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中國光大銀行股份有限公司

China Everbright Bank Company Limited

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

(Stock code: 6818)

FIRST QUARTERLY REPORT OF 2017

The Board of Directors (the “**Board**”) of China Everbright Bank Company Limited (the “**Company**”) hereby announces the unaudited results of the Company and its subsidiaries for the first quarter ended 31 March 2017 (the “**Reporting Period**”) prepared under the International Financial Reporting Standards (the “**IFRS**”). This announcement is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On behalf of the Board
China Everbright Bank Company Limited
TANG Shuangning
Chairman

Beijing, the PRC, 28 April 2017

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Jinliang, Mr. Ma Teng and Ms. Li Jie; the Non-executive Directors are Mr. Tang Shuangning, Mr. Gao Yunlong, Mr. Zhang Shude, Mr. Li Huaqiang and Mr. Zhao Wei; and the Independent Non-executive Directors are Mr. Qiao Zhimin, Mr. Xie Rong, Ms. Fok Oi Ling Catherine, Mr. Xu Hongcai, Mr. Feng Lun and Mr. Wang Ligu.

China Everbright Bank Company Limited

First Quarterly Report of 2017

(H shares)

I. Important Notice

1.1 The Board of Directors, Board of Supervisors and Directors, Supervisors and Senior Management of the Bank hereby warrant the authenticity, accuracy and completeness of the contents of this report and there are no false representations, misleading statements or material omissions, and jointly and severally accept the legal responsibility for the information in this report.

1.2 The 8th Meeting of the Seventh Session of the Board of Directors of the Bank was convened in the form of written resolution on April 28, 2017, at which the First Quarterly Report of 2017 was considered and approved. 14 out of 14 eligible directors attended the meeting.

1.3 The financial statements in this report were prepared pursuant to IFRS and are unaudited.

1.4 In this report, “the Bank”, “We/we” and “the Company” refer to China Everbright Bank Company Limited, and “the Group” refers to China Everbright Bank Company Limited and its subsidiaries.

1.5 Mr. Tang Shuangning, Chairman of the Board of Directors of the Bank, Mr. Zhang Jinliang, President, and Mr. Xie Rong, Independent Non-Executive Director hereby warrant the authenticity, accuracy and completeness of the financial statements in this quarterly report.

II. Basic Corporate Information

2.1 Key financial data

Unit: RMB million

Items	As at March 31, 2017	As at December 31, 2016	Change (%)
Total assets	4,126,980	4,020,042	2.66
Net assets attributable to equity shareholders of the Bank	263,100	250,455	5.05
Net assets per share attributable to equity shareholders of the Bank (RMB)	4.99	4.72	5.72
Items	January to March, 2017	January to March, 2016	Change (%)
Operating income	23,692	23,574	0.50
Net profit attributable to equity shareholders of the Bank	8,579	8,446	1.57
Basic earnings per share (RMB)	0.18	0.18	-

Diluted earnings per share (RMB)	0.18	0.18	-
Annualized return on weighted average net assets (%)	15.30	16.25	-0.95 percentage point
Net cash flow from operating activities	(163,506)	81,096	-301.62

Note:

1. Net assets per share attributable to equity shareholders of the Bank = (net assets attributable to equity shareholders of the Bank – preference shares in other equity instrument)/total number of ordinary shares at the end of the period.
2. Basic earnings per share = net profit attributable to ordinary equity shareholders of the Bank (with the dividends of the preference shares declared during the period deducted)/weighted average number of ordinary shares outstanding.
3. Diluted earnings per share = (net profit attributable to ordinary equity shareholders of the Bank (with the dividends of the preference shares declared during the period deducted) + effect of dilutive potential ordinary shares on net profit attributable to ordinary equity shareholders of the Bank)/ (weighted average number of ordinary shares outstanding + weighted average number of dilutive potential ordinary shares converted into ordinary shares).
4. Annualized return on weighted average net assets = net profit attributable to ordinary equity shareholders of the Bank (with the dividends of the preference shares declared during the period deducted)/weighted average net assets attributable to ordinary equity shareholders of the Bank, annualized.

