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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 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 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).

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 chairman of the Bank Liu Jianzhong and president Xie Wenhui warrant the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.
3. The Third Quarterly Report of the Bank has not been audited.

1. MAJOR FINANCIAL DATA

1.1 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 2021	Increase/ (decrease) as compared to the same period of the previous year (%)	January to September 2021	Increase/ (decrease) as compared to the same period of the previous year (%)
Operating income	7,909.0	11.95	23,080.5	9.97
Net profit	3,065.7	14.44	8,883.6	11.83
Net profit attributable to shareholders of the Bank	3,018.1	16.70	8,751.4	12.65
Net cash flows generated from operating activities	N/A	N/A	21,075.7	(69.57)
Basic and diluted earnings per share (RMB/Share)	0.27	17.39	0.77	13.24
Weighted average return on net assets (% , annualised)	11.91	Increased by 0.71 percentage point	11.78	Increased by 0.37 percentage point
Average return on total assets (% , annualised)	0.98	–	0.99	–

Items	30 September 2021	31 December 2020	Increase/(decrease) as compared to the end of the previous year
Total assets	1,251,741.8	1,136,366.6	10.15
Loans and advances to customers, gross	578,396.3	507,885.9	13.88
Total liabilities	1,146,064.0	1,041,294.4	10.06
Deposits from customers	759,071.6	724,999.8	4.70
Equity attributable to shareholders of the Bank	104,142.7	93,668.7	11.18
Total equity	105,677.8	95,072.2	11.16
Net assets per share attributable to shareholders of the Bank (RMB/Share)	9.17	8.25	11.15

1.2 Change in major accounting data and financial indicator and the reason thereof

Item	January to September 2021	Increase/ (decrease) as compared to the same period of the previous year (%)	Main reason
Net cash flows generated from operating activities	21,075.7	(69.57)	Firstly, the Group optimized and adjusted its debt structure, net increase in deposits from customers and deposits from banks and other financial institutions recorded a corresponding decrease and cash inflows from operating activities decreased; secondly, the Group increased credit support, net increase in loans and advances to customers recorded a corresponding increase and cash outflows from operating activities increased.

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

1.3.1 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 Listing Rules. There are some differences between the financial statements in this 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 2021	31 December 2020	31 December 2019
In accordance with Accounting Standards for Enterprises	105,237.7	94,632.1	89,362.2
Differentiated items and amount:			
– Goodwill from the Acquisition	440.1	440.1	440.1
In accordance with IFRSs	<u>105,677.8</u>	<u>95,072.2</u>	<u>89,802.3</u>

1.3.2 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 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.

1.4 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 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)》).

Unit: Million Currency: RMB

Items	30 September 2021		31 December 2020	
	The Group	The Bank	The Group	The Bank
Net core tier 1 capital	99,918.5	91,694.6	93,726.7	86,352.5
Net tier 1 capital	104,014.8	95,693.0	93,814.2	86,352.5
Net capital	122,570.8	113,530.3	111,936.2	103,850.9
Risk-weighted assets	814,819.8	769,907.7	783,924.2	745,153.3
Core tier 1 capital adequacy ratio (%)	12.26	11.91	11.96	11.59
Tier 1 capital adequacy ratio (%)	12.77	12.43	11.97	11.59
Capital adequacy ratio (%)	15.04	14.75	14.28	13.94

1.5 Leverage ratio

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

Unit: Million Currency: RMB

Items	30 September 2021	30 June 2021	31 March 2021	31 December 2020
Net tier 1 capital	104,014.8	96,842.2	96,795.2	93,814.2
Balance of assets on and off-balance sheet after adjustments	1,268,522.9	1,240,936.5	1,210,030.1	1,160,685.2
Leverage ratio (%)	8.20	7.80	8.00	8.08

1.6 Liquidity coverage ratio

Set out below is the liquidity coverage ratio of the Group as at the end of September 2021 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》).

<i>Unit: Million Currency: RMB</i>	
Items	30 September 2021
Qualified and high-quality liquid assets	153,700.12
Net cash outflows in future 30 days	54,044.89
Liquidity coverage ratio (%)	284.39

1.7 Highlights of quarterly results

From January to September 2021, the Group recorded a net profit of RMB8,884 million, of which the net profit attributable to shareholders of the Bank amounted to RMB8,751 million, representing an increase of 11.83% and 12.65% as compared to the corresponding period of the previous year, respectively. Annualised average return on total assets was 0.99%, which was basically the same as that of the corresponding period of the previous year, and annualised weighted average return on net assets was 11.78%, representing an increase of 0.37 percentage point as compared to the corresponding period of the previous year.

