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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 THIRD QUARTERLY REPORT OF 2019

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 2019, 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: 86-10-85126571 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 2019	31 December 2018	Change as compared to the end of 2018 (%)
Total assets	24,870,961	22,609,471	10.00
Loans and advances to customers, net	12,793,125	11,461,542	11.62
Deposits with banks and other financial institutions	201,630	109,728	83.75
Placements with and loans to banks and other financial institutions	537,837	552,013	-2.57
Financial investments	7,442,274	6,885,075	8.09
Total liabilities	22,947,501	20,934,684	9.61
Deposits from customers	18,723,954	17,346,290	7.94
Deposits from banks and other financial institutions	1,325,017	1,124,322	17.85
Placements from banks and other financial institutions	345,476	325,541	6.12
Equity attributable to equity holders of the Bank	1,917,649	1,670,294	14.81
Net assets per share (in RMB Yuan)	4.91	4.54	8.15

	Three months ended 30 September 2019 (July– September)	Change as compared to the same period of 2018 (%)	Nine months ended 30 September 2019 (January– September)	Change as compared to the same period of 2018 (%)
Operating income	151,936	-0.16	476,403	3.54
Net profit	59,419	6.43	181,791	5.81
Net profit attributable to equity holders of the Bank	59,226	6.10	180,671	5.28
Net cash flow from operating activities	N/A	N/A	102,137	-9.12
Basic earnings per share (in RMB Yuan)	0.17	–	0.51	–
Diluted earnings per share (in RMB Yuan)	0.17	–	0.51	–
Return on weighted average net assets (annualized, %) ¹	14.11	Decreased by 1.44 percentage points	14.35	Decreased by 1.59 percentage points

Note: 1. Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the China Securities Regulatory Commission.

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 shareholders’ 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 439,368 shareholders of ordinary shares in total, including 22,892 shareholders of H shares and 416,476 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 2019)

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.	State-owned	A Shares	40.03	140,087,446,351	10,082,342,569	None
Ministry of Finance of the PRC (hereinafter referred to as the "MOF")	State-owned	A Shares	39.21	137,239,094,711	9,877,329,974	None
HKSCC Nominees Limited	Overseas legal entity	H Shares	8.73	30,561,464,146	–	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	State-owned legal entity	A Shares	0.72	2,518,891,687	2,518,891,687	None
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu	Others	A Shares	0.54	1,896,219,006	–	None
China Securities Finance Corporation Limited	State-owned legal entity	A Shares	0.53	1,842,751,186	–	None
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu	Others	A Shares	0.46	1,602,446,125	–	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

Notes: (1) The total number of shares held by HKSCC Nominees Limited represents the number of H Shares held by it in aggregate as the nominee on behalf of all institutional and individual investors registered with it at 30 September 2019.

- (2) Among the above shareholders, apart from the facts that Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd., China National Tobacco Corporation is the *de facto* controller of Shanghai Haiyan Investment Management Company Limited, and that China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu and China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu are under the management of China Life Insurance Company Limited, 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 Central Huijin Investment Ltd. and Central Huijin Asset Management Ltd., a wholly-owned subsidiary of Central Huijin Investment Ltd. amounted 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 amounted to 3,778,337,530 in aggregate, accounting for 1.08% of the total shares of the Bank. The number of shares held by China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu and China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu amounted to 3,498,665,131 in aggregate, accounting for 1.00% of the total shares of the Bank.
- (3) According to the notice the Bank received from the MOF on 23 September 2019, the MOF made a one-off transfer of its 10% equity interests in the Bank to the National Council for Social Security Fund of the PRC. The number of transferred shares was 13,723,909,471, accounting for approximately 3.92% of the total ordinary shares of the Bank. At 30 September 2019, the relevant regulatory approvals and other formalities were not completed. Subsequent to the transfer, the MOF will hold 35.29% of the total ordinary 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 2019)**