The above figures were calculated according to *Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No.9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share (2010 Revision)* issued by the CSRC and the “*Interpretation of Accounting Standards for Business Enterprises (No.7)*” of the Ministry of Finance.

2.2 Capital adequacy ratio and leverage ratio indicators

The capital adequacy ratio indicators as at the end of the Reporting Period calculated in accordance with the *Regulation Governing Capital of Commercial Banks (provisional)* (released by the CBRC on June 7, 2012) are as follows:

Unit: RMB million, %

Items	As at March 31, 2017		As at December 31, 2016	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Net common equity tier-1 capital	231,537	225,513	218,876	213,023
Net tier-1 capital	261,548	255,460	248,873	242,970
Net capital base	330,414	323,164	287,880	280,783
Risk-weighted assets	2,805,884	2,746,907	2,665,037	2,607,124
Common equity tier-1 capital adequacy ratio	8.25	8.21	8.21	8.17
Tier-1 capital adequacy ratio	9.32	9.30	9.34	9.31
Capital adequacy ratio	11.78	11.76	10.80	10.77

The leverage ratio indicators of the Group as at the end of the Reporting Period calculated in accordance with *the Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)* (released by the CBRC on January 30, 2015) are as follows:

Unit: RMB million, %

Items	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Leverage ratio	5.58	5.44	5.65	5.30
Net tier-1 capital	261,548	248,873	246,512	227,773
Adjusted on-balance sheet and off-balance sheet assets	4,688,433	4,573,997	4,360,389	4,298,614

2.3 Differences between the financial statements prepared under the PRC Generally Accepted Accounting Principles (“PRC GAAP”) and those prepared under IFRS

There was no difference regarding the net profit from January to March, 2017 and the equity of shareholders as at March 31, 2017 as presented in the Group’s consolidated financial statements prepared under PRC GAAP and those prepared under IFRS.

2.4 Analysis of operating results

As at the end of the Reporting Period, total assets of the Group amounted to RMB4,126.980 billion, an increase of 2.66% as compared with the end of the previous year, while its total liabilities were RMB3,863.247 billion, an increase of 2.50% as compared with the end of the previous year. Deposits balance was RMB2,243.298 billion, an increase of 5.77% as compared with the end of the previous year. Balance of loans and advances was RMB1,896.333 billion, an increase of 5.63% as compared with the end of the previous year.

From the beginning of the year to the end of the Reporting Period, the Group realized a net profit of RMB8.599 billion, up by 1.64 % year-on-year. Its operating income amounted to RMB23.692 billion, up by 0.50% year-on-year. Its net interest income reached RMB15.203 billion, down by 7.43% year-on-year and accounting for 64.17% of the total operating income, while its net fee and commission income was RMB8.208 billion, up by 18.92% year-on-year and accounting for 34.64% of the total operating income.

From the beginning of the year to the end of the Reporting Period, the Group incurred operating expenses of RMB6.759 billion, a decrease of 11.54% year-on-year. Its impairment losses on assets were RMB5.486 billion, up by 14.63% year-on-year.

As at the end of the Reporting Period, the non-performing loans of the Group totaled RMB29.195 billion, representing an increase of RMB493 million as compared with the end of the previous year. Its non-performing loan ratio was 1.54%, down by 0.06 percentage point over the end of the previous year. Its provision coverage ratio was 157.64%, up by 5.62 percentage points over the end of the previous year.

As at the end of the Reporting Period, the capital adequacy ratio of the Group was 11.78%. Its tier-1 capital adequacy ratio was 9.32%, while its common equity tier-1 capital adequacy ratio was 8.25%, all of which consistently meet the regulatory requirements. As at the end of the Reporting Period, the leverage ratio of the Group was 5.58%, up by 0.14 percentage point as compared with the end of the previous year.

