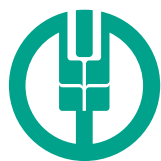


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# 中国农业银行

AGRICULTURAL BANK OF CHINA

**AGRICULTURAL BANK OF CHINA LIMITED**

**中國農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: 1288)**

## **THE FIRST QUARTERLY REPORT OF 2013**

The Board of Directors (the “**Board**”) of Agricultural Bank of China Limited (the “**Bank**”) is pleased to announce the unaudited results of the Bank and its subsidiaries (collectively the “**Group**”) for the first quarter ended 31 March 2013, prepared under the International Financial Reporting Standards (“**IFRS**”). This announcement is made in accordance with Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) and Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **§1 Important Notice**

- 1.1 The Board, the Board of Supervisors, Directors, Supervisors and Senior Management of the Bank undertake that the information stated in this quarterly report is authentic, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint and several legal liabilities.
- 1.2 The Board reviewed and approved the First Quarterly Report of 2013 at its fifth meeting of 2013 held on 26 April 2013. All the Directors were present at the meeting.
- 1.3 The financial statements herein have not been audited.
- 1.4 Mr. JIANG Chaoliang, Legal Representative of the Bank, Mr. LOU Wenlong, Executive Vice President in charge of finance, and Ms. ZHANG Keqiu, General Manager of the Finance and Accounting Department of the Bank, hereby warrant and guarantee that the financial statements contained in this quarterly report are authentic, accurate and complete.

## §2 Corporate Information

### 2.1 Basic corporate information

<b>Stock exchange on which A shares are listed</b>	Shanghai Stock Exchange
<b>Stock name</b>	農業銀行
<b>Stock code</b>	601288
<b>Stock exchange on which H shares are listed</b>	The Stock Exchange of Hong Kong Limited
<b>Stock name</b>	ABC
<b>Stock code</b>	1288
<b>Board Secretary and Company Secretary</b>	LI Zhenjiang  Address: No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, PRC (Postal code: 100005) Tel: 86-10-85109619 Fax: 86-10-85108557 E-mail: ir@abchina.com

## 2.2 Financial highlights

Financial data and indicators recorded in this quarterly report are prepared in accordance with IFRS and denominated in Renminbi (“RMB”), unless otherwise stated.

### 2.2.1 Major financial data and indicators

*In millions of RMB, unless otherwise stated*

	<b>31 March 2013</b>	<b>31 December 2012</b>	<b>Change as compared to the end of 2012 (%)</b>
Total assets	14,267,738	13,244,342	7.73
Loans and advances to customers, net	6,478,080	6,153,411	5.28
Investment in securities and other financial assets, net	3,022,790	2,851,448	6.01
Total liabilities	13,467,419	12,492,988	7.80
Deposits from customers	11,611,336	10,862,935	6.89
Equity attributable to equity holders of the Bank	798,740	749,815	6.52
Net assets per share (in RMB Yuan)	2.46	2.31	6.49
	<b>Three months ended 31 March 2013 (January–March)</b>		<b>Change as compared to the same period of 2012 (%)</b>
Net cash flow from operating activities	208,204		-53.06
Net cash flow per share from operating activities (in RMB Yuan)	0.64		-53.28
	<b>Three months ended 31 March 2013 (January– March)</b>	<b>Three months ended 31 March 2012 (January– March)</b>	<b>Change as compared to the same period of 2012 (%)</b>
Net profit	47,051	43,460	8.26
Net profit attributable to equity holders of the Bank	47,011	43,454	8.19
Basic earnings per share (in RMB Yuan)	0.14	0.13	7.69
Return on weighted average net assets (annualized, %)	24.28	25.88	Decreased by 1.60 percentage points

### 2.2.2 Differences between the financial statements prepared under IFRS and Generally Accepted Accounting Principles of the People’s Republic of China (“PRC GAAP”)

There are no differences between the net profit and equity attributable to equity holders for the reporting period in the consolidated financial statements prepared under IFRS and those prepared under PRC GAAP by the Group.

## 2.3 Number of shareholders and particulars of shareholding of the top 10 shareholders not subject to restrictions on sales at the end of the reporting period

At the end of the reporting period, the Bank had 310,468 shareholders in total, including 29,202 H-share shareholders and 281,266 A-share shareholders.

