

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 THIRD QUARTERLY REPORT OF 2018

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 third quarter ended 30 September 2018, prepared under International Financial Reporting Standards (the “**IFRSs**”). 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 CORPORATE INFORMATION

1.1 Basic corporate information

Stock exchange on which A shares are listed Stock name Stock code	Shanghai Stock Exchange 農業銀行 601288
Stock exchange on which H shares are listed Stock name Stock code	The Stock Exchange of Hong Kong Limited ABC 1288
Trading exchange and platform of preference shares Stock name Stock code	The Integrated Business Platform of Shanghai Stock Exchange 農行優1, 農行優2 360001, 360009
Board Secretary and Company Secretary	Zhou Wanfu Address: No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, PRC (Postal code: 100005) Tel: 86-10-85109619 (Investors enquiry) Fax: 86-10-85108557 E-mail: ir@abchina.com

1.2 Major financial data

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

1.2.1 Major financial data and indicators

In millions of RMB, unless otherwise stated

	30 September 2018	31 December 2017	Change as compared to the end of 2017 (%)
Total Assets	22,700,325	21,053,382	7.82
Loans and advances to customers, net	11,295,070	10,316,311	9.49
Deposits with bank and other financial institutions	91,363	130,245	(29.85)
Placements with and loans to banks and other financial institutions	550,508	505,269	8.95
Investment in securities and other financial assets, net	6,687,615	6,152,743	8.69
Total liabilities	21,065,457	19,623,985	7.35
Deposits from customers	17,299,684	16,194,279	6.83
Deposits from banks and other financial institutions	1,161,575	974,730	19.17
Placements from banks and other financial institutions	308,353	280,061	10.10
Equity attributable to equity holders of the Bank	1,630,380	1,426,415	14.30
Net assets per share (in RMB Yuan)	4.43	4.15	6.75

In millions of RMB, unless otherwise stated

	Three months ended 30 September 2018 (July-September)	Change as compared to the same period of 2017 (%)	Nine months ended 30 September 2018 (January-September)	Change as compared to the same period of 2017 (%)
Operating income	152,187	14.58	460,137	11.64
Net profit	55,828	8.46	171,804	7.28
Net profit attributable to equity holders of the Bank	55,822	8.57	171,611	7.25
Net cash flow from operating activities	N/A	N/A	112,387	(81.15)
Basic earnings per share (in RMB Yuan)	0.17	6.25	0.51	4.08
Diluted earnings per share (in RMB Yuan)	0.17	6.25	0.51	4.08
Return on weighted average net assets (annualized, %) ¹	15.55	Decreased by 0.21 percentage point	15.94	Decreased by 0.41 percentage point

Note: 1. Computed by dividing the amount of annualized net profit attributable to equity holders of the Bank less the dividends on preference shares declared in the period, by the weighted average net assets.

1.2.2 Differences between the financial statements prepared under IFRSs and Generally Accepted Accounting Principles of the People's Republic of China (“PRC GAAP”)

There are no differences between the net profit or shareholder's equity for the reporting period in the consolidated financial statements of the Group prepared under IFRSs and PRC GAAP.

1.3 Particulars of shareholding of ordinary shares at the end of the reporting period

At the end of the reporting period, the Bank had 420,605 shareholders of ordinary shares in total, including 23,229 shareholders of H shares and 397,376 shareholders of A shares.

Particulars of shareholding of the top 10 shareholders of ordinary shares (based on the registers of shareholders as at 30 September 2018)

Unit: Share

Name of shareholders	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	40.03	140,087,446,351	10,082,342,569	None
Ministry of Finance of the PRC	State-owned	A shares	39.21	137,239,094,711	9,877,329,974	None
HKSCC Nominees Limited	Overseas legal entity	H shares	8.74	30,571,323,291	–	Unknown
National Council for Social Security Fund of the PRC	State-owned	A shares	2.80	9,797,058,826	–	None
China National Tobacco Corporation	Other	A shares	0.72	2,518,891,687	2,518,891,687	None
China Securities Finance Corporation Limited	State-owned legal entity	A shares	0.53	1,837,591,186	–	None
China Life Insurance Company Limited – Dividend distribution – Individual dividend – 005L – FH002Hu	Other	A shares	0.40	1,399,118,064	–	None
Shanghai Haiyan Investment Management Company Limited	State-owned legal entity	A shares	0.36	1,259,445,843	1,259,445,843	None
Central Huijin Asset Management Ltd.	State-owned legal entity	A shares	0.36	1,255,434,700	–	None
Wutongshu Investment Platform Co., Ltd.	State-owned legal entity	A shares	0.28	980,723,700	–	None