From January to September 2021, operating income of the Group amounted to RMB23,080 million, representing an increase of 9.97% as compared to the corresponding period of the previous year. Of which, net interest income amounted to RMB19,837 million, representing an increase of 8.34% as compared to the corresponding period of the previous year. Net fee and commission income amounted to RMB1,848 million, representing a decrease of 10.21% as compared to the corresponding period of the previous year. Net interest margin was 2.21%, representing a decrease of 0.09 percentage point as compared to the corresponding period of the previous year. In accordance with 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, the State-owned Assets Supervision and Administration Commission of the State Council, the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission, since 2020, the Group reclassified its credit cardholder installment income from fee and commission income to interest income, and the relevant financial indicators of the comparative period have been restated.

From January to September 2021, the Group's operating expenses amounted to RMB6,242 million, representing an increase of 8.19% as compared to the corresponding period of the previous year. Cost-to-income ratio was 26.19%. The credit impairment losses were RMB6,203 million, representing an increase of 9.61% as compared to the corresponding period of the previous year.

As at 30 September 2021, total assets of the Group amounted to RMB1,251,742 million, representing an increase of RMB115,375 million or 10.15% from the end of last year. Gross amount of loans and advances to customers amounted to RMB578,396 million, representing an increase of RMB70,510 million or 13.88% from the end of last year. Among which, corporate loans of the Group amounted to RMB289,039 million, retail loans amounted to RMB271,687 million and discounted bills amounted to RMB17,670 million. Financial investment amounted to RMB498,929 million, representing an increase of RMB68,975 million or 16.04% from the end of last year.

As at 30 September 2021, total liabilities of the Group amounted to RMB1,146,064 million, representing an increase of RMB104,770 million or 10.06% from the end of last year. Deposits from customers amounted to RMB759,072 million, representing an increase of RMB34,072 million or 4.70% from the end of last year. Among which, corporate deposit of the Group amounted to RMB151,724 million, retail deposit amounted to RMB601,159 million and other deposits amounted to RMB6,189 million.

As at 30 September 2021, total shareholders' equity of the Group amounted to RMB105,678 million, representing an increase of RMB10,606 million or 11.16% from the end of last year.

As at 30 September 2021, the balance of non-performing loans of the Group amounted to RMB7,323 million, representing an increase of RMB678 million from the end of the previous year. The non-performing loan ratio was 1.27%, representing a decrease of 0.04 percentage point from the end of the previous year. Provision coverage ratio was 311.87%, representing a decrease of 3.08 percentage points from the end of the previous year.

As at 30 September 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 12.26%, 12.77% and 15.04%, respectively, all satisfying regulatory requirements.

2. INFORMATION ON SHAREHOLDERS

2.1 Total number of shareholders of ordinary shares, number of shareholders of preference shares with voting right 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		254,077	Total number of shareholders of preference shares with voting right 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/Frozen	
					Condition of shares	Number
HKSCC Nominees Limited	Overseas legal person	2,513,336,041	22.13	0	Nil	-
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	988,000,000	Nil	-
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	797,087,430	Nil	-
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	589,084,181	Nil	-
Loncin Holdings Co., Ltd. (隆鑫控股有限公司)	Domestic non-state-owned legal person	570,000,000	5.02	570,000,000	Pledged/Frozen	570,000,000

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/Frozen	
					Condition of shares	Number
Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司)	Domestic non-state-owned legal person	218,422,089	1.92	0	Pledged	218,422,089
Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司)	Domestic non-state-owned legal person	188,000,000	1.66	0	Nil	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	180,060,932	1.59	0	Nil	-
Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司)	Domestic non-state-owned legal person	150,000,000	1.32	0	Pledged	120,000,000
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	Nil	-

Particulars of Shareholdings of Top Ten Shareholders without Selling Restrictions			
Name of shareholders	Number of shares held without selling restrictions	Type and number of shares	
		Type of shares	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)	218,422,089	RMB-denominated ordinary shares	218,422,089
Xiamen Gaoxinhong Equity Investment Co., Ltd. (廈門市高鑫泓股權投資有限公司)	188,000,000	RMB-denominated ordinary shares	188,000,000
Hong Kong Securities Clearing Company Limited	180,060,932	RMB-denominated ordinary shares	180,060,932
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
Jiangsu Huaxi Group Co., Ltd. (江蘇華西集團有限公司)	90,000,000	RMB-denominated ordinary shares	90,000,000
Statement on the related relations and concerted actions among the shareholders above	Not aware of related relations or concerted actions existing among the shareholders above		
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		

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 its 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 Yukai 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 its related party jointly hold 827,087,430 A shares of the Bank, accounting for 7.28% of the total share capital collectively.
- (4) Hong Kong Securities Clearing Company Limited is an institution that is designated by others to hold shares on their behalf as a nominal holder. It holds the shares of the Bank traded under the Northbound Trading Link and held by investors.