### Particulars of shareholding of the top 10 shareholders (based on the registers of shareholders as at 31 March 2013)

Name of shareholder	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Central Huijin Investment Ltd. (“Huijin”)	State-owned	A shares	40.23	130,652,527,175	130,000,000,000	None
Ministry of Finance of the PRC	State-owned	A shares	39.21	127,361,764,737	127,361,764,737	None
HKSCC Nominees Limited	Overseas legal entity	H shares	9.04	29,355,991,280	—	Unknown
National Council for Social Security Fund of the PRC	State-owned	A shares	3.02	9,797,058,826	9,797,058,826	None
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products	Other	A shares	1.38	4,489,829,320	—	None
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 HU	Other	A shares	0.46	1,484,760,810	—	None
National Council for Social Security Fund of the PRC — Account III for state-owned shares transfer	State-owned	A shares	0.41	1,325,882,341	1,325,882,341	None
Standard Chartered Bank	Overseas legal entity	H shares	0.37	1,217,281,000	—	Unknown
China Shuangwei Investment Corporation	Other	A shares	0.23	746,268,000	—	None
State Grid Yingda International Holdings Group Limited	Other	A shares	0.23	746,268,000	—	None

Note: (1) During the six months from 10 October 2012, Huijin acquired A shares of the Bank through the trading system of the Shanghai Stock Exchange under its own name in the secondary market. From 10 October 2012 to 9 April 2013, Huijin had acquired 231,439,773 additional A shares of the Bank, representing approximately 0.071% of the total issued share capital of the Bank. Please refer to the announcements of the Bank published on the websites of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange for more details.

(2) Particulars of shareholding of holders of H shares were based on the number of shares as recorded in the registers of shareholders of the Bank maintained by the H shares registrar.

- (3) All the shares held by HKSCC Nominees Limited represents the total number of H shares held by it as a nominee on behalf of all the institutional and individual investors that open an account and register with it as at 31 March 2013.
- (4) Apart from National Council for Social Security Fund of the PRC — Account III for state-owned shares transfer which is managed by National Council for Social Security Fund of the PRC, the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

**Particulars of shareholding of the top 10 shareholders not subject to restrictions on sales  
(based on the registers of shareholders as at 31 March 2013)**

<b>Name of shareholder</b>	<b>Number of shares not subject to restrictions on sales</b>	<b>Type of shares</b>
HKSCC Nominees Limited	29,355,991,280	H shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products	4,489,829,320	A shares
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 HU	1,484,760,810	A shares
Standard Chartered Bank	1,217,281,000	H shares
State Grid Yingda International Holdings Group Limited	746,268,000	A shares
China Shuangwei Investment Corporation	746,268,000	A shares
China Railway Investment Corp.	742,974,000	A shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance Policy with High Interest Rate	656,936,059	A shares
Huijin	652,527,175	A shares
China National Petroleum Corporation Assets Management Co., Ltd.	594,379,000	A shares
Anshan Iron and Steel Group Corporation	594,379,000	A shares

Note: (1) Particulars of shareholding of holders of H shares were based on the number of shares as recorded in the registers of shareholders of the Bank maintained by the H shares registrar.

- (2) Apart from Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products and Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance Policy with High Interest Rate which are managed by Ping An Life Insurance Company of China, Ltd., the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

### **§3 Brief Analysis on Overall Operating Activities in the First Quarter**

(The financial data herein are presented in RMB unless otherwise indicated.)

For the three months ended 31 March 2013, the Group achieved a net profit of RMB47,051 million, representing an increase of 8.26% over the same period of 2012, primarily due to the increase of net interest income and net fee and commission income. Our annualized return on average total assets and annualized return on weighted average net assets reached 1.37% and 24.28%, respectively. We achieved basic earnings per share of RMB0.14.

