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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 2011**

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 2011, prepared under the International Financial Reporting Standards (“**IFRS**”). This announcement is made in accordance with Rule 13.09 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 Agricultural Bank of China Limited undertake that the information stated in this report contains no false record, misleading statement or material omission, and assume individual and joint and several liabilities as to the authenticity, accuracy and completeness of the information in this report.
- 1.2 The First Board has reviewed and approved the Third Quarterly Report of 2011 at the 24th meeting held on 26 October 2011. All directors were present at the meeting.
- 1.3 The financial statements herein have not been audited.
- 1.4 Mr. XIANG Junbo, Legal Representative of the Bank, Mr. PAN Gongsheng, 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 and complete.

## §2. Corporate Information

### 2.1 Basic corporate information

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

## 2.2 Financial highlights

(Financial data and indicators recorded in this quarterly report are prepared under IFRS and denominated in Renminbi (“RMB”).)

### 2.2.1 Major financial data and indicators

*In millions of RMB, unless otherwise stated*

	<b>30 September 2011</b>	<b>31 December 2010</b>	<b>Change as compared to the end of 2010 (%)</b>
Total assets	11,589,073	10,337,406	12.11
Loans and advances to customers, net	5,278,225	4,788,008	10.24
Investment securities and other financial assets, net	2,532,071	2,527,431	0.18
Total liabilities	10,968,538	9,795,170	11.98
Deposits from customers	9,703,827	8,887,905	9.18
Equity attributable to equity holders of the Bank	620,351	542,071	14.44
Net assets per share (in RMB Yuan)	1.91	1.67	14.37
	<b>Nine months ended 30 September 2011 (January–September)</b>		<b>Change as compared to the same period of 2010 (%)</b>
Net cash flow from operating activities	532,054		160.55
Net cash flow per share from operating activities (in RMB Yuan)	1.64		160.32
	<b>Three months ended 30 September 2011 (July– September)</b>	<b>Nine months ended 30 September 2011 (January– September)</b>	<b>Change as compared to the same three-month period of 2010 (%) (July–September)</b>
Net profit	34,097	100,776	40.19
Net profit attributable to equity holders of the Bank	34,090	100,757	40.25
Basic earnings per share (in RMB Yuan)	0.10	0.31	25.00
Return on weighted average net assets (annualised, %)	22.54	23.00	Increased by 1.54 percentage points

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

There are no differences in the net profit or shareholders’ equity in the consolidated financial statements prepared under IFRS and those prepared in accordance with PRC GAAP by the Group.

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

At the end of the reporting period, the Bank had 441,846 shareholders in total, including 30,912 H-share shareholders and 410,934 A-share shareholders.

### Particulars of shareholding of the top 10 shareholders (based on the register of shareholders as of 30 September 2011)

Name of shareholder	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Central Huijin Investment Ltd.	State-owned	A shares	40.03	130,000,000,000	130,000,000,000	None
Ministry of Finance of the People's Republic of China	State-owned	A shares	39.21	127,361,764,737	127,361,764,737	None
Hong Kong Securities Clearing Company Nominees Limited	Overseas legal entity	H shares	8.99	29,193,155,601	—	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	0.76	2,472,968,793	—	None
National Council for Social Security Fund of the PRC — Account III for state-owned shares transfer	State-owned	A shares	0.41	1,325,882,341	1,325,882,341	None
Standard Chartered Bank	Overseas legal entity	H shares	0.37	1,217,281,000	—	Unknown
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Shanghai	Other	A shares	0.37	1,192,907,000	594,378,500	None
Hwabao Trust Co., Ltd. — Single Unit Trust Fund R2008ZX013	Other	A shares	0.34	1,119,076,095	—	None
Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance policy with high interest rate	Other	A shares	0.27	866,936,059	—	None

- Notes: (1) Particulars of shareholding of holders of H shares were based on the number of shares as recorded in the Bank's register of shareholders maintained by the H shares registrar.
- (2) Hong Kong Securities Clearing Company Nominees Limited represents as a nominee for the total H shares of all the institutions and individual investors that open an account and register with it as of 30 September 2011.
- (3) 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, and (1) Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products and (2) Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance policy with high interest rate which are managed by Ping An Life Insurance Company of China, Ltd., the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

