

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)

2022 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 21st meeting of the eighth session of the board of directors of the Bank was convened on 28 October 2022 by way of communication voting. There were 13 directors eligible for attending the meeting, of whom 13 directors attended and voted at the meeting. The resolution on the 2022 third quarterly report of Bank of Qingdao Co., Ltd. was considered and approved at the meeting.
3. The Bank's chairman Mr. Jing Zailun, president Mr. Wang Lin, vice president Ms. Chen Shuang in charge of finance function 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 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 IFRSs 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 are the consolidated data of the Company. The currency of the amounts mentioned in this report is RMB.

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 2022	Year-on-year change (%)	January- September 2022	Year-on-year change (%)
Operating income	3,312,208	15.87	9,523,548	16.34
Net profit attributable to shareholders of the Bank	576,581	(7.13)	2,594,976	7.30
Basic earnings per share (RMB/share) ⁽¹⁾	0.01	(66.67)	0.37	(9.76)
Diluted earnings per share (RMB/share) ⁽¹⁾	0.01	(66.67)	0.37	(9.76)
Net cash flows generated from operating activities	N/A	N/A	(26,303,719)	(248.17)
Weighted average return on net assets (%) (annualized) ⁽¹⁾	5.96	Decreased by 2.41 percentage points	10.16	Decreased by 1.61 percentage points
Item	30 September 2022	31 December 2021	Change from the end of last year (%)	
Total assets	531,269,004	522,249,610	1.73	
Total liabilities	494,292,834	488,921,882	1.10	
Share capital	5,820,355	4,509,690	29.06	
Equity attributable to shareholders of the Bank	36,217,862	32,635,495	10.98	
Shareholders' equity	36,976,170	33,327,728	10.95	
Net assets per share attributable to ordinary shareholders of the Bank (RMB/share) ⁽²⁾	5.12	5.20	(1.54)	
Total share capital of the Bank as of the trading day before the disclosure (share)				5,820,354,724
Preference share dividend paid (RMB) ⁽³⁾				510,176,260
Fully diluted earnings per share calculated using the latest share capital (RMB/share, in aggregate from January to September 2022)				0.36

Notes:

- (1) 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)). The Bank completed A share and H share rights issue in January and February 2022 respectively. In accordance with the Accounting Standards for Enterprises No. 34 – Earnings per Share and the relevant application guidelines, the earnings per share indicator for the comparative period was recalculated taking into account the bonus issue factors included in the rights issue. Before the recalculation, the basic earnings per share and diluted earnings per share for the period from January to September 2021 were both RMB0.43 per share. After the recalculation, the above earnings per share indicators for the period from January to September 2021 were both RMB0.41 per share. The above earnings per share indicators for the period from July to September 2021 before and after recalculation were both RMB0.03 per share. The Bank issued offshore preference shares in 2017, which were redeemed in September 2022 and paid dividends for the current period. The Bank issued perpetual bonds from July to August 2022, which were classified as other equity instruments. In calculating earnings per share and weighted average return on net assets, the dividends of preference shares issued in the current period has been deducted from the “net profit attributable to ordinary shareholders of the Bank”, and the effect of the preference shares and perpetual bonds has been deducted from the “weighted average net assets”.
- (2) Net assets per share attributable to ordinary shareholders of the Bank = (equity attributable to shareholders of the Bank – other equity instruments)/the number of ordinary shares as at the end of the period. The net assets per share attributable to ordinary shareholders of the Bank as at 31 December 2021 has taken account of the bonus issue factors included in the rights issue and was presented as adjusted.
- (3) The preference share dividend paid includes income tax withheld and paid 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 2022 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

Item	January- September 2022	Year-on-year change (%)	Main reasons
Net cash flows generated from operating activities	(26,303,719)	(248.17)	Decrease in borrowings from central bank

Item	July-September 2022	Year-on-year change (%)	Main reasons
Basic earnings per share (RMB/share)	0.01	(66.67)	From July to September, net profit attributable to ordinary shareholders of the Bank decreased year-on-year, and meanwhile, the weighted average number of ordinary shares considerably increased after the rights issue
Diluted earnings per share (RMB/share)	0.01	(66.67)	From July to September, net profit attributable to ordinary shareholders of the Bank decreased year-on-year, and meanwhile, the weighted average number of ordinary shares considerably increased after the rights issue