Unit: Share

Name of shareholders	Total number of shares held	Type of shares
Central Huijin Investment Ltd.	130,005,103,782	A shares
MOF	127,361,764,737	A shares
HKSCC Nominees Limited	30,561,464,146	H shares
National Council for Social Security Fund of the PRC	9,797,058,826	A shares
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu	1,896,219,006	A shares
China Securities Finance Corporation Limited	1,842,751,186	A shares
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu	1,602,446,125	A shares
Central Huijin Asset Management Ltd.	1,255,434,700	A shares
Hong Kong Securities Clearing Company Limited	1,142,424,916	A shares
Wutongshu Investment Platform Co., Ltd.	980,723,700	A shares

- Notes:* (1) The total number of shares held by HKSCC Nominees Limited represents the number of H Shares held by it in aggregate as the nominee on behalf of all institutional and individual investors registered with it at 30 September 2019.
- (2) Among the above shareholders, apart from the facts that Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd., and that China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu and China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu are under the management of China Life Insurance Company Limited, the Bank is not aware of any connections between the shareholders above or between the shareholders above and the top 10 shareholders, or whether they are parties acting in concert.
- (3) The shares held by Hong Kong Securities Clearing Company 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 32 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 2019)

Unit: Share

Name of shareholders ¹	Nature of shareholder ²	Type of shares	Shareholding percentage (%) ³	Total number of shares held	Number of pledged or locked-up shares
Bank of Communications Schroder Fund Management Co., Ltd.	Others	Domestic preference shares	15.00	60,000,000	None
China Merchants Fund Management Co., Ltd.	Others	Domestic preference shares	12.25	49,000,000	None
Beijing Tiandi Fangzhong Asset Management Co., Ltd.	Others	Domestic preference shares	8.75	35,000,000	None
PICC Life Insurance Company Limited	Others	Domestic preference shares	7.50	30,000,000	None
Ping An Life Insurance Co., Ltd.	Others	Domestic preference shares	7.50	30,000,000	None
Harmony Health Insurance Co., Ltd.	Others	Domestic preference shares	7.50	30,000,000	None
Beijing International Trust Co., Ltd.	Others	Domestic preference shares	7.50	30,000,000	None
Zhonghai Trust Co., Ltd.	Others	Domestic preference shares	5.00	20,000,000	None
Bank of Ningbo Co., Ltd.	Others	Domestic preference shares	3.75	15,000,000	None
Bank of Beijing Scotiabank Asset Management Co., Ltd.	Others	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.

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 or transfers the preference shares through two or more products under its control will be counted as one.

2. According to the *No.2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report (Revision 2017)*, “Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the state and foreign holders”. Except for the entities which hold shares on behalf of the state and foreign holders, the nature of other preference shareholders is “others”.
3. 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).

**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 2019)**

Unit: Share

Name of shareholders ¹	Nature of shareholder ²	Type of shares	Shareholding percentage (%) ³	Total number of shares held	Number of pledged or locked-up shares
China Life Insurance Company Limited	Others	Domestic preference shares	12.50	50,000,000	None
China National Tobacco Corporation	Others	Domestic preference shares	12.50	50,000,000	None
Beijing Chance Capital Management Co., Ltd.	Others	Domestic preference shares	6.25	25,000,000	None
Maxwealth Fund Management Co., Ltd.	Others	Domestic preference shares	6.25	25,000,000	None
China Mobile Communications Group Co., Ltd.	Others	Domestic preference shares	5.00	20,000,000	None
Bank of Communications Schroder Fund Management Co., Ltd.	Others	Domestic preference shares	5.00	20,000,000	None
Bank of China Limited, Shanghai Branch	Others	Domestic preference shares	5.00	20,000,000	None
China National Tobacco Corporation Jiangsu Province Company	Others	Domestic preference shares	5.00	20,000,000	None
China National Tobacco Corporation Yunnan Province Company	Others	Domestic preference shares	5.00	20,000,000	None
Shanghai Tobacco Group Co., Ltd.	Others	Domestic preference shares	3.93	15,700,000	None

