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**BQD**  **青岛银行**

**Bank of Qingdao Co., Ltd.\***

**青島銀行股份有限公司\***

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

**(H Shares Stock Code: 3866)**

**(Preference Shares Stock Code: 4611)**

## **2020 FIRST QUARTERLY REPORT**

This announcement is made by Bank of Qingdao Co., Ltd. (the “**Bank**”) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Unless otherwise specified, the amounts stated in this announcement are expressed in Renminbi (RMB).

This report is made in Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

### **SECTION I IMPORTANT NOTICE**

- I. The board of directors, board of supervisors, directors, supervisors and senior management of the Bank ensure that the information contained in this quarterly report is true, accurate and complete, does not contain any false records, misleading statements or material omissions, and shall assume several and joint liabilities.
- II. The proposal on the 2020 first quarterly report of Bank of Qingdao Co., Ltd. was considered and approved at the thirty-fourth meeting of the seventh session of the board of directors of the Bank convened on 24 April 2020 by way of communication voting. There were 13 directors eligible for attending the meeting, of whom 13 directors attended and voted at the meeting.
- III. The Bank’s chairman Mr. Guo Shaoquan, president Mr. Wang Lin and head of planning and finance department Mr. Meng Dageng assure the authenticity, accuracy and completeness of the financial statements in this quarterly report.
- IV. The financial statements in this quarterly report were prepared in accordance with the International Financial Reporting Standards (“**IFRS**”) and are unaudited.
- V. In this report, the “**Company**” refers to Bank of Qingdao Co., Ltd. and its subsidiaries and branches, and the “**Bank**” refers to Bank of Qingdao Co., Ltd. and its branches. Unless otherwise stated, the data in this report is the consolidated data of the Company.

## SECTION II BASIC INFORMATION

### I. Principal Accounting Data and Financial Indicators

#### 1. Key data and indicators

*Expressed in thousands of Renminbi, unless otherwise stated*

<b>Item</b>	<b>January-March 2020</b>	<b>January-March 2019</b>	<b>Year-on-year change (%)</b>
Operating income	<b>2,932,601</b>	2,118,980	38.40
Net profit attributable to shareholders of the Bank	<b>554,768</b>	507,074	9.41
Basic earnings per share (RMB/share) <sup>(1)</sup>	<b>0.12</b>	0.12	–
Diluted earnings per share (RMB/share) <sup>(1)</sup>	<b>0.12</b>	0.12	–
Net cash flows generated from operating activities	<b>(7,379,383)</b>	(8,683,473)	15.02
Weighted average return on net assets (%) (annualised) <sup>(1)</sup>	<b>9.86</b>	9.77	Increased by 0.09 percentage point

  

<b>Item</b>	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>Change from the end of last year (%)</b>
Total assets	<b>389,132,982</b>	373,622,150	4.15
Loans and advances to customers:			
Corporate loans	<b>131,112,303</b>	118,286,626	10.84
Personal loans	<b>56,690,048</b>	54,508,817	4.00
Total loans to customers	<b>187,802,351</b>	172,795,443	8.68
Add: Accrued interest	<b>820,788</b>	772,480	6.25
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	<b>(5,111,272)</b>	(4,409,632)	15.91
Loans and advances to customers	<b>183,511,867</b>	169,158,291	8.49
Provision for loan impairment	<b>(5,131,334)</b>	(4,422,549)	16.03
Of which: Impairment provision for loans and advances to customers at fair value through other comprehensive income	<b>(20,062)</b>	(12,917)	55.31
Total liabilities	<b>357,734,716</b>	343,144,232	4.25

Unit: RMB thousand

Item	31 March 2020	31 December 2019	Change from the end of last year (%)
Deposits from customers:			
Corporate deposits	150,190,445	147,880,817	1.56
Personal deposits	72,976,042	64,796,343	12.62
Other deposits <sup>(2)</sup>	256,741	113,749	125.71
Total deposits from customers	223,423,228	212,790,909	5.00
Add: Accrued interest	2,711,655	2,634,494	2.93
Deposits from customers	226,134,883	215,425,403	4.97
Share capital	4,509,690	4,509,690	–
Equity attributable to shareholders of the Bank	30,816,050	29,915,460	3.01
Shareholders' equity	31,398,266	30,477,918	3.02
Net assets per share attributable to shareholders of the Bank (RMB/share) <sup>(3)</sup>	5.09	4.89	4.09
Total share capital of the Bank as of the trading day before the disclosure (share)		4,509,690,000	
Preference share dividend paid (RMB)			–
Fully diluted earnings per share calculated using the latest share capital (RMB/share, in aggregate from January to March)			0.12

Notes:

- Earnings per share and weighted average return on net assets were calculated in accordance with the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第9號 – 淨資產收益率和每股收益的計算及披露》(2010年修訂)).
- Other deposits include outward remittance and remittance payables as well as fiscal deposits to be transferred.
- Net assets per share attributable to shareholders of the Bank = (equity attributable to shareholders of the Bank – other equity instrument)/the number of ordinary shares at the end of the period.
- The Bank did not pay preference share dividend in the first quarter of 2020.

