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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 2014

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 2014, prepared under 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 legal liabilities.
- 1.2 The Board reviewed and approved the Third Quarterly Report of 2014 at its ninth meeting of 2014 held on 30 October 2014. 12 Directors attended the meeting, of which 11 Directors attended in person. Mr. Francis YUEN Tin-fan, a Director, designated Mr. Frederick MA Si-hang, a Director, as proxy to attend and vote at the meeting on his behalf in writing.
- 1.3 The financial statements herein have not been audited.
- 1.4 Mr. ZHANG Yun, Vice Chairman of the Board and President 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

Stock exchange on which A shares are listed	Shanghai Stock Exchange
Stock name	農業銀行
Stock code	601288
Stock exchange on which H shares are listed	The Stock Exchange of Hong Kong Limited
Stock name	ABC
Stock code	1288
Board Secretary and Company Secretary	ZHU Gaoming 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 Major financial data

Financial data and indicators recorded in this quarterly report are the data of the Group 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

	30 September 2014	31 December 2013	Change as compared to the end of 2013 (%)
Total Assets	15,959,249	14,562,102	9.59
Loans and advances to customers, net	7,650,922	6,902,522	10.84
Deposits with banks and other financial institutions	590,226	397,678	48.42
Placements with banks and other financial institutions	359,904	308,655	16.60
Investment in securities and other financial assets, net	3,557,179	3,220,098	10.47
Total liabilities	15,000,556	13,717,565	9.35
Deposits from customers	12,638,575	11,811,411	7.00
Deposits from banks and other financial institutions	883,401	729,354	21.12
Placements from banks and other financial institutions	234,667	174,363	34.59
Equity attributable to equity holders of the Bank	957,124	843,108	13.52
Net assets per share (in RMB Yuan)	2.95	2.60	13.46
	Nine months ended 30 September 2014 (January– September)	Nine months ended 30 September 2013 (January– September)	Change as compared to the same period of 2013 (%)
Net cash flow from operating activities	65,598	103,567	-36.66
Net cash flow per share from operating activities (in RMB Yuan)	0.20	0.32	-37.50
	Nine months ended 30 September 2014 (January– September)	Nine months ended 30 September 2013 (January– September)	Change as compared to the same period of 2013 (%)
Operating income	395,750	352,892	12.14
Net profit	152,505	138,037	10.48
Net profit attributable to equity holders of the Bank	152,439	137,988	10.47
Basic earnings per share (in RMB Yuan)	0.47	0.42	11.90
Return on weighted average net assets (annualized, %)	22.34	23.09	Decreased by 0.75 percentage point

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 and 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 283,358 shareholders in total, including 27,938 H-share shareholders and 255,420 A-share shareholders.

Particulars of shareholding of the top 10 shareholders (based on the registers of shareholders as at 30 September 2014)

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	40.28	130,831,990,282	—	None
Ministry of Finance of the PRC (“MOF”)	State-owned	A shares	39.21	127,361,764,737	—	None
HKSCC Nominees Limited	Overseas legal entity	H shares	9.04	29,352,004,915	—	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	1.48	4,812,906,379	—	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	94,705,881	None
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 HU	Other	A shares	0.38	1,218,757,000	—	None
Standard Chartered Bank	Overseas legal entity	H shares	0.37	1,217,281,000	—	Unknown
State Grid Yingda International Holdings Group Limited	Other	A shares	0.23	746,268,000	—	None
China Shuangwei Investment Corporation	Other	A shares	0.23	746,268,000	—	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 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 30 September 2014.

(3) Among the above shareholders, 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 connection 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 30 September 2014)**

Name of shareholder	Number of shares not subject to restrictions on sales	Type of shares
Huijin	130,831,990,282	A shares
MOF	127,361,764,737	A shares
HKSCC Nominees Limited	29,352,004,915	H shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products	4,812,906,379	A shares
National Council for Social Security Fund of the PRC — Account III for state-owned shares transfer	1,231,176,460	A shares
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 HU	1,218,757,000	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

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) The Bank is not aware of any connection between the above shareholders or whether they are parties acting in concert.