Net interest income amounted to RMB89,288 million, representing an increase of 4.02% over the same period of 2012. Net interest margin and net interest spread amounted to 2.78% and 2.64%, respectively. Net fee and commission income reached RMB25,991 million, representing an increase of 22.20% over the same period of 2012. Operating expenses increased to RMB46,675 million, representing an increase of 14.86% over the same period of 2012. Cost-to-income ratio<sup>1</sup> was 30.57%, representing a decrease of 1.42 percentage points over the same period of 2012. Provisions for impairment losses on assets reached RMB12,442 million, representing an increase of RMB1,709 million over the same period of 2012.

At the end of the reporting period, total assets amounted to RMB14,267,738 million, representing an increase of RMB1,023,396 million or 7.73% compared to the end of 2012. Total loans and advances to customers increased by RMB336,474 million to RMB6,769,873 million, among which, corporate loans, retail loans, discounted bills, and overseas and other loans amounted to RMB4,610,221 million, RMB1,818,819 million, RMB103,320 million and RMB237,513 million, respectively. Loan-to-deposit ratio was 58.30%, representing a decrease of 0.92 percentage point compared to the end of 2012. Net investment in securities and other financial assets increased by RMB171,342 million or 6.01% compared to the end of 2012 to RMB3,022,790 million.

Total liabilities increased by RMB974,431 million or 7.80% over the end of 2012 to RMB13,467,419 million. Deposits from customers increased by RMB748,401 million or 6.89% compared to the end of 2012 to RMB11,611,336 million, among which, time deposits, demand deposits and other deposits amounted to RMB4,937,979 million, RMB6,216,353 million and RMB457,004 million, respectively.

Total Equity increased by RMB48,965 million or 6.52% compared to the end of 2012 to RMB800,319 million, with share capital of RMB324,794 million, capital reserve of RMB98,773 million, investment revaluation reserve of RMB734 million, surplus reserve of RMB44,031 million, general reserve of RMB75,661 million and retained earnings of RMB255,152 million.

The quality of assets remains stable. Non-performing loans amounted to RMB85,683 million, decreased by RMB165 million compared to the end of 2012; non-performing loan ratio was 1.27%, decreased by 0.06 percentage point compared to the end of 2012. Allowance to non-performing loans reached 340.55%, representing an increase of 14.41 percentage points compared to the end of 2012.

Total loans and advances to customers of County Area Banking Business amounted to RMB2,160,267 million, representing an increase of RMB111,050 million or 5.42% compared to the end of 2012. Deposits from customers of County Area Banking Business amounted to RMB4,899,268 million, representing an increase of RMB341,952 million or 7.50% compared to the end of 2012.

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<sup>1</sup> Calculated by dividing operating and management expenses by operating income under PRC GAAP and consistent with the PRC report.

## §4 Significant Events

### 4.1 Significant changes in major financial statements items and financial indicators and the reasons thereof

Applicable     Not Applicable

Compared with the end of 2012 or the same period of 2012, items of major consolidated financial statements and financial indicators with changes over 30% and the reasons thereof are as follows:

*In millions of RMB, except for percentages*

<b>Item</b>	<b>Three months ended 31 March 2013</b>	<b>Three months ended 31 March 2012</b>	<b>Changes as compared to the same period of 2012 (%)</b>	<b>Major reasons for change</b>
Net trading gain	1,246	912	36.62	The increase in return from derivative instruments
Net loss on financial instruments designated as at fair value through profit or loss	(4)	(2,127)	-99.81	The decrease in loss from financial liabilities designated as at fair value through profit or loss
Net gain/(loss) on investment securities	146	(1)	—	The increase in return from disposal of available-for-sale financial assets
Other operating income	3,174	1,617	96.29	Income from insurance business after acquiring ABC Life Insurance
Other comprehensive income for the period, net of income tax	1,914	736	160.05	Change in fair value of available-for-sale financial assets