**2. Explanation on differences between the financial statements respectively prepared in accordance with the Chinese Accounting Standards for Business Enterprises and the IFRS**

In the financial statements prepared by the Company in accordance with the Chinese Accounting Standards for Business Enterprises and the IFRS, there is no difference between the net profit attributable to the shareholders of the Bank for the reporting period ended 31 March 2020 and the equity attributable to the shareholders of the Bank at the end of the reporting period.

## II. PRINCIPAL REGULATORY INDICATORS AND SUPPLEMENTARY FINANCIAL INDICATORS

### 1. Principal indicators

Indicator	Regulatory standard	31 March 2020	31 December 2019	31 December 2018	31 December 2017
Capital adequacy ratio (%) <sup>(1)</sup>	≥10.5	<b>13.83</b>	14.76	15.68	16.60
Tier-one capital adequacy ratio (%) <sup>(1)</sup>	≥8.5	<b>11.15</b>	11.33	11.82	12.57
Core tier-one capital adequacy ratio (%) <sup>(1)</sup>	≥7.5	<b>8.32</b>	8.36	8.39	8.71
Leverage ratio (%)	≥4	<b>7.31</b>	7.46	7.92	7.88
Liquidity coverage ratio (%)	≥100	<b>122.00</b>	142.27	125.95	173.05
Liquidity ratio (%)	≥25	<b>74.08</b>	68.84	60.55	56.36
Non-performing loan ratio (%)	≤5	<b>1.65</b>	1.65	1.68	1.69
Provision coverage ratio (%)		<b>165.54</b>	155.09	168.04	153.52
Loan provision ratio (%)		<b>2.73</b>	2.56	2.82	2.60
Normal loans migration rate (%)		<b>2.06</b>	1.29	3.06	2.51
Special mention loans migration rate (%)		<b>55.81</b>	52.47	44.53	53.57
Substandard loans migration rate (%)		<b>5.69</b>	88.01	36.28	67.75
Doubtful loans migration rate (%)		<b>7.29</b>	10.91	21.41	10.31
Return on average total assets (%) (annualised) <sup>(2)</sup>		<b>0.60</b>	0.68	0.66	0.65
Cost-to-income ratio (%)		<b>22.89</b>	31.86	33.01	31.68
Net interest spread (%) (annualised) <sup>(3)</sup>		<b>2.17</b>	2.10	1.67	1.57
Net interest margin (%) (annualised) <sup>(4)</sup>		<b>2.22</b>	2.13	1.63	1.72

#### Notes:

- The capital adequacy ratio and other relevant indicators were calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and other relevant regulatory regulations.
- Return on average total assets = net profit/average balance of total assets at the beginning and the end of the period, of which the total assets at the beginning of 2018 are the balances after the adoption of IFRS 9 – Financial Instruments, and total assets at the beginning of 2019 are the balance after the adoption of IFRS 16 – Lease. Return on average total assets (%) (annualised) for the first quarter of 2020 decreased by 0.08 percentage point year-on-year, mainly due to the faster growth of business of the Company and the relatively greater increase in average total assets.
- Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income.
- Net interest spread = average yield on interest-earning assets – average cost rate of interest-bearing liabilities.
- Net interest margin = net interest income/average interest-earning assets.

## 2. Capital adequacy ratio

*Unit: RMB thousand*

Item	31 March 2020		31 December 2019	
	The Company	The Bank	The Company	The Bank
Net core tier-one capital	23,188,852	22,161,423	22,224,697	21,282,924
Net tier-one capital	31,099,145	30,015,387	30,126,320	29,136,888
Net capital base	38,565,424	37,046,928	39,252,505	37,907,869
Total risk-weighted assets	278,843,876	267,711,410	265,908,365	256,725,689
Core tier-one capital adequacy ratio (%)	8.32	8.28	8.36	8.29
Tier-one capital adequacy ratio (%)	11.15	11.21	11.33	11.35
Capital adequacy ratio (%)	13.83	13.84	14.76	14.77

## 3. Leverage ratio

*Unit: RMB thousand*

Item	31 March	31 December	30 September	30 June
	2020	2019	2019	2019
Leverage ratio (%)	7.31	7.46	7.71	7.98
Net tier-one capital	31,099,145	30,126,320	29,818,915	29,689,648
Balance of assets on and off balance sheet after adjustments	425,251,459	404,025,124	386,887,353	372,198,506