- Notes: (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) All the shares held by HKSCC Nominees Limited represent the total number of H shares held by it as a nominee on behalf of all the institutional and individual investors that opened an account and registered with it as at 30 September 2018.
- (3) Among the above shareholders, Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Huijin and China National Tobacco Corporation is the *de facto* controller of Shanghai Haiyan Investment Management Company Limited. Apart from these, the Bank is not aware of any connections between the shareholders above or whether they are parties acting in concert. The number of shares held by Huijin and Central Huijin Asset Management Ltd., a wholly-owned subsidiary of Huijin, accounted to 141,342,881,051 in aggregate, accounting for 40.39% of the total shares of the Bank. The number of shares held by China National Tobacco Corporation and Shanghai Haiyan Investment Management Company Limited accounted to 3,778,337,530 in aggregate, accounting for 1.08% of the total shares of the Bank.

Particulars of shareholding of the top 10 shareholders of ordinary shares not subject to restrictions on sales (based on the registers of shareholders as at 30 September 2018)

Unit: Share

Name of shareholders	Number of Shares not subject to restrictions on sales	Type of shares
Huijin	130,005,103,782	A shares
Ministry of Finance of the PRC	127,361,764,737	A shares
HKSCC Nominees Limited	30,571,323,291	H shares
National Council for Social Security Fund of the PRC	9,797,058,826	A shares
China Securities Finance Corporation Limited	1,837,591,186	A shares
China Life Insurance Company Limited – Dividend distribution – Individual dividend – 005L – FH002Hu	1,399,118,064	A shares
Central Huijin Asset Management Ltd.	1,255,434,700	A shares
Wutongshu Investment Platform Co., Ltd.	980,723,700	A shares
Hong Kong Securities Clearing Company Limited	903,849,202	A shares
China Shuangwei Investment Co., Ltd.	746,268,000	A shares

- Notes: (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) The shares held by HKSCC Limited, which acts as the nominee designated by and on behalf of the Hong Kong and overseas investors, are A shares acquired by Hong Kong and overseas investors (via the Shanghai-Hong Kong Stock Connect).

1.4 Particulars of shareholding of preference shares at the end of the reporting period

The Bank had a total of 25 holders¹ of preference shares of “農行優1” (stock code: 360001) and 28 holders¹ of preference shares of “農行優2” (stock code: 360009).

Particulars of shareholding of the top 10 holders of preference shares of “農行優1” (stock code: 360001) (based on the registers of shareholders as at 30 September 2018)

Unit: Share

Name of shareholders	Nature of Shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares
Bank of Communications Schroder Fund Management Co., Ltd.	Other	Domestic preference shares	15.00	60,000,000	None
China Merchants Fund Management Co., Ltd.	Other	Domestic preference shares	12.25	49,000,000	None
Beijing Tiandi Fangzhong Asset Management Co., Ltd.	Other	Domestic preference shares	8.75	35,000,000	None
Ping An Life Insurance Co., Ltd.	Other	Domestic preference shares	7.50	30,000,000	None
PICC Life Insurance Company Limited	Other	Domestic preference shares	7.50	30,000,000	None
Harmony Health Insurance Co., Ltd.	Other	Domestic preference shares	7.50	30,000,000	None
Beijing International Trust Co., Ltd.	Other	Domestic preference shares	7.50	30,000,000	None
Zhonghai Trust Co., Ltd.	Other	Domestic preference shares	5.00	20,000,000	None
Bank of Ningbo Co., Ltd.	Other	Domestic preference shares	3.75	15,000,000	None
Bank of Beijing Scotiabank Asset Management Co., Ltd.	Other	Domestic preference shares	3.00	12,000,000	None

Notes: 1 The Bank is not aware of any connections between the above shareholders of preference shares or between the above shareholders of preference shares and top 10 shareholders of ordinary shares or whether they are parties acting in concert.

2 “Shareholding percentage” refers to the proportion of the number of preference shares of “農行優1” held by the shareholders of preference shares to the total number of preference shares of “農行優1” (i.e 400 million shares).

¹ The number of holders of preference shares was calculated by the number of qualified investors that held the preference shares. When calculating the number of the qualified investors, an asset management institution that purchases the preference shares through two or more products under its control will be counted as one.