II. PRINCIPAL REGULATORY INDICATORS AND SUPPLEMENTARY FINANCIAL INDICATORS

1. Key indicators

Indicator	Regulatory standard	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Capital adequacy ratio (%) ⁽¹⁾	≥10.5	14.05	15.83	14.11	14.76
Tier-one capital adequacy ratio (%) ⁽¹⁾	≥8.5	11.13	11.04	11.31	11.33
Core tier-one capital adequacy ratio (%) ⁽¹⁾	≥7.5	9.16	8.38	8.35	8.36
Leverage ratio (%)	≥4	6.24	5.87	6.14	7.46
Liquidity coverage ratio (%)	≥100	117.65	179.54	152.42	142.27
Liquidity ratio (%)	≥25	89.87	73.28	65.44	68.84
Non-performing loan ratio (%)	≤5	1.32	1.34	1.51	1.65
Provision coverage ratio (%)		206.20	197.42	169.62	155.09
Loan provision ratio (%)		2.72	2.64	2.56	2.56
Normal loan migration rate (%) ⁽²⁾		0.99	1.07	0.88	1.29
Special mention loan migration rate (%) ⁽²⁾		56.49	78.54	31.07	52.47
Substandard loan migration rate (%) ⁽²⁾		6.56	19.28	74.64	88.01
Doubtful loan migration rate (%) ⁽²⁾		4.24	2.45	21.91	10.91
Return on average total assets (%) (annualized) ⁽³⁾		0.67	0.61	0.59	0.68
Cost-to-income ratio (%) ⁽⁴⁾		31.21	33.90	33.59	31.86
Net interest spread (%) (annualized) ⁽⁵⁾		1.87	1.87	2.14	2.10
Net interest margin (%) (annualized) ⁽⁵⁾		1.76	1.79	2.13	2.13

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 provisions.
- (2) The migration rate indicators as at 31 December 2021 and thereafter were calculated in accordance with the requirements of the Notice of the CBIRC on Revising the Definition and Calculation Formula of Basic Indicators for Off-site Regulation of the Banking Industry (Yin Jian Fa [2022] No. 2) 《中國銀保監會關於修訂銀行業非現場監管基礎指標定義及計算公式的通知》(銀監發[2022]年 2 號).
- (3) 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 2019 is the balance after the adoption of the IFRS 16-Leases(《國際財務報告準則第 16 號 – 租賃》).
- (4) Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income.
- (5) Net interest spread = average yield of interest-earning assets – average cost rate of interest-bearing liabilities, net interest margin = net interest income/average balance of interest-earning assets.

2. Loans to and deposits from customers

Unit: RMB thousand

Item	30 September 2022	31 December 2021	Change from the end of last year (%)
Loans and advances to customers:			
Corporate loans	194,861,399	167,462,292	16.36
Personal loans	75,354,407	76,743,188	(1.81)
Total loans to customers	270,215,806	244,205,480	10.65
Add: Accrued interest	625,412	829,555	(24.61)
Less: Provision for impairment on loans and advances to customers measured at amortized cost	(7,320,901)	(6,426,337)	13.92
Loans and advances to customers	263,520,317	238,608,698	10.44
Provision for loan impairment	(7,340,007)	(6,439,606)	13.98
Of which: Provision for impairment on loans and advances to customers at fair value through other comprehensive income	(19,106)	(13,269)	43.99
Deposits from customers:			
Corporate deposits	197,510,883	202,889,723	(2.65)
Personal deposits	134,214,345	110,430,522	21.54
Other deposits ^(Note)	93,764	204,678	(54.19)
Total customer deposits	331,818,992	313,524,923	5.83
Add: Accrued interest	6,051,843	4,440,884	36.28
Deposits from customers	337,870,835	317,965,807	6.26

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 2022		31 December 2021	
	The Company	The Bank	The Company	The Bank
Net core tier-one capital	30,085,078	27,205,264	24,910,985	22,183,536
Net tier-one capital	36,557,766	33,601,047	32,823,496	30,037,500
Net capital base	46,154,509	42,862,124	47,075,226	44,027,496
Total risk weighted assets	328,388,375	312,577,304	297,412,693	284,616,189
Core tier-one capital adequacy ratio (%)	9.16	8.70	8.38	7.79
Tier-one capital adequacy ratio (%)	11.13	10.75	11.04	10.55
Capital adequacy ratio (%)	14.05	13.71	15.83	15.47