## 4. Liquidity coverage ratio

*Unit: RMB thousand*

Item	31 March	31 December
	2020	2019
Liquidity coverage ratio (%)	122.00	142.27
Qualified and high-quality current assets	74,776,236	78,152,065
Net cash outflows in next 30 days	61,292,035	54,930,790

## 5. Loans by five categories

*Unit: RMB thousand*

Five categories	31 March 2020		31 December 2019		Change from the end of last year (%)
	Amount	% of total	Amount	% of total	
Normal	179,030,098	95.33	163,910,475	94.86	9.22
Special mention	5,672,459	3.02	6,033,401	3.49	(5.98)
Substandard	2,049,736	1.09	965,897	0.56	112.21
Doubtful	893,449	0.48	1,743,364	1.01	(48.75)
Loss	156,609	0.08	142,306	0.08	10.05
Total loans to customers	187,802,351	100.00	172,795,443	100.00	8.68

### III. ANALYSIS OF OPERATING RESULTS

In the first quarter of 2020, facing a complex and severe operating environment, the Bank actively implemented the relevant national regulations and regulatory requirements with the basic operation guiding ideology of “complying with the times, strengthening features, overcoming difficulties, and steadily developing”. While stepping up financial support for the prevention and control of the pandemic, the Bank strengthened risk management, continuously promoted structural adjustment, stably improved operational efficiency and strictly controlled asset quality. Therefore, the overall operation functioned steadily.

**Both assets and liabilities increased stably and the structure adjustment continued to advance.** As at the end of the first quarter of 2020, the total assets of the Company reached RMB389.133 billion, representing an increase of RMB15.511 billion or 4.15% as compared with that at the end of the previous year, and the total liabilities reached RMB357.735 billion, representing an increase of RMB14.590 billion or 4.25% as compared with that at the end of the previous year. While the total amount of assets and liabilities increased steadily, the Company continued to promote structure adjustment, and the loans and advances to customers reached RMB183.512 billion, representing an increase of RMB14.354 billion or 8.49% as compared with that at the end of the previous year, accounting for 47.16% of the total assets, representing an increase of 1.88 percentage points as compared with that at the end of the previous year.

**The operating efficiency increased steadily and the operating income grew rapidly.** In the first quarter of 2020, the Company achieved a net profit attributable to shareholders of the Bank of RMB555 million, representing a year-on-year increase of RMB48 million or 9.41%; the net interest margin (annualised) was 2.22%, representing an increase of 0.09 percentage point as compared with that in the previous year; the cost-to-income ratio was 22.89%, representing a decrease of 8.97 percentage points as compared with that in the previous year. The Company achieved an operating income of RMB2.933 billion, representing a year-on-year increase of RMB814 million or 38.40%. The rapid increase in operating income was mainly due to the increase in the scale and the structure optimisation of the Company, and that a relatively fast growth in net interest income was maintained; the credit card and wealth management business developed fast and a rapid growth in net fee and commission income was achieved. In the first quarter of 2020, the net interest income was RMB1.950 billion, representing a year-on-year increase of RMB358 million or 22.50%; the net fee and commission income was RMB410 million, representing a year-on-year increase of RMB106 million or 34.66%.

**The asset quality remained stable and the principal regulatory indicators met the standards.** As at the end of the first quarter of 2020, the non-performing loan ratio of the Company was 1.65%, same as that at the end of the previous year; the core tier-one capital adequacy ratio was 8.32%, representing a slight decrease of 0.04 percentage point as compared with that at the end of the previous year; the capital adequacy ratio was 13.83%, representing a decrease of 0.93 percentage point as compared with that at the end of the previous year, mainly attributed to the redemption of RMB2.2 billion of tier-two capital bonds that the Bank was entitled to a redemption option. The provision coverage ratio was 165.54%, representing an increase of 10.45 percentage points as compared with that at the end of the previous year; the loan provision ratio was 2.73%, representing an increase of 0.17 percentage point as compared with that at the end of the previous year. All the principal regulatory indicators met regulatory requirements.

**The support toward private enterprises and small and micro enterprises was further strengthened.** In the first quarter of 2020, the Bank actively responded to the central government's call for supporting the real economy with finance in implementing the pandemic prevention and control deployment and guiding the rational allocation of credit resources. Through a series of activities such as visits to private enterprises, the Bank solidified the foundation for the sustainable development of serving private enterprises. The Bank continued to optimise the credit operation process and established a "green credit channel" during the pandemic to enhance credit resources protection and comprehensive service capabilities under the premise of effective risk management and control. The Bank continued to improve its small and micro credit system, built online customer acquisition channels, and launched "anti-coronavirus loans" and other inclusive financial products that were supportive of small and micro enterprises in fighting the pandemic and resuming work and production.