**Particulars of shareholding of the top 10 holders of preference shares of “農行優2”
(stock code: 360009) (based on the registers of shareholders as at 30 September 2018)**

Unit: Share

Name of shareholder	Nature of Shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares
China Life Insurance Company Limited	Other	Domestic preference shares	12.50	50,000,000	None
China National Tobacco Corporation	Other	Domestic preference shares	12.50	50,000,000	None
Beijing Chance Capital Management Co., Ltd.	Other	Domestic preference shares	6.25	25,000,000	None
Maxwealth Fund Management Co., Ltd.	Other	Domestic preference shares	6.25	25,000,000	None
China Mobile Communications Group Co., Ltd.	Other	Domestic preference shares	5.00	20,000,000	None
Shanghai Wisdom Asset Management Co., Ltd.	Other	Domestic preference shares	5.00	20,000,000	None
Bank of Communications Schroder Fund Management Co., Ltd.	Other	Domestic preference shares	5.00	20,000,000	None
Bank of China Limited, Shanghai Branch	Other	Domestic preference shares	5.00	20,000,000	None
China National Tobacco Corporation Jiangsu Province Company	Other	Domestic preference shares	5.00	20,000,000	None
China National Tobacco Corporation Yunnan Province Company	Other	Domestic preference shares	5.00	20,000,000	None

Notes: (1) China Shuangwei Investment Co., Ltd., China National Tobacco Corporation Jiangsu Province Company and China National Tobacco Corporation Yunnan Province Company are wholly-owned subsidiaries of China National Tobacco Corporation. China National Tobacco Corporation is the *de facto* controller of Shanghai Haiyan Investment Management Company Limited. China Life Insurance Company Limited – Dividend distribution – Individual dividend – 005L – FH002Hu is managed by China Life Insurance Company Limited. Save as mentioned above, the Bank is not aware of any connections between the above shareholders of preference shares or between the above shareholders of preference shares and top 10 ordinary shareholders or whether they are parties acting in concert.

(2) “Shareholding percentage” refers to the proportion of the number of preference shares of “農行優2” held by the shareholders of preference shares to the total number of preference shares of “農行優2” (i.e 400 million shares).

“農行優1” and “農行優2”, preference shares of the Bank, are shares not subject to the restrictions on sales. The top 10 shareholders of preference shares not subject to the restrictions on sales of “農行優1” and “農行優2” are the same with the top 10 shareholders of preference shares of each.

§2 BRIEF ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE THIRD QUARTER

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

Financial results

For the nine months ended 30 September 2018, the Group achieved a net profit of RMB171,804 million, representing an increase of 7.28% over the same period of 2017. Our annualized return on average total assets and annualized return on weighted average net assets were 1.05% and 15.94%, respectively. We achieved basic earnings per share of RMB0.51, representing an increase of RMB0.02 over the same period of 2017.

For the nine months ended 30 September 2018, the Group achieved an operating income of RMB460,137 million, representing an increase of 11.64% over the same period of 2017. Net interest income amounted to RMB355,415 million, representing an increase of 9.61% over the same period of 2017. Net fee and commission income amounted to RMB62,362 million, representing an increase of 7.27% over the same period of 2017, which was mainly due to an increase in electronic banking service fees and bank card fees. Operating expenses amounted to RMB146,915 million, representing an increase of 1.07% over the same period of 2017. Cost-to-income ratio (under PRC GAAP) amounted to 27.41%, representing a decrease of 2.02 percentage points over the same period of 2017. Impairment losses on assets amounted to RMB103,200 million, representing an increase of RMB31,577 million over the same period of 2017, of which impairment losses on loans was RMB101,240 million.

Assets and liabilities

At 30 September 2018, the Group's total assets amounted to RMB22,700,325 million, representing an increase of RMB1,646,943 million or 7.82% compared to the end of 2017. Total loans and advances to customers amounted to RMB11,775,006 million, representing an increase of RMB1,054,395 million or 9.8% compared to the end of 2017, among which, corporate loans, retail loans, discounted bills, and overseas and other loans amounted to RMB6,613,889 million, RMB4,518,534 million, RMB205,373 million and RMB437,210 million, respectively. Net investments in securities and other financial assets increased by RMB534,872 million or 8.69% compared to the end of 2017 to RMB6,687,615 million.