§3 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 2014, the Group achieved a net profit of RMB152,505 million, representing an increase of 10.48% over the same period of 2013, primarily due to the increase of net interest income. Our annualized return on average total assets and annualized return on weighted average net assets reached 1.33% and 22.34%, representing an increase of 0.01 percentage point and a decrease of 0.75 percentage point over the same period of 2013, respectively. We achieved basic earnings per share of RMB0.47, representing an increase of RMB0.05 over the same period of 2013.

For the nine months ended 30 September 2014, the Group achieved an operating income of RMB395,750 million, representing an increase of 12.14% over the same period of 2013. Net interest income amounted to RMB317,793 million, representing an increase of 15.30% over the same period of 2013. Net interest margin and net interest spread amounted to 2.91% and 2.75%, representing an increase of 16 basis points and 15 basis points, respectively, over the same period of 2013. Net fee and commission income amounted to RMB65,920 million, representing a decrease of 2.01% over the same period of 2013, mainly due to the decrease in fees from advisory and consultancy business. Operating expenses amounted to RMB153,458 million, representing an increase of 7.38% over the same period of 2013. Cost-to-income ratio (as prepared under PRC GAAP) amounted to 30.80%, representing a decrease of 1.98 percentage points over the same period of 2013. Impairment losses on assets amounted to RMB45,021 million, representing an increase of RMB13,538 million over the same period of 2013. The impairment losses on loans amounted to RMB43,046 million.

Assets and liabilities

At 30 September 2014, total assets amounted to RMB15,959,249 million, representing an increase of RMB1,397,147 million or 9.59% compared to the end of 2013. Total loans and advances to customers amounted to RMB7,997,605 million, representing an increase of RMB772,892 million or 10.70% compared to the end of 2013, among which, corporate loans, retail loans, discounted bills, and overseas and other loans amounted to RMB5,097,609 million, RMB2,370,229 million, RMB110,175 million and RMB419,592 million, respectively. Net investment in securities and other financial assets increased by RMB337,081 million or 10.47% compared to the end of 2013 to RMB3,557,179 million.

Total liabilities increased by RMB1,282,991 million or 9.35% compared to the end of 2013 to RMB15,000,556 million. Deposits from customers increased by RMB827,164 million or 7.00% compared to the end of 2013 to RMB12,638,575 million. In terms of the maturity of deposits, time deposits, demand deposits and other deposits amounted to RMB5,459,258 million, RMB6,419,330 million and RMB759,987 million, respectively. In terms of business line, corporate deposits, retail deposits and other deposits amounted to RMB4,486,573 million, RMB7,392,015 million and RMB759,987 million, respectively.

At 30 September 2014, loan-to-deposit ratio was 63.28%, representing an increase of 2.11 percentage points as compared to the end of 2013. For the nine months ended 30 September 2014, average daily balance of deposits was RMB11,983,583 million, with average daily loan-to-deposit ratio of 64.08%.

Shareholders' equity increased by RMB114,156 million or 13.52% compared to the end of 2013 to RMB958,693 million, with share capital of RMB324,794 million, capital reserve of RMB98,773 million, investment revaluation reserve of RMB-3,816 million, surplus reserve of RMB60,689 million, general reserve of RMB156,666 million and retained earnings of RMB320,913 million, respectively.

Assets quality

At 30 September 2014, non-performing loans amounted to RMB103,466 million, representing an increase of RMB15,685 million compared to the end of 2013. Non-performing loan ratio was 1.29%, representing an increase of 0.07 percentage point compared to the end of 2013. Allowance to non-performing loans reached 335.07%, representing a decrease of 31.97 percentage points compared to the end of 2013.

County Area Banking Business

At 30 September 2014, total assets of County Area Banking Business amounted to RMB5,844,599 million, representing an increase of RMB367,264 million or 6.71% compared to the end of 2013. Total loans and advances to customers of County Area Banking Business amounted to RMB2,616,128 million, representing an increase of RMB268,094 million or 11.42% compared to the end of 2013.

Total liabilities of County Area Banking Business amounted to RMB5,523,981 million, representing an increase of RMB332,183 million or 6.40% compared to the end of 2013. Deposits from customers of County Area Banking Business amounted to RMB5,322,101 million, representing an increase of RMB362,664 million or 7.31% compared to the end of 2013.

Non-performing loan ratio of County Area Banking Business amounted to 1.63%, representing an increase of 0.09 percentage point compared to the end of 2013. Allowance to non-performing loans reached 331.88%, representing a decrease of 20.97 percentage points compared to the end of 2013.