4. Leverage ratio

Unit: RMB thousand

Item	30 September	30 June	31 March	31 December
	2022	2022	2022	2021
Leverage ratio (%)	6.24	6.45	6.63	5.87
Net tier-one capital	36,557,766	38,149,428	37,833,279	32,823,496
The balance of assets on and off balance sheet after adjustments	586,234,446	591,744,221	570,494,146	559,303,265

5. Liquidity coverage ratio

Unit: RMB thousand

Item	30 September	31 December
	2022	2021
Liquidity coverage ratio (%)	117.65	179.54
Qualified and high-quality current assets	94,935,697	99,172,073
Net cash outflows in next 30 days	80,690,135	55,237,499

6. Loans by five categories

Unit: RMB thousand

Five categories	30 September 2022		31 December 2021		Change from the end of last year (%)
	Amount	% of total	Amount	% of total	
Normal	264,933,839	98.04	238,428,347	97.63	11.12
Special mention	1,722,392	0.64	2,515,230	1.03	(31.52)
Substandard	2,504,629	0.93	1,563,381	0.64	60.21
Doubtful	684,309	0.25	1,429,220	0.59	(52.12)
Loss	370,637	0.14	269,302	0.11	37.63
Total loans to customers	270,215,806	100.00	244,205,480	100.00	10.65

III. ANALYSIS OF OPERATING RESULTS

In the first three quarters of 2022, adhering to the basic operation guiding principle of “deep cultivation and fine operation, intensified promotion, optimized structure, and sustained development”, the Company followed the guidance of national policies and industry regulatory requirements, continuously improved its capabilities in serving the real economy while focusing on the risk prevention and control and business development in a coordinated manner, leading to a steady growth in business scale, an optimized business structure and a robust improvement in operating quality and efficiency.

The scale of assets and debts was stable and the structure continued to be optimized. As of the end of September 2022, the total assets of the Company amounted to RMB531.269 billion, representing an increase of RMB9.019 billion or 1.73% as compared with that at the end of the previous year; total liabilities amounted to RMB494.293 billion, representing an increase of RMB5.371 billion or 1.10% as compared with that at the end of the previous year. While maintaining a stable scale, the Bank continued to optimize its asset-liability structure, increased the provision of loans and enlarged the scale of its deposits. Total loans to customers amounted to RMB270.216 billion, representing an increase of RMB26.010 billion or 10.65% as compared with that at the end of the previous year, accounting for 50.86% of the total assets, representing an increase of 4.10 percentage points as compared with that at the end of the previous year. Total deposits from customers amounted to RMB331.819 billion, representing an increase of RMB18.294 billion or 5.83% as compared with that at the end of the previous year, a year-on-year increase of RMB38.714 billion or 13.21%, which accounted for 67.13% of total liabilities, representing an increase of 3.00 percentage points as compared with that at the end of the previous year and representing a year-on-year increase of 4.95 percentage points.

Steady improvement in operating quality and efficiency. In the first three quarters of 2022, the Company's net profit attributable to shareholders of the Bank amounted to RMB2.595 billion, representing a year-on-year increase of RMB177 million or 7.30%; operating income amounted to RMB9.524 billion, representing a year-on-year increase of RMB1.338 billion or 16.34%. During the reporting period, in conjunction with the rapid growth in the Company's operating income, it focused on risk prevention and control. In view of the asset risk, the Company appropriately increased the provision for credit impairment, achieving steady growth in net profit attributable to the Bank. In the first three quarters of 2022, net interest income amounted to RMB6.124 billion, representing a year-on-year increase of RMB350 million or 6.05%. Net non-interest income amounted to RMB3.399 billion, representing a year-on-year increase of RMB988 million or 40.99%, of which, net fee and commission income amounted to RMB1.252 billion, representing a year-on-year increase of RMB52 million. Net investment income amounted to RMB1.364 billion, representing a year-on-year increase of RMB116 million; net trading gains and losses amounted to RMB701 million, representing a year-on-year increase of RMB752 million. Credit impairment losses amounted to RMB3.612 billion, representing a year-on-year increase of RMB860 million or 31.25%.