2.5 Total number of shareholders and shareholding of top 10 shareholders and top 10 shareholders not subject to selling restrictions as at the end of the Reporting Period are as follows:

Unit: Share, %

Total number of shareholders as at the end of the Reporting Period		A shares: 239,596 H shares: 1,008				
Shareholding of top 10 shareholders						
Name of shareholder	Nature of shareholder	Number of shares	Type of shares	Shareholding percentage	Number of shares subject to selling restrictions	Number of shares pledged or frozen
China Everbright Group Limited	Domestic legal person	11,565,940,276	A	24.78	-	-
		172,965,000	H	0.37	-	-
Central Huijin Investment Limited	State	10,250,916,094	A	21.96	-	-
Hong Kong Securities Clearing Company Nominees Limited, including:	-	6,863,061,480	H	14.70	-	Unknown
Ocean Fortune Investment Limited	Overseas legal person	1,626,366,000	H	3.48	-	-
China Life Reinsurance Company Limited	Domestic legal person	1,341,101,000	H	2.87	-	-
China Everbright Limited	Overseas legal person	1,572,735,868	A	3.37	-	-
China Securities Finance Corporation Limited	Domestic legal person	1,157,093,296	A	2.48	-	-
China Reinsurance (Group) Corporation	Domestic legal person	609,713,367	A	1.31	-	-
		376,393,000	H	0.81	-	-
Shenergy (Group) Co., Ltd.	Domestic legal person	766,002,403	A	1.64	-	-
Zhuhai Shipping Corporation Limited	Domestic legal person	723,999,875	A	1.55	-	-
Central Huijin Asset Management Ltd.	State	629,693,300	A	1.35	-	-
Yunnan Hehe (Group) Co., Ltd.	Domestic legal person	626,063,556	A	1.34	-	-

Note:

- As at the end of the Reporting Period, all ordinary shares of the Bank are not subject to selling restrictions.
- The Bank was aware that as at the end of the Reporting Period, Central Huijin Investment Limited held 55.67% and 71.56% interest in China Everbright Group Limited and China Reinsurance (Group) Corporation respectively; Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Limited; China Everbright Limited is a subsidiary

indirectly controlled by China Everbright Group Limited; China Life Reinsurance Company Limited is a subsidiary of China Reinsurance (Group) Corporation; Zhuhai Shipping Corporation Limited and Ocean Fortune Investment Limited are both subsidiaries indirectly controlled by China COSCO Shipping Corporation Limited. Save for the above, the Bank is not aware of any connecting relationship or concerted action among the above shareholders.

3. The total number of H shares of the Bank held by the Hong Kong Securities Clearing Company Nominees Limited acting as the nominee for all institutional and individual investors that maintain an account with it was 6,863,061,480 H shares as at the end of the Reporting Period. The Bank was aware that apart from the 1,626,366,000, 1,341,101,000, 172,965,000 and 376,393,000 H shares of the Bank held by Ocean Fortune Investment Limited, China Life Reinsurance Company Limited, China Everbright Group Limited and China Reinsurance (Group) Corporation respectively, all of which were under the name of Hong Kong Securities Clearing Company Nominees Limited, the number of remaining H shares of the Bank held under the name of Hong Kong Securities Clearing Company Nominees Limited was 3,346,236,480 H shares.