§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 2013 or the same period of 2013, 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

Item	January to September 2014	January to September 2013	Change over the same period of 2013 (%)	Major reasons for change
Net gain/(loss) on financial instruments designated at fair value through profit or loss	843	(347)	—	The increase in gain from principal-guaranteed wealth management and debt securities designated at fair value through profit or loss
Net gain on investment securities	85	430	-80.23	The decrease in net gain on investment securities of subsidiaries
Impairment losses on assets	(45,021)	(31,483)	43.00	Allowance accrued for impairment losses on loans assessed on an individually basis increased as compared with the corresponding period of last year
Non-controlling interests	66	49	34.69	The increase in profits of non-wholly owned subsidiaries
Other comprehensive income/(expenses), net of tax	19,140	(9,789)	—	The increase in fair value of available-for-sale financial assets
Total comprehensive income	171,645	128,248	33.84	The increase in fair value of available-for-sale financial assets and net profit

In millions of RMB, except for percentages

Item	30 September 2014	31 December 2013	Change over the same period of 2013 (%)	Major reasons for change
Deposits with banks and other financial institutions	590,226	397,678	48.42	The increase in lending
Investment in associated companies and joint ventures	0	1	-100	The long-term equity investment in Suzhou GTJA made by ABC International Limited has been liquidated during the period
Borrowings from central bank	100,141	104	96,189.42	In order to meet the financial demands in the real economy and expand financing channels, the Bank increased borrowings from central bank accordingly
Placements from banks and other financial institutions	234,667	174,363	34.59	The increase in borrowing of overseas branches
Financial assets sold under repurchase agreements	35,644	26,787	33.06	The increase in debt securities sold under repurchase agreements
Deferred tax liabilities	43	8	437.5	Deferred tax liabilities of ABC Life Insurance Co., Ltd. increased as compared with the end of last year
Investment revaluation reserve	(3,816)	(22,772)	-83.24	The decrease in yield on debt securities resulted in the increase in price of debt securities
Retained earnings	320,913	243,482	31.80	The increase in net profits during the period

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

Applicable Not Applicable

The Bank planned to issue preference shares which meet the standards of other tier 1 capital instruments set by the China Banking Regulatory Commission (the “**CBRC**”) in China. The issuance of preference shares was approved by the CBRC and the China Securities Regulatory Commission (the “**CSRC**”) on 14 August 2014 and 23 September 2014, respectively. For the details of the approval of the resolutions regarding the issuance of preference shares by the Board and Shareholders’ General Meeting of the Bank and the approval of the issuance of preference shares, please refer to the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

The Board of the Bank will handle the relevant matters of the issuance of preference shares in accordance with relevant laws and regulations, requirements of relevant approval of regulatory authorities such as the CSRC and the authorization of the general meeting of shareholders of the Bank.

4.3 Fulfillment of commitments made by the Bank and its shareholders with more than 5% shareholding

Applicable Not Applicable

Commitments made by the shareholders during the reporting period are the same as those disclosed in the prospectus for the initial public offering of the Bank. As at 30 September 2014, all of the commitments made by the shareholders of the Bank were fulfilled.

4.4 Implementation of cash dividend policy during the reporting period

Applicable Not Applicable

As approved by the Annual General Meeting for 2013, the Bank distributed cash dividend to holders of A shares and holders of H shares who were registered on the Bank’s registers of shareholders after market close on 2 July 2014. The cash dividend was RMB0.177 per share (including tax), aggregating RMB57,489 million (including tax).

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

Applicable Not Applicable

§5 Capital Adequacy Ratios Information

The Bank disclosed the following information regarding capital adequacy ratios in accordance with the requirements of the Capital Rules for Commercial Banks (Provisional), issued by the CBRC.

On 2 April 2014, the CBRC approved the Bank to implement the non-retail Foundation Internal Rating-Based approach (FIRB) and the retail Internal Rating-Based approach (IRB) for credit risk and standardized approach for operational risk, both at the Bank and the Group level. The Bank was thus one of the first batch of banks in China to implement the advanced capital management approaches. In accordance with the Capital Rules for Commercial Banks (Provisional), CBRC determines the parallel run period for the banks approved to adopt the advanced capital measurement approaches. During the parallel run period, the banks shall calculate their capital adequacy ratios by adopting both advanced approaches and other approaches, and shall comply with the capital floor requirements. Due to the changes in calculation approach, requirements of regulatory adjustment and the capital floor requirements, the results of capital adequacy ratio were affected. On 18 August 2014, the Bank issued RMB30,000 million of tier-2 capital bonds in China's national inter-bank bond market.