Notes: 1. China National Tobacco Corporation Jiangsu Province Company, China National Tobacco Corporation Yunnan Province Company and Shanghai Tobacco Group Co., Ltd. are wholly-owned subsidiaries of China National Tobacco Corporation. Shanghai Haiyan Investment Management Company Limited is a wholly-owned subsidiary of Shanghai Tobacco Group Co., Ltd. China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu and China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu are 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. According to the *No.2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report (Revision 2017)*, “Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the state and foreign holders”. Except for the entities which hold shares on behalf of the state and foreign holders, the nature of other preference shareholders is “others”.
3. 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 2019, the Group achieved a net profit of RMB181,791 million, representing an increase of 5.81% over the same period of 2018. Our annualized return on average total assets was 1.02%, representing a decrease of 0.03 percentage point over the same period of 2018, and the annualized return on weighted average net assets was 14.35%, representing a decrease of 1.59 percentage points over the same period of 2018. We achieved basic earnings per share of RMB0.51, remaining flat with the same period of 2018.

For the nine months ended 30 September 2019, the Group achieved an operating income of RMB476,403 million, representing an increase of 3.54% over the same period of 2018. Net interest income amounted to RMB360,473 million, representing an increase of 1.42% over the same period of 2018. Net fee and commission income amounted to RMB69,857 million, representing an increase of 12.02% over the same period of 2018. Operating expenses amounted to RMB154,874 million, representing an increase of 4.96% over the same period of 2018. Cost-to-income ratio (under PRC GAAP) amounted to 27.10%, representing a decrease of 0.31 percentage point over the same period of 2018. Impairment losses on credit amounted to RMB104,163 million, of which impairment losses on loans was RMB102,924 million, representing an increase of RMB1,684 million over the same period of 2018.

Assets and liabilities

At 30 September 2019, the Group's total assets amounted to RMB24,870,961 million, representing an increase of RMB2,261,490 million or 10.00% compared to the end of 2018. Total loans and advances to customers amounted to RMB13,322,554 million, representing an increase of RMB1,381,869 million or 11.57% compared to the end of 2018. The total loans and advances to customers (excluding accrued interest) by business type include corporate loans, retail loans, discounted bills, and overseas and other loans, which amounted to RMB7,195,788 million, RMB5,251,675 million, RMB407,972 million and RMB432,977 million, respectively. Financial investments amounted to RMB7,442,274 million, representing an increase of RMB557,199 million or 8.09% compared to the end of 2018.

Total liabilities increased by RMB2,012,817 million or 9.61% compared to the end of 2018 to RMB22,947,501 million. Deposits from customers increased by RMB1,377,664 million or 7.94% compared to the end of 2018 to RMB18,723,954 million. In terms of the maturity of deposits, deposits from customers (excluding accrued interest) consist of time deposits, demand deposits and other deposits, which amounted to RMB7,041,947 million, RMB10,647,360 million and RMB813,638 million, respectively. In terms of business line, deposits from customers (excluding accrued interest) consist of corporate deposits, retail deposits and other deposits, which amounted to RMB7,092,686 million, RMB10,596,621 million and RMB813,638 million, respectively.

Shareholders' equity increased by RMB248,673 million or 14.85% compared to the end of 2018 to RMB1,923,460 million, with ordinary shares of RMB349,983 million, other equity instruments of RMB199,886 million, capital reserve of RMB173,556 million, investment revaluation reserve of RMB27,758 million, surplus reserve of RMB154,286 million, general reserve of RMB277,106 million, retained earnings of RMB732,608 million and foreign currency translation reserve of RMB2,466 million, respectively.

Assets quality

At 30 September 2019, the Group's non-performing loans amounted to RMB188,236 million, representing a decrease of RMB1,766 million compared to the end of 2018. Non-performing loan ratio² was 1.42%, representing a decrease of 0.17 percentage point compared to the end of 2018. Allowance to non-performing loans³ was 281.26%, representing an increase of 29.08 percentage points compared to the end of 2018.

County Area Banking Business

At 30 September 2019, the Group's total loans and advances to customers of County Area Banking Business amounted to RMB4,526,755 million, representing an increase of RMB520,873 million or 13.0% compared to the end of 2018. Deposits from customers of County Area Banking Business amounted to RMB8,029,093 million, representing an increase of RMB648,495 million or 8.8% compared to the end of 2018.

