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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)**

## **UPDATES ON 2019 PRELIMINARY ANNUAL RESULTS**

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**”).

The financial data of 2019 contained in this announcement are the data of the group preliminarily calculated according to the China Accounting Standards for Business Enterprises and have been audited by internal audit department of the Bank, but have not been audited by accounting firm. The 2019 annual report of the Bank to be released in due course shall be referred to for detailed data of the Bank. Shareholders and potential investors of the Bank should exercise caution when dealing in the securities of the Bank.

## I. KEY FINANCIAL DATA AND INDICATORS OF 2019

*Unit: in RMB thousand, unless otherwise specified*

Item	2019 (Unaudited)	2018 (Audited)	Changes (%)
Operating income	9,616,314	7,371,953	30.44
Operating profit	2,821,964	2,479,300	13.82
Total profit	2,828,555	2,476,016	14.24
Net profit attributable to shareholders of the Bank	2,284,815	2,023,352	12.92
Net profit attributable to shareholders of the Bank after deducting non-recurring profit or loss	2,277,396	2,020,853	12.69
Basic earnings per share (yuan/share)	0.39	0.37	5.41
Weighted average return on net assets (%)	8.27	8.36	Decrease by 0.09 percentage point

Item	31 December 2019 (Unaudited)	31 December 2018 (Audited)	Changes (%)
Total assets	373,622,148	317,658,502	17.62
Equity attributable to shareholders of the Bank	29,915,459	26,984,973	10.86
Share capital	4,509,690	4,058,713	11.11
Net assets per share attributable to ordinary shareholders of the Bank (yuan/share)	4.89	4.71	3.82
Non-performing loan ratio (%)	1.65	1.68	Decrease by 0.03 percentage point

### Notes:

- (1) Basic earnings per share and weighted average return on net assets were calculated according to the Compilation Rules for Preparation of Information Disclosures by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share 《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》, among which, the dividends of the preference shares distributed during the period have been deducted from the “net profit attributable to shareholders of the Bank” and the impact of the preference shares has been excluded from the “weighted average net assets”. In 2019, weighted average return on net assets reached 8.27%, representing a decrease of 0.09 percentage point as compared with that of the previous year, mainly resulting from the significant increase in the weighted average net assets for the current period due to the completion of the initial public offering of 451 million A shares by the Bank in January 2019 and the net proceeds raised therefrom amounting to RMB1.963 billion.
- (2) 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.
- (3) In this announcement, “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.

## II. INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

In 2019, facing a complex situation in economy, trade and finance, according to the basic operation guiding ideology of “strategic guidance, characteristic growth driver, compliance with rules and regulations, and continuous improvement”, the Bank seized the new opportunities including replacement of old growth drivers with new ones in the province and the municipality as well as the development of free trade zones while actively implementing the relevant national and local regulations and regulatory requirements. The Bank adhered to serving the real economy, proactively 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 steadily. As at the end of 2019, the total assets of the Company reached RMB373.622 billion, representing an increase of RMB55.964 billion or 17.62% as compared with that at the end of the previous year, among which, the total loans and advances to customers (excluding accrued interest) reached RMB172.795 billion, representing an increase of RMB46.409 billion or 36.72% as compared with that at the end of the previous year, accounting for 46.25% of the total assets, representing an increase of 6.46 percentage points as compared with that at the end of the previous year; the total liabilities reached RMB343.144 billion, representing an increase of RMB52.982 billion or 18.26% as compared with that at the end of the previous year, among which, total deposits from customers (excluding accrued interest) reached RMB212.791 billion, representing an increase of RMB37.115 billion or 21.13% as compared with that at the end of the previous year.

The operating efficiency increased steadily and the operating income grew rapidly. In 2019, the Company achieved a net profit attributable to shareholders of the Bank of RMB2.285 billion, representing an increase of RMB261 million or 12.92% as compared with that of the previous year; the operating income reached RMB9.616 billion, representing an increase of RMB2.244 billion or 30.44% as compared with that of the previous year. The rapid growth in operating income was mainly due to the increase in the scale of the Company, the optimization of structure, the decrease in cost of funds and the rapid increase in net interest income; and a good development in wealth management business and the rapid growth in net fee and commission income.

The asset quality was under strict control, with non-performing loan ratio being steady with a slight decline. As at the end of 2019, the non-performing loan ratio of the Company was 1.65%, representing a decrease of 0.03 percentage point as compared with that at the end of the previous year.

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

Qingdao, Shandong Province, the PRC  
4 February 2020

*As at the date of this announcement, the board of directors of the Bank comprises Mr. Guo Shaoquan, Mr. Wang Lin, Mr. Yang Fengjiang 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. Wong Tin Yau, Kelvin, Mr. Chen Hua, Ms. Dai Shuping, Mr. Simon Cheung and Ms. Fang Qiaoling 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.*