Total liabilities increased by RMB1,441,472 million or 7.35% compared to the end of 2017 to RMB21,065,457 million. Deposits from customers increased by RMB1,105,405 million or 6.83% compared to the end of 2017 to RMB17,299,684 million. In terms of the maturity of deposits, time deposits, demand deposits and other deposits amounted to RMB6,604,483 million, RMB10,004,697 million and RMB690,504 million, respectively. In terms of business line, corporate deposits, retail deposits and other deposits amounted to RMB6,861,678 million, RMB9,747,502 million and RMB690,504 million, respectively.

Shareholders' equity increased by RMB205,471 million or 14.37% compared to the end of 2017 to RMB1,634,868 million, with ordinary shares of RMB349,983 million, preference shares of RMB79,899 million, capital reserve of RMB173,549 million, investment revaluation reserve of RMB7,692 million, surplus reserve of RMB134,370 million, general reserve of RMB239,267 million, retained earnings of RMB643,980 million and foreign currency translation reserve of RMB1,640 million, respectively.

Assets quality

At 30 September 2018, the Group's non-performing loans amounted to RMB188,258 million, representing a decrease of RMB5,774 million compared to the end of 2017. Non-performing loan ratio was 1.60%, representing a decrease of 0.21 percentage point compared to the end of 2017. Allowance to non-performing loans was 254.94%, representing an increase of 46.57 percentage points compared to the end of 2017.

County Area Banking Business

At 30 September 2018, the Group's total loans and advances to customers of County Area Banking Business amounted to RMB3,944,739 million, representing an increase of RMB376,376 million or 10.55% compared to the end of 2017. Deposits from customers of County Area Banking Business amounted to RMB7,406,387 million, representing an increase of RMB490,715 million or 7.10% compared to the end of 2017.

Non-performing loan ratio of County Area Banking Business amounted to 2.12%, representing a decrease of 0.05 percentage point compared to the end of 2017. Allowance to non-performing loans was 245.79%, representing an increase of 34.49 percentage points compared to the end of 2017.

§3 SIGNIFICANT EVENTS

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

√ Applicable □ Not Applicable

Compared with the end of 2017 or the same period of 2017, items of major consolidated financial statements and financial indicators with changes over 30% and the main reasons thereof are as follows:

In millions of RMB, except for percentages

Item	January to September 2018	January to September 2017	Change over the same period of 2017 (%)	Main reasons for change
Net trading gain/(loss)	16,693	(4,690)	-	The increase in the fair value of bonds and the increase in gain from the fair value changes of derivative financial instruments
Net gain on financial instruments designated at fair value through profit or loss	5,436	826	558.11	The increase in the fair value of bonds
Net gain on investment securities	1,610	36	4,372.22	Effects of the adoption of the IFRS 9 Financial Instruments
Other operating income	18,621	33,576	(44.54)	Foreign exchange loss and the decrease in insurance premium
Impairment losses on assets	(103,200)	(71,623)	44.09	The increase in impairment losses on loans
Share of result of associates and joint venture	29	8	262.50	The increase in profit of associates
Profit attributable to non-controlling interests	193	132	46.21	The increase in profits of non-wholly-owned subsidiaries
Other comprehensive income, net of tax	19,484	(14,959)	-	The increase in the fair value of financial instruments at fair value through other comprehensive income
Total comprehensive income attributable to equity holders of the Bank	190,774	145,202	31.39	The increase in the fair value of financial instruments at fair value through other comprehensive income
Total comprehensive income attributable to non-controlling interests	514	(19)	-	The increase in total comprehensive income of non-wholly owned subsidiaries

In millions of RMB, except for percentages

Item	At 30 September 2018	At 31 December 2017	Change over the end of 2017 (%)	Main reasons for change
Precious metals	60,025	32,008	87.53	The increase in balance of the precious metals resulting from the decrease in the business volume of trading precious metals.
Financial assets held for trading	N/A	194,640	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Financial assets designated at fair value through profit or loss	N/A	383,325	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Financial assets at fair value through profit or loss	597,350	N/A	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Derivative financial assets	49,402	28,284	74.66	The increase in valuation surplus of cross currency interest rate swap business
Available-for-sale financial assets	N/A	1,426,420	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Held-to-maturity investments	N/A	3,489,135	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Debt instruments classified as receivables	N/A	659,223	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Financial investments at fair value through other comprehensive income	1,658,090	N/A	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Financial assets at amortized costs	4,432,175	N/A	N/A	Effects of the adoption of the IFRS 9 Financial Instruments
Investment in associates and joint venture	4,006	227	1664.76	The increase in investment in associates and joint venture
Other assets	296,716	196,900	50.69	The increase in the balance of settlement and clearance
Financial liabilities at fair value through profit or loss	305,205	N/A	N/A	Effects of the adoption of the IFRS 9 Financial Instruments

