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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 2013

The Board of Directors (the “**Board**”) of Agricultural Bank of China Limited (the “**Bank**”) is pleased to announce the unaudited results of the Bank and its subsidiaries (collectively the “**Group**”) for the third quarter ended 30 September 2013, 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 and several legal liabilities.
- 1.2 The Board reviewed and approved the Third Quarterly Report of 2013 at its ninth meeting of 2013 held on 30 October 2013. 15 Directors attended the meeting, of which 14 Directors attended in person and 1 Director attended by proxy. Mr. JIANG Chaoliang, Chairman of the Board, was unable to attend the meeting due to other work arrangement and designated Mr. ZHANG Yun, Vice Chairman of the Board, as proxy to attend and vote at the meeting on his behalf in writing. Mr. Anthony WU Ting-yuk, a Director, attended the meeting by way of video conference.
- 1.3 The financial statements herein have not been audited.
- 1.4 Mr. JIANG Chaoliang, Legal Representative of the Bank, Mr. LOU Wenlong, Executive Vice President in charge of finance, and Ms. ZHANG Keqiu, General Manager of the Finance and Accounting Department of the Bank, hereby warrant and guarantee that the financial statements contained in this quarterly report are authentic, accurate and complete.

§2 Corporate Information

2.1 Basic corporate information

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	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 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 2013	31 December 2012	Change as compared to the end of 2012 (%)
Total Assets	14,599,419	13,244,342	10.23
Loans and advances to customers, net	6,802,245	6,153,411	10.54
Deposits with banks and other financial institutions	379,618	262,233	44.76
Placements with banks and other financial institutions	257,546	223,380	15.30
Investment in securities and other financial assets, net	3,267,236	2,851,448	14.58
Total liabilities	13,770,647	12,492,988	10.23
Deposits from customers	11,802,544	10,862,935	8.65
Deposits from banks and other financial institutions	740,855	784,352	-5.55
Placements from banks and other financial institutions	221,414	149,721	47.88
Equity attributable to equity holders of the Bank	827,175	749,815	10.32
Net assets per share (in RMB Yuan)	2.55	2.31	10.39
	Nine months ended 30 September 2013 (January– September)	Nine months ended 30 September 2012 (January– September)	Change as compared to the same period of 2012 (%)
Net cash flow from operating activities	146,429	532,706	-72.51
Net cash flow per share from operating activities (in RMB Yuan)	0.45	1.64	-72.56
	Nine months ended 30 September 2013 (January– September)	Nine months ended 30 September 2012 (January– September)	Change as compared to the same period of 2012 (%)
Operating income	352,892	317,961	10.99
Net profit	138,037	120,115	14.92
Net profit attributable to equity holders of the Bank	137,988	120,083	14.91
Basic earnings per share (in RMB Yuan)	0.42	0.37	13.51
Return on weighted average net assets (annualized, %)	23.09	23.03	Increased by 0.06 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 311,332 shareholders in total, including 28,908 H-share shareholders and 282,424 A-share shareholders.

Particulars of shareholding of the top 10 shareholders (based on the registers of shareholders as at 30 September 2013)

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	29,350,344,140	—	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
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 HU	Other	A shares	0.46	1,497,207,940	—	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
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 2013.
- (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, the Bank is not aware of any connection between the above shareholders or whether they are parties acting in concert.
- (4) A total of 258,592,941,197 restricted shares upon the initial public offering and held by the MOF, Huijin, and National Council for Social Security Fund of the PRC were released from restrictions and available for listing and circulation on 16 July 2013. For further details, please refer to the Notice on the Listing and Circulation of Restricted Shares upon the Initial Public Offering of Agricultural Bank of China Limited issued by the Bank and published on the website of the Shanghai Stock Exchange on 11 July 2013.
- (5) Huijin acquired 42,934,902 A shares of the Bank through the trading system of the Shanghai Stock Exchange on 13 June 2013 and intended to continue to acquire A shares of the Bank under its own name in the secondary market during the six months from 13 June 2013. From 13 June 2013 to 30 September 2013, Huijin had accumulatively acquired 179,463,107 A shares of the Bank, representing approximately 0.06% of the total issued share capital of the Bank as at 30 September 2013.