#### IV. TOTAL NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE TOP 10 SHAREHOLDERS AS AT THE END OF THE REPORTING PERIOD

##### 1. Number of ordinary shareholders and the preference shareholders with voting rights restored and shareholdings of the top 10 shareholders

*Unit: Share*

Total number of ordinary shareholders as at the end of the reporting period	86,434	Total number of preference shareholders with voting rights restored as at the end of the reporting period (if any)	-
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##### Shareholdings of the top 10 ordinary shareholders

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares	Number of shares subject to restrictions on sale	Shares pledged or frozen	
					Pledged or frozen	Number
Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	25.23%	1,137,886,880	-	Unknown	Unknown
Intesa Sanpaolo S.p.A.	Overseas legal person	13.85%	624,753,980	-	-	-
Qingdao Conson Industrial Co., Ltd.	State-owned legal person	11.17%	503,556,341	503,556,341	-	-
Qingdao Haier Investment and Development Co., Ltd.	Domestic non-state-owned legal person	9.08%	409,693,339	409,693,339	-	-
Qingdao Haier Air-Conditioner Electronics Co., Ltd.	Domestic non-state-owned legal person	4.85%	218,692,010	218,692,010	-	-
Shandong Sanliyuan Economics and Trade Co., Ltd.	Domestic non-state-owned legal person	3.37%	152,170,000	152,170,000	Pledged	151,600,000
Haier Smart Home Co., Ltd.	Domestic non-state-owned legal person	3.22%	145,297,405	145,297,405	-	-
Qingdao Hairen Investment Co., Ltd.	Domestic non-state-owned legal person	2.97%	133,910,000	133,910,000	-	-
Qingdao Huatong State-owned Capital Operation (Group) Co., Ltd.	State-owned legal person	2.11%	94,967,581	94,967,581	-	-
Qingdao Jifa Group Co., Ltd.	Domestic non-state-owned legal person	2.02%	90,936,164	90,936,164	-	-



## Shareholding of top 10 ordinary shareholders not subject to restrictions on sale

Name of shareholder	Number of shares not subject to restrictions on sale	Class of shares	Number
Hong Kong Securities Clearing Company Nominees Limited	1,137,886,880	Overseas listed foreign shares	1,137,886,880
Intesa Sanpaolo S.p.A.	624,753,980	Overseas listed foreign shares	624,753,980
Qingdao Victall Equity Investment Co., Ltd.	30,000,000	RMB ordinary shares	30,000,000
Qingdao Pengli Investment Co., Ltd.	17,540,000	RMB ordinary shares	17,540,000
Zhong Renmei	12,906,755	RMB ordinary shares	12,906,755
Shen Yousheng	10,897,134	RMB ordinary shares	10,897,134
Zhang Xubin	9,295,814	RMB ordinary shares	9,295,814
Xu Zhidi	7,837,017	RMB ordinary shares	7,837,017
Qingdao Biwan Marine Products Co., Ltd.	7,481,316	RMB ordinary shares	7,481,316
Qingdao Chuangxin Property Development Co., Ltd.	5,500,000	RMB ordinary shares	5,500,000

**Explanation on the related relationship or concerted action of the above mentioned shareholders**

For the above shareholders, Qingdao Haier Investment and Development Co., Ltd., Qingdao Haier Air-Conditioner Electronics Co., Ltd. and Haier Smart Home Co., Ltd. are all under Haier Group, and Qingdao Haier Investment and Development Co., Ltd. and Qingdao Haier Air-Conditioner Electronics Co., Ltd. have entrusted Haier Smart Home Co., Ltd. to exercise the voting rights of the shareholders corresponding to their shares. The Bank is not aware of any other related relationship or concerted action among other shareholders.

**Description of top 10 ordinary shareholders participating in securities margin trading business**

The Bank is not aware of any holder of shares held on behalf by Hong Kong Securities Clearing Company Nominees Limited participating in securities margin trading and refinancing businesses. As at the end of the reporting period, other top 10 ordinary shareholders did not participate in securities margin trading and refinancing businesses.

**Remarks**

1. Among the total number of ordinary shareholders at the end of the reporting period, there are 86,273 shareholders of A shares and 161 shareholders of H shares;
2. Shares held by Hong Kong Securities Clearing Company Nominees Limited are the total shares in the accounts of the Bank's shareholders of H shares which are traded on the trading platform of Hong Kong Securities Clearing Company Nominees Limited on behalf of shareholders.