Item	At 30 September 2018	At 31 December 2017	Change over the end of 2017 (%)	Main reasons for change
Derivative financial liabilities	41,921	30,872	35.79	The increase in valuation deficit of currency swap business
Financial assets sold under repurchase agreements	76,760	319,789	(76.00)	Certain reverse repurchase agreements were due and have not been renewed by the central bank
Dividends payable	12,709	0	-	Dividends on ordinary shares unpaid
Debt securities issued	742,609	475,017	56.33	The increase in interbank certificates of deposit issued
Capital Reserve	173,549	98,773	75.70	The increase in capital reserve as a result of proceeds from the private placement
Investment revaluation reserve	7,692	(19,690)	-	The increase in the fair value of bonds
Foreign currency translation reserve	1,640	(32)	-	Changes in foreign currency translation of overseas institutions' statements
Non-controlling interests	4,488	2,982	50.50	Capital injection and the increase in total comprehensive income of non-wholly owned subsidiaries

3.2 Progress of significant events and analysis on their effects and solutions

Applicable Not Applicable

The capital verification of the proceeds of RMB100 billion of the private placement of A Shares was completed on 29 June 2018 and the registration procedure for the issuance of new shares under the private placement had been completed on 2 July 2018. In September 2018, the change of the registered capital of the Bank to RMB349,983,033,873 was approved by the China Banking and Insurance Regulatory Commission. The Bank is performing the procedures relating to the change in industrial and commercial registration.

In July 2018, the Bank entered into the *Promoters' Agreement on the National Financing Guarantee Fund Limited Liability Company*, and would invest RMB3 billion in the National Financing Guarantee Fund Co., Ltd. for 4.5386% of its registered capital, which will be paid up in annual installment for four years since 2018. The investment is subject to the fulfillment of procedures of regulatory authorities.

In August 2018, the Bank completed the capital injection of RMB6.5 billion to ABC Financial Leasing Co., Ltd., a subsidiary of the Bank. Following the capital injection, the Bank maintained its 100% shareholding in ABC Financial Leasing Co., Ltd..

For details of these matters, please refer to the related announcements published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

3.3 Undertakings failed to be fulfilled during the reporting period

Applicable Not Applicable

3.4 Implementation of cash dividend policy during the reporting period

Applicable Not Applicable

3.5 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

3.6 Explanations on change of accounting policies

Applicable Not Applicable

The International Accounting Standards Board issued the IFRS 9 – Financial Instruments in 2014. The Bank has implemented the above new accounting standard since 1 January 2018 pursuant to the implementation timing requirement of the above standard. Major impacts of the above new accounting standard on the Group have been disclosed in our 2018 interim report and please refer to “Notes to Condensed Consolidated Interim Financial Statements 3.4” in our 2018 interim report prepared in accordance with the IFRSs.

§4 RELEASE OF QUARTERLY REPORT

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

By order of the Board of Directors
Agricultural Bank of China Limited
ZHOU Wanfu
Company Secretary

Beijing, the PRC
30 October 2018

As at the date of this announcement, the executive directors of Agricultural Bank of China Limited are Mr. ZHOU Mubing and Mr. WANG Wei; the non-executive directors are Mr. XU Jiandong, Mr. CHEN Jianbo, Mr. HU Xiaohui, Mr. LIAO Luming and Mr. LI Qiyun; and the independent non-executive directors are Mr. WEN Tiejun, Mr. Francis YUEN Tin-fan, Ms. XIAO Xing, Mr. WANG Xinxin and Mr. HUANG Zhenzhong.

APPENDIX I CAPITAL ADEQUACY RATIO INFORMATION

In accordance with the application scope of the advanced approaches of capital management as approved by regulatory authority, the Bank adopted the foundation Internal Ratings-Based (IRB) approach for non-retail exposures and IRB approach for retail exposures to measure credit risk-weighted assets, the Internal Models Approach (IMA) for market risk-weighted assets, standardized measurement approach for operational risk-weighted assets, weighting approach and standardized measurement approach to measure credit and market risk-weighted assets uncovered by advanced approaches of capital management, respectively. The table below sets out the net capital, risk-weighted assets and capital adequacy ratios pursuant to the *Capital Rules for Commercial Banks (Provisional) (Decree of CBRC [2012] No.1)* as of 30 September 2018.