As at 30 September 2014, The Bank calculated the credit risk-weighted assets by non-retail FIRB approach, retail IRB approach, and weighted approach for the assets not covered by IRB approach. The Bank calculated the market risk-weighted assets and operational risk-weighted assets by standardized approach. The table below sets out the measurement of total capital, risk-weighted assets and capital adequacy ratios pursuant to the Capital Rules for Commercial Banks (Provisional).

In millions of RMB, except for percentages

Item	At 30 September 2014		At 31 December 2013	
	The Group	The Bank	The Group	The Bank
CET 1 capital	951,727	944,476	838,473	831,648
Tier 1 capital	951,729	944,476	838,474	831,648
Total capital	1,323,948	1,315,819	1,074,967	1,067,420
Risk-weighted assets	10,693,491	10,618,419	9,065,631	9,004,578
CET 1 capital adequacy ratio	8.90%	8.89%	9.25%	9.24%
Tier 1 capital adequacy ratio	8.90%	8.89%	9.25%	9.24%
Capital adequacy ratio	12.38%	12.39%	11.86%	11.85%

- Notes:
- As at 31 December 2013, the Bank calculated the credit risk-weighted assets by weighted approach, the market risk-weighted assets by standardized approach, and the operational risk-weighted assets by basic indicator approach. Based on this approach, the consolidated CET 1 capital adequacy ratio, Tier 1 capital adequacy ratio and capital adequacy ratio at 30 September 2014 were 9.40%, 9.40% and 12.02%, respectively.
 - During the parallel run period, while calculating the credit risk-weighted asset by IRB approach, the amount of excess loan loss allowance beyond the provision coverage ratio cap of 150% were all qualified as Tier 2 capital. Besides, with the requirement of capital floor adjustment coefficients as 95%, the difference between excess loan loss allowance qualified as Tier 2 capital calculated using the advanced capital measurement approach and those calculated using other approaches was multiplied by 9.52 and recorded in risk-weighted assets. Therefore, during the parallel run period, the CET 1 capital adequacy ratio and Tier 1 capital adequacy ratio of the Bank decreased in accordance with the advanced capital measurement approach because the risk-weighted assets increased as a result of the reversal of excess loan loss allowance. In accordance with the requirement of Basel III and the method of

comparable international banks, the excess loan loss allowance qualified as Tier 2 capital were up to 0.6% of credit risk-weighted assets. Besides, with the requirement of capital floor adjustment coefficients as 95%, the difference between excess loan loss provisions qualified as Tier 2 capital calculated using the advanced capital measurement approach and those calculated using other approaches was multiplied by 9.52 and recorded in risk-weighted assets. Calculated by the above method, the excess loan loss provisions of the Bank qualified as Tier 2 capital calculated with the advanced capital measurement approach were less than those calculated with other approaches. At 30 September 2014, the consolidated CET 1 capital adequacy ratio, Tier 1 capital adequacy ratio and capital adequacy ratio were 10.19%, 10.19% and 12.47%, respectively.

During the phase-in period, the consolidated and unconsolidated capital adequacy ratios of the Bank calculated in accordance with the Rules for the Management of Capital Adequacy Ratio of Commercial Banks issued by the CBRC are shown below.

Item	As at 30 September 2014		As at 31 December 2013	
	The Group	The Bank	The Group	The Bank
Core capital adequacy ratio	9.75%	9.78%	9.81%	9.82%
Capital adequacy ratio	12.20%	12.21%	12.57%	12.55%

§6 Appendix Financial Statements Prepared under IFRS

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

§7 Release of Quarterly Report

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

By Order of the Board
Agricultural Bank of China Limited
ZHU Gaoming
Company Secretary

Beijing, the PRC
30 October 2014

As at the date of this announcement, our executive directors are Mr. ZHANG Yun and Mr. LOU Wenlong; our non-executive directors are Mr. SHEN Bingxi, Mr. CHENG Fengchao, Mr. XIAO Shusheng, Mr. ZHAO Chao and Mr. ZHOU Ke; 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