**Particulars of shareholding of the top 10 shareholders  
not subject to restrictions on sales  
(based on the register of shareholders as of 30 September 2011)**

<b>Name of the shareholder</b>	<b>Number of shares not subject to restrictions on sales</b>	<b>Type of shares</b>
Hong Kong Securities Clearing Company Nominees Limited	29,193,155,601	H shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products	2,472,968,793	A shares
Standard Chartered Bank	1,217,281,000	H shares
Hwabao Trust Co., Ltd. — Single Unit Trust Fund R2008ZX013	1,119,076,095	A shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance policy with high interest rate	866,936,059	A shares
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Shanghai	598,528,500	A shares
ICBC Credit Suisse Fund Management Co., Ltd. — ABC — Enterprise Annuity Council of Agricultural Bank of China Limited	513,907,412	A shares
CNOOC Finance Corporation Limited	446,045,014	A shares
China Tobacco Corporation	373,134,000	A shares
Yingda International Holdings Group Co. Ltd.	373,134,000	A shares

- Notes: (1) Particulars of shareholding of holders of H shares were based on the number of shares as recorded in the Bank's register of shareholders maintained by the H shares registrar.
- (2) Apart from Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products and Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance policy with high interest rate which are managed by Ping An Life Insurance Company of China, Ltd., the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

### §3. Brief Analysis on Overall Operating Activities

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

For the nine months ended 30 September 2011, the Group achieved a net profit of RMB100,776 million, representing an increase of 43.59% over the same period of 2010, primarily due to the rapid growth of net interest income, and the sustained rapid growth of net fee and commission income. Our annualised return on average total assets reached 1.23%, representing an increase of 0.24 percentage point compared to the same period of 2010. Our annualised return on weighted average net assets was 23.00%. We achieved the basic earnings per share of RMB0.31.

Net interest margin and net interest spread amounted to 2.80% and 2.69%, respectively.

Net interest income amounted to RMB223,364 million, representing an increase of 28.35% over the same period of 2010. Net fee and commission income reached RMB54,824 million, representing an increase of 61.10% over the same period of 2010. Operating expenses amounted to RMB107,759 million, representing an increase of 21.72% over the same period of 2010; cost-to-income ratio (excluding business tax and surcharges) was 32.91%, representing a decrease of 3.81 percentage points over the same period of 2010. Impairment losses on assets reached RMB41,439 million, representing an increase of RMB8,892 million over the same period of 2010.

At the end of the reporting period, total assets amounted to RMB11,589,073 million, representing an increase of RMB1,251,667 million or 12.11% compared to the end of 2010. Total loans and advances to customers increased by RMB530,721 million to RMB5,487,462 million compared to the end of 2010, among which, corporate loans, retail loans, discounted bills and overseas and other loans amounted to RMB3,894,386 million, RMB1,388,105 million, RMB91,697 million and RMB113,274 million, respectively. Loan-to-deposit ratio was 56.55%, representing an increase of 0.78 percentage point compared to the end of 2010. Net investment securities and other financial assets increased by RMB4,640 million or 0.18% compared to the end of 2010, and reached RMB2,532,071 million.

Total liabilities increased by RMB1,173,368 million or 11.98% over the end of 2010 to RMB10,968,538 million. Deposits from customers increased by RMB815,922 million or 9.18% over the end of 2010, and reached RMB9,703,827 million, among which, time deposits, demand deposits and other deposits amounted to RMB3,846,537 million, RMB5,504,482 million and RMB352,808 million, respectively.

Total equity increased by RMB78,299 million or 14.44% compared to the end of 2010, and reached RMB620,535 million, with share capital of RMB324,794 million, capital reserve of RMB98,773 million, investment revaluation reserve of RMB-7,162 million, surplus reserve of RMB17,242 million, general reserve of RMB64,746 million and retained earnings of RMB122,291 million.

Total loans and advances to customers of our County Area Banking Business increased by RMB191,257 million or 12.71% over the end of 2010, and reached RMB1,696,543 million. Deposits from customers increased by RMB384,958 million or 10.66% over the end of 2010, and reached RMB3,997,304 million.

Non-performing loans (“NPLs”) amounted to RMB87,956 million, decreased by RMB12,449 million over the end of 2010; non-performing loan ratio was 1.60%, representing a decrease of 0.43 percentage point over the end of 2010. Allowance to NPLs reached 237.89%, representing an increase of 69.84 percentage points compared to the end of 2010.

