounted to RMB1,092,440 million, representing an increase of RMB51,146 million or 4.91% from the end of last year. Deposits from customers amounted to RMB771,388 million, representing an increase of RMB46,388 million or 6.40% from the end of last year. Among which, corporate deposit of the Group amounted to RMB155,060 million, retail deposit amounted to RMB609,421 million and other deposits amounted to RMB6,907 million.

As at 31 March 2021, total shareholders' equity of the Group amounted to RMB98,434 million, representing an increase of RMB3,362 million or 3.54% from the end of last year.

As at 31 March 2021, the balance of non-performing loans of the Group amounted to RMB6,940 million, representing an increase of RMB295 million from the end of the previous year. The non-performing loan ratio was 1.29%, representing a decrease of 0.02 percentage point from the end of the previous year. Provision coverage ratio was 306.06%, representing a decrease of 8.89 percentage points from the end of the previous year.

As at 31 March 2021, 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)》), the Group's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio were 12.01%, 12.02% and 14.31%, respectively, all satisfying regulatory requirements.

2.7 Total number of shareholders, and shareholdings of the top ten shareholders and top ten shareholders holding tradable shares (or shareholders without selling restrictions) as of the end of the Reporting Period

Unit: Share

Total number of shareholders					271,460		
Particulars of Shareholdings of the Top Ten Shareholders							
Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage (%)	Type of share	Number of non-tradable shares	Pledged or frozen		Nature of shareholder
					Condition of shares	Number of shares	
HKSCC Nominees Limited	2,513,336,041	22.13	Tradable	0	-	-	Overseas legal person
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	988,000,000	8.70	Non-tradable	988,000,000	-	-	State-owned legal person
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	7.02	Non-tradable	797,087,430	-	-	State-owned legal person
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	589,084,181	5.19	Non-tradable	589,084,181	-	-	State-owned legal person
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	570,000,000	5.02	Non-tradable	570,000,000	Pledged/judicial frozen	570,000,000	Domestic non-state-owned legal person
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	330,406,723	2.91	Tradable	0	Pledged	330,406,723	Domestic non-state-owned legal person
Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司)	200,000,000	1.76	Tradable	0	-	-	Domestic non-state-owned legal person
Jiangsu Huaxi Group Co., Ltd. (江蘇華西集團有限公司)	150,000,000	1.32	Tradable	0	Pledged	150,000,000	Domestic non-state-owned legal person
Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	150,000,000	1.32	Tradable	0	Pledged	120,000,000	Domestic non-state-owned legal person
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	125,000,000	1.10	Tradable	0	-	-	State-owned legal person

Particulars of Shareholdings of the Top Ten Shareholders Holding Tradable Shares			
Name of shareholder	Number of tradable shares at the end of the period	Type and number of shares	
		Type	Number
HKSCC Nominees Limited	2,513,336,041	Overseas listed foreign shares	2,513,336,041
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	330,406,723	RMB-denominated ordinary shares	330,406,723
Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司)	200,000,000	RMB-denominated ordinary shares	200,000,000
Jiangsu Huaxi Group Co., Ltd. (江蘇華西集團有限公司)	150,000,000	RMB-denominated ordinary shares	150,000,000
Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	150,000,000	RMB-denominated ordinary shares	150,000,000
Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司)	125,000,000	RMB-denominated ordinary shares	125,000,000
Chongqing Guanghua Holding (Group) Co., Ltd. (重慶光華控股(集團)有限公司)	108,452,600	RMB-denominated ordinary shares	108,452,600
Chongqing Jinyuan Times Shopping Mall Co. Ltd. (重慶金源時代購物廣場有限公司)	100,000,000	RMB-denominated ordinary shares	100,000,000
Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	90,400,631	RMB-denominated ordinary shares	90,400,631
Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司)	89,900,631	RMB-denominated ordinary shares	89,900,631
Statement on the related relations and concerted actions between the shareholders above	Nil		
Statement on preference shareholders with resumed voting right and their number of shares held	Nil		

