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DRC Bank
Dongguan Rural Commercial Bank Co., Ltd.*
東莞農村商業銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9889)

FINANCIAL AND OPERATIONAL DATA
FOR THE FIRST QUARTER OF 2022

This announcement is made by Dongguan Rural Commercial Bank Co., Ltd. (the “**Bank**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

BACKGROUND

As the Bank has tier-two capital bonds issued and outstanding in the People’s Republic of China (the “**PRC**”), the Bank is required to disclose certain unaudited financial and operational data for the three months ended 31 March 2022 on the websites of China Central Depository & Clearing Co., Ltd. (<http://www.chinabond.com.cn>) and China Foreign Exchange Trade System and National Interbank Funding Center (<http://www.chinamoney.com.cn>) pursuant to the relevant rules and regulations of the PRC.

Shareholders and potential investors of the Bank are reminded that the unaudited financial data disclosed in this announcement is prepared in accordance with China Accounting Standards for Business Enterprises (the “**CASBE**”) and/or the standards adopted under the off-site regulatory report of the China Banking and Insurance Regulatory Commission (Form 1104) on a consolidated basis (the “**Consolidated CBIRC 1104 Standards**”), which are somewhat different from the International Financial Reporting Standards adopted in the financial statements of the Bank contained or to be contained in the interim results announcements, the interim reports, the annual results announcements and annual reports of the Bank published or to be published after the listing of the Bank on the main board of The Stock Exchange of Hong Kong Limited on 29 September 2021 (the “**Listing**”). As such,

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* *Dongguan Rural Commercial Bank 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.*

the unaudited financial data disclosed in this announcement may not be comparable to those disclosed or to be disclosed in the prospectus and the interim results announcements, interim reports, annual result announcements and annual reports of the Bank published or to be published after the Listing.

In addition, the unaudited financial and operational data for the three months ended 31 March 2022 disclosed in this announcement is prepared based on preliminary internal management information, which is unaudited nor reviewed, and may be subject to adjustment. Due to unforeseen factors such as changes in regulatory policies, changes in market conditions, adverse weather, natural disasters and seasonal factors, material differences may exist among the financial and operational data of different quarters and the unaudited financial and operational data in this announcement does not make any express or implied forecast or guarantee of the operating or financial prospect of the Bank and its subsidiaries (collectively, the “**Group**”). Shareholders and potential investors are hereby reminded of the risks associated with reliance on or utilization of the information disclosed herein and should not rely solely on this announcement when making investment decision(s).

I. OVERALL OPERATION

The table below sets forth various unaudited consolidated financial and operational data of the Group as at 31 March 2022 or for the three months ended 31 March 2022:

	As at 31 March 2022 <i>RMB million (unaudited)</i>
Total assets	613,817
Total liabilities	561,984
Total equity attributable to the shareholders of the Bank	49,142
Deposits from customers	431,992
Loans and advances to customers	298,802
	For the three months ended 31 March 2022 <i>RMB million (unaudited)</i>
Net profit attributable to the shareholders of the Bank	1,795

II. CAPITAL INSTRUMENTS IN ISSUE

The Bank issued tier-two capital bonds, namely the *Dongguan Rural Commercial Bank Co., Ltd. Tier-two Capital Bonds 2017*, on the national interbank bond market in the PRC on 9 June 2017. As at 31 March 2022, the balance of the bond is RMB4.0 billion. The last interest payment date was 12 June 2021, interest payment status is normal, and the next interest payment date is 12 June 2022.

The balance of capital instruments of the Bank as at 31 March 2022 was RMB4.0 billion.

III. CAPITAL MANAGEMENT

As at 31 March 2022, the capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio of the Group under the Consolidated CBIRC 1104 Standards were 16.27%, 13.96% and 13.92%, respectively, details of which are as follows:

Capital Adequacy Ratios

	<i>RMB'000</i> <i>except percentages</i>
Total capital	58,333,726.2
Including: Core tier-one capital	50,021,156.0
Other tier-one capital	126,651.6
Tier-two capital	8,185,918.5
Capital deduction	624,403.8
Including: Core tier-one capital deduction	624,403.8
Other tier-one capital deduction	0.0
Tier-two capital deduction	0.0
Net capital	<u>57,709,322.5</u>
Risk-weighted assets	354,786,313.7
Including: Credit risk-weighted assets	318,855,105.4
Market risk-weighted assets	12,439,765.0
Operational risk-weighted assets	23,491,443.2
Core tier-one capital adequacy ratio (%)	13.92
Tier-one capital adequacy ratio (%)	13.96
Capital adequacy ratio (%)	16.27

Note: Based on the relevant requirements under the Capital Management Measures of Commercial Banks (Provisional) of the then China Banking Regulatory Commission (whose regulatory function is currently succeeded by the China Banking and Insurance Regulatory Commission), the Bank calculated the credit risk-weighted assets by the weighted approach, market risk-weighted assets by the standardised approach, and operation risk-weighted assets by the basic indicator approach.