2.6 Total number of preference shareholders and shareholdings of top 10 preference shareholders as at the end of the Reporting Period

2.6.1 Everbright P1 (Code of preference shares: 360013)

Unit: Share, %

Total number of preference shareholders of Everbright P1 as at the end of the Reporting Period (shareholders)			18			
Name of shareholder	Nature of shareholder	Changes in shareholding during the Reporting Period	Number of shares held	Percentage of shareholding	Type of shares	Number of shares pledged or frozen
Bank of Communications Schroder Fund Management Co., Ltd.	Others	-	37,750,000	18.88	Domestic preference shares	-
China CITIC Bank Corporation Limited	Others	-	17,750,000	8.88	Domestic preference shares	-
Chuangjin Hexin Fund Management Limited	Others	-	15,510,000	7.76	Domestic preference shares	-
BOCI Securities Limited	Others	-	15,500,000	7.75	Domestic preference shares	-
Bank of Communications International Trust Co., Ltd.	Others	-	15,500,000	7.75	Domestic preference shares	-
Hwabao Trust Co., Ltd.	Others	-	13,870,000	6.94	Domestic preference shares	-
China Resources SZITIC Trust Co., Ltd.	Others	-	13,870,000	6.94	Domestic preference shares	-
CCB Trust Co., Limited	Others	-	10,000,000	5.00	Domestic preference shares	-
China Ping An Property & Casualty Insurance Co., Ltd.	Others	-	10,000,000	5.00	Domestic preference shares	-
China Ping An Life Insurance Co., Ltd.	Others	-	10,000,000	5.00	Domestic preference shares	-

Note: China Ping An Property & Casualty Insurance Co., Ltd. and China Ping An Life Insurance Co., Ltd. have connected relations. Bank of Communications Schroder Fund Management Co., Ltd. and Bank of Communications International Trust Co., Ltd. have connected relations. Save for the above, the Bank is not aware of any connecting relationship or concerted actions among the above shareholders of preference shares and the top 10 shareholders of ordinary shares.

2.6.2 Everbright P2 (Code of preference shares: 360022)

Unit: Share, %

Total number of preference shareholders of Everbright P2 as at the end of the Reporting Period (shareholders)			23			
Name of shareholder	Nature of shareholder	Changes in shareholding during the Reporting Period	Number of shares held	Percentage of shareholding	Type of shares	Number of shares pledged or frozen
AXA SPDB Investment Managers Co., Ltd.	Others	-	16,470,000	16.47	Domestic preference shares	-
Shanghai Wisdom Asset Management Co., Ltd.	Others	-	13,090,000	13.09	Domestic preference shares	-
China Everbright Group Limited	Others	-	10,000,000	10.00	Domestic preference shares	-
China Life Insurance Company Limited	Others	-	8,180,000	8.18	Domestic preference shares	-
Postal Savings Bank of China Co., Ltd.	Others	-	7,200,000	7.20	Domestic preference shares	-
Bank of Communications Schroder Fund Management Co., Ltd.	Others	-	6,540,000	6.54	Domestic preference shares	-
Bank of Communications International Trust Co., Ltd.	Others	-	6,540,000	6.54	Domestic preference shares	-
China Resources SZITIC Trust Co., Ltd.	Others	-	3,680,000	3.68	Domestic preference shares	-
BOCI Securities Limited	Others	-	3,270,000	3.27	Domestic preference shares	-
HuaAn Future Asset Management (Shanghai) Co., Ltd.	Others	-	3,270,000	3.27	Domestic preference shares	-
Bank of Hangzhou Co., Ltd.	Others	-	3,270,000	3.27	Domestic preference shares	-
China Credit Trust Co., Ltd.	Others	-	3,270,000	3.27	Domestic preference shares	-

Note: Bank of Communications Schroder Fund Management Co., Ltd. and Bank of Communications International Trust Co., Ltd. have connected relations. China Everbright Group Limited is one of the top 10 holders of the ordinary shares of the Bank. Save for the above, the Bank is not aware of any connecting relationship or concerted actions among the above shareholders of preference shares and between the above shareholders of preference shares and the top 10 shareholders of ordinary shares.