In millions of RMB, except for percentages

Item	30 September 2018		31 December 2017	
	The Group	The Bank	The Group	The Bank
CET 1 capital, net	1,543,997	1,512,832	1,339,953	1,319,628
Tier 1 capital, net	1,623,903	1,592,730	1,419,859	1,399,527
Total capital, net	2,044,328	2,012,069	1,731,946	1,710,274
Risk-weighted assets	13,635,208	13,401,808	12,605,577	12,435,568
CET 1 capital adequacy ratio	11.32%	11.29%	10.63%	10.61%
Tier 1 capital adequacy ratio	11.91%	11.88%	11.26%	11.25%
Capital adequacy ratio	14.99%	15.01%	13.74%	13.75%

The table below sets out the consolidated and unconsolidated capital adequacy ratios of the Bank in accordance with the *Rules for the Management of Capital Adequacy Ratio of Commercial Banks (Decree of CBRC [2007] No.11)*.

In millions of RMB, except for percentages

Item	30 September 2018		31 December 2017	
	The Group	The Bank	The Group	The Bank
Core capital adequacy ratio	10.51%	10.51%	10.00%	10.00%
Capital adequacy ratio	13.30%	13.28%	12.74%	12.71%

APPENDIX II LIQUIDITY COVERAGE RATIO INFORMATION

The Bank disclosed the following information of liquidity coverage ratio regarding related regulations by China Banking and Insurance Regulatory Commission (the “CBIRC”).

Regulatory Requirements of Liquidity Coverage Ratio

In accordance with the *Rules on Liquidity Risk Management of Commercial Banks* issued by the CBIRC, it is required that the liquidity coverage ratio of commercial banks should be no less than 100%. In addition, in accordance with the *Rules on Disclosure for Liquidity Coverage Ratio Information of Commercial Banks*, commercial banks are required to disclose the liquidity coverage ratio information at the same frequency as issuing the financial report, and to disclose the simple average of the liquidity coverage ratio based on daily data in every quarter from 2017 and the number of daily data adopted in calculation of such average.

Liquidity Coverage Ratio

The Bank calculated the liquidity coverage ratio in accordance with the *Rules on Liquidity Risk Management of Commercial Banks* and applicable calculation requirements. The average of daily liquidity coverage ratio of the Bank was 118.1% in the third quarter of 2018, representing an increase of 0.6 percentage point over the last quarter. The number of days used in calculating such average was 92 days. The high-quality liquid assets of the Bank mainly include cash, available excess reserves of central bank under stress conditions as well as the bonds defined under Level 1 and Level 2 assets which satisfy the requirements of *Rules on Liquidity Risk Management of Commercial Banks*.

The averages of the observations of the daily liquidity coverage ratio and individual line items over the third quarter in 2018 are as follows:

In ten thousands of RMB, except for percentages

No.		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		424,484,466
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	1,016,580,164	93,605,922
3	Stable deposits	161,036,305	8,051,536
4	Less stable deposits	855,543,859	85,554,386
5	Unsecured wholesale funding, of which:	660,129,140	270,301,257
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	205,334,256	50,096,235
7	Non-operational deposits (all counterparties)	450,787,869	216,198,007
8	Unsecured debt	4,007,015	4,007,015
9	Secured wholesale funding		2,540,603
10	Additional requirements, of which:	215,110,858	66,760,606
11	Outflows related to derivative exposures and other collateral requirements	54,237,025	54,237,001
12	Outflows related to loss of funding on debt products	34,779	34,779
13	Credit and liquidity facilities	160,839,054	12,488,826
14	Other contractual funding obligations	27,677,968	27,677,968
15	Other contingent funding obligations	139,284,108	6,032,952
16	TOTAL CASH OUTFLOWS		466,919,308
CASH INFLOWS			
17	Secured lending (e.g. reverse repos and borrowed securities)	14,479,702	14,196,247
18	Inflows from fully performing exposures	75,861,071	42,073,310
19	Other cash inflows	56,207,771	56,207,771
20	TOTAL CASH INFLOWS	146,548,544	112,477,328
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		418,807,392
22	TOTAL NET CASH OUTFLOWS		354,441,980
23	LIQUIDITY COVERAGE RATIO (%)		118.1%

APPENDIX III LEVERAGE RATIO INFORMATION

At 30 September 2018, the Bank's leverage ratio, calculated in accordance with the *Rules for the Administration of the Leverage Ratio of Commercial Banks (Revised)* issued by CBIRC, was 6.67%, which was higher than the regulatory requirement.

