

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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)**

## **2021 THIRD 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 prepared in Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

### **IMPORTANT NOTICE:**

1. The board of directors, board of supervisors, directors, supervisors and senior management of the Bank assure 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.
2. The 7th meeting of the eighth session of the board of directors of the Bank was convened on 29 October 2021 by way of communication voting. There were 15 directors eligible for attending the meeting, of whom 15 directors attended and voted at the meeting. The resolution on the 2021 third quarterly report of Bank of Qingdao Co., Ltd. was considered and approved at the meeting.
3. The Bank’s chairman Mr. Guo Shaoquan, president Mr. Wang Lin and chief financial officer Mr. Meng Dageng assure the authenticity, accuracy and completeness of the financial statements in this quarterly report.
4. The financial statements in this quarterly report were prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”) and are unaudited. IFRSs refer to the International Financial Reporting Standards issued by the International Accounting Standards Board; and the International Financial Reporting Standards include the International Accounting Standards.
5. 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 I BASIC INFORMATION

### I. PRINCIPAL FINANCIAL DATA

#### 1. Principal accounting data and financial indicators

*Expressed in thousands of Renminbi, unless otherwise stated*

Item	July- September 2021	Year-on-year change (%)	January- September 2021	Year-on-year change (%)
Operating income <sup>(1)</sup>	2,858,567	22.54	8,185,617	(2.98)
Net profit attributable to shareholders of the Bank	620,836	30.09	2,418,426	20.45
Basic earnings per share (RMB/share) <sup>(2)</sup>	0.03	N/A	0.43	26.47
Diluted earnings per share (RMB/share) <sup>(2)</sup>	0.03	N/A	0.43	26.47
Net cash flows generated from operating activities	N/A	N/A	(7,554,913)	(121.19)
		Increased by 2.02		Increased by 1.89
Weighted average return on net assets (%) (annualized) <sup>(2)</sup>	8.37	percentage points	11.77	percentage points
Item	30 September 2021	31 December 2020	Change from the end of last year (%)	
Total assets	504,154,451	459,827,605	9.64	
Total liabilities	471,419,308	428,920,747	9.91	
Share capital	4,509,690	4,509,690	–	
Equity attributable to shareholders of the Bank	32,060,756	30,285,174	5.86	
Shareholders' equity	32,735,143	30,906,858	5.92	
Net assets per share attributable to ordinary shareholders of the Bank (RMB/share) <sup>(3)</sup>	5.37	4.97	8.05	
Total share capital of the Bank as of the trading day before the disclosure (share)			4,509,690,000	
Preference share dividend paid (RMB) <sup>(4)</sup>			474,380,995	
Fully diluted earnings per share calculated using the latest share capital (RMB/share, in aggregate from January to September 2021)			0.43	

*Notes:*

- (1) According to relevant requirements of the Notice on Strictly Implementing Accounting Standards for Enterprises and Effectively Strengthening the Work of Enterprises' 2020 Annual Reports (《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 People's Republic of China, China Securities Regulatory Commission, State-owned Assets Supervision and Administration Commission of the State Council and China Banking and Insurance Regulatory Commission in January 2021 (Cai Kuai [2021] No. 2) (the "**Cai Kuai [2021] No. 2 Document**"), the Company reclassified the credit card installment income for the same period of 2020 from fee and commission income to interest income.
- (2) 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)). From January to September 2021, basic earnings per share was RMB0.43, representing a year-on-year increase of RMB0.09; weighted average return on net assets (annualized) was 11.77%, representing a year-on-year increase of 1.89 percentage points, mainly due to the increase in net profit attributable to ordinary shareholders of the Bank. The Bank issued offshore preference shares in 2017. Therefore, in calculating earnings per share and weighted average return on net assets for the period, the dividends of the preference shares distributed in the period have been deducted from the "net profit attributable to ordinary shareholders of the Bank", and the effect from preference shares has been deducted from the "weighted average net assets". Basic earnings per share from January to September 2021 increased slightly from that in the first half of the year.
- (3) Net assets per share attributable to ordinary shareholders of the Bank = (equity attributable to shareholders of the Bank – other equity instrument)/the number of ordinary shares as at the end of the period.
- (4) The preference share dividend paid includes income tax withheld by the Bank.

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

In the financial statements prepared by the Company in accordance with the Chinese Accounting Standards for Business Enterprises and the IFRSs, there is no difference between the net profit attributable to shareholders of the Bank for the reporting period ended 30 September 2021 and the equity attributable to shareholders of the Bank at the end of the reporting period.