III. Significant Events

3.1 Material changes of major financial statements items and financial indicators and the reasons thereof

Applicable Inapplicable

Unit: RMB million, %

Items	As at March 31, 2017	As at December 31, 2016	Change	Main reasons for change
Financial assets at fair value through profit or loss	16,968	7,834	116.59	Increase in bonds held for trading
Positive fair value of derivatives	3,090	4,950	-37.58	Affected by changes in RMB exchange rate, the positive valuation of some foreign exchange derivatives decreased
Deposits from banks and other financial institutions	581,096	830,354	-30.02	Decrease in deposits from domestic deposit and non-deposit financial institutions
Negative fair value of derivatives	2,789	4,368	-36.15	Affected by changes in RMB exchange rate, the negative valuation of some foreign exchange derivatives decreased
Taxes payable	6,377	4,501	41.68	Increase in provision for income tax and value-added tax
Debts securities issued	606,074	412,500	46.93	Issuance of tier-two capital bonds, convertible bonds and interbank deposits
Other comprehensive income	(586)	509	-215.13	Valuation losses from available-for-sale financial assets
Items	January to March, 2017	January to March, 2016	Change	Main reasons for change
Net trading losses	(312)	(51)	511.76	Increase in losses from trading of bonds held for trading
Net losses arising from investment securities	(9)	(14)	-35.71	Decrease in losses from trading of available-for-sale bond
Net foreign exchange gains	494	204	142.16	Increase in net foreign exchange gains due to the changes of exchange rate

3.2 Analysis and explanation of progress and impact of significant events and the solutions

Applicable Inapplicable

3.2.1 Issuance of the convertible corporate bonds

After obtaining the approval of CBRC and CSRC in relation to the proposal concerning the public issuance of A share convertible corporate bonds and its listing considered and approved at the Shareholders' General Meeting of the Bank (relevant information are set out in the 2016 Annual Report of the Bank), on 17 March 2017, the Bank completed its issuance of A share convertible bonds of RMB30 billion. On 5 April 2017, such A share convertible bonds were listed on the Shanghai Stock Exchange.

3.2.2 Issuance of tier-two capital bonds

After obtaining the approval of CBRC and PBC in relation to the proposal concerning the issuance of tier-two capital bonds considered and approved at the Shareholders' General Meeting of the Bank (relevant information are set out in the 2016 Annual Report of the Bank), on 2 March

2017, the Bank issued the first tranche tier-two capital bonds with a total principal amount of RMB28 billion at a fixed coupon rate of 4.60% with a term of 10 years in the national inter-bank bond market. The Bank is entitled to redeem the bonds at the end of the fifth year.

3.2.3 Second issuance of the preference shares

The proposal concerning the second issuance of the preference shares was considered and approved at the Shareholders' General Meeting of the Bank (relevant information are set out in the 2016 Annual Report of the Bank). As of the date of this report, such matter is in progress.

3.3 Undertakings overdue and not fulfilled during the Reporting Period

Applicable Inapplicable

3.4 Warnings and explanations of any forecasted loss or significant changes in accumulated net profit for the period from the beginning of the year to the end of the next Reporting Period or compared to the same period of the previous year

Applicable Inapplicable

3.5 Changes in accounting policies

Applicable Inapplicable

3.6 Other significant events

Applicable Inapplicable

IV. Publication of Quarterly Report

The quarterly report prepared in accordance with PRC GAAP and IFRS respectively are available on the websites of Shanghai Stock Exchange (www.sse.com.cn), The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Bank (www.cebbank.com).

V. Appendix

The consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of financial position, and the consolidated cash flow statement (prepared under IFRS) are attached below.