At the end of the reporting period, capital adequacy ratio was 11.85%, and core capital adequacy ratio was 9.36%, representing an increase of 0.26 percentage point and a decrease of 0.39 percentage point, respectively, compared to the end of 2010.

## §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 2010 or the same period of 2010, 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	Nine months ended 30 September 2011	Nine months ended 30 September 2010	Change as compared to the same period of 2010 (%)	Major reasons for change
Interest income	340,068	260,256	30.67	The increases of benchmark interest rates by the PBOC since the second half of 2010 and the continued expansion of interest-earning assets
Interest expense	(116,704)	(86,233)	35.34	The increases of benchmark interest rates by the PBOC since the second half of 2010 and the continued expansion of interest-bearing liabilities
Net fee and commission income	54,824	34,032	61.10	The rapid growth of fee- and commission-based businesses, and the significant increases in fees generated from investment banking, credit card, international settlement and wealth management businesses
Net trading gain/(loss)	448	(38)	N/A	The increase in the gain and loss of precious metal transactions and derivative transactions
Net (loss)/gain on financial assets and liabilities designated as at fair value through profit or loss	(1,885)	332	(667.77)	The increase in loss on financial liabilities designated as at fair value through profit or loss
Net (loss)/gain on investment securities	(83)	170	(148.82)	Loss on disposal of available-for-sale debt securities



<b>Item</b>	<b>Nine months ended 30 September 2011</b>	<b>Nine months ended 30 September 2010</b>	<b>Change as compared to the same period of 2010 (%)</b>	<b>Major reasons for change</b>
Other operating income	3,200	1,752	82.65	Attributable to increase in foreign exchange trading and foreign exchange settlement
Income tax expense	(29,894)	(19,010)	57.25	Significant increase in profit before tax

*In millions of RMB, except for percentages*

<b>Item</b>	<b>30 September 2011</b>	<b>31 December 2010</b>	<b>Change as compared to the end of 2010 (%)</b>	<b>Major reasons for change</b>
Placements with banks and other financial institutions	234,730	95,375	146.11	The increase in placement with non-bank financial institutions
Financial assets held for trading	15,987	7,213	121.64	The increase in investment in trading bonds
Financial assets held under resale agreements	693,760	525,331	32.06	Increasing the bonds held under resale agreements position by seizing the opportunity arising from the high interest rate of the money market
Deferred tax assets	49,302	31,470	56.66	The increase in allowance for asset impairment resulted in rising deductible temporary difference
Other assets	116,971	78,861	48.33	The increase in receivables and prepayments
Placements from banks and other financial institutions	88,592	56,702	56.24	The rapid expansion of overseas branches resulted in increased placements
Financial liabilities held for trading	29	331	(91.24)	The decrease in trading financial liabilities resulted from transactions of short position in bonds
Financial liabilities designated as at fair value through profit or loss	116,351	34,682	235.48	The increase in wealth management businesses
Financial assets sold under repurchase agreements	84,305	37,467	125.01	The increase in bonds sold under repurchase agreements
Bonds payables	119,623	62,344	91.88	The issuance of RMB50 billion subordinated bonds
Other liabilities	238,310	176,999	34.64	The increase in payables for outstanding clearance and settlement, other payables and enterprise income tax payables
Investment revaluation reserve	(7,162)	(2,171)	229.89	The decrease in fair value of available-for-sale financial assets resulted from the increase in market interest rate



<b>Item</b>	<b>30 September 2011</b>	<b>31 December 2010</b>	<b>Change as compared to the end of 2010 (%)</b>	<b>Major reasons for change</b>
Retained earnings	122,291	45,484	168.87	Profit brought forward
Other comprehensive (expense)/income, net of tax	(4,938)	2,655	(285.99)	The decrease in fair value of available-for-sale financial assets resulted from the increase in market interest rate

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

☐ Applicable    ☒ Not Applicable

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

☒ Applicable    ☐ Not Applicable

Commitments made by the shareholders during the reporting period are the same as those disclosed in the prospectus for initial public offering of the Bank. As at 30 September 2011, all of the commitments made by the shareholders of the Bank were properly fulfilled.