*In millions of RMB, except for percentages*

<b>Item</b>	<b>31 March 2013</b>	<b>31 December 2012</b>	<b>Changes as compared to the end of 2012 (%)</b>	<b>Major reasons for change</b>
Deposits with banks and other financial institutions	420,889	262,233	60.50	The increase in utilization of funds
Financial assets held for trading	34,476	23,189	48.67	The increase in bonds held for trading
Other assets	173,510	121,386	42.94	The increase in receivables for settlement
Placements from banks and other financial institutions	225,638	149,721	50.71	Business expansion of overseas branches and the increase in the interbank entrusted payment business
Financial liabilities held for trading	9,834	3,674	167.66	The increase in sales of individual gold product and borrowings business of gold
Financial assets sold under repurchase agreements	1,446	7,631	-81.05	The decrease in fund borrowings
Deferred tax liabilities	29	15	93.33	The increase in deferred tax liabilities of subsidiaries
Investment revaluation reserve	734	(901)	—	Change in fair value of available-for-sale financial assets
Foreign currency translation reserve	(405)	(684)	-40.79	Changes in translating the financial statements of overseas institutions

#### **4.2 Progress of significant events and analysis on their effects and solutions**

Applicable     Not Applicable

#### **4.3 Fulfilment of commitments made by the Bank, its shareholders and de facto controllers**

Applicable     Not Applicable

Shareholders of pre-initial public offering of the Bank undertook to comply with the lock-up requirements for the shares they held and Huijin undertook to avoid any business competition with the Bank. Please refer to the 2012 annual report of the Bank for details. As at 31 March 2013, all of the commitments made by the shareholders of the Bank were properly fulfilled.

#### **4.4 Implementation of cash dividend policy during the reporting period**

Applicable     Not Applicable



#### 4.5 Warnings and explanations on estimated loss or significant change (as compared to the same period of last year) in net accumulated profit from the beginning of the year to the end of the next reporting period

Applicable     Not Applicable

### §5 Information of Capital Ratios

The Bank disclosed the following information regarding capital ratios in accordance with the requirements of the *Regulation Governing Capital of Commercial Banks (Provisional)* issued by the China Banking Regulatory Commission (the “CBRC”).

#### 5.1 Regulatory requirements of capital ratios

The *Regulation Governing Capital of Commercial Banks (Provisional)* taking effect from 1 January 2013 requires commercial banks to comply with the regulatory requirements of capital ratios by the end of 2018. The regulatory requirements of capital adequacy ratio include the minimum regulatory capital requirements, capital conservation buffer requirements as well as countercyclical capital requirements, additional capital surcharge on Systemically Important Banks (SIBs) and the capital requirements under Pillar II.

Item		Regulatory requirements
Minimum capital requirements	Core tier 1 capital ratio	5%
	Tier 1 capital ratio	6%
	Total capital ratio	8%
Capital conservation buffer requirements		Capital conservation buffer requirements during the transitional period was gradually introduced in phases, i.e. 0.5% at the end of 2013, 0.9% at the end of 2014, 1.3% at the end of 2015, 1.7% at the end of 2016, 2.1% at the end of 2017 and 2.5% at the end of 2018, and shall be funded by core tier 1 capital.
Countercyclical capital requirements		0-2.5% of the risk-weighted assets and shall be funded by core tier 1 capital.
Additional capital surcharge on SIBs		Domestic SIBs: 1% of the risk-weighted assets and shall be funded by core tier 1 capital. Global SIBs: as stipulated by the Basel Committee.
Capital requirements under Pillar II		As stipulated by the CBRC under the framework of Pillar II.

## 5.2 Regulatory capital and capital ratios

The Bank adopted weighted approach, standardized approach and basic indicator approach to measure credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets, respectively. The table below sets out the measurement of regulatory capital, risk-weighted assets and capital ratio pursuant to the *Regulation Governing Capital of Commercial Banks (Provisional)*.

*In millions of RMB, except for percentages*

<b>Item</b>	<b>Consolidated</b>	<b>Unconsolidated</b>
Core tier 1 capital	792,529	786,769
Tier 1 capital	792,530	786,769
Total regulatory capital	1,023,886	1,017,729
Risk-weighted assets	8,550,087	8,511,751
Core tier 1 capital ratio	9.27%	9.24%
Tier 1 capital ratio	9.27%	9.24%
Total capital ratio	11.98%	11.96%

The consolidated and unconsolidated total capital ratios measured pursuant to the *Measures for the Management of Capital Adequacy Ratio of Commercial Banks* were 12.40% and 12.37%, respectively.