Legal Representative: Tang Shuangning
Board of Directors of China Everbright Bank Company Limited
April 28, 2017

Appendix

China Everbright Bank Company Limited

Financial Statements

For the Three Months Ended 31 March 2017

(Prepared in accordance with International Financial Reporting Standards)

China Everbright Bank Company Limited
Consolidated Statement of Profit or Loss
For the three months ended 31 March 2017
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2017	2016
Interest income	38,671	34,717
Interest expense	(23,468)	(18,293)
Net interest income	15,203	16,424
Fee and commission income	8,666	7,259
Fee and commission expense	(458)	(357)
Net fee and commission income	8,208	6,902
Net trading losses	(312)	(51)
Net losses arising from investment securities	(9)	(14)
Net foreign exchange gains	494	204
Other operating income	108	109
Operating income	23,692	23,574
Operating expenses	(6,759)	(7,641)
Operating profit before impairment	16,933	15,933
Impairment losses on assets	(5,486)	(4,786)
Profit before tax	11,447	11,147
Income tax	(2,848)	(2,687)
Net profit	8,599	8,460
Net profit attributable to:		
Equity shareholders of the Bank	8,579	8,446
Non-controlling interests	20	14
	8,599	8,460
Earnings per share		
Basic earnings per share (in RMB)	0.18	0.18
Diluted earnings per share (in RMB)	0.18	0.18

China Everbright Bank Company Limited
Consolidated Statement of Other Comprehensive Income
For the three months ended 31 March 2017
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2017	2016
Net profit (continued)	8,599	8,460
Other comprehensive income for period:		
Items that may be reclassified subsequently to profit or loss:		
- Available-for-sale financial assets		
- Net Change in fair value	(1,604)	353
- Reclassified to the profit or loss upon disposal	148	133
- Related income tax effect	364	(121)
- Exchange differences on transaction of financial statements of overseas subsidiaries	(3)	(2)
Other comprehensive income net of tax	(1,095)	363
Total comprehensive income	7,504	8,823
Total comprehensive income attributable to:		
Equity shareholders of the Bank	7,484	8,809
Non-controlling interests	20	14
	7,504	8,823

China Everbright Bank Company Limited
Consolidated Statement of Financial Position
As at 31 March 2017
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March <u>2017</u>	31 December <u>2016</u>
Assets		
Cash and deposits with the central bank	360,597	381,620
Deposits with banks and other financial institutions	170,216	232,630
Placements with banks and other financial institutions	157,097	126,305
Financial assets at fair value through profit or loss	16,968	7,834
Positive fair value of derivatives	3,090	4,950
Financial assets held under resale agreements	49,398	67,000
Interests receivable	28,472	25,339
Loans and advances to customers	1,850,311	1,751,644
Finance lease receivables	56,788	55,560
Available-for-sale financial assets	441,639	425,131
Held-to-maturity investments	287,312	257,500
Debt securities classified as receivables	641,625	627,678
Fixed assets	14,145	14,228
Goodwill	1,281	1,281
Deferred tax assets	6,298	5,622
Other assets	41,743	35,720
	4,126,980	4,020,042
Total assets	4,126,980	4,020,042

China Everbright Bank Company Limited
Consolidated Statement of Financial Position (continued)
As at 31 March 2017
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March <u>2017</u>	31 December <u>2016</u>
Liabilities and equity		
Liabilities		
Due to the central bank	211,500	187,000
Deposits from banks and other financial institutions	581,096	830,354
Placements from banks and other financial institutions	107,193	95,501
Negative fair value of derivatives	2,789	4,368
Financial assets sold under repurchase agreements	28,938	41,195
Deposits from customers	2,243,298	2,120,887
Accrued staff costs	6,749	7,776
Taxes payable	6,377	4,501
Interests payable	34,930	33,576
Debts securities issued	606,074	412,500
Other liabilities	34,303	31,316
	3,863,247	3,768,974
Total liabilities		

China Everbright Bank Company Limited
 Consolidated Statement of Financial Position (continued)
 As at 31 March 2017
 (Expressed in millions of Renminbi, unless otherwise stated)