Non-performing loan ratio² of County Area Banking Business amounted to 1.75%, representing a decrease of 0.33 percentage point compared to the end of 2018. Allowance to non-performing loans³ was 290.11%, representing an increase of 37.17 percentage points compared to the end of 2018.

2 Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the total loans and advances to customers (excluding accrued interest).

3 Calculated by dividing the balance of allowance for impairment losses on loans (excluding accrued interest) by the balance of non-performing loans (excluding accrued interest), among which, the balance of allowance for impairment losses on loans (excluding accrued interest) does not include the allowance for impairment losses on bills and forfeiting recognized in other comprehensive income.

§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 2018 or the same period of 2018, major items of 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 2019	January to September 2018	Change over the same period of 2018 (%)	Main reasons for change
Net gain on financial investments	1,272	7,031	-81.91	The decrease in net gain on principal guaranteed wealth management products
Net gain on derecognition of financial assets measured at amortised cost	–	15	-100.00	No disposal of any financial assets measured at amortized cost during the reporting period
Other operating income	25,682	18,621	37.92	The increase in the operating income of subsidiaries
Share of results of associates and joint ventures	(44)	29	-251.72	The decrease in investment gain from associates and joint ventures
Profit attributable to non-controlling interests	1,120	193	480.31	The increase in net profit of non-wholly owned companies
Other comprehensive income, net of tax	9,957	19,484	-48.90	The decrease in fair value changes of financial assets at fair value through other comprehensive income
Total comprehensive income attributable to non-controlling interests	1,318	514	156.42	The increase in net profit of non-wholly owned companies

In millions of RMB, except for percentages

Item	At 30 September 2019	At 31 December 2018	Change over the end of 2018 (%)	Main reasons for change
Deposits with banks and other financial institutions	201,630	109,728	83.75	The increase in cooperative deposits with banks
Precious metals	99,941	21,268	369.91	The increase in gold holding
Investment in associates and joint ventures	5,904	4,005	47.42	The increase in investment in associates and joint ventures
Other assets	222,984	95,662	133.10	The increases in receivables from settlement accounts and clearing account and right-of-use assets recognized under the new leasing rules
Financial liabilities at fair value through profit or loss	503,033	286,303	75.70	The increase in structured deposits at fair value
Derivative financial liabilities	62,069	34,554	79.63	The increase in relation to valuation deficit on precious metals derivatives due to the increase in gold price
Financial assets sold under repurchase agreements	68,256	157,101	-56.55	The decrease in securities sold under repurchase agreements with the central bank
Other liabilities	432,846	318,566	35.87	The increase in payables from settlement accounts and clearing account and lease liabilities recognized under the new leasing rules
Other equity instruments	199,886	79,899	150.17	Issuance of undated capital bonds in the amount of RMB120 billion
Investment revaluation reserve	27,758	18,992	46.16	The increase in the fair value of financial instruments at fair value through other comprehensive income
Foreign currency translation reserve	2,466	1,473	67.41	Changes in foreign currency translation of overseas institutions' statements

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

Applicable Not Applicable

In July 2019, Agricultural Bank of China Wealth Management Co., Ltd., a wholly-owned subsidiary of the Bank, has been approved to commence its operation.

In August 2019, the Bank redeemed all of the 10-year tier-2 capital bonds with issuance size of RMB30 billion, which were issued in August 2014.

In August and September 2019, the Bank issued the write-down undated capital bonds of RMB85 billion and RMB35 billion in the national inter-bank bond market, respectively, totaling RMB120 billion, which were used to replenish the Bank's additional tier-1 capital after deducting expenses in relation to the issuances.

In September 2019, the Bank received the notice that the MOF, a shareholder of the Bank, made a one-off transfer of its 10% equity interests in the Bank to the National Council for Social Security Fund of the PRC. At 30 September 2019, the relevant regulatory approvals and other formalities were not completed. For details, please refer to the announcements published by the Bank on the websites of the Bank (www.abchina.com), 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

§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
25 October 2019

As at the date of this announcement, the executive directors of the Bank are Mr. ZHOU Mubing, Mr. WANG Wei and Ms. ZHANG Keqiu; the non-executive directors are Mr. XU Jiandong, Mr. CHEN Jianbo, Mr. LIAO Luming, Mr. LI Qiyun, Mr. LI Wei and Mr. WU Jiangtao; and the independent non-executive directors are Ms. XIAO Xing, Mr. WANG Xinxin, Mr. HUANG Zhenzhong, Ms. LEUNG KO May Yee, Margaret and Mr. LIU Shouying.