**Particulars of shareholding of the top 10 shareholders
not subject to restrictions on sales
(based on the registers of shareholders as at 30 September 2013)**

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	29,350,344,140	H shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products	4,812,906,379	A shares
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 HU	1,497,207,940	A shares
National Council for Social Security Fund of the PRC — Account III for state-owned shares transfer	1,231,176,460	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: Particulars of shareholding of holders of H shares were based on the number of shares as recorded in the registers of shareholders of the Bank maintained by the H shares registrar.

§3 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 2013, the Group achieved a net profit of RMB138,037 million, representing an increase of 14.92% over the same period of 2012, primarily due to the increase of net interest income and net fee and commission income. Our annualized return on average total assets and annualized return on weighted average net assets reached 1.32% and 23.09%, representing an increase of 0.03 percentage point and 0.06 percentage point over the same period of 2012, respectively. We achieved basic earnings per share of RMB0.42, representing an increase of RMB0.05 over the same period of 2012. Net interest margin and net interest spread amounted to 2.75% and 2.60%, representing an increase of 1 basis point and 2 basis points, respectively, compared to the first half of 2013.

For the nine months ended 30 September 2013, the Group achieved an operating income of RMB352,892 million, representing an increase of 10.99% over the same period of 2012. Net interest income amounted to RMB275,624 million, representing an increase of 8.71% over the same period of 2012, mainly due to the increase in interest-earning assets. Net fee and commission income reached RMB67,270 million, representing an increase of 15.76% over the same period of 2012, mainly due to the increase in agency commission, bank card fees and settlement and clearing fees. Operating expenses amounted to RMB142,916 million, representing an increase of 10.47% over the same period of 2012. Cost-to-income ratio (as prepared under PRC GAAP) amounted to 32.78%, representing a decrease of 1.98 percentage points over the same period of 2012. Impairment losses on assets amounted to RMB31,483 million, representing a decrease of RMB2,138 million over the same period of 2012. The impairment losses on loans amounted to RMB31,013 million.

Assets and liabilities

At 30 September 2013, total assets amounted to RMB14,599,419 million, representing an increase of RMB1,355,077 million or 10.23% compared to the end of 2012. Total loans and advances to customers amounted to RMB7,107,873 million, representing an increase of RMB674,474 million or 10.48% compared to the end of 2012, among which, corporate loans, retail loans, discounted bills, and overseas and other loans amounted to RMB4,637,890 million, RMB2,027,744 million, RMB131,467 million and RMB310,772 million, respectively. Net investment in securities and other financial assets increased by RMB415,788 million or 14.58% compared to the end of 2012 to RMB3,267,236 million.

Total liabilities increased by RMB1,277,659 million or 10.23% over the end of 2012 to RMB13,770,647 million. Deposits from customers increased by RMB939,609 million or 8.65% compared to the end of 2012 to RMB11,802,544 million. In terms of the maturity of deposits, time deposits, demand deposits and other deposits amounted to RMB5,130,657 million, RMB6,159,139 million and RMB512,748 million, respectively. In terms of business line, corporate deposits, retail deposits and other deposits amounted to RMB4,324,054 million, RMB6,965,742 million and RMB512,748 million, respectively.

At 30 September 2013, loan-to-deposit ratio was 60.22%, representing an increase of 1 percentage point as compared to the end of 2012. For the nine months ended 30 September 2013, average daily balance of deposits was RMB11,063,896 million, with average daily loan-to-deposit ratio of 61.70%.

Shareholders' equity increased by RMB77,418 million or 10.30% compared to the end of 2012 to RMB828,772 million, with share capital of RMB324,794 million, capital reserve of RMB98,773 million, negative investment revaluation reserve of RMB10,367 million, surplus reserve of RMB44,033 million, general reserve of RMB139,216 million and retained earnings of RMB231,742 million, respectively.

Assets quality

At 30 September 2013, non-performing loans amounted to RMB87,916 million, representing an increase of RMB2,068 million as compared to the end of 2012. Non-performing loan ratio was 1.24%, representing a decrease of 0.09 percentage point as compared to the end of 2012. The overall quality of assets was stable and new non-performing loans mainly comprised loans from low-end manufacturing, wholesale and retail SMEs in certain coastal areas. Allowance to non-performing loans reached 347.64%, representing an increase of 21.50 percentage points as compared to the end of 2012.