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Interest income	179,537	155,682	517,369	452,145
Interest expense	<u>(71,182)</u>	<u>(60,060)</u>	<u>(199,576)</u>	<u>(176,521)</u>
Net interest income	<u>108,355</u>	<u>95,622</u>	<u>317,793</u>	<u>275,624</u>
Fee and commission income	19,812	21,405	70,253	71,126
Fee and commission expense	<u>(1,740)</u>	<u>(1,732)</u>	<u>(4,333)</u>	<u>(3,856)</u>
Net fee and commission income	<u>18,072</u>	<u>19,673</u>	<u>65,920</u>	<u>67,270</u>
Net trading (loss)/gain	(262)	526	2,536	2,599
Net gain/(loss) on financial instruments designated at fair value through profit or loss	310	(437)	843	(347)
Net gain on investment securities	60	96	85	430
Other operating income	<u>1,306</u>	<u>1,368</u>	<u>8,573</u>	<u>7,316</u>
Operating income	<u>127,841</u>	<u>116,848</u>	<u>395,750</u>	<u>352,892</u>
Operating expenses	(50,072)	(48,845)	(153,458)	(142,916)
Impairment losses on assets	<u>(16,082)</u>	<u>(9,012)</u>	<u>(45,021)</u>	<u>(31,483)</u>
Profit before tax	61,687	58,991	197,271	178,493
Income tax expense	<u>(13,249)</u>	<u>(13,338)</u>	<u>(44,766)</u>	<u>(40,456)</u>
Profit for the period	<u>48,438</u>	<u>45,653</u>	<u>152,505</u>	<u>138,037</u>
Attributable to:				
Equity holders of the Bank	48,407	45,636	152,439	137,988
Non-controlling interests	<u>31</u>	<u>17</u>	<u>66</u>	<u>49</u>
	<u>48,438</u>	<u>45,653</u>	<u>152,505</u>	<u>138,037</u>
Earnings per share attributable to the equity holders of the Bank (Expressed in RMB per share)				
- Basic and diluted	<u>0.15</u>	<u>0.14</u>	<u>0.47</u>	<u>0.42</u>

AGRICULTURAL BANK OF CHINA LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Profit for the period	<u>48,438</u>	<u>45,653</u>	<u>152,505</u>	<u>138,037</u>
Other comprehensive income/(expenses):				
Items that may be reclassified subsequently to profit or loss:				
Fair value changes on available-for-sale financial assets	3,439	(10,748)	25,338	(12,563)
Income tax impact for fair value changes on available-for-sale financial assets	(903)	2,687	(6,308)	3,106
Foreign currency translation differences	<u>(18)</u>	<u>(51)</u>	<u>110</u>	<u>(332)</u>
Other comprehensive income/(expenses), net of tax	<u>2,518</u>	<u>(8,112)</u>	<u>19,140</u>	<u>(9,789)</u>
Total comprehensive income for the period	<u>50,956</u>	<u>37,541</u>	<u>171,645</u>	<u>128,248</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	50,908	37,507	171,505	128,190
Non-controlling interests	<u>48</u>	<u>34</u>	<u>140</u>	<u>58</u>
	<u>50,956</u>	<u>37,541</u>	<u>171,645</u>	<u>128,248</u>

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2014

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2014 (Unaudited)	31 December 2013 (Audited)
Assets		
Cash and balances with central banks	2,810,852	2,603,802
Deposits with banks and other financial institutions	590,226	397,678
Precious metals	20,468	19,185
Placements with and loans to banks and other financial institutions	359,904	308,655
Financial assets held for trading	52,739	53,864
Financial assets designated at fair value through profit or loss	343,474	269,018
Derivative financial assets	6,280	8,186
Financial assets held under resale agreements	566,629	737,052
Loans and advances to customers	7,650,922	6,902,522
Available-for-sale financial assets	884,259	781,311
Held-to-maturity investments	1,674,298	1,523,815
Debt instruments classified as receivables	602,409	592,090
Investments in associates and joint ventures	-	1
Property and equipment	148,410	150,859
Goodwill	1,381	1,381
Deferred tax assets	73,182	74,075
Other assets	173,816	138,608
Total assets	15,959,249	14,562,102
Liabilities		
Borrowings from central bank	100,141	104
Deposits from banks and other financial institutions	883,401	729,354
Placements from banks and other financial institutions	234,667	174,363
Financial liabilities held for trading	25,064	20,805
Financial liabilities designated at fair value through profit or loss	323,137	285,454
Derivative financial liabilities	6,793	7,635
Financial assets sold under repurchase agreements	35,644	26,787
Due to customers	12,638,575	11,811,411
Debt securities issued	331,208	266,261
Deferred tax liabilities	43	8
Other liabilities	421,883	395,383
Total liabilities	15,000,556	13,717,565

