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BANK OF CHONGQING CO., LTD.*
重慶銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1963)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR 2017

The board of directors (the “**Board**”) of Bank of Chongqing Co., Ltd.* (the “**Bank**” or “**Bank of Chongqing**”) is pleased to announce the unaudited results report of the Bank and its subsidiaries (the “**Group**”) for the first quarter ended March 31, 2017 (the “**Reporting Period**”) prepared in accordance with the International Financial Reporting Standards (the “**IFRSs**”). This quarterly results announcement is made 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

1. IMPORTANT NOTICE

- 1.1 The Board, the board of supervisors, the directors, supervisors and senior management of the Bank confirm that there are no misstatements, misleading representations or material omissions in this quarterly results announcement, and assume joint and several liability for the truthfulness, accuracy and completeness of this results announcement.
- 1.2 This quarterly results announcement has been reviewed and approved at the board meeting of the Bank held on April 28, 2017.
- 1.3 The financial information contained in this quarterly results announcement has not been audited.
- 1.4 The unaudited operating information for the first quarter is provided as additional information.

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of 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.*

2. CORPORATE INFORMATION

2.1 Company information

Stock name:	BCQ
Stock code:	1963
Listing Exchange for H shares:	The Stock Exchange of Hong Kong Limited
Legal Representative:	GAN Weimin
Authorized Representatives:	GAN Weimin WONG Wah Sing
Joint Company Secretaries:	WONG Wah Sing HO Wing Tsz Wendy
Registered Address:	No. 153 Zourong Road, Yu Zhong District, Chongqing, the People's Republic of China (the "PRC"), 400010
Principal Place of Business in Hong Kong:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	+86 (23) 6379 2129
Fax:	+86 (23) 6379 9024
E-mail:	ir@bankofchongqing.com

2.2 Financial highlights

The financial information set out in this quarterly results announcement was prepared on a consolidated basis according to IFRSs. Unless otherwise stated, the financial information of the Group is expressed in RMB.

In respect of the financial statements of the Group prepared under the PRC GAAP (China Accounting Standards) and those under the IFRSs, there is no difference between the net profit attributable to equity holders of the Bank for the Reporting Period ended March 31, 2017 and equity attributable to equity holders of the Bank as at the end of the Reporting Period.

Major financial data and indicators

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	March 31, 2017	December 31, 2016	Increase/(decrease) at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	399,434,744	373,103,734	7.1
Loans and advances to customers, gross	157,234,521	151,020,641	4.1
Total liabilities	373,178,040	349,291,822	6.8
Customer deposits	232,396,249	229,593,793	1.2
Equity attributable to shareholders of the Bank	24,786,704	23,811,912	4.1
Total equity	26,256,704	23,811,912	10.3
Net assets per share attributable to shareholders of the Bank (<i>RMB</i>)	7.93	7.61	4.2
			Increase/(decrease) in the Reporting Period as compared to the same period of the previous year (%)
<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to March 2017	January to March 2016	
Net profit	1,094,810	989,462	10.6
Net profit attributable to shareholders of the Bank	1,094,810	989,462	10.6
			Increase/(decrease) in the Reporting Period as compared to the same period of the previous year
	January to March 2017	January to March 2016	
Basic earnings per share (<i>RMB</i>)	0.35	0.32	0.03
Average annualized return on equity (%)	17.74	18.23	(0.49)

2.3 Total number of shares and particulars of shareholdings as at the end of the Reporting Period

As at the end of the Reporting Period, the Bank had a total of 3,127,054,805 shares, comprising 1,548,033,993 domestic shares and 1,579,020,812 H shares.