The quality of loans has improved steadily, and major regulatory indicators have been met. As at the end of September 2022, the non-performing loan ratio of the Company was 1.32%, representing a decrease of 0.02 percentage point as compared with that at the end of the previous year and a year-on-year decrease of 0.15 percentage point; the provision coverage ratio was 206.20%, representing an increase of 8.78 percentage points as compared with that at the end of the previous year; the core tier-one capital adequacy ratio was 9.16%, representing an increase of 0.78 percentage point as compared with that at the end of the previous year, mainly due to the increase in net core tier-one capital as a result of the completion of rights issue; the capital adequacy ratio was 14.05%, representing a decrease of 1.78 percentage points as compared with that at the end of the previous year, mainly due to the increase in risk-weighted assets as a result of increased support for the real economy. Major regulatory indicators are in compliance with regulatory requirements.

Further enhancing support for private enterprises and small and micro enterprises. We will continue to strengthen our support for private enterprises and small and micro enterprises (the "SMEs"), and strive to create a good atmosphere for serving private enterprises and SMEs. The Company took the initiative to build a financing platform for private enterprises, carried out in-depth activities related to "the President's Visit to SMEs", and deeply communicated with private enterprise customers in terms of product, efficiency, interest rate, etc. The Company continued to optimize the credit granting process, improved the efficiency of credit approval, and effectively supported private enterprises to solve their difficulties and promote the growth and development of the private economy. Adhering to the inclusive business development policy of "Serving SMEs Based on the Local Economy", the Company focused on the three major business directions of "Technological Finance, Agricultural Finance and Livelihood Finance", and strengthened product innovation and improved service level and launched "Easy Loan", "Growing Loan", "e-Tax Loan" and other characteristic businesses, to fully support SMEs to fight against the pandemic and resume production.

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	68,874	Total number of preference shareholders with voting rights restored as at the end of the reporting period (if any)	–
--	--------	---	---

Name of shareholder	Nature of shareholder	Shareholdings of the top 10 ordinary shareholders			Number of shares subject to restrictions on sale	Shares pledged, marked or frozen	
		Percentage of shareholding	Number of shares	Status of shares		Number	
HKSCC Nominees Limited	Overseas legal entity	21.87%	1,272,949,074	–	Unknown	Unknown	
Intesa Sanpaolo S.p.A. (意大利聯合聖保羅銀行)	Overseas legal entity	17.50%	1,018,562,076	–	–	–	
Qingdao Conson Industrial Co., Ltd. (青島國信實業有限公司)	State-owned legal entity	11.25%	654,623,243	–	–	–	
Qingdao Haier Industrial Development Co., Ltd. (青島海爾產業發展有限公司)	Domestic non-state-owned legal entity	9.15%	532,601,341	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	4.88%	284,299,613	–	–	–	
Haier Smart Home Co., Ltd. (海爾智家股份有限公司)	Domestic non-state-owned legal entity	3.25%	188,886,626	–	–	–	
Qingdao Hai ren Investment Co., Ltd. (青島海仁投資有限責任公司)	Domestic non-state-owned legal entity	2.99%	174,083,000	–	–	–	
Qingdao China Prosperity State-owned Capital Investment and Operation Group Co., Ltd. (青島華通國有資本投資運營集團有限公司)	State-owned legal entity	2.12%	123,457,855	94,967,581	–	–	
Shandong Sanliyu an Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	Domestic non-state-owned legal entity	2.09%	121,600,000	–	Pledged Marked	121,600,000 121,600,000	
Qingdao Jifa Group Co., Ltd. (青島即發集團股份有限公司)	Domestic non-state-owned legal entity	2.03%	118,217,013	–	–	–	

Shareholdings of the 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
HKSCC Nominees Limited	1,272,949,074	Overseas listed foreign shares	1,272,949,074
Intesa Sanpaolo S.p.A. (意大利聯合聖保羅銀行)	1,018,562,076	Overseas listed foreign shares	1,018,562,076
Qingdao Conson Industrial Co., Ltd. (青島國信實業有限公司)	654,623,243	RMB ordinary shares	654,623,243
Qingdao Haier Air-Conditioner Electronics Co., Ltd. (青島海爾空調電子有限公司)	284,299,613	RMB ordinary shares	284,299,613
Haier Smart Home Co., Ltd. (海爾智家股份有限公司)	188,886,626	RMB ordinary shares	188,886,626
Qingdao Hairen Investment Co., Ltd. (青島海仁投資有限責任公司)	174,083,000	RMB ordinary shares	174,083,000
Qingdao Haier Industrial Development Co., Ltd. (青島海爾產業發展有限公司)	122,908,002	RMB ordinary shares	122,908,002
Shandong Sanliyuan Economics and Trade Co., Ltd. (山東三利源經貿有限公司)	121,600,000	RMB ordinary shares	121,600,000
Qingdao Jifa Group Co., Ltd. (青島即發集團股份有限公司)	118,217,013	RMB ordinary shares	118,217,013
Guosen Securities Co., Ltd (國信證券股份有限公司)	68,302,292	RMB ordinary shares	68,302,292