### 3. Changes of principal accounting data and financial indicators and the reasons thereof

The above principal accounting data and financial indicators with changes of over 30% and the main reasons thereof are set out below:

*Expressed in thousands of Renminbi, unless otherwise stated*

<b>Item</b>	<b>January- September 2021</b>	<b>Year-on-year change (%)</b>	<b>Main reasons</b>
Net cash flows generated from operating activities	<b>(7,554,913)</b>	(121.19)	Decrease of net increase in deposits from customers from the beginning of the year to the end of the reporting period
<b>Item</b>	<b>July- September 2021</b>	<b>Year-on-year change (%)</b>	<b>Main reasons</b>
Net profit attributable to shareholders of the Bank	<b>620,836</b>	30.09	The increase in operating income outpaced the increase in operating expenses during the reporting period
Basic earnings per share (RMB/share)	<b>0.03</b>	N/A	Increase in net profit attributable to ordinary shareholders of the Bank during the reporting period
Diluted earnings per share (RMB/share)	<b>0.03</b>	N/A	Increase in net profit attributable to ordinary shareholders of the Bank during the reporting period
Weighted average return on net assets (%) (annualized)	<b>8.37</b>	31.81	Increase in net profit attributable to ordinary shareholders of the Bank during the reporting period

## II. PRINCIPAL REGULATORY INDICATORS AND SUPPLEMENTARY FINANCIAL INDICATORS

### 1. Key indicators

Indicator	Regulatory indicator	30 September 2021	31 December 2020	31 December 2019	31 December 2018
Capital adequacy ratio (%) <sup>(1)</sup>	≥10.5	<b>15.95</b>	14.11	14.76	15.68
Tier-one capital adequacy ratio (%) <sup>(1)</sup>	≥8.5	<b>11.07</b>	11.31	11.33	11.82
Core tier-one capital adequacy ratio (%) <sup>(1)</sup>	≥7.5	<b>8.35</b>	8.35	8.36	8.39
Leverage ratio (%)	≥4	<b>5.96</b>	6.14	7.46	7.92
Liquidity coverage ratio (%)	≥100	<b>125.05</b>	152.42	142.27	125.95
Liquidity ratio (%)	≥25	<b>61.77</b>	65.44	68.84	60.55
Non-performing loan ratio (%)	≤5	<b>1.47</b>	1.51	1.65	1.68
Provision coverage ratio (%)		<b>180.52</b>	169.62	155.09	168.04
Loan provision ratio (%)		<b>2.65</b>	2.56	2.56	2.82
Normal loan migration rate (%)		<b>1.05</b>	0.88	1.29	3.06
Special mention loan migration rate (%)		<b>50.86</b>	31.07	52.47	44.53
Substandard loan migration rate (%)		<b>3.50</b>	74.64	88.01	36.28
Doubtful loan migration rate (%)		<b>1.48</b>	21.91	10.91	21.41
Return on average total asset (%) (annualized) <sup>(2)</sup>		<b>0.68</b>	0.59	0.68	0.66
Cost-to-income ratio (%) <sup>(3)</sup>		<b>30.93</b>	33.59	31.86	33.01
Net interest spread (%) (annualized) <sup>(4)</sup>		<b>1.90</b>	2.14	2.10	1.67
Net interest margin (%) (annualized) <sup>(4)</sup>		<b>1.82</b>	2.13	2.13	1.63

#### Notes:

- (1) The relevant indicators of capital adequacy ratio were calculated in accordance with the Administrative Measures for the Capital of Commercial Banks (Provisional) 《商業銀行資本管理辦法(試行)》 and other relevant regulatory regulations.
- (2) Return on average total assets = net profit/average balance of total assets at the beginning and at the end of the period, of which total assets at the beginning of 2018 is the balance after the adoption of IFRS 9 – Financial Instruments, and total assets at the beginning of 2019 is the balance after the adoption of IFRS 16 – Leases. Return on average total assets (%) (annualized) from January to September 2021 increased by 0.09 percentage point year-on-year, mainly due to further increased economic benefits of the Company and a higher increase in net profit.
- (3) Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income.
- (4) Net interest spread = average yield of interest-earning assets – average cost rate of interest-bearing liabilities, net interest margin = net interest income/average interest-earning assets. According to relevant requirements of the Cai Kuai [2021] No. 2 Document, the Company reclassified the credit card installment income for the same period of 2020 from fee and commission income to interest income. After the reclassification, the net interest spread (annualized) was 2.17% and the net interest margin (annualized) was 2.18% from January to September 2020.