Particulars of shareholdings of the top ten shareholders of domestic shares of the Bank

Unit: share

Name of shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)	Number of shares pledged
Chongqing Yufu Assets Management Group Co., Ltd.	State-owned	407,010,187	13.02	0
Chongqing Road & Bridge Co., Ltd.	Private	171,339,698	5.48	0
Chongqing Land Group	State-owned	139,838,675	4.47	0
Chongqing Water Conservancy Investment Group Co., Ltd.	State-owned	139,838,675	4.47	0
Lifan Industry (Group) Co., Ltd.	Private	129,564,932	4.14	0
Peking University Founder Group Co., Ltd.	State-owned	94,506,878	3.02	0
Chongqing South Group Limited	Private	68,602,362	2.19	68,600,000
Chongqing Transport and Travel Investment Group Limited	State-owned	37,456,522	1.20	0
Chongqing Expressway Co., Ltd.	State-owned	29,942,325	0.96	0
Minsheng Industrial (Group) Co., Ltd.	State-owned	24,191,310	0.77	0
Total		1,242,291,564	39.73	68,600,000

Interests and short positions of substantial shareholders and other persons

As at March 31, 2017, the interests of substantial shareholders (as defined under the SFO), other than directors and supervisors of the Bank, in the H shares and underlying shares of the Bank as recorded in the register required to be kept under Section 336 of the SFO and to the best knowledge of the Bank were as follows:

Unit: share

Name of shareholder	Capacity	Number of H shares held	Percentage of the total number of H shares of the Bank (%)	Percentage of the total share capital of the Bank (%)
Dah Sing Bank, Limited ⁽¹⁾	Beneficial owner	458,574,853 (long position)	29.04	14.66
Dah Sing Banking Group Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	29.04	14.66
Dah Sing Financial Holdings Limited ⁽¹⁾	Interest of a controlled corporation	458,574,853 (long position)	29.04	14.66
HSBC International Trustee Limited ⁽⁵⁾	Interest of a trustee	458,574,853 (long position)	29.04	14.66
David Shou-Yeh WONG ⁽¹⁾	Settlor of a discretionary trust/interest of the beneficiary of a trust	458,574,853 (long position)	29.04	14.66
Christine Yen WONG ⁽¹⁾	Interest of spouse	458,574,853 (long position)	29.04	14.66
SAIC Motor HK Investment Limited ⁽²⁾	Beneficial owner	240,463,650 (long position)	15.23	7.69
SAIC Motor Corporation Limited ⁽²⁾	Interest of a controlled corporation	240,463,650 (long position)	15.23	7.69
Lifan International (Holdings) Limited ⁽³⁾	Beneficial owner	172,417,500 (long position)	10.92	5.51
Chongqing Lifan Industry (Group) Import and Export Co., Ltd. ⁽³⁾	Interest of a controlled corporation	172,417,500 (long position)	10.92	5.51
Lifan Industry (Group) Co., Ltd. ⁽³⁾	Interest of a controlled corporation	172,417,500 (long position)	10.92	5.51
Chongqing Lifan Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	172,417,500 (long position)	10.92	5.51
Chongqing Huiyang Holdings Co., Ltd. ⁽³⁾	Interest of a controlled corporation	172,417,500 (long position)	10.92	5.51
YIN Mingshan ⁽³⁾	Interest of a controlled corporation	172,417,500 (long position)	10.92	5.51
CHEN Qiaofeng ⁽³⁾	Interest of spouse	172,417,500 (long position)	10.92	5.51
Funde Sino Life Insurance Co., Ltd. ⁽⁴⁾	Beneficial owner	150,000,000 (long position)	9.50	4.80
	Interest of a controlled corporation	67,570,150 (long position)	4.28	2.16
Chongqing Beiheng Investment & Development Limited	Beneficial owner	84,823,500 (long position)	5.37	2.71
Fund Resources Investment Holding Group Company Limited ⁽⁴⁾	Beneficial owner	67,570,150 (long position)	4.28	2.16

Notes:

- (1) Dah Sing Bank, Limited held 458,574,853 H shares of the Bank. Dah Sing Bank, Limited is wholly owned by Dah Sing Banking Group Limited, which is in turn owned as to approximately 74.49% by Dah Sing Financial Holdings Limited. Mr. David Shou-Yeh WONG is the beneficial owner of approximately 40.97% of the issued share capital of Dah Sing Financial Holdings Limited and Ms. Christine Yen WONG is the spouse of Mr. David Shou-Yeh WONG. For the purpose of the SFO, Dah Sing Banking Group Limited, Dah Sing Financial Holdings Limited, Mr. David Shou-Yeh WONG and Ms. Christine Yen WONG are deemed to be interested in the shares of the Bank held by Dah Sing Bank, Limited.
- (2) SAIC Motor HK Investment Limited held 240,463,650 H shares of the Bank. SAIC Motor HK Investment Limited is wholly owned by SAIC Motor Corporation Limited. For the purpose of the SFO, SAIC Motor Corporation Limited is deemed to be interested in the shares of the Bank held by SAIC Motor HK Investment Limited.
- (3) As confirmed by Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng, as at March 31, 2017, Lifan International (Holdings) Limited held 172,417,500 H shares of the Bank. Lifan International (Holdings) Limited is wholly owned by Chongqing Lifan Industry (Group) Import and Export Co., Ltd., which is wholly owned by Lifan Industry (Group) Co., Ltd. Lifan Industry (Group) Co., Ltd. is owned as to 49.40% by Chongqing Lifan Holdings Co., Ltd., which is in turn owned as to 72% by Chongqing Huiyang Holdings Co., Ltd. Mr. YIN Mingshan is the beneficial owner of approximately 51% of the interest of Chongqing Huiyang Holdings Co., Ltd. and Ms. CHEN Qiaofeng is the spouse of Mr. YIN Mingshan. For the purpose of the SFO, Chongqing Lifan Industrial (Group) Import and Export Co., Ltd., Lifan Industry (Group) Co., Ltd., Chongqing Lifan Holdings Co., Ltd., Chongqing Huiyang Holdings Co., Ltd., Mr. YIN Mingshan and Ms. CHEN Qiaofeng are deemed to be interested in the shares of the Bank held by Lifan International (Holdings) Limited.
- (4) Funde Sino Life Insurance Co., Ltd. held 150,000,000 H shares of the Bank, and Fund Resources Investment Holding Group Company Limited held 67,570,150 H shares of the Bank. Fund Resources Investment Holding Group Company Limited is wholly owned by Funde Sino Life Insurance Co., Ltd. For the purpose of the SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in the shares of the Bank held by Fund Resources Investment Holding Group Company Limited.
- (5) HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of Mr. David Shou-Yeh WONG and his family members, held 37.66% interests in Dah Sing Financial Holdings Limited indirectly. For the purpose of the SFO, HSBC International Trustee Limited is deemed to be interested in the shares of the Bank held by Dah Sing Bank, Limited (see note (1) above).

3. HIGHLIGHTS OF QUARTERLY RESULTS

As at March 31, 2017, the Group's total assets amounted to RMB399,434.74 million, representing an increase of RMB26,331.01 million or 7.1% as compared to the end of the previous year. Of which:

- Customer deposits amounted to RMB232,396.25 million, representing an increase of RMB2,802.46 million or 1.2% as compared to the end of the previous year. Of which, time deposits, demand deposits, pledged deposits held as collateral and other deposits amounted to RMB138,565.02 million, RMB77,388.67 million, RMB9,889.98 million, and RMB6,552.58 million, respectively.
- Total loans and advances to customers amounted to RMB157,234.52 million, representing an increase of RMB6,213.88 million or 4.1% as compared to the end of the previous year. Of which, corporate loans, personal loans and discounted bills amounted to RMB107,534.38 million, RMB46,947.03 million and RMB2,753.11 million, respectively.
- The balance of non-performing loans amounted to RMB1,805.29 million, representing an increase of RMB362.79 million as compared to the end of the previous year; the non-performing loan ratio was 1.15%, representing an increase of 0.19 percentage point as compared to the end of the previous year; and the provision coverage ratio was 245.99%, representing a decrease of 47.36 percentage points as compared to the end of the previous year.
- The loan-to-deposit ratio was 67.66%, representing an increase of 1.88 percentage points as compared to the end of the previous year.

For the three months ended March 31, 2017, the Group recorded a net profit of RMB1,094.81 million, representing an increase of RMB105.35 million or 10.6% as compared to the same period of the previous year. The average annualized return on total assets was 1.15%, representing a decrease of 0.07 percentage point as compared with the same period of the previous year. The average annualized return on equity was 17.74%, representing a decrease of 0.49 percentage point as compared with the same period of the previous year. The Group recorded basic earnings per share of RMB0.35, representing an increase of RMB0.03 as compared with the same period of the previous year.