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

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. The Bank is not aware of any related relationship or acting in concert relationship among the 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 whose shares are 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 all ordinary shareholders at the end of the reporting period, there were 68,722 A shareholders and 152 registered H shareholders;
2. The shares held by HKSCC Nominees Limited were the total number of shares in the Bank's H shareholders accounts traded on the trading platform of HKSCC Nominees Limited with it as the nominee;
3. As at the end of the reporting period, Intesa Sanpaolo S.p.A., as a registered H shareholder of the Bank, held 1,015,380,976 H shares, and the remaining 3,181,100 H shares were agented to and under the name of HKSCC Nominees Limited. 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

During the reporting period, the Bank did not have any restoration of voting rights of offshore preference shares. The Bank has redeemed all US\$1.203 billion offshore preference shares on 19 September 2022. As at the end of the reporting period, the Bank had no existing offshore preference shares.

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 were 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 performed their undertakings in a normal manner. For details of the undertakings, please refer to the 2021 annual report and the 2022 interim report of the Bank.

II. ISSUANCE OF SECURITIES

In January 2022, the Bank placed shares to all A shareholders on the basis of 3 shares for every 10 shares at a price of RMB3.20 per share. The actual number of shares issued under A share rights issue was 781,754,230 shares, which were listed and traded on 28 January 2022. For details, please refer to the Changes in Shares under A Share Rights Issue and Listing Announcement of A Rights Shares (Announcement No.: 2022-011) dated 26 January 2022 published by the Bank on CNINFO website and the Changes in Shares under A Share Rights Issue and Listing Announcement of A Rights Shares published on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on the same day.

In January to February 2022, the Bank placed shares to all H shareholders on the basis of 3 shares for every 10 shares. The price of the rights issue was the same as that of A share rights issue, which was HK\$3.92 per share after exchange rate conversion. The actual number of shares issued under H share rights issue was 528,910,494 shares, which were listed and traded on 11 February 2022. For details, please refer to the Announcement on Results of H Share Rights Issue and Changes in Shares (Announcement No.: 2022-012) dated 9 February 2022 published by the Bank on CNINFO website and the announcement on results of H share rights issue published on the HKEXnews website of the Hong Kong Stock Exchange on the same day.

In April 2022, the Bank completed the changes of industrial and commercial registration for the registered capital according to the issuance of rights shares. The registered capital increased from RMB4,509,690,000 to RMB5,820,354,724. For details, please refer to the Announcement on the Completion of the Changes of Industrial and Commercial Registration for the Registered Capital and the Articles of Association (Announcement No.: 2022-025) dated 13 April 2022 published by the Bank on CNINFO website and the Announcement on the Completion of the Changes of Industrial and Commercial Registration for the Registered Capital and the Articles of Association published on the HKEXnews website of the Hong Kong Stock Exchange on the same day.

With the approvals from the Qingdao Office of the China Banking and Insurance Regulatory Commission and the People’s Bank of China, the Bank issued undated capital bonds of RMB6.4 billion in the national inter-bank bond market of China during July-August 2022. The proceeds from this tranche of the Bonds will be used to replenish the Bank’s other tier-one capital in accordance with applicable laws and approvals by the regulatory authorities. For details, please refer to the Announcement on the Results of the Issuance of Undated Capital Bonds (First Tranche) in 2022 (Announcement No.: 2022-038) dated 14 July 2022 and the Announcement on the Results of the Issuance of Undated Capital Bonds (Second Tranche) in 2022 (Announcement No.: 2022-046) dated 16 August 2022 published by the Bank on CNINFO website, and the Announcement on the Results of the Issuance of Undated Capital Bonds (First Tranche) in 2022 and the Announcement on the Results of the Issuance of Undated Capital Bonds (Second Tranche) in 2022 on the HKEXnews website of the Hong Kong Stock Exchange on the same days.