APPENDIX I CAPITAL ADEQUACY RATIO INFORMATION

At the end of September 2019, 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, weighting approach for credit risk-weighted assets uncovered by IRB approach. Internal Model Approach (IMA) was adopted to measure market risk-weighted assets, Standardized Approach was adopted to measure market risk-weighted assets uncovered by IMA. Standardized Approach was adopted to measure operational risk-weighted assets. The table below sets out the net capital, risk-weighted assets and capital adequacy ratios calculated pursuant to the *Capital Rules for Commercial Banks (Provisional) (Decree of CBRC [2012] No.1)* at 30 September 2019.

In millions of RMB, except for percentages

Item	30 September 2019		31 December 2018	
	The Group	The Bank	The Group	The Bank
CET 1 capital, net	1,710,185	1,652,625	1,583,927	1,552,180
Tier 1 capital, net	1,910,079	1,852,510	1,663,833	1,632,079
Total capital, net	2,459,794	2,404,014	2,073,343	2,039,760
Risk-weighted assets	15,276,722	14,909,072	13,712,894	13,496,681
CET 1 capital adequacy ratio	11.19%	11.08%	11.55%	11.50%
Tier 1 capital adequacy ratio	12.50%	12.43%	12.13%	12.09%
Capital adequacy ratio	16.10%	16.12%	15.12%	15.11%

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.

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 120.1% in the third quarter of 2019, representing a decrease of 3.1 percentage points 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 2019 are as follows:

In millions of RMB, except for percentages

No.		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		4,848,089
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	11,514,013	1,067,339
3	Stable deposits	1,681,205	84,058
4	Less stable deposits	9,832,808	983,281
5	Unsecured wholesale funding, of which:	7,065,034	2,735,988
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,099,759	761,942
7	Non-operational deposits (all counterparties)	3,919,851	1,928,622
8	Unsecured debt	45,424	45,424
9	Secured wholesale funding		37,039
10	Additional requirements, of which:	2,588,061	854,209
11	Outflows related to derivative exposures and other collateral requirements	711,333	711,333
12	Outflows related to loss of funding on debt products	246	246
13	Credit and liquidity facilities	1,876,482	142,629
14	Other contractual funding obligations	120,595	120,595
15	Other contingent funding obligations	1,253,765	55,330
16	TOTAL CASH OUTFLOWS		4,870,498
CASH INFLOWS			
17	Secured lending (e.g. reverse repos and borrowed securities)	139,911	135,085
18	Inflows from fully performing exposures	909,454	452,501
19	Other cash inflows	779,123	779,123
20	TOTAL CASH INFLOWS	1,828,489	1,366,710
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		4,206,530
22	TOTAL NET CASH OUTFLOWS		3,503,789
23	LIQUIDITY COVERAGE RATIO (%)		120.1%

APPENDIX III LEVERAGE RATIO INFORMATION

At 30 September 2019, 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 7.02%, which was higher than the regulatory requirement.

In millions of RMB, except for percentages

Item	30 September 2019	30 June 2019	31 March 2019	31 December 2018
Tier 1 capital, net	1,910,079	1,724,878	1,725,849	1,663,833
Adjusted on- and off-balance sheet assets	27,202,211	26,148,038	25,565,737	24,611,669
Leverage ratio	7.02%	6.60%	6.75%	6.76%

