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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 2025

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 (Chapter 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 2025 on the websites of Shanghai Clearing House (<https://www.shclearing.com.cn>) and China Foreign Exchange Trade System and National Interbank Funding Center (<https://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 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 National Financial Regulatory Administration (Form 1104) on a consolidated basis (the “**Consolidated 1104 Standards**”), which are somewhat different from the International Financial Reporting Standards Accounting 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 the 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**”).

* *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.*

As such, 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, the interim reports, the annual results announcements and the 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 2025 disclosed in this announcement is prepared based on preliminary internal management information, which has not been audited 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 of the Bank 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 2025 or for the three months ended 31 March 2025:

	As at 31 March 2025 <i>RMB million</i> <i>(unaudited)</i>
Total assets	753,789
Total liabilities	690,715
Total equity	63,073
Deposits from customers	534,676
Loans and advances to customers	375,154
	For the three months ended 31 March 2025 <i>RMB million</i> <i>(unaudited)</i>
Net profit	1,724

II. CAPITAL INSTRUMENTS IN ISSUE

The Bank issued tier-two capital bonds, namely the Dongguan Rural Commercial Bank Co., Ltd. Tier-two Capital Bonds 2022, in the national interbank bond market in the PRC on 27 December 2022. As at the end of March 2025, the balance of the bond was RMB4.0 billion. The next interest payment date is 29 December 2025.

The balance of capital instruments of the Bank as at 31 March 2025 was RMB4.0 billion.

III. CAPITAL MANAGEMENT

As at 31 March 2025, the capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio of the Group under the Consolidated 1104 Standards were 16.31%, 14.16% and 14.13%, respectively, details of which are as follows:

Capital Adequacy Ratios

	<i>RMB'000</i> <i>except percentages</i>
Total capital	70,484,709.5
Including: Core tier-one capital	61,142,433.3
Other tier-one capital	134,349.2
Tier-two capital	9,207,927.0
Capital deduction	604,578.4
Including: Core tier-one capital deduction	604,578.4
Other tier-one capital deduction	—
Tier-two capital deduction	—
Net core tier-one capital	60,537,854.9
Net tier-one capital	60,672,204.1
Net capital	69,880,131.1
Risk-weighted assets	428,345,996.6
Including: Credit risk-weighted assets	400,153,330.6
Market risk-weighted assets	5,416,267.4
Operational risk-weighted assets	22,776,398.6
Core tier-one capital adequacy ratio (%)	14.13
Tier-one capital adequacy ratio (%)	14.16
Capital adequacy ratio (%)	16.31

Note: According to the relevant provisions of the Administrative Measures for the Capital of Commercial Banks, the minimum requirements for each capital adequacy ratio are as follows: capital adequacy ratio shall not be lower than 8%, tier-one capital adequacy ratio shall not be lower than 6%, and core tier-one capital adequacy ratio shall not be lower than 5%. The reserve capital requirement is 2.5% of risk-weighted assets and the countercyclical capital requirement is 0% of risk-weighted assets. The Group uses the weighted approach for credit risk-weighted assets, the simplified standardized approach for market risk-weighted assets and the standardized approach for operational risk-weighted assets.

IV. LEVERAGE RATIO

As at 31 March 2025, the leverage ratio of the Group under the Consolidated 1104 Standards was 7.87%. The table below sets forth the leverage ratios of the Group as at the respective dates indicated:

Items	Leverage Ratio			
	As at 31 March 2025	As at 31 December 2024	As at 30 September 2024	As at 30 June 2024
Net tier-one capital (RMB'000)	60,672,204.1	60,063,275.6	59,028,054.0	57,458,172.9
Adjusted balance of on- and off-balance sheet assets (RMB'000)	770,450,981.2	778,233,866.9	766,484,224.8	760,849,950.9
Leverage ratio (%)	7.87	7.72	7.70	7.55

Note: The leverage ratios of the Group as at the end of the first quarter of 2025 and the end of the third quarter of 2024 were calculated based on the Consolidated 1104 Standards. The leverage ratios as at the end of 2024 and the end of the second quarter of 2024 were calculated based on consolidated financial statements according to regulatory standards.

V. EXTERNAL INVESTMENTS

As at 31 March 2025, the Bank invested in 10 external organisations (including subsidiaries of the Bank) with an aggregate investment amount of RMB4,433.4977 million, details of which are as follows:

External Investments			
No.	Investee	Amount of investment <i>RMB'000</i>	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	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
4	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
5	Ya'an Rural Commercial Bank Co., Ltd. (雅安農村商業銀行股份有限公司)	190,800.0	7.62
6	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
7	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
8	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
9	China UnionPay Co., Ltd. <i>note</i> (中國銀聯股份有限公司)	25,000.0	0.34
10	Guangdong Province Rural Credit Cooperatives Union <i>note</i> (廣東省農村信用社聯合社)	30,000.0	10.00
Total		4,433,497.7	—

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

VI. SIGNIFICANT EVENTS OCCURRED DURING THE THREE MONTHS ENDED 31 MARCH 2025 WHICH WOULD AFFECT THE DEBT REPAYMENT ABILITY OF THE BANK

None.