3. As at the end of the reporting period, Intesa Sanpaolo S.p.A., as a registered shareholder of H shares of the Bank, held 622,306,980 H shares, and the remaining 2,447,000 H shares were agented to and under the name of Hong Kong Securities Clearing Company Nominees Limited. Different from the presentation method in the 2019 first quarterly report, the agent shares have been deducted from the number of shares held by Hong Kong Securities Clearing Company Nominees Limited in this table.
4. On 20 June 2019, “Qingdao Haier Co., Ltd.” was renamed as “Haier Smart Home Co., Ltd.”.
5. During the reporting period, the top 10 ordinary shareholders and the top 10 ordinary shareholders not subject to restrictions on sale of the Bank did not conduct any transaction under repurchase agreements.

## 2. Total number and shareholdings of preference shareholders of the Bank

*Unit: Share*

Total number of preference shareholders as at the end of the reporting period 1

Name of shareholder	Nature of shareholder	Percentage of shareholding	Shareholdings of preference shareholders			
			Number of shares	Number of shares subject to restrictions on sale	Shares pledged or frozen or frozen	Number
The Bank of New York Depository (Nominees) Limited	Overseas legal person	100%	60,150,000	-	Unknown	Unknown

*Note:* During the reporting period, the Bank did not have any preference shareholder with voting rights restored.

## SECTION III SIGNIFICANT EVENTS

### I. Changes of Major Financial Data and Financial Indicators During the Reporting Period and the Reasons Thereof

Principal financial statement items and financial indicators with changes of over 30% and the main reasons thereof are set out in the table below:

*Unit: RMB thousand*

Item	January – March 2020	January – March 2019	Changes (%)	Main Reasons
Fee and commission income	<b>434,263</b>	321,038	35.27	Increase in fee income due to faster growth of credit card and wealth management businesses
Fee and commission expense	<b>(24,321)</b>	(16,601)	46.50	Increase in fee expense due to faster growth of credit card business
Net fee and commission income	<b>409,942</b>	304,437	34.66	Faster growth of net fee and commission income due to faster growth of credit card and wealth management businesses
Net trading gains	<b>140,179</b>	(166,400)	184.24	Impact of exchange rate fluctuations
Other operating income, net	<b>21,067</b>	4,653	352.76	Increase in government grants received
Operating income	<b>2,932,601</b>	2,118,980	38.40	Maintaining faster growth in net interest income due to expansion of scale of the Company and optimisation of structure; and recording faster growth in net fee and commission income due to faster growth of credit card and wealth management businesses
Credit impairment loss	<b>(1,573,443)</b>	(886,114)	77.57	Increasing provision for impairment by the Company to adapt to the loan risk conditions based on the overall faster growth of loans and the increased risk of borrowers in individual regions as well as taking into account the impact of the macroeconomic factors including the outbreak of COVID-19
Income tax expense	<b>(79,945)</b>	(118,479)	(32.52)	Increase in non-taxable income during the reporting period
Other comprehensive income, net of taxation	<b>345,822</b>	145,650	137.43	Increase in changes in fair value of financial assets at fair value through other comprehensive income

*Unit: RMB thousand*

<b>Item</b>	<b>31 March 2020</b>	31 December 2019	Changes (%)	Main Reasons
Derivative financial assets	<b>184,801</b>	12,436	1,386.02	Increase in interest rate swaps and other derivative financial instruments fair value re-evaluation
Financial assets held under resale agreements	<b>1,496,545</b>	2,325,771	(35.65)	Decrease in the scale of debt securities held under resale agreements
Derivative financial liabilities	<b>186,556</b>	8,805	2,018.75	Increase in interest rate swaps and other derivative financial instruments fair value re-evaluation
Income tax payable	<b>486,190</b>	187,027	159.96	Increase in provision for income tax for the period
Other comprehensive income	<b>1,004,052</b>	658,230	52.54	Increase in changes in fair value of financial assets at fair value through other comprehensive income

## **II. Analysis and Explanations regarding Progress and Impacts of Significant Events and Their Solutions**

In February 2020, the Bank received the “Approval on the Establishment of Qingyin Wealth Management Company Limited by China Banking and Insurance Regulatory Commission” (Yin Bao Jian Fu [2020] No. 77), pursuant to which the Bank was approved to establish Qingyin Wealth Management Company Limited. Qingyin Wealth Management Company Limited is established solely by the Bank with the proposed registered capital of RMB1 billion.

Save as disclosed in this quarterly report, the other announcements of the Bank and matters disclosed above, the Bank had no other significant events which should be disclosed.

During the reporting period, the Bank did not repurchase any share or reduce buy-back shares through centralized bidding.

<b>Overview of significant event</b>	<b>Date of disclosure</b>	<b>Disclosure website index of interim reports</b>
Obtaining approval by the Bank to establish Qingyin Wealth Management Company Limited	11 February 2020	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

## **III. Uncompleted Performance of Overdue Undertaking for the Reporting Period by the Parties Involving in the Undertaking including De facto Controller, Shareholders, Related-parties, Purchasers and the Bank**

The Bank does not have de facto controller and purchaser. During the reporting period, parties involving in the undertaking including the Bank, shareholders and related parties of the Bank did not have uncompleted performance of overdue undertaking.