2.2 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

The Bank completed the issuance of capital bonds with no fixed term of RMB4 billion in the national inter-bank bond market on 26 August 2021. For details, please refer to the announcement published by the Bank on the website of The Stock Exchange of Hong Kong Limited on 26 August 2021.

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*
Liu Jianzhong
Chairman and Executive Director

Chongqing, the PRC, 28 October 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 and Ms. Gu Xiaoxu; 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		For the nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
Interest income	13,262,604	11,678,311	38,649,438	34,433,408
Interest expense	(6,529,346)	(5,446,179)	(18,812,199)	(16,123,396)
Net interest income	6,733,258	6,232,132	19,837,239	18,310,012
Fee and commission income	628,696	701,043	1,947,202	2,132,456
Fee and commission expense	(43,483)	(25,586)	(99,460)	(74,562)
Net fee and commission income	585,213	675,457	1,847,742	2,057,894
Net trading gain or loss	334,546	151,449	870,696	547,924
Share of net profits from associates	(1,644)	4,004	(21,242)	1,283
Other net business gain or loss	178,236	(167)	418,330	29,363
Net gain resulted from derecognition of financial assets at fair value through other comprehensive income	75,406	2,174	123,700	40,575
Net gain resulted from derecognition of financial assets measured at amortised cost	3,993	–	3,993	982
Operating income	7,909,008	7,065,049	23,080,458	20,988,033
Operating expenses	(2,037,371)	(1,959,718)	(6,241,876)	(5,769,201)
Credit impairment losses	(2,250,352)	(1,945,929)	(6,203,311)	(5,659,590)
Profit before tax	3,621,285	3,159,402	10,635,271	9,559,242
Income tax expense	(555,536)	(480,628)	(1,751,635)	(1,615,334)
Profit for the period	3,065,749	2,678,774	8,883,636	7,943,908
Attributable to				
Shareholders of the Bank	3,018,149	2,586,173	8,751,399	7,768,879
Non-controlling interests	47,600	92,601	132,237	175,029
Earnings per share (<i>Expressed in RMB yuan per share</i>)				
Basic and Diluted	0.27	0.23	0.77	0.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
Profit for the period	3,065,749	2,678,774	8,883,636	7,943,908
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Changes in remeasurement of defined benefit plans	84,017	–	(183,935)	52
Changes in fair value of equity instruments measured at fair value through other comprehensive income	(42,970)	(2,296)	258,370	(84,374)
Item that may be reclassified subsequently to profit or loss:				
Net gains on debt instruments measured at fair value through other comprehensive income	94,984	(431,074)	171,096	(379,497)
Other comprehensive (loss) income for the period (net of tax)	136,031	(433,370)	245,531	(463,819)
Total comprehensive income for the period	3,201,780	2,245,404	9,129,167	7,480,089
Total comprehensive income attributable to:				
Shareholders of the Bank	3,154,180	2,152,803	8,996,930	7,305,060
Non-controlling interests	47,600	92,601	132,237	175,029
Total comprehensive income for the period	3,201,780	2,245,404	9,129,167	7,480,089

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Renminbi, unless otherwise stated)

	30 September 2021	31 December 2020
ASSETS		
Cash and balances with central bank	60,936,573	65,368,923
Deposits with banks and other financial institutions	20,867,447	27,771,457
Placements with banks and other financial institutions	96,699,637	109,615,104
Derivative financial assets	35,967	58,492
Financial assets held under resale agreements	1,372,725	1,303,008
Loans and advances to customers	555,562,530	486,963,403
Financial investments:		
Financial assets measured at fair value through profit or loss	45,216,623	30,164,463
Financial assets measured at fair value through other comprehensive income	25,462,617	16,625,544
Financial assets measured at amortised cost	428,249,713	383,164,489
Investment in associates	429,086	450,328
Property and equipment	4,853,552	4,920,318
Right-of-use assets	170,943	167,924
Goodwill	440,129	440,129
Deferred income tax assets	9,351,856	7,538,644
Other assets	2,092,382	1,814,346
Total assets	1,251,741,780	1,136,366,572
LIABILITIES		
Borrowings from central bank	67,967,994	62,313,807
Deposits from banks and other financial institutions	32,664,721	35,439,301
Placements from banks and other financial institutions	33,984,424	26,699,999
Derivative financial liabilities	10,767	81,746
Financial assets sold under repurchase agreements	13,995,835	6,373,200
Deposits from customers	759,071,645	724,999,814
Accrued staff costs	4,567,592	4,558,014
Income tax payable	1,561,848	1,018,622
Lease liabilities	147,033	148,955
Debt securities issued	225,141,142	173,178,209
Other liabilities	6,950,987	6,482,695
Total liabilities	1,146,063,988	1,041,294,362