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

AT 30 SEPTEMBER 2014

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2014 (Unaudited)	31 December 2013 (Audited)
Equity		
Share capital	324,794	324,794
Capital reserve	98,773	98,773
Investment revaluation reserve	(3,816)	(22,772)
Surplus reserve	60,689	60,632
General reserve	156,666	139,204
Retained earnings	320,913	243,482
Foreign currency translation reserve	(895)	(1,005)
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	957,124	843,108
Non-controlling interests	1,569	1,429
	<hr/>	<hr/>
Total equity	958,693	844,537
	<hr/>	<hr/>
Total equity and liabilities	15,959,249	14,562,102
	<hr/> <hr/>	<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 2014 and are signed on its behalf by:

Zhang Yun

Vice Chairman

Lou Wenlong

Executive Director

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014
(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	197,271	178,493
Adjustments for:		
Amortization of intangible assets and other assets	1,932	1,696
Depreciation of property and equipment	12,256	11,120
Impairment losses on assets	45,021	31,483
Interest income arising from investment securities	(89,922)	(79,553)
Interest income arising from impaired loans and advances to customers	(635)	(543)
Interest expense on debt securities issued	7,325	6,254
Net gain on investment securities	(85)	(430)
Net gain on disposal of investment in subsidiaries, associates and joint ventures	-	(309)
Net gain on disposal of property, equipment and other assets	(265)	(85)
Net foreign exchange (gain)/loss	(717)	4,045
	<u>172,181</u>	<u>152,171</u>
Net change in operating assets and operating liabilities:		
Net increase in balances with central banks, deposits with banks and other financial institutions	(400,381)	(202,211)
Net increase in placements with and loans to banks and other financial institutions	(62,102)	(16,032)
Net decrease/(increase) in financial assets held under resale agreements	74,979	(94,778)
Net increase in loans and advances to customers	(781,438)	(678,648)
Net increase in borrowings from central bank	100,037	44
Net increase in placements from banks and other financial institutions	60,304	71,693
Net increase in due to customers and deposits from banks and other financial institutions	981,211	896,074
Increase in other operating assets	(107,408)	(245,892)
Increase in other operating liabilities	84,013	271,681
	<u>121,396</u>	<u>154,102</u>
Cash from operations	121,396	154,102
Income tax paid	(55,798)	(50,535)
	<u>65,598</u>	<u>103,567</u>
NET CASH FROM OPERATING ACTIVITIES	<u>65,598</u>	<u>103,567</u>

AGRICULTURAL BANK OF CHINA LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of investment securities	353,766	477,726
Cash received from interest income arising from investment securities	78,915	69,878
Cash received from disposal of investment in subsidiaries, associates and joint ventures	1	417
Cash received from other investing activities	608	718
Cash paid for purchase of investment securities	(591,719)	(752,428)
Cash paid for purchase of property and equipment and other assets	(13,851)	(15,289)
	<u>(172,280)</u>	<u>(218,978)</u>
NET CASH USED IN INVESTING ACTIVITIES		
	<u>(172,280)</u>	<u>(218,978)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from debt securities issued	206,701	78,421
Dividends paid	(57,489)	(50,830)
Repayments of debt securities issued	(142,030)	(34,993)
Cash payments for interest on debt securities issued	(6,558)	(5,110)
Cash payments for transaction cost of debt securities issued	(42)	-
	<u>582</u>	<u>(12,512)</u>
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		
	<u>582</u>	<u>(12,512)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(106,100)	(127,923)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	813,799	952,936
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	186	(2,156)
	<u>707,885</u>	<u>822,857</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>707,885</u>	<u>822,857</u>