Notes:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of shares in the H shareholders' account of the Bank in the trading system represented by HKSCC Nominees Limited.
- (2) As at the end of the Reporting Period, 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) and Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司) and Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司), the related parties of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), hold 2,000,000 A shares, 10,000,000 A shares, 15,000,454 A shares and 13,246,000 H shares of the Bank, respectively, and Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and the above related parties jointly hold 1,028,246,454 shares of the Bank, accounting for 9.05% of the total share capital collectively.
- (3) As at the end of the Reporting Period, Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司), a related party of Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司), holds 30,000,000 A shares of the Bank, and Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and the above related party jointly hold 827,087,430 A shares of the Bank, accounting for 7.28% of the total share capital collectively.

2.8 Total number of preference shareholders, and shareholdings of the top ten preference shareholders and top ten preference shareholders without selling restrictions as of the end of the Reporting Period

Applicable N/A

3. MAJOR ISSUES

3.1 Significant changes in major accounting statement items and financial indicators of the Company and the reasons thereof

Unit: Million Currency: RMB

Items	January to March 2021	January to March 2020	Increase/ (decrease) (%)	Main reason(s) of the change
Fee and commission expense	(27.4)	(18.6)	47.31	Primarily due to the increase in fee expense of the bank card business
Other operating profit or loss, net	108.3	(0.8)	(13,637.50)	Primarily due to the increase in revenue from the interest rate swap business with the central bank for deferring capital repayment for inclusive small and micro enterprises
Net profit or loss resulted from derecognition of financial assets at fair value through other comprehensive income	11.8	36.6	(67.76)	Primarily due to the decrease in the disposal of financial assets at fair value through other comprehensive income during the period
Other comprehensive income for the period, net of tax	60.8	249.5	(75.63)	Primarily due to the decline in the fair value of financial assets at fair value through other comprehensive income during the period

Items	31 March 2021	31 December 2020	Increase/ (decrease) (%)	Main reason(s) of the change
Financial assets held under resale agreements	4,039.6	1,303.0	210.02	Primarily due to the increase in financial assets held under resale agreements in accordance with the liquidity management needs
Other assets	2,634.8	1,814.3	45.22	Primarily due to the increase in other receivables
Deposits from banks and other financial institutions	19,678.6	35,439.3	(44.47)	Primarily due to the decrease in time deposits from domestic banks
Financial liabilities at fair value through profit or loss	70.5	–	N/A	Primarily due to the increase in the business scale of sale of borrowed bonds
Financial assets sold under repurchase agreements	11,698.5	6,373.2	83.56	Primarily due to the increase in financial assets sold under repurchase agreements in accordance with the liquidity management needs
Income tax payables	1,638.1	1,018.6	60.82	Primarily due to the provision for enterprise income tax

3.2 Description and analysis of the progress of material matters, the impact thereof and solutions

Applicable N/A

3.3 Undertakings not performed in due time during the Reporting Period

Applicable N/A

3.4 Warnings on any potential loss in accumulated net profit for the period from the beginning of the year to the end of the next reporting period or any material change as compared to the same period of the previous year and the reasons thereof

Applicable N/A

3.5 Publication of quarterly report

The quarterly report prepared under IFRSs is available on both the HKEXnews's 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*
Liu Jianzhong
Chairman and Executive Director

Chongqing, the PRC, 29 April 2021

As at the date of this announcement, the executive directors of the Bank are Mr. Liu Jianzhong, Mr. Xie Wenhui and Mr. Zhang Peizong; the non-executive directors of the Bank are Mr. Zhang Peng, Mr. Yin Xianglin, Ms. Gu Xiaoxu and Mr. Wen Honghai; and the independent non-executive directors of the Bank are Mr. Song Qinghua, 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 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)