## 2. Loans to and deposits from customers

*Unit: RMB thousand*

Item	30 September	31 December	Change from the end of last year (%)
	2021	2020	
Loans and advances to customers:			
Corporate loans	<b>166,649,974</b>	145,992,125	14.15
Personal loans	<b>75,245,956</b>	60,755,096	23.85
Total loans to customers	<b>241,895,930</b>	206,747,221	17.00
Add: Accrued interest	<b>845,711</b>	899,064	(5.93)
Less: Provision for impairment on loans and advances to customers measured at amortized cost	<b>(6,402,646)</b>	(5,287,801)	21.08
Loans and advances to customers	<b>236,338,995</b>	202,358,484	16.79
Provision for loan impairment	<b>(6,418,177)</b>	(5,302,582)	21.04
Of which: Impairment provision for loans and advances to customers at fair value through other comprehensive income	<b>(15,531)</b>	(14,781)	5.07
Deposits from customers:			
Corporate deposits	<b>191,589,498</b>	183,447,242	4.44
Personal deposits	<b>101,149,303</b>	88,339,315	14.50
Other deposits <sup>(Note)</sup>	<b>366,438</b>	444,927	(17.64)
Total customer deposits	<b>293,105,239</b>	272,231,484	7.67
Add: Accrued interest	<b>4,090,218</b>	3,519,226	16.22
Deposits from customers	<b>297,195,457</b>	275,750,710	7.78

*Note:* Other deposits include outward remittance and remittance payables as well as fiscal deposits to be transferred.

## 3. Capital adequacy ratio

*Unit: RMB thousand*

Item	30 September 2021		31 December 2020	
	The Company	The Bank	The Company	The Bank
Net core tier-one capital	<b>24,264,257</b>	<b>21,940,300</b>	22,384,998	20,229,932
Net tier-one capital	<b>32,170,544</b>	<b>29,794,264</b>	30,294,290	28,083,896
Net capital base	<b>46,343,246</b>	<b>43,656,999</b>	37,806,580	35,260,365
Total risk weighted assets	<b>290,617,543</b>	<b>279,484,107</b>	267,941,143	256,336,451
Core tier-one capital adequacy ratio (%)	<b>8.35</b>	<b>7.85</b>	8.35	7.89
Tier-one capital adequacy ratio (%)	<b>11.07</b>	<b>10.66</b>	11.31	10.96
Capital adequacy ratio (%)	<b>15.95</b>	<b>15.62</b>	14.11	13.76

#### 4. Leverage ratio

*Unit: RMB thousand*

Item	30 September	30 June	31 March	31 December
	2021	2021	2021	2020
Leverage ratio (%)	<b>5.96</b>	5.89	6.17	6.14
Net tier-one capital	<b>32,170,544</b>	31,629,657	31,120,547	30,294,290
The balance of assets on and off balance sheet after adjustments	<b>539,915,346</b>	536,964,780	504,257,463	493,361,724

#### 5. Liquidity coverage ratio

*Unit: RMB thousand*

Item	30 September	31 December
	2021	2020
Liquidity coverage ratio (%)	<b>125.05</b>	152.42
Qualified and high-quality current assets	<b>80,390,406</b>	84,342,175
Net cash outflows in next 30 days	<b>64,288,536</b>	55,334,625

#### 6. Loans by five categories

*Unit: RMB thousand*

Five categories	30 September 2021		31 December 2020		Change from the end of last year (%)
	Amount	% of total	Amount	% of total	
Normal	<b>235,792,438</b>	<b>97.48</b>	200,577,540	97.02	17.56
Special mention	<b>2,548,050</b>	<b>1.05</b>	3,043,568	1.47	(16.28)
Substandard	<b>2,248,463</b>	<b>0.93</b>	1,427,636	0.69	57.50
Doubtful	<b>940,993</b>	<b>0.39</b>	1,338,977	0.65	(29.72)
Loss	<b>365,986</b>	<b>0.15</b>	359,500	0.17	1.80
Total loans to customers	<b>241,895,930</b>	<b>100.00</b>	206,747,221	100.00	17.00

### III. ANALYSIS OF OPERATING RESULTS

In the first three quarters of 2021, the Company adhered to our basic operating guiding principle for the year of “solidifying foundation, serving the real economy, preventing and mitigating risks and improving comprehensively” and implemented the national policy guidance and industry regulatory requirements. We, based on our specific conditions, overcame the impact of the pandemic, stabilized the foundation for development, promoted structural adjustments, increased support for the real economy, enhanced asset quality control, and continued to improve operating quality and efficiency.

**Both assets and liabilities increased steadily and the structural adjustments continued to advance.** As at the end of September 2021, the total assets of the Company reached RMB504.154 billion, representing an increase of RMB44.327 billion or 9.64% as compared with that at the end of last year, and the total liabilities reached RMB471.419 billion, representing an increase of RMB42.499 billion or 9.91% as compared with that at the end of last year. Both total assets and total liabilities increased steadily while the structural adjustments continued to advance. Total customer loans amounted to RMB241.896 billion, representing an increase of RMB35.149 billion or 17.00% as compared with that at the end of the previous year, accounting for 47.98% of total assets, representing an increase of 3.02 percentage points as compared with that at the end of the previous year; total customer deposits was RMB293.105 billion, representing an increase of RMB20.874 billion or 7.67% as compared with that at the end of the previous year.