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

The contact telephone of the Bank's investor relations: 40066 96588 ext 6

The official website of the Bank: <http://www.qdccb.com/>

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
21 February 2022	Head office of the Bank	Field research	Institutions	Liao Zhiming and Shao Chunyu from China Merchants Securities and Tenbagger Investment (拾貝投資)	Communications on the Bank's corporate banking, retail banking, wealth management and other services, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022
22 February 2022	Head office of the Bank	Telephone conference	Institutions	Dai Zhifeng, Deng Meijun, Jia Jing and Yao Yubo from Zhongtai Securities and Southern Asset Management, etc.	Communications on the Bank's asset quality, capital structure and green finance, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022
23 February 2022	Head office of the Bank	Telephone conference	Institutions	Shen Juan, An Na and Feng Songyue from Huatai Securities and Yinhua Fund, etc.	Communications on the business development of the Bank's leasing, wealth management and blue finance, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022

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
24 February 2022	Head office of the Bank	Telephone conference	Institutions	Guo Qiwei, Liao Ziyuan, Liu Feiran and Xie Wenxu from TF Securities and China Securities Funds, etc.	Communications on the retail banking and the asset quality of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 February 2022
15 April 2022	Head office of the Bank	Telephone conference and online interaction	Institutions	Dai Zhifeng, Deng Meijun, Jia Jing and Ma Xiang from Zhongtai Securities and Guosen Securities, etc., and all kinds of investors who participated in this performance briefing through live webcast	Communications on the 2021 performance and operating conditions of the Bank, with the relevant presentation document having been provided by the Bank	Please refer to the Investor Relations Activity Record Form and its attachments published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 19 April 2022

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
20 May 2022	Head office of the Bank	Telephone conference	Institutions	Liao Zhiming, Shao Chunyu and Dai Tiantian from China Merchants Securities and Hwabao Trust, etc.	Communications on the credit allocation, interest spread and interest margin, wealth management, etc. of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 25 May 2022
15 June 2022	Head office of the Bank	Field research	Institutions	Mao Wei and Jiang Zhaopeng from China Southern Asset Management, Yu Yanling from Zhongtai Securities	Communications on the loan investment, customer base construction, capital planning, etc. of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 20 June 2022
17 June 2022	Head office of the Bank	Telephone conference	Institutions	Lin Yuanyuan and Ding Huangshi from BOC Securities and CMB Wealth Management, etc.	Communications on the asset and liability layout, inclusive financial business, financial technology, etc. of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 20 June 2022

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
23 June 2022	Head office of the Bank	Telephone conference	Institutions	Wang Yifeng and Dong Wenxin from Everbright Securities and China Life Pension, etc.	Communications on the wealth management, interest spread and interest margin, etc. of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 27 June 2022
8 July 2022	Head office of the Bank	Telephone conference	Institutions	Liu Zhiping and Li Qingyang from Huaxi Securities and Taikang Pension, etc.	Communications on the wealth management, the credit allocation, the asset quality of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 12 July 2022
13 July 2022	Head office of the Bank	Telephone conference	Institutions	Shen Juan, An Na from Huatai Securities and Zhong Geng Fund, etc.	Communications on the redemption of offshore preference shares and credit card business of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 15 July 2022
9 September 2022	Head office of the Bank	Field research	Institutions	Dai Zhifeng, Deng Meijun from Zhongtai Securities and Fullgoal Fund, etc.	Communications on the topic of wealth management business of the Bank, with the relevant information not having been provided by the Bank	Please refer to the Investor Relations Activity Record Form published by the Bank on CNINFO website (http://www.cninfo.com.cn/) dated 14 September 2022