#### IV. Investment in Securities

Set out below are the financial bonds held by the Company which are considered significant in terms of nominal value as at the end of the reporting period:

*Unit: RMB thousand*

Name of bond	Maturity date	Interest rate (%)	Nominal value	Impairment data
16 Guo Kai 05	2036-01-25	3.80	4,270,000	422
16 Jin Chu 10	2026-09-05	3.18	2,740,000	270
18 Nong Fa 06	2028-05-11	4.65	1,920,000	197
19 Fu Xi Guo Zhai 07	2026-06-06	3.25	1,740,000	53
15 Jin Chu 19	2036-01-12	3.88	1,500,000	157
19 Jin Chu 10	2029-05-20	3.86	1,450,000	152
17 Guo Kai 10	2027-04-10	4.04	1,442,000	144
17 Nong Fa 05	2027-01-06	3.85	1,440,000	140
17 Nong Fa 15	2027-09-08	4.39	1,330,000	132
19 Fu Xi Guo Zhai 04	2024-04-11	3.19	1,210,000	36

#### V. Entrusted Wealth Management

During the reporting period, the Bank did not have any entrusted wealth management transactions beyond its normal scope of business.

#### VI. Derivative Investments

*Unit: RMB thousand*

Type of contract	31 March 2020			31 December 2019		
	Nominal amount	Fair value of assets	Fair value of liabilities	Nominal amount	Fair value of assets	Fair value of liabilities
Interest rate swaps and other	63,887,342	184,801	(186,556)	33,896,438	12,436	(8,805)

*Notes:*

- Under the risk preference set by the Board of Directors and the Bank's derivatives market risk framework, the Bank actively carried out various derivative transactions in compliance with threshold requirements. As at 31 March 2020, the derivative financial instruments held by the Bank included interest rate swaps, interest rate options and credit risk mitigating instruments.
- The nominal amount of the derivative financial instruments only reflects the transaction volume but not its actual risk exposure. The derivative business conducted by the Bank is mainly based on hedging strategy, which is subject to a smaller actual risk exposure.
- The accounting policies and specific accounting principles for derivatives of the Bank during the reporting period did not have material change as compared with those in the last reporting period.

## **VII. Information on Illegal External Guarantees**

During the reporting period, the Bank had no illegal external guarantee.

## **VIII. Information on the Non-operating Occupation of Funds of the Bank by the Controlling Shareholder and its Related Parties**

During the reporting period, there was no non-operating occupation of funds of the Bank by the controlling shareholder and its related parties.

## **SECTION IV PUBLICATION OF QUARTERLY REPORT**

This report is simultaneously published on the HKEX news website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk/>) and the website of the Bank (<http://www.qdccb.com/>). Quarterly report prepared according to Chinese Accounting Standards for Business Enterprises is also simultaneously published on the website of the Shenzhen Stock Exchange (<http://www.szse.cn/>) and the website of the Bank.

## SECTION V FINANCIAL STATEMENTS

### Bank of Qingdao Co., Ltd.

#### Consolidated Statement of Profit or Loss

based on IFRS

for the period from 1 January 2020 to 31 March 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	<b>Period from 1 January to 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Interest income	4,018,329	3,392,660
Interest expense	<u>(2,068,731)</u>	<u>(1,801,212)</u>
<b>Net interest income</b>	<b>1,949,598</b>	<b>1,591,448</b>
Fee and commission income	434,263	321,038
Fee and commission expense	<u>(24,321)</u>	<u>(16,601)</u>
<b>Net fee and commission income</b>	<b>409,942</b>	<b>304,437</b>
Net trading gains/(losses)	140,179	(166,400)
Net gains arising from investments	411,815	384,842
Other operating income	<u>21,067</u>	<u>4,653</u>
<b>Operating income</b>	<b>2,932,601</b>	<b>2,118,980</b>
Operating expenses	(704,686)	(589,146)
Credit losses	<u>(1,573,443)</u>	<u>(886,114)</u>
<b>Profit before taxation</b>	<b>654,472</b>	<b>643,720</b>
Income tax expense	<u>(79,945)</u>	<u>(118,479)</u>
<b>Net profit</b>	<b>574,527</b>	<b>525,241</b>
<b>Profit attributable to:</b>		
Equity shareholders of the Bank	554,768	507,074
Non-controlling interests	<u>19,759</u>	<u>18,167</u>
<b>Basic and diluted earnings per share (in RMB)</b>	<b>0.12</b>	<b>0.12</b>