In millions of RMB, except for percentages

Item	30 September 2018	30 June 2018	31 March 2018	31 December 2017
Tier 1 capital, net	1,623,903	1,558,787	1,453,250	1,419,859
Adjusted on- and off-balance sheet assets	24,330,241	23,561,983	23,309,581	22,791,573
Leverage ratio	6.67%	6.62%	6.23%	6.23%

APPENDIX IV FINANCIAL STATEMENTS PREPARED UNDER IFRS

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Interest income	200,605	181,508	578,899	526,108
Interest expense	(79,023)	(68,571)	(223,484)	(201,848)
Net interest income	121,582	112,937	355,415	324,260
Fee and commission income	21,687	19,251	70,183	66,513
Fee and commission expense	(2,962)	(3,579)	(7,821)	(8,376)
Net fee and commission income	18,725	15,672	62,362	58,137
Net trading gain/(loss)	8,887	(3,320)	16,693	(4,690)
Net gain on financial instruments designated at fair value through profit or loss	2,306	219	5,436	826
Net gain/(loss) on investment securities	662	(272)	1,610	36
Other operating income	25	7,590	18,621	33,576
Operating income	152,187	132,826	460,137	412,145
Operating expenses	(45,916)	(43,946)	(146,915)	(145,360)
Impairment losses on assets	(37,795)	(26,926)	(103,200)	(71,623)
Operating profit	68,476	61,954	210,022	195,162
Share of result of associates and joint venture	23	6	29	8
Profit before tax	68,499	61,960	210,051	195,170
Income tax expense	(12,671)	(10,488)	(38,247)	(35,028)
Profit for the period	55,828	51,472	171,804	160,142
Attributable to:				
Equity holders of the Bank	55,822	51,417	171,611	160,010
Non-controlling interests	6	55	193	132
	55,828	51,472	171,804	160,142
Earnings per share attributable to the ordinary equity holders of the Bank (expressed in RMB yuan per share)				
- Basic and diluted	0.17	0.16	0.51	0.49

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Profit for the period	55,828	51,472	171,804	160,142
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Net gains on debt instruments at fair value through other comprehensive income	10,522	N/A	22,884	N/A
Income tax impact for net gains on debt instruments at fair value through other comprehensive income	(2,566)	N/A	(5,293)	N/A
Net losses from fair value changes on available-for-sale financial assets	N/A	(281)	N/A	(18,382)
Income tax impact for fair value changes on available-for-sale financial assets	N/A	118	N/A	4,551
Foreign currency translation differences	1,330	(391)	1,672	(1,128)
Items that will not be reclassified subsequently to profit or loss:				
Net gains on equity investments designated at fair value through other comprehensive income	134	N/A	295	N/A
Income tax impact for net gains on equity investments designated at fair value through other comprehensive income	(34)	N/A	(74)	N/A
Other comprehensive income, net of tax	9,386	(554)	19,484	(14,959)
Total comprehensive income for the period	65,214	50,918	191,288	145,183
Total comprehensive income attributable to:				
Equity holders of the Bank	65,180	50,780	190,774	145,202
Non-controlling interests	34	138	514	(19)
	65,214	50,918	191,288	145,183

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Assets		
Cash and balances with central banks	2,878,732	2,896,619
Deposits with banks and other financial institutions	91,363	130,245
Precious metals	60,025	32,008
Placements with and loans to banks and other financial institutions	550,508	505,269
Financial assets at fair value through profit or loss	597,350	N/A
Financial assets held for trading	N/A	194,640
Financial assets designated at fair value through profit or loss	N/A	383,325
Derivative financial assets	49,402	28,284
Financial assets held under resale agreements	518,887	540,386
Loans and advances to customers	11,295,070	10,316,311
Financial investments at fair value through other comprehensive income	1,658,090	N/A
Available-for-sale financial assets	N/A	1,426,420
Financial investments at amortized costs	4,432,175	N/A
Held-to-maturity investments	N/A	3,489,135
Debt instruments classified as receivables	N/A	659,223
Investment in associates and joint venture	4,006	227
Property and equipment	149,250	155,258
Goodwill	1,381	1,381
Deferred tax assets	117,370	97,751
Other assets	296,716	196,900
Total assets	<u>22,700,325</u>	<u>21,053,382</u>
Liabilities		
Borrowings from central banks	561,075	465,947
Deposits from banks and other financial institutions	1,161,575	974,730
Placements from banks and other financial institutions	308,353	280,061
Financial liabilities at fair value through profit or loss	305,205	391,772
Derivative financial liabilities	41,921	30,872
Financial assets sold under repurchase agreements	76,760	319,789
Due to customers	17,299,684	16,194,279
Dividends payable	12,709	-
Debt securities issued	742,609	475,017
Deferred tax liabilities	91	87
Other liabilities	555,475	491,431
Total liabilities	<u>21,065,457</u>	<u>19,623,985</u>