- Interest-earning assets grew continuously and the net interest income increased slightly. Net interest income amounted to RMB2,027.67 million, representing an increase of RMB28.08 million or 1.4% as compared with the same period of the previous year. The annualized net interest margin was 2.22%, representing a decrease of 31 basis points as compared with the same period of the previous year.
- Net fee and commission income amounted to RMB409.62 million, representing a decrease of RMB57.92 million or 12.4% as compared with the same period of the previous year, primarily due to the decline in commission income from financial advisory and consulting services, representing a decrease of RMB44.76 million or 95.2% as compared with the same period of the previous year.

- Operating expenses amounted to RMB579.62 million, representing an increase of RMB8.40 million or 1.5% as compared to the same period of the previous year. The cost-to-income ratio was 22.50%, representing an increase of 5.47 percentage points as compared to the same period of the previous year. The impairment losses of assets amounted to RMB509.04 million, representing a decrease of RMB61.29 million or 10.7% as compared to the same period of the previous year.

In accordance with the “Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)”, as at the end of the Reporting Period, the Group’s Core Tier One capital adequacy ratio and Tier One capital adequacy ratio were 9.71% and 9.72%, respectively, representing a decrease of 0.11 and 0.10 percentage point respectively as compared to the end of the previous year, and the capital adequacy ratio was 13.70%, representing an increase of 1.91 percentage points as compared to the end of the previous year. The Bank’s capital adequacy ratios fulfilled the latest regulatory requirements on capital adequacy ratios applicable to the PRC banking industry.

4. SIGNIFICANT EVENTS

4.1 Particulars and reasons of material changes in major accounting statement items and financial indicators

Applicable Not applicable

The main reasons for material changes over 30% in the major accounting statement items and financial indicators as compared to the same period of the previous year or the end of the previous year are as follows:

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	January to March 2017	January to March 2016	Change rate as compared to the same period of the previous year (%)	Main reasons of the changes
Fee and commission expense	42,323	18,304	131.2	Mainly due to the increase in agency service fees and other commission expense
Net trading (losses)/gains	(4,067)	1,575	(358.2)	Mainly due to the continuous increase in gains on the inter-bank bond market and the decrease in bond valuation since the first quarter in 2017 resulting from funds in capital markets, deleveraging and other factors, which made these two indicators decline
Other comprehensive income	(120,018)	96,179	(224.8)	
Net gains on investment securities	101,085	4,797	2,007.3	Mainly due to partial disposal of profitable bonds, resulting in the gains on investment bonds
Other operating income	17,832	3,161	464.1	Mainly due to partial recognition of security deposit income by the Bank as a result of default of partners

<i>(All amounts expressed in thousands of RMB unless otherwise stated)</i>	March 31, 2017	December 31, 2016	Change rate as compared to the end of the previous year (%)	Main reasons of the changes
Investment securities – Available-for-sale	31,120,757	23,885,457	30.3	Mainly due to the additional holding of monetary funds to increase the return on investment
Debt securities issued	84,287,118	54,598,252	54.4	Mainly due to the increase in issuance of interbank certificates of deposit of RMB25,000 million in the first quarter of 2017 as compared to the end of the previous year; the successful issuance of Tier 2 Capital bonds of RMB6,000 million by the Bank in March 2017; and the one-off redemption of the whole 2012 subordinated bonds of Bank of Chongqing Co., Ltd. of RMB800 million
Non-controlling interests	1,470,000	–	N/A	Mainly due to the consolidation of financial statements as a result of the establishment of Chongqing Xinyu Financial Leasing Co., Ltd., a new subsidiary of the Bank

4.2 The progress of significant events and their influence and analysis on the solutions

Applicable Not applicable

4.3 Status of performance of undertakings of the Company, shareholders and de facto controller

Applicable Not applicable

4.4 Implementation of the cash dividend policy during the Reporting Period

Applicable Not applicable

4.5 Disclosure of, and reasons for, the warning in respect of forecast of a probable loss in respect of the accumulated net profit from the beginning of the year to the end of the next reporting period or any significant changes in profit as compared to the same period of the previous year

Applicable Not applicable

5. PUBLICATION OF QUARTERLY RESULTS ANNOUNCEMENT

The quarterly results announcement will be published on the website of The Hong Kong Stock Exchange Limited (www.hkexnews.hk) and the website of the Bank (www.cqcbank.com).