	30 September 2021	31 December 2020
EQUITY		
Share capital	11,357,000	11,357,000
Other equity instruments	3,998,338	–
Capital reserve	20,924,618	20,924,618
Investment revaluation reserve	11,508	(417,958)
Actuarial changes reserve	(452,460)	(268,525)
Surplus reserve	12,069,842	12,069,842
General reserve	15,854,020	14,056,058
Retained earnings	40,379,882	35,947,699
	<hr/>	<hr/>
Equity attributable to shareholders of the Bank	104,142,748	93,668,734
Non-controlling interests	1,535,044	1,403,476
	<hr/>	<hr/>
Total equity	105,677,792	95,072,210
	<hr/>	<hr/>
Total equity and liabilities	1,251,741,780	1,136,366,572
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Renminbi, unless otherwise stated)

	For the nine months ended	
	30 September	
	2021	2020
Cash flows from operating activities:		
Profit before tax	10,635,271	9,559,242
Adjustments for:		
Depreciation and amortisation	626,143	641,502
Credit impairment losses	6,203,311	5,659,590
Interest income arising from investment securities	(12,666,245)	(11,149,420)
Interest expense arising from debt securities issued	4,457,757	3,258,049
Net gain on disposal of investment securities	(780,719)	(586,572)
Share of result of associates	21,242	(1,283)
Dividends arising from investment securities	(3,624)	–
Net gain on disposal of property and equipment	(48,318)	(24,730)
Fair value gain/(loss)	(226,968)	(8,319)
Exchange loss	(17,565)	(931)
Operating cash flows before movements in working capital	8,200,285	7,347,128
Decrease/(Increase) in balances with central bank, deposits with banks and other financial institutions	14,916,541	(2,890,403)
Decrease in placements with banks and other financial institutions	32,091,669	21,768,626
Increase in financial assets held under resale agreements	(577,310)	–
Increase in financial assets held for trading purposes	(8,259,527)	(1,127,667)
Increase in loans and advances to customers	(73,970,607)	(60,809,998)
Increase in financial assets sold under repurchase agreements	7,642,479	7,352,820
Increase in borrowings from central bank	5,257,424	13,838,730
Increase in placements from banks and other financial institutions	7,187,490	639,778
Increase in deposits from customers, deposits from banks and other financial institutions	31,860,649	87,762,801
Decrease in other operating assets	349,664	208,472
Decrease in other operating liabilities	(519,573)	(2,454,600)
Cash from operating activities	24,179,184	71,635,687
Income tax paid	(3,103,464)	(2,368,305)
Net cash flow from operating activities	21,075,720	69,267,382
Cash flows from investment activities:		
Cash received from disposal and redemption of investment securities	171,694,162	145,390,767
Interest income received from investment securities	12,678,877	11,422,632
Cash received from disposal of property and equipment and other assets	50,600	39,025
Cash paid for purchase of investment securities	(231,238,748)	(178,295,758)
Cash paid for purchase of property and equipment and other assets	(495,756)	(279,230)
Dividend income received from investment securities	3,624	–
Net cash flow from investment activities	(47,307,241)	(21,722,564)

For the nine months ended
30 September
2021 **2020**

Cash flows from financing activities

Debt securities issued	229,262,429	194,100,541
Other equity instruments issued	4,000,000	–
Redemption of bonds issued	(181,024,854)	(232,350,000)
Dividends paid to shareholders of the Bank	(2,508,424)	(2,026,933)
Dividend payments to non-controlling shareholders	(557)	(48,924)
Interest paid on debt securities issued	(732,400)	(437,200)
Cash paid in other financing activities	(59,120)	(75,116)
Net cash flow from/(used in) financing activities	48,937,074	(40,837,632)
Net increase in cash and cash equivalents	22,705,553	6,707,186
Cash and cash equivalents as at 1 January	19,268,138	20,533,230
Effect of foreign exchange rate changes	(18,764)	10,885
Cash and cash equivalents as at 30 September	41,954,927	27,251,301
Net cash from operating activities include:		
Interest received	26,093,300	23,757,206
Interest paid	(14,439,537)	(11,645,069)
Net interest received from operating activities	11,653,763	12,112,137