	For the three months ended	
	31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Interest income	12,488,398	11,410,529
Interest expense	<u>(5,961,194)</u>	<u>(5,450,241)</u>
Net interest income	<u>6,527,204</u>	<u>5,960,288</u>
Fee and commission income	614,095	698,090
Fee and commission expense	<u>(27,436)</u>	<u>(18,555)</u>
Net fee and commission income	<u>586,659</u>	<u>679,535</u>
Net trading gain or loss	254,172	274,458
Share of net profits from associates	(964)	–
Other operating income, net	108,287	(804)
Net gain resulted from derecognition of financial assets at fair value through other comprehensive income	11,812	36,555
Net gain resulted from derecognition of financial assets measured at amortised cost	<u>–</u>	<u>982</u>
Operating income	<u>7,487,170</u>	<u>6,951,014</u>
Operating expenses	(2,007,962)	(1,807,583)
Credit impairment losses	<u>(1,430,231)</u>	<u>(1,190,199)</u>
Profit before tax	4,048,977	3,953,232
Income tax expense	<u>(748,032)</u>	<u>(808,930)</u>
Profit for the period	<u>3,300,945</u>	<u>3,144,302</u>
Attributable to		
Shareholders of the Bank	3,248,349	3,079,565
Non-controlling interests	<u>52,596</u>	<u>64,737</u>
Earnings per share (<i>Expressed in RMB yuan per share</i>)		
Basic and Diluted	<u>0.29</u>	<u>0.27</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended	
	31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Profit for the period	3,300,945	3,144,302
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments measured at fair value through other comprehensive income	<u>68,087</u>	<u>(66,827)</u>
Items that may be reclassified subsequently to profit or loss:		
Net gains on debt instruments measured at fair value through other comprehensive income	<u>(7,264)</u>	<u>316,314</u>
Other comprehensive income for the period (net of tax)	<u>60,823</u>	<u>249,487</u>
Total comprehensive income for the period	<u>3,361,768</u>	<u>3,393,789</u>
Total comprehensive income attributable to:		
Shareholders of the Bank	3,309,172	3,329,052
Non-controlling interests	<u>52,596</u>	<u>64,737</u>
Total comprehensive income for the period	<u>3,361,768</u>	<u>3,393,789</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Renminbi, unless otherwise stated)

	31 March 2021 (Unaudited)	31 December 2020 (Unaudited)
ASSETS		
Cash and balances with central bank	68,368,912	65,368,923
Deposits with banks and other financial institutions	22,341,105	27,771,457
Placements with banks and other financial institutions	112,341,915	109,615,104
Derivative financial assets	65,251	58,492
Financial assets held under resale agreements	4,039,550	1,303,008
Loans and advances to customers	517,380,914	486,963,403
Financial investments:		
Financial assets measured at fair value through profit or loss	29,075,361	30,164,463
Financial assets measured at fair value through other comprehensive income	19,485,228	16,625,544
Financial assets measured at amortised cost	401,588,291	383,164,489
Investment in associates	449,364	450,328
Property and equipment	4,849,194	4,920,318
Right-of-use assets	169,618	167,924
Goodwill	440,129	440,129
Deferred income tax assets	7,644,540	7,538,644
Other assets	2,634,750	1,814,346
Total assets	<u>1,190,874,122</u>	<u>1,136,366,572</u>
LIABILITIES		
Borrowings from central bank	66,730,520	62,313,807
Deposits from banks and other financial institutions	19,678,584	35,439,301
Placements from banks and other financial institutions	31,631,663	26,699,999
Financial liabilities designated at fair value through profit or loss	70,450	–
Derivative financial liabilities	63,068	81,746
Financial assets sold under repurchase agreements	11,698,451	6,373,200
Deposits from customers	771,387,973	724,999,814
Accrued staff costs	4,014,118	4,558,014
Income tax payable	1,638,098	1,018,622
Lease liabilities	148,178	148,955
Debt securities issued	179,043,622	173,178,209
Other liabilities	6,335,419	6,482,695
Total liabilities	<u>1,092,440,144</u>	<u>1,041,294,362</u>