SECTION IV PUBLICATION OF QUARTERLY REPORT

This report is simultaneously published on the HKEXnews website of the Hong Kong Stock Exchange (<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 2022 to 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	period from 1 January to 30 September	
	2022	2021
	(unaudited)	(unaudited)
Interest income	14,813,090	13,530,480
Interest expense	(8,688,730)	(7,755,772)
Net interest income	6,124,360	5,774,708
Fee and commission income	1,460,221	1,335,937
Fee and commission expense	(208,437)	(135,839)
Net fee and commission income	1,251,784	1,200,098
Net trading gains/(losses)	701,000	(50,592)
Net gains arising from investments	1,363,670	1,248,070
Other operating income	82,734	13,333
Operating income	9,523,548	8,185,617
Operating expenses	(3,084,614)	(2,636,095)
Credit losses	(3,612,432)	(2,752,431)
Impairment losses on other assets	(6,027)	–
Profit before taxation	2,820,475	2,797,091
Income tax expense	(159,424)	(325,962)
Net profit for the period	2,661,051	2,471,129
Profit attributable to:		
Equity shareholders of the Bank	2,594,976	2,418,426
Non-controlling interests	66,075	52,703
Basic and diluted earnings per share (in RMB)	0.37	0.41

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

for the period from 1 January 2022 to 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	period from 1 January to 30 September	
	2022	2021
	(unaudited)	(unaudited)
Net profit for the period	2,661,051	2,471,129
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
– Remeasurement of defined benefit liability	(2,220)	–
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	433,121	346,495
– Credit losses of financial assets measured at fair value through other comprehensive income	(203,828)	296,786
Other comprehensive income, net of tax	227,073	643,281
Total comprehensive income	2,888,124	3,114,410
Total comprehensive income attributable to:		
Equity shareholders of the Bank	2,822,049	3,061,707
Non-controlling interests	66,075	52,703

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

as at 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	30 September 2022 (unaudited)	31 December 2021 (audited)
Assets		
Cash and deposits with central bank	28,704,744	53,241,394
Deposits with banks and other financial institutions	3,188,554	2,126,922
Placements with banks and other financial institutions	7,640,212	5,108,646
Derivative financial assets	120,943	146,617
Financial assets held under resale agreements	8,295,791	12,288,925
Loans and advances to customers	263,520,317	238,608,698
Financial investments:		
– Financial investments measured at fair value through profit or loss	43,674,236	55,947,254
– Financial investments measured at fair value through other comprehensive income	92,157,860	72,613,395
– Financial investments measured at amortised cost	59,342,346	61,422,152
Long-term receivables	15,097,487	11,688,253
Property and equipment	3,391,985	3,390,193
Right-of-use assets	834,593	845,889
Deferred tax assets	2,756,576	2,505,442
Other assets	2,543,360	2,315,830
Total assets	531,269,004	522,249,610
Liabilities		
Borrowings from central bank	13,609,712	25,494,116
Deposits from banks and other financial institutions	8,746,733	6,341,814
Placements from banks and other financial institutions	19,562,915	16,904,500
Derivative financial liabilities	313,742	144,689
Financial assets sold under repurchase agreements	13,649,798	25,305,596
Deposits from customers	337,870,835	317,965,807
Income tax payable	574,024	124,032
Debt securities issued	93,258,705	92,218,300
Lease liabilities	521,787	505,895
Other liabilities	6,184,583	3,917,133
Total liabilities	494,292,834	488,921,882

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

as at 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	30 September 2022 (unaudited)	31 December 2021 (audited)
Equity		
Share capital	5,820,355	4,509,690
Other equity instruments		
Including: preference shares	–	7,853,964
perpetual bonds	6,395,783	–
Capital reserve	10,687,136	8,337,869
Surplus reserve	2,103,883	2,103,883
General reserve	5,576,461	5,576,461
Other comprehensive income	973,572	746,499
Retained earnings	4,660,672	3,507,129
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	36,217,862	32,635,495
Non-controlling interests	758,308	692,233
	<hr/>	<hr/>
Total equity	36,976,170	33,327,728
	<hr/>	<hr/>
Total liabilities and equity	531,269,004	522,249,610
	<hr/>	<hr/>

Approved and authorised for issue by the board of directors on 28 October 2022.