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

☐ Applicable    ☒ Not Applicable

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

☐ Applicable    ☒ Not Applicable

## **§5 Appendix Financial Statements Prepared under IFRS**

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

## §6 Release of Quarterly Report

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

By Order of the Board  
**Agricultural Bank of China Limited**  
**XIANG Junbo**  
*Chairman*

Beijing, PRC, 26 October 2011

*As at the date of this announcement, our executive directors are Mr. XIANG Junbo, Mr. ZHANG Yun, Mr. YANG Kun and Mr. PAN Gongsheng; our non-executive directors are Mr. LIN Damao, Mr. ZHANG Guoming, Ms. XIN Baorong, Mr. SHEN Bingxi, Mr. CHENG Fengchao and Mr. LI Yelin, and our independent non-executive directors are Mr. Anthony WU Ting-yuk, Mr. QIU Dong, Mr. Frederick MA Si-Hang and Mr. WEN Tiejun.*

# APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

## CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Interest income	123,116	91,976	340,068	260,256
Interest expense	(44,482)	(29,661)	(116,704)	(86,233)
Net interest income	78,634	62,315	223,364	174,023
Fee and commission income	18,329	12,027	56,505	35,203
Fee and commission expense	(641)	(454)	(1,681)	(1,171)
Net fee and commission income	17,688	11,573	54,824	34,032
Net trading (loss)/gain	(212)	(501)	448	(38)
Net (loss)/gain on financial instruments designated as at fair value through profit or loss	(1,917)	502	(1,885)	332
Net gain/(loss) on investment securities	16	27	(83)	170
Other operating income, net	1,026	237	3,200	1,752
Operating income	95,235	74,153	279,868	210,271
Operating expenses	(36,486)	(30,061)	(107,759)	(88,529)
Impairment losses on assets	(13,742)	(12,924)	(41,439)	(32,547)
Profit before tax	45,007	31,168	130,670	89,195
Income tax expense	(10,910)	(6,846)	(29,894)	(19,010)
Profit for the period	34,097	24,322	100,776	70,185
Attributable to:				
Equity holders of the Bank	34,090	24,306	100,757	70,146
Non-controlling interests	7	16	19	39
	34,097	24,322	100,776	70,185
Earnings per share attributable to the equity holders of the Bank (Expressed in RMB yuan per share)				
— Basic	0.10	0.08	0.31	0.25

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Profit for the period	34,097	24,322	100,776	70,185
Other comprehensive (expense)/income				
Fair value changes on available-for-sale financial assets				
— fair value changes arising during the period	(5,326)	589	(7,753)	3,679
— amount reclassified to the profit or loss upon disposal/impairment	1,053	(74)	1,182	(245)
Income tax impact	1,007	(185)	1,580	(908)
Foreign currency translation differences	<u>195</u>	<u>156</u>	<u>53</u>	<u>129</u>
Other comprehensive (expense)/income for the period, net of tax	<u>(3,071)</u>	<u>486</u>	<u>(4,938)</u>	<u>2,655</u>
Total comprehensive income for the period	<u><u>31,026</u></u>	<u><u>24,808</u></u>	<u><u>95,838</u></u>	<u><u>72,840</u></u>
Total comprehensive income attributable to:				
Equity holders of the Bank	31,019	24,792	95,819	72,801
Non-controlling interests	<u>7</u>	<u>16</u>	<u>19</u>	<u>39</u>
	<u><u>31,026</u></u>	<u><u>24,808</u></u>	<u><u>95,838</u></u>	<u><u>72,840</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2011

(Amounts in millions of Renminbi, unless otherwise stated)