IV. LEVERAGE RATIO

As at 31 March 2022, the leverage ratio of the Group under the Consolidated CBIRC 1104 Standards was 8.05%. The table below sets forth the leverage ratio of the Group as at the respective dates indicated:

Leverage Ratio

	As at 30 June 2021	As at 30 September 2021	As at 31 December 2021	As at 31 March 2022
Net tier-one capital (RMB'000)	38,609,496.6	46,974,204.0	47,750,924.2	49,523,403.9
Adjusted ^{note} balance of on-and off- balance sheet assets (RMB'000)	585,168,277.1	598,807,980.7	590,189,128.1	615,527,944.3
Leverage ratio (%)	6.60	7.84	8.09	8.05

Note: Adjusted in accordance with the relevant provisions under the Administrative Measures on the Leverage Ratio of Commercial Banks (Revision) (《商業銀行槓桿率管理辦法(修訂)》).

V. EXTERNAL INVESTMENTS

As at 31 March 2022, the Bank invested in 12 external organisations (including subsidiaries of the Bank) with an aggregate investment amount of RMB4,621.4977 million, details of which are as follows:

External Investments

No.	Investee	Amount of investment RMB'000	Shareholding percentage %
1	Guangdong Chaoyang Rural Commercial Bank Co., Ltd. (廣東潮陽農村商業銀行股份有限公司)	1,817,726.7	67.03
2	Zhanjiang Rural Commercial Bank Co., Ltd. (湛江農村商業銀行股份有限公司)	1,627,760.0	49.41
3	Huizhou Zhongkai Dongying County Bank Company Limited (惠州仲愷東盈村鎮銀行股份有限公司)	153,000.0	51.00
4	Yunfu Xinxing Dongying County Bank Company Limited (雲浮新興東盈村鎮銀行股份有限公司)	51,000.0	51.00
5	Dongguan Dalang Dongying County Bank Company Limited (東莞大朗東盈村鎮銀行股份有限公司)	35,000.0	35.00
6	Hezhou Babu Dongying County Bank Company Limited (賀州八步東盈村鎮銀行股份有限公司)	51,000.0	51.00
7	Yaan Rural Commercial Bank Co., Ltd. (雅安農村商業銀行股份有限公司)	190,800.0	15.00
8	Guangdong Shunde Rural Commercial Bank Co., Ltd. (廣東順德農村商業銀行股份有限公司)	497,000.0	2.50
9	Guangdong Xuwen Rural Commercial Bank Co., Ltd. (廣東徐聞農村商業銀行股份有限公司)	59,611.0	7.94

No.	Investee	Amount of investment RMB'000	Shareholding percentage %
10	Guangdong Lechang Rural Commercial Bank Co., Ltd. (廣東樂昌農村商業銀行股份有限公司)	83,600.0	8.00
11	China UnionPay Co., Ltd. ^{note} (中國銀聯股份有限公司)	25,000.0	0.34
12	Guangdong Province Rural Credit Cooperatives Union ^{note} (廣東省農村信用社聯合社)	30,000.0	10.00
Total		<u>4,621,497.7</u>	-

Note: English names translated for reference only and may not represent the official English name.

VI. NON-PERFORMING LOANS

As at 31 March 2022, under the Consolidated CBIRC 1104 Standards, the balance of non-performing loans of the Group was RMB2,741 million and the non-performing loan ratio was 0.89%.

VII. SIGNIFICANT LITIGATIONS DURING THE THREE MONTHS ENDED 31 MARCH 2022

None.

VIII. SIGNIFICANT EVENTS OCCURRED DURING THE THREE MONTHS ENDED 31 MARCH 2022 WHICH WOULD AFFECT THE DEBT REPAYMENT ABILITY OF THE BANK

None.