Jing Zailun
Legal Representative (Chairman)

Wang Lin
President

Chen Shuang
*Vice President in charge
of finance function*

Meng Dageng
Chief Financial Officer

(Company Stamp)

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

for the period from 1 January 2022 to 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	period from 1 January to 30 September	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit before taxation	2,820,475	2,797,091
<i>Adjustments for:</i>		
Credit losses	3,612,432	2,752,431
Impairment losses on other assets	6,027	–
Depreciation and amortisation	406,221	362,205
Unrealised foreign exchange (gains)/losses	(617,199)	54,706
Net losses on disposal of property and equipment, intangible assets and other assets	1,059	404
Dividend income	–	(2,600)
Losses/(Gains) from changes in fair value	155,349	(521,505)
Net gains arising from investment	(1,509,873)	(727,030)
Interest expense on debt securities issued	2,141,214	2,157,092
Interest income from financial investment	(3,891,580)	(3,967,245)
Others	9,115	(17,355)
	<u>3,133,240</u>	<u>2,888,194</u>
<i>Changes in operating assets</i>		
Net decrease/(increase) in deposits with central bank	181,472	(1,419,039)
Net increase in deposits with banks and other financial institutions	(80,000)	(820,000)
Net increase in placements with banks and other financial institutions	(6,250,000)	–
Net increase in loans and advances to customers	(27,404,242)	(36,150,677)
Net decrease in financial assets held under resale agreements	4,003,355	3,532,995
Net (increase)/decrease in long-term receivables	(3,490,488)	441,842
Net decrease in other operating assets	85,548	175,774
	<u>(32,954,355)</u>	<u>(34,239,105)</u>

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

for the period from 1 January 2022 to 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	period from 1 January to	
	30 September	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from operating activities (continued)		
<i>Changes in operating liabilities</i>		
Net (decrease)/increase in borrowings from central bank	(11,806,379)	12,461,655
Net increase/(decrease) in deposits from banks and other financial institutions	2,369,466	(10,690,851)
Net increase in placements from banks and other financial institutions	2,581,385	1,671,069
Net (decrease)/increase in financial assets sold under repurchase agreements	(11,654,556)	914,980
Net increase in deposits from customers	18,294,069	20,873,755
Net increase/(decrease) in other operating liabilities	3,990,876	(606,808)
	3,774,861	24,623,800
	(257,465)	(827,802)
<i>Income tax paid</i>	(257,465)	(827,802)
Net cash flows used in operating activities	(26,303,719)	(7,554,913)
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	54,317,609	40,934,015
Cash received from investment gains and interest	5,670,573	5,156,430
Proceeds from disposal of property and equipment, intangible assets and other assets	604	1,345
Payments on acquisition of investments	(61,219,785)	(53,024,704)
Payments on acquisition of property and equipment, intangible assets and other assets	(306,486)	(351,168)
Net cash flows used in investing activities	(1,537,485)	(7,284,082)

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

for the period from 1 January 2022 to 30 September 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	period from 1 January to 30 September	
	2022	2021
	(unaudited)	(unaudited)
Cash flows from financing activities		
Cash received from investors	4,177,035	–
Proceeds from issuance of other equity instruments	6,400,000	–
Net proceeds from debt securities issued	61,168,090	65,026,273
Repayment of debt securities issued	(60,034,025)	(47,682,163)
Cash payment for redemption of other equity instruments	(8,348,339)	–
Interest paid on debt securities issued	(2,234,875)	(1,634,294)
Dividends paid	(1,440,500)	(1,285,377)
Payment of lease liabilities	(106,733)	(99,119)
Payment for other financing activities	(29,533)	–
	<hr/>	<hr/>
Net cash flows (used in)/generated from financing activities	(448,880)	14,325,320
	-----	-----
Effect of foreign exchange rate changes on cash and cash equivalents	86,227	(14,126)
	-----	-----
Net decrease in cash and cash equivalents	(28,203,857)	(527,801)
Cash and cash equivalents as at 1 January	42,853,368	29,279,481
	<hr/>	<hr/>
Cash and cash equivalents as at 30 September	14,649,511	28,751,680
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows generated from operating activities include:		
Interest received	11,558,127	10,314,649
	<hr/> <hr/>	<hr/> <hr/>
Interest paid	(4,921,225)	(5,041,017)
	<hr/> <hr/>	<hr/> <hr/>

By order of the Board
Bank of Qingdao Co., Ltd.*
Jing Zailun
Chairman

Qingdao, Shandong Province, the PRC
28 October 2022

As at the date of this announcement, the board of directors of the Bank comprises Mr. Jing Zailun, Mr. Wang Lin and Mr. Liu Peng as executive directors; Mr. Zhou Yunjie, Mr. Rosario Strano, Ms. Tan Lixia, Mr. Marco Mussita and Mr. Deng Youcheng 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.*