**Bank of Qingdao Co., Ltd.****Consolidated Statement of Profit or Loss and Other Comprehensive Income**

based on IFRS

for the period from 1 January 2020 to 31 March 2020

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Net profit for the period</b>	<b>574,527</b>	<b>525,241</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss		
–Remeasurement of defined benefit liability	<b>(1,365)</b>	–
Items that may be reclassified subsequently to profit or loss		
–Changes in fair value of debt investments at fair value through other comprehensive income	<b>343,132</b>	134,281
–Credit losses of debt investments at fair value through other comprehensive income	<b>4,055</b>	11,369
<b>Other comprehensive income, net of tax</b>	<b>345,822</b>	<b>145,650</b>
<b>Total comprehensive income</b>	<b>920,349</b>	<b>670,891</b>
<b>Total comprehensive income attributable to:</b>		
Equity shareholders of the Bank	<b>900,590</b>	652,724
Non-controlling interests	<b>19,759</b>	18,167



**Bank of Qingdao Co., Ltd.****Consolidated Statement of Financial Position**

based on IFRS

as at 31 March 2020

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>31 March 2020 (unaudited)</b>	31 December 2019 (audited)
<b>Assets</b>		
Cash and deposits with central bank	<b>34,992,177</b>	39,704,840
Deposits with banks and other financial institutions	<b>1,660,526</b>	1,312,468
Placements with banks and other financial institutions	<b>2,877,144</b>	3,313,603
Derivative financial assets	<b>184,801</b>	12,436
Financial assets held under resale agreements	<b>1,496,545</b>	2,325,771
Loans and advances to customers	<b>183,511,867</b>	169,158,291
Financial investments:		
– Financial investments measured at fair value through profit or loss	<b>25,903,680</b>	22,912,561
– Financial investments measured at fair value through other comprehensive income	<b>57,370,597</b>	54,973,781
– Financial investments measured at amortised cost	<b>63,639,148</b>	64,491,058
Long-term receivables	<b>10,779,971</b>	9,037,819
Property and equipment	<b>3,002,884</b>	3,048,813
Right-of-use assets	<b>815,056</b>	818,928
Deferred tax assets	<b>1,841,098</b>	1,581,905
Other assets	<b>1,057,488</b>	929,876
<b>Total assets</b>	<b>389,132,982</b>	373,622,150
<b>Liabilities</b>		
Borrowings from central bank	<b>6,280,178</b>	5,536,650
Deposits from banks and other financial institutions	<b>12,345,619</b>	16,462,527
Placements from banks and other financial institutions	<b>11,727,142</b>	9,916,257
Derivative financial liabilities	<b>186,556</b>	8,805
Financial assets sold under repurchase agreements	<b>15,062,841</b>	16,027,082
Deposits from customers	<b>226,134,883</b>	215,425,403
Income tax payable	<b>486,190</b>	187,027
Debt securities issued	<b>82,718,555</b>	76,858,899
Lease liabilities	<b>418,185</b>	427,429
Other liabilities	<b>2,374,567</b>	2,294,153
<b>Total liabilities</b>	<b>357,734,716</b>	343,144,232

**Bank of Qingdao Co., Ltd.**  
**Consolidated Statement of Financial Position (continued)**  
based on IFRS  
as at 31 March 2020  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>31 March 2020 (unaudited)</b>	31 December 2019 (audited)
<b>Equity</b>		
Share capital	4,509,690	4,509,690
Other equity instrument		
Including: preference shares	7,853,964	7,853,964
Capital reserve	8,337,869	8,337,869
Surplus reserve	1,626,662	1,626,662
General reserve	4,400,258	4,400,258
Other comprehensive income	1,004,052	658,230
Retained earnings	3,083,555	2,528,787
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	30,816,050	29,915,460
Non-controlling interests	582,216	562,458
	<hr/>	<hr/>
<b>Total equity</b>	<b>31,398,266</b>	<b>30,477,918</b>
	<hr/>	<hr/>
<b>Total liabilities and equity</b>	<b>389,132,982</b>	<b>373,622,150</b>
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Approved and authorised for issue by the board of directors on 24 April 2020.