## §6 Appendix Financial Statements Prepared under IFRS

The financial statements prepared under IFRS are attached as the appendix of this report.

## §7 Release of Quarterly Report

The quarterly report prepared under IFRS will be published simultaneously on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Bank ([www.abchina.com](http://www.abchina.com)). The quarterly report prepared under PRC GAAP will be published simultaneously on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Bank ([www.abchina.com](http://www.abchina.com)).

By Order of the Board of Directors  
**Agricultural Bank of China Limited**  
**LI Zhenjiang**  
Company Secretary

Beijing, the PRC  
26 April 2013

*As at the date of this announcement, our executive directors are Mr. JIANG Chaoliang, Mr. ZHANG Yun, Mr. GUO Haoda and Mr. LOU Wenlong; our non-executive directors are Mr. SHEN Bingxi, Mr. LIN Damao, Mr. CHENG Fengchao, Mr. LI Yelin, Mr. XIAO Shusheng and Mr. ZHAO Chao; and our independent non-executive directors are Mr. Anthony WU Ting-yuk, Mr. QIU Dong, Mr. Frederick MA Si-hang, Mr. WEN Tiejun and Mr. Francis YUEN Tin-fan.*

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE THREE MONTHS ENDED 31 MARCH 2013  
(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended	
	<u>2013</u> (Unaudited)	<u>2012</u> (Unaudited)
Interest income	145,914	137,183
Interest expense	(56,626)	(51,348)
Net interest income	<u>89,288</u>	<u>85,835</u>
Fee and commission income	26,649	21,898
Fee and commission expense	(658)	(628)
Net fee and commission income	<u>25,991</u>	<u>21,270</u>
Net trading gain	1,246	912
Net loss on financial instruments designated as at fair value through profit or loss	(4)	(2,127)
Net gain/(loss) on investment securities	146	(1)
Other operating income	3,174	1,617
Operating income	119,841	107,506
Operating expenses	(46,675)	(40,638)
Impairment losses on assets	(12,442)	(10,733)
Profit before tax	60,724	56,135
Income tax expense	(13,673)	(12,675)
Profit for the period	<u>47,051</u>	<u>43,460</u>
Attributable to:		
Equity holders of the Bank	47,011	43,454
Non-controlling interests	40	6
	<u>47,051</u>	<u>43,460</u>
Earnings per share attributable to the equity holders of the Bank (Expressed in RMB yuan per share)		
- Basic	<u>0.14</u>	<u>0.13</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2013  
(Amounts in millions of Renminbi, unless otherwise stated)

	<u>Three months ended</u>	
	<u>2013</u>	<u>2012</u>
	(Unaudited)	(Unaudited)
Profit for the period	47,051	43,460
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation	279	400
Fair value gains on available-for-sale financial assets	2,307	426
Income tax relating to items that may be reclassified subsequently	(672)	(90)
	<u>1,914</u>	<u>736</u>
Other comprehensive income for the period, net of income tax	<u>1,914</u>	<u>736</u>
Total comprehensive income for the period	<u>48,965</u>	<u>44,196</u>
Total comprehensive income attributable to:		
Owners of the Company	48,925	44,190
Non-controlling interests	40	6
	<u>48,965</u>	<u>44,196</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AT 31 MARCH 2013  
 (Amounts in millions of Renminbi, unless otherwise stated)