	31 March <u>2017</u>	31 December <u>2016</u>
Liabilities and equity (Continued)		
Equity		
Share capital	46,679	46,679
Other equity instrument	35,108	29,947
Capital reserve	33,365	33,365
Other comprehensive income	(586)	509
Surplus reserve	17,951	17,951
General reserve	51,447	51,447
Retained earnings	<u>79,136</u>	<u>70,557</u>
Total equity attributable to equity shareholders of the Bank	263,100	250,455
Non-controlling interests	<u>633</u>	<u>613</u>
Total equity	<u>263,733</u>	<u>251,068</u>
Total Liabilities and equity	<u><u>4,126,980</u></u>	<u><u>4,020,042</u></u>

Approved and authorized for issue by the board of directors on 28 April 2017.

Tang Shuangning
 Chairman of the Board of
 Directors,
 Non-executive Director

Zhang Jinliang
 President,
 Executive Director

Xie Rong
 Independent Non-executive
 Director

China Everbright Bank Company Limited
Consolidated Cash Flow Statement
For the three months ended 31 March 2017
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2017	2016
Cash flows from operating activities		
Net profit	8,599	8,460
<i>Adjustments for:</i>		
Impairment losses on assets	5,486	4,786
Depreciation and amortisation	532	534
Unwinding of discount	(245)	(212)
Unrealised foreign exchange losses	78	37
Net losses on disposal of investment securities	9	14
Net losses on disposal of trading securities	(47)	(237)
Revaluation losses on financial instruments at fair value through profit or loss	359	288
Interest expense on debt securities issued	4,287	663
Income tax	2,848	2,687
	21,906	17,020
<i>Changes in operating assets:</i>		
Net decrease /(increase) in deposits with the central bank, banks and other financial institutions	6,041	(18,748)
Net decrease /(increase) in placements with banks and other financial institutions	5,375	(7,099)
Net increase in loans and advances to customers	(103,694)	(118,778)
Net decrease in financial assets held under resale agreements	17,602	3,848
Net increase in other operating assets	(10,136)	(14,726)
	(84,812)	(155,503)

China Everbright Bank Company Limited
Consolidated Cash Flow Statement (continued)
For the three months ended 31 March 2017
(Expressed in millions of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2017	2016
Cash flows from operating activities (continued)		
<i>Changes in operating liabilities:</i>		
Net (decrease)/increase in deposits from banks and other financial institutions	(249,258)	774
Net increase in placements from banks and other financial institutions	11,692	5,457
Net (decrease)/increase in financial assets sold under repurchase agreements	(12,235)	64,193
Net increase in due to the central bank	24,500	15,000
Net increase in deposits from customers	122,411	132,941
Income tax paid	(1,624)	(1,824)
Net increase in other operating liabilities	3,914	3,038
	(100,600)	219,579
Net cash flows from operating activities	(163,506)	81,096
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	210,924	149
Proceeds from disposal of fixed assets and other assets	66	72
Payments on acquisition of investments	(282,012)	(122,920)
Payments on acquisition of fixed assets, intangible assets and other assets	(387)	(242)
	(71,409)	(122,941)
Net cash flows from investing activities	(71,409)	(122,941)

China Everbright Bank Company Limited
 Consolidated Cash Flow Statement (continued)
 For the three months ended 31 March 2017
 (Expressed in millions of Renminbi, unless otherwise stated)

	For the three months ended 31 March	
	2017	2016
Cash flows from financing activities		
Net proceeds from issue of convertible corporate bond and other debt securities	198,735	95,096
Interest paid on debts securities issued	(4,567)	(1,189)
Net cash flows from financing activities	194,168	93,907
Effect of foreign exchange rate changes on cash and cash equivalents	(488)	(52)
Net (decrease)/increase in cash and cash equivalents	(41,235)	52,010
Cash and cash equivalents as at 1 January	241,507	121,964
Cash and cash equivalents as at 31 March	200,272	173,974
Interest received	35,400	32,762
Interest paid (excluding interest expense on debts securities issued)	(17,569)	(17,864)