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**Guo Shaoquan**  
*Legal Representative (Chairman)*

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**Wang Lin**  
*President*

\_\_\_\_\_  
**Meng Dageng**  
*Head of the Planning & Finance  
Department*

(Company Stamp)

**Bank of Qingdao Co., Ltd.**  
**Consolidated Cash Flow Statement**

based on IFRS

for the period from 1 January 2020 to 31 March 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	<b>Period from 1 January to 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>654,472</b>	643,720
<i>Adjustments for:</i>		
Credit losses	<b>1,573,443</b>	886,114
Depreciation and amortisation	<b>102,166</b>	115,074
Unrealised foreign exchange (gains)/losses	<b>(133,432)</b>	164,175
Net losses on disposal of property and equipment, intangible assets and other assets	<b>49</b>	17
Losses/(gains) from changes in fair value	<b>122,235</b>	(107,810)
Net gains arising from investment	<b>(534,395)</b>	(276,072)
Interest expense on debt securities issued	<b>693,600</b>	614,324
Interest income from financial investment	<b>(1,310,413)</b>	(1,355,604)
Others	<b>(9,642)</b>	(13,797)
	<b>1,158,083</b>	670,141
<i>Changes in operating assets</i>		
Net decrease in deposits with central bank	<b>14,370</b>	1,824,877
Net increase in placements with banks and other financial institutions	<b>–</b>	(287,233)
Net increase in loans and advances to customers	<b>(15,608,435)</b>	(12,970,462)
Net decrease/(increase) in financial assets held under resale agreements	<b>829,515</b>	(600,000)
Net increase in long-term receivables	<b>(1,785,657)</b>	(831,328)
Net increase in other operating assets	<b>(47,404)</b>	(147,908)
	<b>(16,597,611)</b>	(13,012,054)

**Bank of Qingdao Co., Ltd.****Consolidated Cash Flow Statement (continued)**

based on IFRS

for the period from 1 January 2020 to 31 March 2020

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities (continued)</b>		
<i>Changes in operating liabilities</i>		
Net increase in borrowings		
from central bank	<b>731,152</b>	702,198
Net (decrease)/increase in deposits from banks and other financial institutions	<b>(4,098,562)</b>	612,367
Net increase in placements from banks and other financial institutions	<b>1,818,382</b>	1,759,060
Net decrease in financial assets sold under repurchase agreements	<b>(963,559)</b>	(2,793,417)
Net increase in deposits from customers	<b>10,632,319</b>	3,985,489
Net increase/(decrease) in other operating liabilities	<b>95,661</b>	(396,070)
	<b>8,215,393</b>	3,869,627
<i>Income tax paid</i>	<b>(155,248)</b>	(211,187)
<b>Net cash flows used in operating activities</b>	<b>(7,379,383)</b>	(8,683,473)
<b>Cash flows from investing activities</b>		
Proceeds from disposal and redemption of investments	<b>21,389,142</b>	17,727,344
Net cash received from investment gains and interest	<b>1,739,282</b>	1,623,834
Proceeds from disposal of property and equipment, intangible assets and other assets	<b>2</b>	1
Payments on acquisition of investments	<b>(25,652,555)</b>	(15,092,600)
Payments on acquisition of property and equipment, intangible assets and other assets	<b>(29,983)</b>	(54,809)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(2,554,112)</b>	4,203,770

**Bank of Qingdao Co., Ltd.****Consolidated Cash Flow Statement (continued)**

based on IFRS

for the period from 1 January 2020 to 31 March 2020

*(Expressed in thousands of Renminbi, unless otherwise stated)*

	<b>Period from 1 January to 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	–	1,962,570
Net proceeds from debt securities issued	<b>21,306,037</b>	21,652,505
Repayment of debt securities issued	<b>(16,000,000)</b>	(19,580,000)
Interest paid on debt securities issued	<b>(139,980)</b>	(253,730)
Dividends paid	<b>(12)</b>	(59)
Payment of lease liabilities	<b>(39,766)</b>	–
	<hr/>	<hr/>
<b>Net cash flows generated from financing activities</b>	<b>5,126,279</b>	3,781,286
	<hr/>	<hr/>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>8,097</b>	(6,277)
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,799,119)</b>	(704,694)
<b>Cash and cash equivalents as at 1 January</b>	<b>22,500,748</b>	10,212,182
	<hr/>	<hr/>
<b>Cash and cash equivalents as at 31 March</b>	<b>17,701,629</b>	9,507,488
	<hr/> <hr/>	<hr/> <hr/>
<b>Net cash flows generated from operating activities include:</b>		
Interest received	<b>2,732,455</b>	2,091,796
	<hr/> <hr/>	<hr/> <hr/>
Interest paid	<b>(1,312,121)</b>	(1,186,888)
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By order of the Board  
**Bank of Qingdao Co., Ltd.\***  
**Guo Shaoquan**  
*Chairman*

Qingdao, Shandong Province, the PRC  
24 April 2020

*As at the date of this announcement, the Board comprises Mr. Guo Shaoquan, Mr. Wang Lin and Ms. Lu Lan as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Marco Mussita, Mr. Deng Youcheng and Mr. Choi Chi Kin, Calvin as non-executive directors; Mr. Chen Hua, Ms. Dai Shuping, Mr. Simon Cheung, Ms. Fang Qiaoling and Mr. Tingjie Zhang as independent non-executive directors.*

\* *Bank of Qingdao Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the 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.*