VII. UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2025

Prepared based on CASBE

Items	Three months ended 31 March 2024 <i>RMB'000</i> <i>(unaudited)</i>	Three months ended 31 March 2025 <i>RMB'000</i> <i>(unaudited)</i>
Interest income	5,785,554	5,064,808
Interest expense	3,251,407	2,867,621
Net interest income	2,534,147	2,197,187
Fee and commission income	184,977	160,279
Fee and commission expense	101,802	74,731
Net fee and commission income	83,175	85,548
Investment income	378,812	736,751
Other income	13,222	16,864
Gains on change in fair value (losses stated with “-”)	223,437	-447,693
Exchange gains (losses stated with “-”)	-1,532	9,467
Other operating income	7,051	9,314
Gains on disposal of assets	412	309
Total operating revenue	3,238,724	2,607,747

Items	Three months ended 31 March 2024 RMB'000 (unaudited)	Three months ended 31 March 2025 RMB'000 (unaudited)
Taxes and surcharges	26,265	23,547
Operating and administrative expenses	768,374	643,931
Impairment losses on credit	390,950	143,249
Impairment losses on other assets	—	—
Other operating costs	3,664	10,845
Operating expenses	1,189,253	821,572
Operating profit	2,049,471	1,786,175
Add: non-operating income	406	1,419
Less: non-operating expense	201	1,064
Total profit	2,049,676	1,786,530
Less: income tax expenses	62,271	62,347
Net profit	1,987,405	1,724,183
Net profit attributable to the shareholders of the Parent Company	1,919,466	1,633,177
Profit and loss attributable to non-controlling interests	67,939	91,006

VIII. UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 March 2025

Prepared based on CASBE

	As at 31 December 2024 RMB'000 (audited)	As at 31 March 2025 RMB'000 (unaudited)
Assets:		
Cash and balance with the central bank	36,333,987	37,639,370
Deposits with banks and other financial institutions	3,607,324	4,540,538
Precious metals	277,217	502,612
Placements with and loans to banks and other financial institutions	12,886,147	14,606,285
Derivative financial assets	601,062	494,715
Financial assets held under resale agreements	325,109	61,934
Held-for-sale assets	—	—
Loans and advances to customers	367,364,491	375,153,760
Financial investments:		
Financial assets held-for-trading	42,592,701	50,696,289
Investments in debts	140,564,544	134,116,777
Other debt investments	129,310,876	123,605,611
Other equity investments	1,173,395	1,172,085
Long-term equity investments	644,456	644,456
Investment properties	7,231	6,814
Fixed assets	1,782,728	1,774,773
Construction in progress	506,019	577,790
Right-of-use assets	445,666	435,672
Intangible assets	1,099,370	1,094,912
Goodwill	520,521	520,521
Deferred income tax assets	4,732,688	5,109,147
Other assets	1,128,955	1,034,775
Total assets	745,904,487	753,788,836

	As at 31 December 2024 RMB'000 (audited)	As at 31 March 2025 RMB'000 (unaudited)
Liabilities:		
Borrowings from the central bank	31,982,838	22,536,310
Deposits from banks and other financial institutions	5,822,033	4,969,504
Placements from banks and other financial institutions	6,300,165	6,185,379
Financial liabilities held-for-trading	1,676,073	1,792,542
Derivative financial liabilities	530,460	437,853
Financial assets sold under repurchase agreements	19,001,585	22,158,541
Deposits from customers	530,171,576	534,676,003
Salaries and welfare payable	2,154,189	1,584,849
Taxes payable	290,369	85,405
Held-for-sale liabilities	—	—
Estimated liabilities	106,385	101,468
Bonds payable	83,544,009	94,280,979
Including ^{note} : Preference shares	—	—
Perpetual bonds	—	—
Lease liabilities	498,048	484,053
Deferred income tax liabilities	—	—
Other liabilities	1,360,856	1,422,553
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Total liabilities	683,438,586	690,715,439
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	As at 31 December 2024 RMB'000 (audited)	As at 31 March 2025 RMB'000 (unaudited)
Equity:		
Share capital	6,888,546	6,888,546
Other equity instruments	—	—
Including ^{note} : Preference shares	—	—
Perpetual bonds	—	—
Capital reserve	6,323,045	6,323,045
Less: treasury stock	—	—
Other comprehensive income	3,039,444	2,027,854
Surplus reserve	9,273,111	9,273,111
General reserve	7,867,224	7,867,224
Retained earnings	26,160,083	27,793,260
Total equity attributable to the shareholders of the Parent Company	59,551,453	60,173,040
Non-controlling interests	2,914,448	2,900,357
	<u>62,465,901</u>	<u>63,073,397</u>
Total equity	<u>62,465,901</u>	<u>63,073,397</u>
Total liabilities and equity	<u>745,904,487</u>	<u>753,788,836</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
29 April 2025

As at the date of this announcement, the Board of Directors of the Bank comprises Mr. LU Guofeng, Mr. FU Qiang, Mr. QIAN Hua and Mr. YE Jianguang as executive Directors; Ms. LI Huiqin, Mr. WONG Wai Hung, Mr. TANG Wencheng and Mr. CHAN Ho Fung as non-executive Directors; and Mr. ZENG Jianhua, Mr. YIP Tai Him, Mr. XU Zhi, Mr. TAN Fulong, Ms. LIU Yuou and Ms. XU Tingting as independent non-executive Directors.