**Operating quality and efficiency continued to improve.** In the first three quarters of 2021, the Company achieved net profit attributable to shareholders of the Bank of RMB2.418 billion, representing a year-on-year increase of RMB411 million or 20.45%, mainly because the Company continued to strengthen the management and control of asset quality as well as efforts on collection of non-performing assets and written-off loans, resulting in a decrease in the provision for credit impairment for the year. Operating income of the first three quarters showed a slight year-on-year decrease, mainly because the increase in operating income of the Company for the same period last year was at a higher base; net interest margin and net interest income slightly declined while net non-interest income generally increased in the first three quarters of the year; the operating income in the third quarter achieved year-on-year growth, which partially offset the year-on-year decrease in the first half of the year. In the first three quarters of 2021, the net interest income was RMB5.775 billion, representing a year-on-year decrease of RMB431 million or 6.95%. Net non-interest income was RMB2.411 billion, representing a year-on-year increase of RMB180 million or 8.07%, of which: the net fee and commission income was RMB1.200 billion, representing a year-on-year decrease of RMB127 million or 9.59%; the net investment income was RMB1.248 billion, representing a year-on-year increase of RMB157 million or 14.34%; net trading gains or losses were RMB-51 million, representing a year-on-year increase of RMB166 million or 76.60%. Credit impairment losses were RMB2.752 billion, representing a year-on-year decrease of RMB960 million or 25.86%.

**Asset quality continued to improve, and the principal regulatory indicators met the standards.** As at the end of September 2021, the non-performing loan ratio of the Company was 1.47%, representing a decrease of 0.04 percentage point as compared with that at the end of last year; the core tier-one capital adequacy ratio was 8.35%, same as that at the end of last year; the capital adequacy ratio was 15.95%, representing an increase of 1.84 percentage points as compared with that at the end of last year; the provision coverage ratio was 180.52%, representing an increase of 10.90 percentage points as compared with that at the end of last year; the loan provision ratio was 2.65%, representing an increase of 0.09 percentage point as compared with that at the end of last year. All the principal regulatory indicators met regulatory requirements.

**The support for private and small and micro enterprises continued to strengthen.** Leveraging on the supply chain financial business, the Bank actively expanded the customer base of private enterprises and small and micro enterprises as well as suppliers and purchasers, and provided more financing channels for private enterprises and small and micro enterprises. Following the principle of professional approval of credit business, we optimized the process of approval and permission settings to improve the efficiency of credit approval for private enterprises and small and micro enterprises customers. On the basis of ensuring the orderly implementation of the “Two Tools” policy for small and micro enterprises, we sped up product innovation and diversified the methods and models of serving small and micro enterprises, launching inclusive financial products such as “science and technology credit” and “guaranteed loans to start-up enterprises”.



## SECTION II SHAREHOLDER INFORMATION

### I. TOTAL 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	Total number of preference shareholders with voting rights restored as at the end of the reporting period (if any)						
	69,605						
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, marked or frozen	Status of shares	Number
HKSCC Nominees Limited	Overseas legal entity	25.23%	1,137,893,780	–	Unknown	Unknown	–
Intesa Sanpaolo S.p.A. (意大利聯合聖保羅銀行)	Overseas legal entity	13.85%	624,753,980	–	–	–	–
Qingdao Conson Industrial Co., Ltd. (青島國信實業有限公司)	State-owned legal entity	11.17%	503,556,341	503,556,341	–	–	–
Qingdao Haier Industrial Development Co., Ltd. (青島海爾產業發展有限公司)	Domestic non-state-owned legal entity	9.08%	409,693,339	409,693,339	–	–	–
Qingdao Haier Air-Conditioner Electronics Co., Ltd. (青島海爾空調電子有限公司)	Domestic non-state-owned legal entity	4.85%	218,692,010	218,692,010	–	–	–
Shandong Sanliyuan Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	Domestic non-state-owned legal entity	3.37%	152,170,000	152,170,000	Pledged	151,600,000	–
Haier Smart Home Co., Ltd. (海爾智家股份有限公司)	Domestic non-state-owned legal entity	3.22%	145,297,405	145,297,405	–	–	–
Qingdao Hairen Investment Co., Ltd. (青島海仁投資有限責任公司)	Domestic non-state-owned legal entity	2.97%	133,910,000	133,910,000	–	–	–
Qingdao China Prosperity State-owned Capital Operation (Group) Co., Ltd. (青島華通國有資本運營(集團)有限責任公司)	State-owned legal entity	2.11%	94,967,581	94,967,581	–	–	–
Qingdao Jifa Group Co., Ltd. (青島即發集團股份有限公司)	Domestic non-state-owned legal entity	2.02%	90,936,164	90,936,164	–	–	–