	<u>At 31 March</u> <u>2013</u> (Unaudited)	<u>At 31 December</u> <u>2012</u> (Audited)
<b>Assets</b>		
Cash and balances with central banks	2,728,635	2,613,111
Deposits with banks and other financial institutions	420,889	262,233
Placements with banks and other financial institutions	265,197	223,380
Financial assets held for trading	34,476	23,189
Financial assets designated as at fair value through profit or loss	191,335	155,366
Derivative financial assets	5,417	4,825
Financial assets held under resale agreements	974,050	814,620
Loans and advances to customers	6,478,080	6,153,411
Available-for-sale financial assets	825,543	755,503
Held-to-maturity investments	1,361,205	1,308,796
Debt securities classified as receivables	610,231	608,594
Interest in associates	-	108
Property and equipment	139,965	141,490
Goodwill	1,381	1,381
Deferred tax assets	57,824	56,949
Other assets	173,510	121,386
<b>Total assets</b>	<u>14,267,738</u>	<u>13,244,342</u>
<b>Liabilities</b>		
Borrowings from central bank	70	66
Deposits from banks and other financial institutions	853,032	784,352
Placements from banks and other financial institutions	225,638	149,721
Financial liabilities held for trading	9,834	3,674
Financial liabilities designated as at fair value through profit or loss	184,657	155,071
Derivative financial liabilities	6,537	5,514
Financial assets sold under repurchase agreements	1,446	7,631
Due to customers	11,611,336	10,862,935
Debt securities issued	204,147	192,639
Deferred tax liabilities	29	15
Other liabilities	370,693	331,370
<b>Total liabilities</b>	<u>13,467,419</u>	<u>12,492,988</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AT 31 MARCH 2013  
 (Amounts in millions of Renminbi, unless otherwise stated)

	<u>At 31 March</u> <u>2013</u> (Unaudited)	<u>At 31 December</u> <u>2012</u> (Audited)
Equity		
Share capital	324,794	324,794
Capital reserve	98,773	98,773
Investment revaluation reserve	734	(901)
Surplus reserve	44,031	43,996
General reserve	75,661	75,349
Retained earnings	255,152	208,488
Foreign currency translation reserve	(405)	(684)
Equity attributable to equity holders of the Bank	<u>798,740</u>	<u>749,815</u>
Non-controlling interests	<u>1,579</u>	<u>1,539</u>
Total equity	<u>800,319</u>	<u>751,354</u>
Total equity and liabilities	<u><u>14,267,738</u></u>	<u><u>13,244,342</u></u>

The consolidated financial statements on page I to VI were approved and authorized for issue by the Board of Directors on 26 April 2013 and are signed on its behalf by:

JIANG Chaoliang

LOU Wenlong

CHAIRMAN

EXECUTIVE DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2013  
(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended	
	<u>2013</u> (Unaudited)	<u>2012</u> (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	60,724	56,136
Adjustments for:		
Amortisation of intangible assets and other assets	544	560
Depreciation of property and equipment	3,623	3,212
Impairment losses on assets	12,442	10,733
Interest income arising from investment securities	(25,016)	(23,825)
Interest income arising from impaired financial assets	(124)	(90)
Interest expense on bonds issued	1,765	1,116
Net (gain)/loss on investment securities	(146)	1
Net gain on disposal of interest in an associate	(305)	-
Net gain on disposal of property and equipment	(56)	(44)
Net foreign exchange loss/(gain)	1,275	(378)
Operating cash flows before movements in working capital	54,726	47,421
Net increase in balances with central banks, deposits with banks and other financial institutions	(228,758)	(102,066)
Net increase in placements with banks and other financial institutions	(9,016)	(18,936)
Net increase in loans and advances to customers	(337,729)	(259,981)
Net increase in borrowings from central bank	4	-
Net increase/(decrease) in placements from banks and other financial institutions	75,917	(11,031)
Net increase in due to customers and deposits from banks and other financial institutions	828,584	776,132
Net increase in other operating assets	(242,861)	(57,212)
Net increase in other operating liabilities	70,361	72,694
Cash generated from operations	211,228	447,021
Income tax paid	(3,024)	(3,447)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>208,204</u>	<u>443,574</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from disposal/redemption of investment securities	82,980	145,062
Cash received from interest income arising from investment securities	17,030	16,749
Cash received from other investing activities	360	726
Cash paid for purchase of investment securities	(212,247)	(242,262)
Cash paid for purchase of property, equipment and other assets	(8,500)	(6,343)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(120,377)</u>	<u>(86,068)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2013  
(Amounts in millions of Renminbi, unless otherwise stated)

	<u>Three months ended</u>	
	<u>2013</u> (Unaudited)	<u>2012</u> (Unaudited)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	87,827	357,506
CASH AND CASH EQUIVALENTS AT 1 JANUARY	952,935	642,107
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(1,025)</u>	<u>206</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u><u>1,039,737</u></u>	<u><u>999,819</u></u>