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

	31 March 2021 (Unaudited)	31 December 2020 (Unaudited)
EQUITY		
Share capital	11,357,000	11,357,000
Capital reserve	20,924,618	20,924,618
Investment revaluation reserve	(357,135)	(417,958)
Actuarial changes reserve	(268,525)	(268,525)
Surplus reserve	12,069,842	12,069,842
General reserve	14,059,160	14,056,058
Retained earnings	39,192,946	35,947,699
	<hr/>	<hr/>
Equity attributable to shareholders of the Bank	96,977,906	93,668,734
Non-controlling interests	1,456,072	1,403,476
	<hr/>	<hr/>
Total equity	98,433,978	95,072,210
	<hr/>	<hr/>
Total equity and liabilities	<u>1,190,874,122</u>	<u>1,136,366,572</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended	
	31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	4,048,976	3,953,232
Adjustments for:		
Depreciation and amortisation	197,901	192,196
Credit impairment losses	1,430,231	1,190,199
Interest income arising from investment securities	(4,052,117)	(3,727,685)
Interest expense arising from debt securities issued	1,344,744	1,294,543
Net gain on disposal of investment securities	(278,840)	(141,017)
Share of result of associates	964	–
Net gain on disposal of property and equipment and other assets	(9,036)	(196)
Fair value gain/(loss)	12,857	(156,847)
Exchange loss	(16,580)	(14,060)
	<u>2,679,100</u>	<u>2,590,365</u>
Operating cash flows before movements in working capital		
Decrease/(Increase) in balances with central bank, deposits with banks and other financial institutions	3,776,329	(3,517,239)
(Increase)/Decrease in placements with banks and other financial institutions	(1,054,446)	17,474,244
Increase in financial assets held under resale agreements	(387,705)	–
Increase in financial assets held for trading purposes	(366,155)	(1,864,573)
Increase in loans and advances to customers	(31,476,731)	(13,014,388)
Increase/(Decrease) in financial assets sold under repurchase agreements	5,350,009	(649,451)
Increase in borrowings from central bank	4,086,323	8,472,710
Increase/(Decrease) in placements from banks and other financial institutions	5,093,864	(617,039)
Increase in deposits from customers, deposits from banks and other financial institutions	32,985,356	36,353,381
Increase in financial liabilities measured at fair value through profit or loss	70,152	–
(Increase)/Decrease in other operating assets	(418,936)	1,317,730
Decrease in other operating liabilities	(3,417,949)	(4,657,724)
	<u>16,919,211</u>	<u>41,888,016</u>
Cash from operating activities		
Income tax paid	(250,990)	(552,009)
	<u>16,668,221</u>	<u>41,336,007</u>
Net cash flow from operating activities		

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

	For the three months ended	
	31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Cash flow from investment activities		
Cash received from disposal and redemption of investment securities	51,888,579	42,309,675
Interest income received from investment securities	4,787,549	4,017,774
Cash received from disposal of property and equipment and other assets	61,899	336,300
Cash paid for purchase of investment securities	(72,456,697)	(52,702,959)
Cash paid for purchase of property and equipment and other assets	(158,356)	(404,720)
Net cash flow used in investment activities	<u>(15,877,026)</u>	<u>(6,443,930)</u>
Cash flow from financing activities		
Debt securities issued	50,500,438	37,395,877
Redemption of bonds issued	(45,610,000)	(63,620,000)
Dividends paid to shareholders of the Bank	(4,043)	(36)
Interest paid on debt securities issued	(369,770)	–
Cash paid in other financing activities	(24,915)	(24,008)
Net cash flow from/(used in) financing activities	<u>4,491,710</u>	<u>(26,248,167)</u>
Net increase in cash and cash equivalents	5,282,905	8,643,910
Cash and cash equivalents as at 1 January	19,268,138	20,533,230
Effect of foreign exchange rate changes	(23,533)	19,615
Cash and cash equivalents as at 31 March	<u>24,527,510</u>	<u>29,196,755</u>
Net cash from operating activities include:		
Interest received	8,328,686	7,557,056
Interest paid	(6,829,432)	(4,878,505)
Net interest received from operating activities	<u>1,499,254</u>	<u>2,678,551</u>