**Shareholdings of the top 10 ordinary shareholders not subject to restrictions on sale**

<b>Name of shareholder</b>	<b>Number of shares not subject to restrictions on sale</b>	<b>Class of shares</b>	<b>Number</b>
HKSCC Nominees Limited	1,137,893,780	Overseas listed foreign shares	1,137,893,780
Intesa Sanpaolo S.p.A. (意大利聯合聖保羅銀行)	624,753,980	Overseas listed foreign shares	624,753,980
Industrial and Commercial Bank of China – China Southern Baoyuan Bond Fund (中國工商銀行 – 南方寶元債券型基金)	11,000,092	RMB ordinary shares	11,000,092
Qingdao Biwan Marine Products Co., Ltd. (青島碧灣海產有限公司)	7,481,316	RMB ordinary shares	7,481,316
Hong Kong Securities Clearing Company Limited	7,414,411	RMB ordinary shares	7,414,411
Shanghai Pangzeng Investment Management Centre., LLP – Pangzeng Huiju No. 21 Private Securities Investment Fund (上海龐增投資管理中心(有限合夥) – 龐增匯聚21號私募證券投資基金)	6,398,800	RMB ordinary shares	6,398,800
Shanghai Pangzeng Investment Management Centre., LLP – Pangzeng Huiju No. 25 Private Securities Investment Fund (上海龐增投資管理中心(有限合夥) – 龐增匯聚25號私募證券投資基金)	6,351,978	RMB ordinary shares	6,351,978
Agricultural Bank of China Limited – CSI 500 Index Exchange-Traded Fund (中國農業銀行股份有限公司 – 中證500交易型開放式指數證券投資基金)	5,643,970	RMB ordinary shares	5,643,970
Industrial Bank Co., Ltd. – China Southern Finance-themed Flexible Allocation Hybrid Securities Investment Fund (興業銀行股份有限公司 – 南方金融主題靈活配置混合型證券投資基金)	5,611,700	RMB ordinary shares	5,611,700
Qingdao Tainuo Investment Group Co., Ltd. (青島泰諾投資集團有限公司)	5,115,146	RMB ordinary shares	5,115,146

**Description of the related relationships or acting in concert among the above-mentioned shareholders**

1. Qingdao Haier Industrial Development Co., Ltd., Qingdao Haier Air-Conditioner Electronics Co., Ltd. and Haier Smart Home Co., Ltd. are all under Haier Group, and Qingdao Haier Industrial 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;
2. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited;
3. Industrial and Commercial Bank of China – China Southern Baoyuan Bond Fund and Industrial Bank Co., Ltd. – China Southern Finance-themed Flexible Allocation Hybrid Securities Investment Fund belong to China Southern Asset Management Co., Ltd.;
4. Shanghai Pangzeng Investment Management Centre., LLP – Pangzeng Huiju No. 21 Private Securities Investment Fund and Shanghai Pangzeng Investment Management Centre., LLP – Pangzeng Huiju No. 25 Private Securities Investment Fund belong to Shanghai Pangzeng Investment Management Centre., LLP;
5. The Bank is not aware of any related relationship or acting in concert relationship among other above-mentioned shareholders.

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

The Bank is not aware of any holder of shares held on behalf by HKSCC 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 69,454 A shareholders and 151 registered H shareholders;
  2. The shares held by HKSCC Nominees Limited are the total number of shares in the Bank's H shareholders accounts traded on the trading platform of HKSCC Nominees Limited by it as an agent. Hong Kong Securities Clearing Company Limited is an institution that is designated by others to hold shares, including the shares traded under the Shenzhen Stock Connect and held by Hong Kong and overseas investors, on behalf of others in its capacity as nominee holder;
  3. As at the end of the reporting period, Intesa Sanpaolo S.p.A., as a registered H shareholder 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 HKSCC Nominees Limited, and in this table, those agented shares have been deducted from the number of shares held by HKSCC Nominees Limited;
  4. The top 10 ordinary shareholders and the top 10 ordinary shareholders not subject to restrictions on sale of the Bank did not conduct any transactions on agreed repurchases during the reporting period.

## II. 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	Shareholdings of preference shareholders				Number of shares subject to restrictions on sale	Shares pledged, marked or frozen	
	Nature of shareholder	Percentage of shareholding	Number of shares	Status of shares		Number	
The Bank of New York Depository (Nominees) Limited	Overseas legal entity	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 OTHER SIGNIFICANT EVENTS

### I. UNDERTAKINGS MADE BY THE PARTIES INVOLVING IN THE UNDERTAKINGS INCLUDING DE FACTO CONTROLLERS, SHAREHOLDERS, RELATED-PARTIES, ACQUIRERS AND THE BANK AND FULFILLMENT THEREOF

There was no de facto controllers and acquirers of the Bank. During the reporting period, parties involving in the undertakings including the Bank, shareholders and related parties of the Bank did not have uncompleted performance of overdue undertaking. For details of the undertakings, please refer to 2020 annual report of the Bank.