This quarterly results announcement was prepared in both Chinese and English versions, where there is a discrepancy between the Chinese and English versions, the Chinese version shall prevail.

By order of the Board
Bank of Chongqing Co., Ltd.*
GAN Weimin
Chairman

Chongqing, the PRC, April 28, 2017

As at the date of this announcement, the executive directors of the Bank are Mr. GAN Weimin, Mr. RAN Hailing, Mr. LIU Jianhua and Mr. WONG Wah Sing; the non-executive directors are Mr. WONG Hon Hing, Mr. DENG Yong, Ms. LV Wei and Mr. YANG Jun; and the independent non-executive directors are Mr. LI He, Mr. TO Koon Man Henry, Mr. KONG Xiangbin, Mr. WANG Pengguo and Dr. JIN Jingyu.

APPENDIX FINANCIAL STATEMENTS ACCORDING TO IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

(All amounts expressed in thousands of RMB unless otherwise stated)

	Three months ended	
	31 March	
	2017	2016
	(Unaudited)	(Unaudited)
Interest income	4,424,749	4,103,793
Interest expense	<u>(2,397,084)</u>	<u>(2,104,209)</u>
Net interest income	2,027,665	1,999,584
Fee and commission income	451,939	485,843
Fee and commission expense	<u>(42,323)</u>	<u>(18,304)</u>
Net fee and commission income	409,616	467,539
Net trading (losses)/gains	(4,067)	1,575
Net gains on investment securities	101,085	4,797
Other operating income	<u>17,832</u>	<u>3,161</u>
Operating income	2,552,131	2,476,656
Operating expenses	(579,619)	(571,218)
Impairment losses	<u>(509,043)</u>	<u>(570,328)</u>
Operating profit	1,463,469	1,335,110
Share of profit of associates	<u>3,080</u>	<u>–</u>
Profit before income tax	1,466,549	1,335,110
Income tax expense	<u>(371,739)</u>	<u>(345,648)</u>
Net profit for the period	<u>1,094,810</u>	<u>989,462</u>
Net profit attributable to:		
Shareholders of the Bank	1,094,810	989,462
Non-controlling interests	<u>–</u>	<u>–</u>
	<u>1,094,810</u>	<u>989,462</u>
Earnings per share for profit attributable to the shareholders of the Bank (expressed in RMB per share) – basic and diluted	<u>0.35</u>	<u>0.32</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017
(All amounts expressed in thousands of RMB unless otherwise stated)

	Three months ended	
	31 March	
	2017	2016
	(Unaudited)	(Unaudited)
Net profit for the period	1,094,810	989,462
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale securities changes in fair value recorded in equity	(160,467)	127,740
Less: Related income tax impact	40,116	(31,935)
Subtotal	(120,351)	95,805
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of retirement benefits	444	499
Less: Related income tax impact	(111)	(125)
Subtotal	333	374
Total other comprehensive income, net of tax	(120,018)	96,179
Total comprehensive income for the period	974,792	1,085,641
Total comprehensive income attributable to:		
Shareholders of the Bank	974,792	1,085,641
Non-controlling interests	-	-
	974,792	1,085,641

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2017

(All amounts expressed in thousands of RMB unless otherwise stated)