IX. UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2022

Prepared based on CASBE

	Three months ended 31 March 2021 RMB'000 (unaudited)	Three months ended 31 March 2022 RMB'000 (unaudited)
Interest income	5,244,970	5,657,504
Interest expense	2,668,891	2,847,964
Net interest income	2,576,079	2,809,540
Fee and commission income	226,116	264,504
Fee and commission expense	29,612	98,149
Net fee and commission income	196,504	166,355
Investment income	197,753	320,267
Other income	2,686	3,344
Gains on change in fair value	74,889	118,096
Exchange gains	42,571	26,015
Other operating income	7,468	8,294
Gains on disposal of assets	5,212	69
Total operating revenue	3,103,162	3,451,980
Taxes and surcharges	28,046	30,405
Operating and administrative expenses	550,112	834,373
Impairment losses on credit	655,972	502,274
Impairment losses on other assets	-10,635	-
Other operating costs	1,550	2,925
Operating expenses	1,225,046	1,369,977
Operating profit	1,878,116	2,082,003
Add: non-operating income	1,184	3,772
Less: non-operating expense	2,432	450
Profit before tax	1,876,867	2,085,325
Less: income tax expenses	170,388	203,775
Net profit	1,706,480	1,881,550
Net profit attributable to the shareholders of the Bank	1,638,118	1,795,389
Profit and loss attributable to non-controlling interests	68,362	86,161

X. UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 March 2022

Prepared based on CASBE

	As at 31 December 2021 RMB'000 (audited)	As at 31 March 2022 RMB'000 (unaudited)
Assets		
Cash and balance with the central bank	36,211,311	37,521,613
Deposits with banks and other financial institutions	9,328,178	9,651,974
Precious metals	500,160	615,095
Placements with and loans to banks and other financial institutions	1,640,365	4,296,997
Derivative financial assets	148,556	341,103
Financial assets held under resale agreements	4,804,236	2,642,549
Held-for-sale assets	–	–
Loans and advances to customers	289,684,534	298,802,300
Financial investments:		
Financial assets held-for-trading	42,837,282	51,802,956
Investments in debts	108,445,277	106,759,909
Other debt investments	90,281,232	90,920,875
Other equity investments	697,853	692,639
Long-term equity investments	455,392	455,392
Investment properties	12,232	11,815
Fixed assets	1,670,138	1,630,617
Construction in progress	863,148	1,113,191
Rights-of-use assets	357,212	354,269
Intangible assets	739,146	618,996
Goodwill	520,521	520,521
Deferred income tax assets	3,331,121	3,351,975
Other assets	833,199	1,712,634
Total assets	593,361,093	613,817,420

	As at 31 December 2021	As at 31 March 2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(unaudited)</i>
Liabilities		
Borrowings from the central bank	11,274,598	20,987,411
Deposits from banks and other financial institutions	25,370,312	27,873,400
Placements from banks and other financial institutions	1,100,217	1,000,000
Financial liabilities held-for-trading	492,648	606,549
Derivative financial liabilities	159,573	351,690
Financial assets sold under repurchase agreements	13,734,236	12,945,920
Deposits from customers	419,065,517	431,991,980
Salaries and welfare payable	2,127,454	1,843,372
Taxes payable	583,389	776,579
Held-for-sale liabilities	—	—
Estimated liabilities	94,689	137,551
Bonds payable	67,857,602	60,977,359
Including ^{note} : Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	459,079	456,389
Deferred income tax liabilities	—	—
Other liabilities	1,059,666	2,036,269
Total liabilities	<u>543,378,980</u>	<u>561,984,469</u>
Equity		
Share capital	6,888,546	6,888,546
Other equity instruments	—	—
Including ^{note} : Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	6,230,429	6,230,429
Less: treasury stock	—	—
Other comprehensive income	789,488	757,958
Surplus reserve	7,737,394	7,737,394
General reserve	6,329,025	6,329,025
Retained earnings	19,403,750	21,199,139
Total equity attributable to the shareholders of the Bank	47,378,632	49,142,491
Non-controlling interests	2,603,481	2,690,460
Total equity	<u>49,982,113</u>	<u>51,832,951</u>
Total liabilities and equity	<u>593,361,093</u>	<u>613,817,420</u>

Note: Certain sub-items are required to be separately disclosed pursuant to the relevant PRC requirements. The sub-items herein are not an exhaustive composition of the relevant item.

Board of Directors
Dongguan Rural Commercial Bank Co., Ltd.

Dongguan City, Guangdong Province, the PRC
27 April 2022

As at the date of this announcement, the board of directors of the Bank comprises Mr. WANG Yaoqiu (Chairman), Mr. FU Qiang, Mr. YE Jianguang and Mr. CHEN Wei as executive Directors; Mr. LAI Chun Tung, Mr. WANG Junyang, Mr. CAI Guowei, Mr. YE Jinqun, Mr. CHEN Haitao, Mr. ZHANG Qingxiang and Mr. CHEN Weiliang as non-executive Directors; Mr. YIP Tai Him, Mr. XU Zhi, Mr. SHI Wenfeng, Mr. TAN Fulong, Ms. LIU Yuou and Ms. XU Tingting as independent non-executive Directors.