### II. FINANCIAL ASSET INVESTMENT

#### 1. Securities investments

Set out below is the breakdown of investment in securities of the Company as at the end of the reporting period:

*Unit: RMB thousand*

<b>Type of securities</b>	<b>Amount of investment</b>	<b>% of total investment</b>
Debt securities issued by government	58,277,786	48.63%
Debt securities issued by policy banks	12,866,597	10.73%
Debt securities issued by banks and other financial institutions	22,442,435	18.72%
Debt securities issued by corporate entities	26,272,153	21.92%
<b>Total</b>	<b>119,858,971</b>	<b>100.00%</b>

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

*Unit: RMB thousand*

<b>Name of securities</b>	<b>Nominal value</b>	<b>Annual interest rates (%)</b>	<b>Maturity date</b>	<b>Impairment provision</b>
Bond 1	5,170,000	3.39	2050-03	151.43
Bond 2	4,270,000	3.80	2036-01	433.82
Bond 3	2,780,000	2.43	2022-01	84.84
Bond 4	2,740,000	3.18	2026-09	271.24
Bond 5	2,650,000	3.07	2030-03	270.34
Bond 6	2,250,000	3.55	2040-05	410.27
Bond 7	2,230,000	3.12	2026-12	70.60
Bond 8	2,200,000	2.84	2024-04	67.15
Bond 9	2,180,000	2.68	2030-05	65.33
Bond 10	2,000,000	3.23	2030-03	205.70

## 2. Derivative investments

*Unit: RMB thousand*

<b>Item</b>	<b>30 September 2021</b>			<b>31 December 2020</b>		
	<b>Nominal amount</b>	<b>Fair value of assets</b>	<b>Fair value of liabilities</b>	<b>Nominal amount</b>	<b>Fair value of assets</b>	<b>Fair value of liabilities</b>
Interest rate swaps and others	50,949,437	166,273	(164,959)	76,567,494	286,400	(288,347)

*Notes:*

- (1) Under the risk preference set by the board of directors and the Company's derivatives market risk framework, the Company actively carried out various derivative transactions in compliance with threshold requirements. As of 30 September 2021, the derivative financial instruments held by the Company included interest rate swaps and others.
- (2) The accounting policies and specific accounting principles for derivatives in the Company during the reporting period did not have material change as compared with those in the last reporting period.

## 3. Entrusted wealth management

The Bank did not have any entrusted wealth management beyond its normal scope of business during the reporting period.

### III. RECEPTION OF ACTIVITIES SUCH AS SURVEYS, COMMUNICATIONS AND INTERVIEWS DURING THE REPORTING PERIOD

Date of reception	Site of reception	Way of reception	Type of recipient	Recipient	Major discussion points and information provided	Index of the basic particulars of the survey
3 September 2021	-	Telephone conference	Institutions	Qiu Guanhua from Zheshang Securities, Dai Zhifeng from Zhongtai Securities, Jin Lanfeng from China Southern Fund, Shen Juan and Anna from Huatai Securities, Wang Yifeng from Everbright Securities, Yuan Zheqi from Ping An Securities, Zou Hengchao from Great Wall Securities, Lin Yuanyuan from Bank of China Securities, Guo Qiwei from Tianfeng Securities, Sun Yi from HSBC Qianhai Securities, Wu Jiahui from GF Securities, Chen Shaoxing from Industrial Securities, Jiang Zhongyu from Guotai Junan, etc.	Exchanges on conditions of development of the Bank in the first half of 2021, and the Bank did not provide relevant information.	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website ( <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ) dated 7 September 2021.

### SECTION IV PUBLICATION OF QUARTERLY REPORT

This report is simultaneously published on the HKEXnews 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.

#### Unaudited consolidated statement of profit or loss

for the period from 1 January 2021 to 30 September 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Period from 1 January to 30 September	
	2021 (unaudited)	2020 (unaudited)
Interest income	13,530,480	12,897,228
Interest expense	(7,755,772)	(6,691,126)
<b>Net interest income</b>	<b>5,774,708</b>	6,206,102
Fee and commission income	1,335,937	1,439,906
Fee and commission expense	(135,839)	(112,525)
<b>Net fee and commission income</b>	<b>1,200,098</b>	1,327,381
Net trading losses	(50,592)	(216,231)
Net gains arising from investments	1,248,070	1,091,513
Other operating income, net	13,333	28,213
<b>Operating income</b>	<b>8,185,617</b>	8,436,978
Operating expenses	(2,636,095)	(2,339,266)
Credit losses	(2,752,431)	(3,712,446)
<b>Profit before taxation</b>	<b>2,797,091</b>	2,385,266
Income tax expense	(325,962)	(337,634)
<b>Net profit</b>	<b>2,471,129</b>	2,047,632
<b>Profit attributable to:</b>		
Equity shareholders of the Bank	2,418,426	2,007,746
Non-controlling interests	52,703	39,886
Basic and diluted earnings per share (in RMB)	<b>0.43</b>	0.34