APPENDIX IV FINANCIAL STATEMENTS PREPARED UNDER IFRS

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Interest income	217,734	200,605	639,304	578,899
Interest expense	(94,893)	(79,023)	(278,831)	(223,484)
Net interest income	122,841	121,582	360,473	355,415
Fee and commission income	23,405	21,687	80,701	70,183
Fee and commission expense	(4,447)	(2,962)	(10,844)	(7,821)
Net fee and commission income	18,958	18,725	69,857	62,362
Net trading gain	6,888	8,887	19,119	16,693
Net gain on financial investments	192	2,955	1,272	7,031
Net gain on derecognition of financial assets measured at amortized cost	-	13	-	15
Other operating income	3,057	25	25,682	18,621
Operating income	151,936	152,187	476,403	460,137
Operating expenses	(49,721)	(47,596)	(154,874)	(147,557)
Credit impairment losses	(30,688)	(36,103)	(104,163)	(102,520)
Impairment losses on other assets	(48)	(12)	-	(38)
Operating profit	71,479	68,476	217,366	210,022
Share of result of associates and joint ventures	(19)	23	(44)	29
Profit before tax	71,460	68,499	217,322	210,051
Income tax expense	(12,041)	(12,671)	(35,531)	(38,247)
Profit for the period	59,419	55,828	181,791	171,804
Attributable to:				
Equity holders of the Bank	59,226	55,822	180,671	171,611
Non-controlling interests	193	6	1,120	193
	59,419	55,828	181,791	171,804
Earnings per share attributable to the ordinary equity holders of the Bank (expressed in RMB yuan per share)				
- Basic and diluted	0.17	0.17	0.51	0.51

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Profit for the period	59,419	55,828	181,791	171,804
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Fair value changes on financial assets at fair value through other comprehensive income	4,503	8,673	6,287	21,987
Loss allowance on financial assets at fair value through other comprehensive income	2,399	1,849	5,496	897
Income tax impact for fair value changes and loss allowance on financial assets at fair value through other comprehensive income	(1,797)	(2,566)	(2,991)	(5,293)
Foreign currency translation differences	840	1,330	993	1,672
Items that will not be reclassified subsequently to profit or loss:				
Fair value changes on other equity investments designated at fair value through other comprehensive income	(33)	134	233	295
Income tax impact for fair value changes on other equity investments designated at fair value through other comprehensive income	7	(34)	(61)	(74)
Other comprehensive income, net of tax	5,919	9,386	9,957	19,484
Total comprehensive income for the period	65,338	65,214	191,748	191,288
Total comprehensive income attributable to:				
Equity holders of the Bank	64,995	65,180	190,430	190,774
Non-controlling interests	343	34	1,318	514
	65,338	65,214	191,748	191,288

Note: The comparative amounts of Net gain on financial investments, Net gain on derecognition of financial assets measured at amortized cost, Operating expenses, Credit impairment losses, Impairment losses on other assets and Other comprehensive income have been reclassified to conform with the current period's presentation.

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Assets		
Cash and balances with central banks	2,844,741	2,805,107
Deposits with banks and other financial institutions	201,630	109,728
Precious metals	99,941	21,268
Placements with and loans to banks and other financial institutions	537,837	552,013
Derivative financial assets	44,309	36,944
Financial assets held under resale agreements	404,432	371,001
Loans and advances to customers	12,793,125	11,461,542
Financial investments		
Financial assets at fair value through profit or loss	812,068	643,245
Debt instrument investments at amortized cost	4,893,024	4,503,698
Other debt instrument investments and other equity investments at fair value through other comprehensive income	1,737,182	1,738,132
Investment in associates and joint ventures	5,904	4,005
Property and equipment	146,908	152,452
Goodwill	1,381	1,381
Deferred tax assets	125,495	113,293
Other assets	222,984	95,662
Total assets	24,870,961	22,609,471
Liabilities		
Borrowings from central banks	487,062	561,195
Deposits from banks and other financial institutions	1,325,017	1,124,322
Placements from banks and other financial institutions	345,476	325,541
Financial liabilities at fair value through profit or loss	503,033	286,303
Derivative financial liabilities	62,069	34,554
Financial assets sold under repurchase agreements	68,256	157,101
Due to customers	18,723,954	17,346,290
Debt securities issued	999,661	780,673
Deferred tax liabilities	127	139
Other liabilities	432,846	318,566
Total liabilities	22,947,501	20,934,684

