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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 2020 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 2020 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 detailed data shall be subject to the 2020 annual report of the Bank to be released in due course. 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 2020

Unit: in RMB thousand, unless otherwise specified

Item	2020 (Unaudited)	2019 (Audited)	Changes (%)
Operating income	10,540,661	9,616,315	9.61
Operating profit	2,720,237	2,821,964	(3.60)
Total profit	2,728,296	2,828,555	(3.54)
Net profit attributable to shareholders of the Bank	2,394,072	2,284,815	4.78
Net profit attributable to shareholders of the Bank after deducting non-recurring profit or loss	2,383,502	2,277,396	4.66
Basic earnings per share (yuan/share)	0.42	0.39	7.69
Weighted average return on net assets (%)	8.56	8.27	Increase by 0.29 percentage point

Item	31 December 2020 (Unaudited)	31 December 2019 (Audited)	Changes (%)
Total assets	459,827,605	373,622,150	23.07
Equity attributable to shareholders of the Bank	30,285,174	29,915,460	1.24
Share capital	4,509,690	4,509,690	—
Net assets per share attributable to ordinary shareholders of the Bank (yuan/share)	4.97	4.89	1.64
Non-performing loan ratio (%)	1.51	1.65	Decrease by 0.14 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 ordinary shareholders of the Bank” and the impact of the preference shares has been excluded from the “weighted average net assets”. In 2020, weighted average return on net assets reached 8.56%, representing an increase of 0.29 percentage point as compared with that of the previous year, mainly resulting from the increase of the net profit attributable to ordinary shareholders of the Bank.
- (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 2020, facing unprecedented challenges such as the COVID-19 pandemic and economic fluctuations, the Bank adhered to the basic operating guiding principle of “adapting to changing times, strengthening characteristics, overcoming challenges and developing steadily”, gaining momentum in spite of the hardship and seeking opportunities in a time of crisis. With improvement in both business and management, and rapid increase in both deposit and loan, the overall operation of the Bank functioned steadily.

Both assets and liabilities increased rapidly and the structure adjustment continued to advance. As at the end of 2020, the total assets of the Company reached RMB459.828 billion, representing an increase of RMB86.205 billion or 23.07% as compared with that at the end of the previous year, among which, the total loans and advances to customers (excluding accrued interest) reached RMB206.747 billion, representing an increase of RMB33.952 billion or 19.65% as compared with that at the end of the previous year; the total liabilities reached RMB428.921 billion, representing an increase of RMB85.777 billion or 25.00% as compared with that at the end of the previous year, among which, total deposits from customers (excluding accrued interest) reached RMB272.231 billion, representing an increase of RMB59.441 billion or 27.93% as compared with that at the end of the previous year, accounting for 63.47% of the total liabilities, representing an increase of 1.46 percentage points as compared with that at the end of the previous year.

The operating efficiency and operating income both increased at a steady pace. In 2020, the Company achieved a net profit attributable to shareholders of the Bank of RMB2.394 billion, representing an increase of RMB109 million or 4.78% as compared with that of the previous year; the operating income reached RMB10.541 billion, representing an increase of RMB924 million or 9.61% as compared with that of the previous year.

The asset quality improved steadily, with non-performing loan ratio continuing to decline, and the provision coverage increasing. As at the end of 2020, the non-performing loan ratio of the Company was 1.51%, representing a decrease of 0.14 percentage point as compared with that at the end of the previous year; and the provision coverage was 169.62%, representing an increase of 14.53 percentage points 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 2021

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

* Bank of Qingdao Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.