**Bank of Qingdao Co., Ltd.****Unaudited consolidated statement of profit or loss and other comprehensive income**

for the period from 1 January 2021 to 30 September 2021

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

	<b>Period from 1 January to 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Net profit for the period</b>	<b>2,471,129</b>	<b>2,047,632</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss		
– Remeasurement of defined benefit liabilities	–	1,253
Items that may be reclassified subsequently to profit or loss		
– Changes in fair value of financial assets measured at fair value through other comprehensive income	<b>346,495</b>	(696,286)
– Credit losses of financial assets measured at fair value through other comprehensive income	<b>296,786</b>	14,487
<b>Other comprehensive income, net of tax</b>	<b>643,281</b>	<b>(680,546)</b>
<b>Total comprehensive income</b>	<b>3,114,410</b>	<b>1,367,086</b>
<b>Total comprehensive income attributable to:</b>		
Equity shareholders of the Bank	<b>3,061,707</b>	1,327,200
Non-controlling interests	<b>52,703</b>	39,886

**Bank of Qingdao Co., Ltd.****Unaudited consolidated statement of financial position**

as at 30 September 2021

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

	<b>30 September 2021 (unaudited)</b>	31 December 2020 (audited)
<b>Assets</b>		
Cash and deposits with central bank	<b>47,884,584</b>	47,219,397
Deposits with banks and other financial institutions	<b>1,990,713</b>	2,568,919
Placements with banks and other financial institutions	<b>3,176,569</b>	–
Derivative financial assets	<b>166,273</b>	286,400
Financial assets held under resale agreements	<b>6,193,246</b>	9,726,476
Loans and advances to customers	<b>236,338,995</b>	202,358,484
Financial investments:		
– Financial investments measured at fair value through profit or loss	<b>51,448,655</b>	37,250,405
– Financial investments measured at fair value through other comprehensive income	<b>72,642,949</b>	66,828,002
– Financial investments measured at amortised cost	<b>64,975,981</b>	74,157,602
Long-term receivables	<b>10,475,184</b>	11,001,178
Property and equipment	<b>3,263,162</b>	3,247,768
Right-of-use assets	<b>833,607</b>	826,821
Deferred tax assets	<b>2,512,018</b>	2,468,017
Other assets	<b>2,252,515</b>	1,888,136
<b>Total assets</b>	<b><u>504,154,451</u></b>	<b><u>459,827,605</u></b>
<b>Liabilities</b>		
Borrowings from central bank	<b>23,709,584</b>	11,207,069
Deposits from banks and other financial institutions	<b>6,310,127</b>	17,024,732
Placements from banks and other financial institutions	<b>14,619,455</b>	12,947,575
Derivative financial liabilities	<b>164,959</b>	288,347
Financial assets sold under repurchase agreements	<b>34,009,956</b>	33,099,349
Deposits from customers	<b>297,195,457</b>	275,750,710
Income tax payable	<b>189,506</b>	431,921
Debt securities issued	<b>90,701,415</b>	72,834,508
Lease liabilities	<b>490,878</b>	453,671
Other liabilities	<b>4,027,971</b>	4,882,865
<b>Total liabilities</b>	<b><u>471,419,308</u></b>	<b><u>428,920,747</u></b>

**Bank of Qingdao Co., Ltd.****Unaudited consolidated statement of financial position (continued)**

as at 30 September 2021

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

	<b>30 September 2021 (unaudited)</b>	31 December 2020 (audited)
<b>Equity</b>		
Share capital	<b>4,509,690</b>	4,509,690
Other equity instrument		
Including: preference shares	<b>7,853,964</b>	7,853,964
Capital reserve	<b>8,337,869</b>	8,337,869
Surplus reserve	<b>1,859,737</b>	1,859,737
General reserve	<b>5,072,217</b>	5,072,217
Other comprehensive income	<b>675,998</b>	32,717
Retained earnings	<b>3,751,281</b>	2,618,980
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	<b>32,060,756</b>	30,285,174
Non-controlling interests	<b>674,387</b>	621,684
	<hr/>	<hr/>
<b>Total equity</b>	<b>32,735,143</b>	30,906,858
	<hr/>	<hr/>
<b>Total liabilities and equity</b>	<b>504,154,451</b>	459,827,605
	<hr/>	<hr/>

Approved and authorised for issue by the board of directors on 29 October 2021.