County Area Banking Business

At 30 September 2013, total assets of County Area Banking Business amounted to RMB5,429,626 million, representing an increase of RMB450,282 million or 9.04% as compared to the end of 2012. Total loans and advances to customers of County Area Banking Business amounted to RMB2,291,990 million, representing an increase of RMB242,773 million or 11.85% as compared to the end of 2012.

Total liabilities of County Area Banking Business amounted to RMB5,151,180 million, representing an increase of RMB418,375 million or 8.84% as compared to the end of 2012. Deposits from customers of County Area Banking Business amounted to RMB4,957,846 million, representing an increase of RMB400,530 million or 8.79% as compared to the end of 2012.

Non-performing loan ratio of County Area Banking Business amounted to 1.58%, decreased by 0.08 percentage point as compared to the end of 2012. Allowance to non-performing loans reached 329.35%, representing an increase of 13.36 percentage points as compared to the end of 2012.

§4 Significant Events

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

Applicable Not Applicable

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

In millions of RMB, except for percentages

Item	Nine months ended 30 September 2013	Nine months ended 30 September 2012	Change over the same period of 2012 (%)	Major reasons for change
Fee and commission expenses	(3,856)	(2,161)	78.44	The increase in fee and commission expenses for bank card
Net trading gain	2,599	1,898	36.93	The increase in the net trading gain from derivative financial instruments
Net (loss)/gain on financial instruments designated at fair value through profit or loss	(347)	37	-1,037.84	The increase in valuation loss of debt securities designated at fair value through profit or loss
Net gain on investment securities	430	42	923.81	The increase in net gain on investment securities of subsidiaries
Other operating income	7,316	4,339	68.61	The inclusion of premium income after the acquisition of ABC Life Insurance
Profit attributed to the non-controlling interests for this reporting period	49	32	53.13	The increase in the profit of non-wholly owned subsidiaries
Other comprehensive expense, net of tax	(9,789)	(300)	3,163.00	The increase in loss from fair value changes of the available-for-sale financial assets

In millions of RMB, except for percentages

Item	30 September 2013	31 December 2012	Change over the end of 2012 (%)	Major reasons for change
Deposits with banks and other financial institutions	379,618	262,233	44.76	The extension of funding to interbank market
Financial assets held for trading	40,519	23,189	74.73	The increase in debt securities held for trading
Financial assets designated at fair value through profit or loss	293,264	155,366	88.76	The increase in assets invested by principal guaranteed wealth management products
Derivative financial assets	7,486	4,825	55.15	The increase in exchange rate derivative products
Investment in associates and joint ventures	1	108	-99.07	The disposal of shares of Gaea Gem
Other assets	217,929	121,386	79.53	The increase in accounts receivables and temporary payments and interest receivables
Borrowings from central bank	110	66	66.67	The increase in borrowings from central bank by subsidiaries
Placements from banks and other financial institutions	221,414	149,721	47.88	The increase in placements from foreign banks
Financial liabilities held for trading	17,461	3,674	375.26	The increase in financial liabilities held for trading related to precious metals
Financial liabilities designated at fair value through profit or loss	355,685	155,071	129.37	The increase in scale of principal guaranteed wealth management products
Financial assets sold under repurchase agreements	2,202	7,631	-71.14	The decrease in debt securities sold under repurchase agreements
Investment revaluation reserve	(10,367)	(901)	—	The increase in loss from fair value changes of the available-for-sale financial assets
General reserve	139,216	75,349	84.76	Appropriation to general reserve in accordance with regulatory requirement
Foreign currency translation reserve	(1,016)	(684)	—	The fluctuation of foreign currency financial statement translation from overseas institutions

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

Applicable Not Applicable

4.3 Fulfilment of commitments made by the Bank 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 2013, all of the commitments made by the shareholders of the Bank were properly fulfilled.

4.4 Implementation of cash dividend policy during the reporting period

Applicable Not Applicable

On 22 July 2013, as approved by the Annual General Meeting for 2012, the Bank distributed the 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 27 June 2013. The cash dividend was RMB1.565 per ten shares (including tax), aggregating RMB50,830 million (including tax).

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

Applicable Not Applicable

§5 Information of Capital Adequacy Ratios

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 China Banking Regulatory Commission (the “CBRC”).