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

AS AT 30 SEPTEMBER 2019

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Equity		
Ordinary shares	349,983	349,983
Other equity instruments	199,886	79,899
Capital reserve	173,556	173,556
Investment revaluation reserve	27,758	18,992
Surplus reserve	154,286	154,257
General reserve	277,106	239,190
Retained earnings	732,608	652,944
Foreign currency translation reserve	2,466	1,473
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	1,917,649	1,670,294
Non-controlling interests	5,811	4,493
	<hr/>	<hr/>
Total equity	1,923,460	1,674,787
	<hr/>	<hr/>
Total equity and liabilities	24,870,961	22,609,471
	<hr/>	<hr/>

The consolidated financial statements on page I to VI were approved and authorized for issue by the Board of Directors on 25 October 2019 and are signed on its behalf by:

Zhou Mubing

Chairman

Zhang Keqiu

Executive Director

AGRICULTURAL BANK OF CHINA LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS**
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019
(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	217,322	210,051
Adjustments for:		
Amortization of intangible assets and other assets	1,521	1,901
Depreciation of property, equipment and right-of-use assets	12,272	10,368
Credit impairment losses	104,163	102,520
Impairment losses on other assets	-	38
Interest income arising from investment securities	(173,233)	(163,406)
Interest expense on debt securities issued	22,618	16,346
Revaluation gain on financial instruments at fair value through profit or loss	(12,063)	(9,653)
Net gain on investment securities	(394)	(229)
Share of result of associates and joint ventures	44	(29)
Net gain on disposal of property, equipment and other assets	(639)	(650)
Net foreign exchange gain	(10,341)	(14,115)
	<u>161,270</u>	<u>153,142</u>
Net change in operating assets and operating liabilities:		
Net decrease in balances with central banks, deposits with banks and other financial institutions	149,120	155,615
Net increase in placements with and loans to banks and other financial institutions	(114,148)	(109,568)
Net (increase)/decrease in financial assets held under resale agreements	(100,364)	12,326
Net increase in loans and advances to customers	(1,392,190)	(1,092,360)
Net (decrease)/increase in borrowings from central banks	(70,521)	95,128
Net increase in placements from banks and other financial institutions	20,080	28,292
Net increase in due to customers and deposits from banks and other financial institutions	1,559,061	1,292,250
Increase in other operating assets	(347,222)	(98,284)
Increase/(decrease) in other operating liabilities	292,273	(277,391)
Cash from operations	157,359	159,150
Income tax paid	(55,222)	(46,763)
NET CASH FROM OPERATING ACTIVITIES	<u>102,137</u>	<u>112,387</u>

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS(Continued)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of investment securities	1,297,274	1,488,456
Cash received from interest income arising from investment securities	177,491	161,902
Cash received from disposal of property, equipment and other assets	1,588	557
Cash paid for purchase of investment securities	(1,715,597)	(2,024,068)
Increase in investment in associates and joint ventures	(1,977)	(3,750)
Cash paid for purchase of property, equipment and other assets	(6,516)	(7,428)
NET CASH USED IN INVESTING ACTIVITIES	(247,737)	(384,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from issues of shares	-	100,000
Contribution from issues of other equity instruments	120,000	-
Cash received from debt securities issued	974,499	1,035,601
Repayments of debt securities issued	(759,998)	(782,033)
Cash payments for interest on debt securities issued	(19,095)	(13,524)
Cash payments for transaction cost of debt securities issued	(33)	(6)
Cash payments for transaction cost of shares issued	-	(35)
Cash payments for transaction cost of other equity instruments issued	(13)	-
Capital contribution from non-controlling interests	-	749
Dividends paid to:	(63,062)	(47,403)
Ordinary shareholders	(60,862)	(45,202)
Preference shareholders	(2,200)	(2,200)
Non-controlling interests	-	(1)
Cash payments for principal portion and interest portion of the lease liability	(3,159)	N/A
NET CASH FROM FINANCING ACTIVITIES	249,139	293,349
NET INCREASE IN CASH AND CASH EQUIVALENTS	103,539	21,405
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	978,441	1,001,246
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	4,151	6,012
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	1,086,131	1,028,663