---

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

---

**Wang Lin**  
*President*

---

**Meng Dageng**  
*Chief Financial Officer*

(Company Stamp)

**Bank of Qingdao Co., Ltd.****Unaudited consolidated cash flow statement**

for the period from 1 January 2021 to 30 September 2021

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

	<b>Period from 1 January to 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>2,797,091</b>	2,385,266
<i>Adjustments for:</i>		
Credit losses	<b>2,752,431</b>	3,712,446
Depreciation and amortisation	<b>362,205</b>	324,493
Unrealised foreign exchange losses	<b>54,706</b>	216,744
Net losses on disposal of property and equipment, intangible assets and other assets	<b>404</b>	1,632
Dividend income	<b>(2,600)</b>	–
(Gains)/losses from changes in fair value	<b>(521,505)</b>	92,827
Net gains arising from investment	<b>(727,030)</b>	(1,182,227)
Interest expense on debt securities issued	<b>2,157,092</b>	1,967,846
Interest income from financial investment	<b>(3,967,245)</b>	(4,152,344)
Others	<b>(17,355)</b>	(30,707)
	<b>2,888,194</b>	3,335,976
<i>Changes in operating assets</i>		
Net increase in deposits with central bank	<b>(1,419,039)</b>	(2,131,569)
Net increase in deposits with banks and other financial institutions	<b>(820,000)</b>	–
Net decrease in placements with banks and other financial institutions	–	2,800,000
Net increase in loans and advances to customers	<b>(36,150,677)</b>	(36,968,772)
Net decrease in financial assets held under resale agreements	<b>3,532,995</b>	928,415
Net decrease/(increase) in long-term receivables	<b>441,842</b>	(3,007,098)
Net decrease/(increase) in other operating assets	<b>175,774</b>	(220,816)
	<b>(34,239,105)</b>	(38,599,840)

**Bank of Qingdao Co., Ltd.****Unaudited consolidated cash flow statement (continued)**

for the period from 1 January 2021 to 30 September 2021

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

	<b>Period from 1 January to 30 September</b>	
	<b>2021</b>	<b>2020</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>12,461,655</b>	3,421,879
Net decrease in deposits from banks and other financial institutions	<b>(10,690,851)</b>	(8,710,515)
Net increase in placements from banks and other financial institutions	<b>1,671,069</b>	4,510,600
Net increase in financial assets sold under repurchase agreements	<b>914,980</b>	13,568,936
Net increase in deposits from customers	<b>20,873,755</b>	57,748,081
Net (decrease)/increase in other operating liabilities	<b>(606,808)</b>	1,066,056
	<b>24,623,800</b>	71,605,037
<i>Income tax paid</i>	<b>(827,802)</b>	(696,302)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(7,554,913)</b>	35,644,871
<b>Cash flows from investing activities</b>		
Proceeds from disposal and redemption of investments	<b>40,934,015</b>	48,386,598
Cash received from investment gains and interest	<b>5,156,430</b>	5,486,191
Proceeds from disposal of property and equipment, intangible assets and other assets	<b>1,345</b>	3,674
Payments on acquisition of investments	<b>(53,024,704)</b>	(79,399,784)
Payments on acquisition of property and equipment, intangible assets and other assets	<b>(351,168)</b>	(478,803)
<b>Net cash flows used in investing activities</b>	<b>(7,284,082)</b>	(26,002,124)

**Bank of Qingdao Co., Ltd.****Unaudited consolidated cash flow statement (continued)**

for the period from 1 January 2021 to 30 September 2021

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

	<b>Period from 1 January to 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from debt securities issued	<b>65,026,273</b>	45,166,923
Repayment of debt securities issued	<b>(47,682,163)</b>	(44,609,357)
Interest paid on debt securities issued	<b>(1,634,294)</b>	(1,870,723)
Dividends paid	<b>(1,285,377)</b>	(1,397,623)
Payment of lease liabilities	<b>(99,119)</b>	(92,515)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>14,325,320</b>	(2,803,295)
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>(14,126)</b>	(18,362)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(527,801)</b>	6,821,090
<b>Cash and cash equivalents as at 1 January</b>	<b>29,279,481</b>	22,500,749
<b>Cash and cash equivalents as at 30 September</b>	<b>28,751,680</b>	29,321,839
<b>Net cash flows generated from operating activities include:</b>		
Interest received	<b>10,314,649</b>	9,215,679
Interest paid	<b>(5,041,017)</b>	(4,176,977)

By order of the Board  
**Bank of Qingdao Co., Ltd.\***  
**Guo Shaoquan**  
*Chairman*

Qingdao, Shandong Province, the PRC  
29 October 2021

*As at the date of this announcement, the board of directors comprises Mr. Guo Shaoquan, Mr. Wang Lin, Mr. Liu Peng 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. Simon Cheung, Ms. Fang Qiaoling, Mr. Tingjie Zhang, Mr. Xing Lecheng and Mr. Zhang Xu 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.*