AGRICULTURAL BANK OF CHINA LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

AS AT 30 SEPTEMBER 2018

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Equity		
Ordinary shares	349,983	324,794
Preference shares	79,899	79,899
Capital reserve	173,549	98,773
Investment revaluation reserve	7,692	(19,690)
Surplus reserve	134,370	134,348
General reserve	239,267	230,750
Retained earnings	643,980	577,573
Foreign currency translation reserve	1,640	(32)
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	1,630,380	1,426,415
Non-controlling interests	4,488	2,982
	<hr/>	<hr/>
Total equity	1,634,868	1,429,397
	<hr/>	<hr/>
Total equity and liabilities	22,700,325	21,053,382
	<hr/>	<hr/>

The consolidated financial statements on page I to VI were approved and authorized for issue by the Board of Directors on 30 October 2018 and are signed on its behalf by:

Zhou Mubing

Chairman

Wang Wei

Executive Director

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018
(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	210,051	195,170
Adjustments for:		
Amortization of intangible assets and other assets	1,901	2,066
Depreciation of property and equipment	10,368	11,505
Impairment losses on assets	103,200	71,623
Interest income arising from investment securities	(163,406)	(136,202)
Interest income arising from impaired loans and advances to customers	(1,196)	(1,284)
Interest expense on debt securities issued	16,346	9,905
Revaluation loss on financial instruments at fair value through profit or loss	(17,632)	8,771
Net gain on investment securities	(229)	(36)
Share of result of associates and joint venture	(29)	(8)
Net gain on disposal of property, equipment and other assets	(650)	(492)
Net foreign exchange (gain)/loss	(6,136)	3,176
	<u>152,588</u>	<u>164,194</u>
Net change in operating assets and operating liabilities:		
Net decrease in balances with central banks, deposits with banks and other financial institutions	155,615	203,630
Net (increase)/decrease in placements with and loans to banks and other financial institutions	(109,568)	163,741
Net decrease in financial assets held under resale agreements	12,326	51,405
Net increase in loans and advances to customers	(1,092,360)	(1,008,646)
Net increase in borrowings from central banks	95,128	155,698
Net increase/(decrease) in placements from banks and other financial institutions	28,292	(44,220)
Net increase in due to customers and deposits from banks and other financial institutions	1,292,250	1,104,642
Increase in other operating assets	(97,730)	(139,247)
Decrease in other operating liabilities	(277,391)	(20,879)
	<u>159,150</u>	<u>630,318</u>
Cash from operations	159,150	630,318
Income tax paid	(46,763)	(34,184)
	<u>112,387</u>	<u>596,134</u>
NET CASH FROM OPERATING ACTIVITIES	<u>112,387</u>	<u>596,134</u>

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of investment securities	1,488,456	1,346,833
Cash received from interest income arising from investment securities	161,902	139,802
Cash received from disposal of property, equipment and other assets	557	1,231
Cash paid for purchase of investment securities	(2,024,068)	(1,911,610)
Increase in investment in associates and joint venture	(3,750)	-
Cash paid for purchase of property, equipment and other assets	(7,428)	(8,700)
NET CASH USED IN INVESTING ACTIVITIES	(384,331)	(432,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from issues of shares	100,000	-
Cash received from debt securities issued	1,035,601	506,329
Cash payments for transaction cost of debt securities issued	(6)	(1)
Cash payments for transaction cost of shares issued	(35)	-
Repayments of debt securities issued	(782,033)	(434,052)
Cash payments for interest on debt securities issued	(13,524)	(9,280)
Capital contribution from non-controlling interests	749	-
Dividends paid to:	(47,403)	(57,415)
Ordinary shareholders	(45,202)	(55,215)
Preference shareholders	(2,200)	(2,200)
Non-controlling interests	(1)	-
NET CASH FROM FINANCING ACTIVITIES	293,349	5,581
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,405	169,271
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,001,246	827,698
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	6,012	(3,827)
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	1,028,663	993,142