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS		
Cash and balances with central bank	39,585,566	42,813,488
Due from other banks and financial institutions	68,385,118	55,706,352
Financial assets at fair value through profit or loss	772,648	881,977
Loans and advances to customers	152,793,738	146,789,046
Investment securities		
– Loans and receivables	77,276,371	75,750,755
– Available-for-sale	31,120,757	23,885,457
– Held-to-maturity	20,892,920	19,794,542
Investment in associates	241,474	238,394
Property, plant and equipment	2,737,845	2,691,236
Deferred income tax assets	1,061,307	1,005,271
Other assets	4,567,000	3,547,216
Total assets	<u>399,434,744</u>	<u>373,103,734</u>
LIABILITIES		
Due to other banks and financial institutions	50,601,387	60,350,785
Customer deposits	232,396,249	229,593,793
Other liabilities	5,599,838	4,453,933
Current tax liabilities	293,448	295,059
Debt securities issued	84,287,118	54,598,252
Total liabilities	<u>373,178,040</u>	<u>349,291,822</u>
EQUITY		
Share capital	3,127,055	3,127,055
Capital surplus	4,680,638	4,680,638
Other reserves	6,025,629	6,145,647
Retained earnings	10,953,382	9,858,572
Equity attributable to shareholders of the bank	<u>24,786,704</u>	<u>23,811,912</u>
Non-controlling interests	1,470,000	–
Total equity	<u>26,256,704</u>	<u>23,811,912</u>
Total liabilities and equity	<u>399,434,744</u>	<u>373,103,734</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017
(All amounts expressed in thousands of RMB unless otherwise stated)

	Three months ended	
	31 March	
	2017	2016
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	1,466,549	1,335,110
Adjustments:		
Depreciation and amortisation	45,430	41,751
Impairment losses on loans	360,442	486,761
Impairment losses on other assets	148,600	83,567
Net gains on de-recognition of investment securities	(101,085)	(4,797)
Share of results of associates	(3,080)	–
Interest income arising from investment securities	(1,740,668)	(1,601,464)
Interest expense arising from debt securities issued	607,890	230,101
Fair value losses	6,651	–
	<hr/>	<hr/>
Net (increase)/decrease in operating assets:		
Net increase in restricted deposit balances with central bank	(114,786)	(1,111,554)
Net increase in due from and placements to banks and other financial institutions	(8,103,992)	(462,327)
Net decrease in financial assets held under resale agreements	8,870,264	11,365,473
Net increase in loans and advances to customers	(6,348,122)	(8,925,506)
Net increase in other operating assets	(1,042,725)	(650,026)
Net decrease in operating liabilities:		
Net increase/(decrease) in borrowings from central bank	796,506	(49,921)
Net decrease in due to and placements from banks and other financial institutions	(3,787,609)	(2,256,544)
Net decrease in financial assets sold under repurchase agreements	(6,758,295)	(11,050,226)
Net increase in customer deposits	2,802,456	15,260,813
Net increase/(decrease) in other operating liabilities	1,207,003	(2,461,322)
Income tax paid	(390,087)	(387,294)
	<hr/>	<hr/>
Net cash outflows from operating activities	(12,078,658)	(157,405)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2017

(All amounts expressed in thousands of RMB unless otherwise stated)

	Three months ended	
	31 March	
	2017	2016
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	6,409	6,422
Purchase of property and equipment, intangible assets and other long-term assets	(92,223)	(101,864)
Proceeds from sale and redemption of investments	91,769,528	69,237,564
Purchase of investment securities	(99,988,012)	(68,384,101)
Net cash (outflows)/inflows from investing activities	(8,304,298)	758,021
Cash flows from financing activities:		
Capital contribution by non-controlling interests of a subsidiary	1,470,000	–
Proceeds from issuance of debt securities and inter-bank certificates of deposit	54,552,457	20,992,196
Cash paid to redeem the debt securities issued	(25,400,000)	(6,250,000)
Interest paid in relation to debt securities issued	(120,400)	(54,400)
Dividend paid to shareholders of the Bank	(3,725)	(2,368)
Net cash inflows from financing activities	30,498,332	14,685,428
Effect of exchange rate changes on cash and cash equivalents	(13,046)	(7,096)
Net increase in cash and cash equivalents	10,102,330	15,278,948
Cash and cash equivalents at the beginning of the period	24,788,329	18,118,269
Cash and cash equivalents at the end of the period	34,890,659	33,397,217