5.1 Regulatory requirements of capital adequacy ratios

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

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

5.2 Regulatory capital and capital adequacy ratios

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

In millions of RMB, except for percentages

Item	Consolidated	Unconsolidated
Core tier 1 capital	822,310	815,699
Tier 1 capital	822,311	815,699
Total regulatory capital	1,056,792	1,049,525
Risk-weighted assets	8,795,755	8,740,740
Core tier 1 capital adequacy ratio	9.35%	9.33%
Tier 1 capital adequacy ratio	9.35%	9.33%
Total capital adequacy ratio	12.01%	12.01%

The table below sets out the consolidated and unconsolidated total capital adequacy ratios measured pursuant to the *Rules for the Management of Capital Adequacy Ratio of Commercial Banks* issued by the CBRC.

Item	Consolidated	Unconsolidated
Core capital adequacy ratio	10.08%	10.08%
Total capital adequacy ratio	12.90%	12.87%

§6 Appendix Financial Statements Prepared under IFRS

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

§7 Release of Quarterly Report

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

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

Beijing, the PRC
30 October 2013

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

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2013 (Unaudited)	2012 (Unaudited)	2013 (Unaudited)	2012 (Unaudited)
Interest income	155,682	142,648	452,145	421,480
Interest expense	(60,060)	(56,951)	(176,521)	(167,945)
Net interest income	<u>95,622</u>	<u>85,697</u>	<u>275,624</u>	<u>253,535</u>
Fee and commission income	21,405	20,125	71,126	60,271
Fee and commission expense	(1,732)	(944)	(3,856)	(2,161)
Net fee and commission income	<u>19,673</u>	<u>19,181</u>	<u>67,270</u>	<u>58,110</u>
Net trading gain	526	217	2,599	1,898
Net (loss)/gain on financial instruments designated at fair value through profit or loss	(437)	162	(347)	37
Net gain on investment securities	96	3	430	42
Other operating income	1,368	1,789	7,316	4,339
Operating income	<u>116,848</u>	<u>107,049</u>	<u>352,892</u>	<u>317,961</u>
Operating expenses	(48,845)	(45,228)	(142,916)	(129,366)
Impairment losses on assets	(9,012)	(10,849)	(31,483)	(33,621)
Profit before tax	58,991	50,972	178,493	154,974
Income tax expense	(13,338)	(11,379)	(40,456)	(34,859)
Profit for the period	<u>45,653</u>	<u>39,593</u>	<u>138,037</u>	<u>120,115</u>
Attributable to:				
Equity holders of the Bank	45,636	39,584	137,988	120,083
Non-controlling interests	17	9	49	32
	<u>45,653</u>	<u>39,593</u>	<u>138,037</u>	<u>120,115</u>
Earnings per share attributable to the equity holders of the Bank (Expressed in RMB per share)				
- Basic and diluted	<u>0.14</u>	<u>0.12</u>	<u>0.42</u>	<u>0.37</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013
(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2013 (Unaudited)	2012 (Unaudited)	2013 (Unaudited)	2012 (Unaudited)
Profit for the period	<u>45,653</u>	<u>39,593</u>	<u>138,037</u>	<u>120,115</u>
Other comprehensive expenses:				
Items that may be reclassified subsequently to profit or loss:				
Fair value changes on available-for- sale financial assets	(10,748)	(6,315)	(12,563)	(1,003)
Income tax impact for fair value changes on available-for-sale financial assets	2,687	1,512	3,106	195
Foreign currency translation differences	<u>(51)</u>	<u>429</u>	<u>(332)</u>	<u>508</u>
Other comprehensive expenses, net of tax	<u>(8,112)</u>	<u>(4,374)</u>	<u>(9,789)</u>	<u>(300)</u>
Total comprehensive income for the period	<u>37,541</u>	<u>35,219</u>	<u>128,248</u>	<u>119,815</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	37,507	35,210	128,190	119,783
Non-controlling interests	<u>34</u>	<u>9</u>	<u>58</u>	<u>32</u>
	<u>37,541</u>	<u>35,219</u>	<u>128,248</u>	<u>119,815</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2013