	At 30 September 2011 (Unaudited)	At 31 December 2010 (Audited)
<b>Assets</b>		
Cash and balances with central banks	2,488,430	2,082,332
Deposits with banks and other financial institutions	68,241	77,893
Placements with banks and other financial institutions	234,730	95,375
Financial assets held for trading	15,987	7,213
Financial assets designated as at fair value through profit or loss	53,199	43,044
Derivative financial assets	9,509	9,173
Financial assets held under resale agreements	693,760	525,331
Loans and advances to customers	5,278,225	4,788,008
Available-for-sale financial assets	719,175	668,503
Held-to-maturity investments	1,104,558	1,036,658
Debt securities classified as receivables	639,152	772,013
Interest in an associate	122	141
Property and equipment	117,712	121,391
Deferred tax assets	49,302	31,470
Other assets	116,971	78,861
Total assets	<u>11,589,073</u>	<u>10,337,406</u>
<b>Liabilities</b>		
Borrowings from central bank	30	30
Deposits from banks and other financial institutions	606,151	526,250
Placements from banks and other financial institutions	88,592	56,702
Financial liabilities held for trading	29	331
Financial liabilities designated as at fair value through profit or loss	116,351	34,682
Derivative financial liabilities	11,242	12,378
Financial assets sold under repurchase agreements	84,305	37,467
Due to customers	9,703,827	8,887,905
Debt securities issued	119,623	62,344
Deferred tax liabilities	78	82
Other liabilities	238,310	176,999
Total liabilities	<u>10,968,538</u>	<u>9,795,170</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2011

(Amounts in millions of Renminbi, unless otherwise stated)

	At 30 September 2011 (Unaudited)	At 31 December 2010 (Audited)
<b>Equity</b>		
Share capital	324,794	324,794
Capital reserve	98,773	98,773
Investment revaluation reserve	(7,162)	(2,171)
Surplus reserve	17,242	17,242
General reserve	64,746	58,335
Retained earnings	122,291	45,484
Foreign currency translation reserve	(333)	(386)
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	620,351	542,071
Non-controlling interests	184	165
	<hr/>	<hr/>
Total equity	620,535	542,236
	<hr/>	<hr/>
Total equity and liabilities	<u>11,589,073</u>	<u>10,337,406</u>

The consolidated financial statements on page I to VI were approved and authorised for issue by the Board of Directors on 26 October 2011 and are signed on its behalf by:

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**Xiang Junbo**  
CHAIRMAN

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**Pan Gongsheng**  
EXECUTIVE DIRECTOR

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2011 (Unaudited)	2010 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	130,670	89,195
Adjustments for:		
Amortisation of intangible assets and other assets	1,226	1,111
Depreciation of property and equipment	8,424	7,216
Impairment losses on assets	41,439	32,547
Interest income arising from investment securities	(61,096)	(57,659)
Interest income arising from impaired financial assets	(393)	(967)
Interest expense on subordinated bonds issued	2,191	1,358
Net loss/(gain) on investment securities	83	(170)
Net gain on disposal of property, equipment and other assets	(171)	(161)
Net foreign exchange loss	4,855	3,158
	<hr/>	<hr/>
Operating cash flows before movements in working capital	127,228	75,628
Net increase in balances with central banks, deposits with banks and other financial institutions	(341,131)	(311,719)
Net increase in placements from/with banks and other financial institutions	12,128	305
Net increase in loans and advances to customers	(530,721)	(639,861)
Net decrease in borrowings from central bank	—	(28)
Net increase in due to customers and deposits from banks and other financial institutions	903,189	1,085,852
Decrease in other operating assets	161,856	98,565
Increase/(decrease) in other operating liabilities	226,578	(84,003)
	<hr/>	<hr/>
Cash generated from operations	559,127	224,739
Income tax paid	(27,073)	(20,536)
	<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>532,054</b>	<b>204,203</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from disposal/redemption of investment securities	731,018	1,093,284
Cash received from returns on investment securities	60,419	53,227
Cash received from other investing activities	360	1,011
Cash paid for purchase of investment securities	(725,625)	(1,209,963)
Cash paid for purchase of property, equipment and other assets	(10,700)	(6,678)
	<hr/>	<hr/>
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>55,472</b>	<b>(69,119)</b>
	<hr/>	<hr/>



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

*(Amounts in millions of Renminbi, unless otherwise stated)*

	Nine months ended 30 September	
	2011 (Unaudited)	2010 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from debt securities issued	49,950	—
Contribution from shareholders	—	165,557
Contribution from non-controlling shareholders of subsidiaries	—	25
Dividends paid	(17,336)	(20,000)
Cash payments for interest on subordinated bonds issued	(2,005)	(1,803)
Cash paid for other financing activities	—	(1,267)
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	30,609	142,512
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	618,135	277,596
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	415,617	329,300
	<hr/>	<hr/>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,910)	(1,821)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>1,030,842</u>	<u>605,075</u>