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2013 (Unaudited)	31 December 2012 (Audited)
Assets		
Cash and balances with central banks	2,704,275	2,613,111
Deposits with banks and other financial institutions	379,618	262,233
Placements with banks and other financial institutions	257,546	223,380
Financial assets held for trading	40,519	23,189
Financial assets designated at fair value through profit or loss	293,264	155,366
Derivative financial assets	7,486	4,825
Financial assets held under resale agreements	754,816	814,620
Loans and advances to customers	6,802,245	6,153,411
Available-for-sale financial assets	844,674	755,503
Held-to-maturity investments	1,467,383	1,308,796
Debt instruments classified as receivables	621,396	608,594
Investments in associates and joint ventures	1	108
Property and equipment	139,938	141,490
Goodwill	1,381	1,381
Deferred tax assets	66,948	56,949
Other assets	217,929	121,386
Total assets	<u>14,599,419</u>	<u>13,244,342</u>
Liabilities		
Borrowings from central bank	110	66
Deposits from banks and other financial institutions	740,855	784,352
Placements from banks and other financial institutions	221,414	149,721
Financial liabilities held for trading	17,461	3,674
Financial liabilities designated at fair value through profit or loss	355,685	155,071
Derivative financial liabilities	6,169	5,514
Financial assets sold under repurchase agreements	2,202	7,631
Due to customers	11,802,544	10,862,935
Debt securities issued	236,042	192,639
Deferred tax liabilities	13	15
Other liabilities	388,152	331,370
Total liabilities	<u>13,770,647</u>	<u>12,492,988</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AT 30 SEPTEMBER 2013

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2013	31 December 2012
	(Unaudited)	(Audited)
Equity		
Share capital	324,794	324,794
Capital reserve	98,773	98,773
Investment revaluation reserve	(10,367)	(901)
Surplus reserve	44,033	43,996
General reserve	139,216	75,349
Retained earnings	231,742	208,488
Foreign currency translation reserve	(1,016)	(684)
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	827,175	749,815
Non-controlling interests	1,597	1,539
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Total equity	828,772	751,354
	<hr/>	<hr/>
Total equity and liabilities	14,599,419	13,244,342
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The consolidated financial statements on page I to VI were approved and authorised for issue by the Board of Directors on 30 October 2013 and are signed on its behalf by:

Jiang Chaoliang

Chairman

Lou Wenlong

Executive Director

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013
(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2013 (Unaudited)	2012 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	178,493	154,974
Adjustments for:		
Amortization of intangible assets and other assets	1,696	1,426
Depreciation of property and equipment	11,120	9,719
Impairment losses on assets	31,483	33,621
Interest income arising from investment securities	(79,553)	(72,306)
Interest income arising from impaired financial assets	(543)	(392)
Interest expense on bonds issued	5,383	3,536
Net gain on investment securities	(430)	(42)
Net gain on disposal of investment in subsidiaries, associates and joint ventures	(309)	-
Dividend income arising from investment securities	-	(15)
Net gain on disposal of property, equipment and other assets	(85)	(145)
Net foreign exchange gain	4,045	(1,071)
	<u>151,300</u>	<u>129,305</u>
Net change in operating assets and operating liabilities:		
Net increase in balances with central banks, deposits with banks and other financial institutions	(202,211)	(124,881)
Net (increase)/decrease in placements with banks and other financial institutions	(16,032)	1,594
Net increase in loans and advances to customers	(678,648)	(614,560)
Net increase in borrowings from central bank	44	16
Net increase in placements from banks and other financial institutions	71,693	6,173
Net increase in due to customers and deposits from banks and other financial institutions	939,502	1,379,335
Increase in other operating assets	(340,670)	(76,153)
Increase/(decrease) in other operating liabilities	271,986	(116,505)
	<u>196,964</u>	<u>584,324</u>
Cash from operations	196,964	584,324
Income tax paid	(50,535)	(51,618)
NET CASH FROM OPERATING ACTIVITIES	<u>146,429</u>	<u>532,706</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of investment securities	477,726	590,043
Cash received from interest income arising from investment securities	69,878	44,668
Cash received from disposal of investment in subsidiaries, associates and joint ventures	417	-
Cash received from other investing activities	718	287
Cash paid for purchase of investment securities	(752,428)	(679,481)
Cash paid for purchase of property and equipment and other assets	(15,289)	(16,371)
NET CASH USED IN INVESTING ACTIVITIES	<u>(218,978)</u>	<u>(60,854)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013
(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from debt securities issued	-	40,827
Contribution from non-controlling interests	-	152
Dividends paid	(50,830)	(42,310)
Cash payments for interest on bonds issued	(4,544)	(4,509)
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	(55,374)	(5,840)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(127,923)	466,012
CASH AND CASH EQUIVALENTS AT 1 JANUARY	952,936	642,107
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2,156)	618
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CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	822,857	1,108,737
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