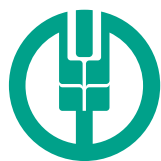


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中国农业银行

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 2012

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 2012, 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 the Bank 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 Board reviewed and approved the Third Quarterly Report of 2012 at its 10th meeting of 2012 held on 26 October 2012. 12 directors shall attend the meeting, of which, 11 directors attended the meeting in person and 1 director attended by proxy. Mr. WEN Tiejun entrusted Mr. QIU Dong to attend the meeting and exercise the voting right on his behalf.
- 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 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 Financial highlights

Financial data and indicators recorded in this quarterly report are prepared under 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 2012	31 December 2011	Change as compared to the end of 2011 (%)
Total assets	13,061,873	11,677,577	11.85
Loans and advances to customers, net	5,983,718	5,398,863	10.83
Investment in securities and other financial assets, net	2,813,533	2,628,052	7.06
Total liabilities	12,334,828	11,027,789	11.85
Deposits from customers	10,791,157	9,622,026	12.15
Equity attributable to equity holders of the Bank	726,674	649,601	11.86
Net assets per share (in RMB Yuan)	2.24	2.00	12.00
	Nine months ended 30 September 2012 (January–September)		Change as compared to the same period of 2011 (%)
Net cash flow from operating activities	532,706		0.12
Net cash flow per share from operating activities (in RMB Yuan)	1.64		0.00
	Three months ended 30 September 2012 (July– September)	Nine months ended 30 September 2012 (January– September)	Change as compared to the same three-month period of 2011 (%) (July–September)
Net profit	39,593	120,115	16.12
Net profit attributable to equity holders of the Bank	39,584	120,083	16.12
Basic earnings per share (in RMB Yuan)	0.12	0.37	20.00
Return on weighted average net assets (annualized, %)	22.33	23.03	Decreased by 0.21 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 not subject to restrictions on sales at the end of the reporting period

At the end of the reporting period, the Bank had 341,555 shareholders in total, including 30,198 H-share shareholders and 311,357 A-share shareholders.

Particulars of shareholding of the top 10 shareholders (based on the registers of shareholders as at 30 September 2012)

Unit: share

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. (“Huijin”)	State-owned	A shares	40.15	130,397,946,071	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 (“HKSCC”) Nominees Limited	Overseas legal entity	H shares	8.99	29,189,893,531	—	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	1.38	4,489,829,320	—	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 HU	Other	A shares	0.37	1,192,907,000	—	None
Hwabao Trust Co., Ltd. — Single Fund Trust R2008ZX013	Other	A shares	0.34	1,105,576,095	—	None
Sino Life Insurance Co., Ltd. — Traditional — Ordinary Insurance Products	Other	A shares	0.30	960,506,177	—	None

- Notes: (1) On 10 October 2011, Huijin acquired A shares of the Bank through the trading system of the Shanghai Stock Exchange. From 10 October 2011 to 9 October 2012, Huijin has acquired an aggregate of 421,087,402 A shares of the Bank, representing approximately 0.13% of the total share capital of the Bank. In addition, according to the notice issued by Huijin to the Bank, Huijin had acquired additional 5,725,297 A shares of the Bank through the trading system of the Shanghai Stock Exchange on 10 October 2012. Huijin also intended to further increase its shareholdings of the Bank under its own name by acquiring shares on the secondary market within 6 months thereafter. For details, please refer to the announcements of the Bank published on the websites of The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.
- (2) Particulars of shareholding of holders of H shares were based on the number of shares as recorded in the Bank's registers of shareholders maintained by the H shares registrar.
- (3) HKSCC 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 at 30 September 2012.
- (4) 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 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 registers of shareholders as at 30 September 2012)**

Unit: share

Name of shareholder	Number of shares not subject to restrictions on sales	Type of shares
HKSCC Nominees Limited	29,189,893,531	H shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary Insurance Products	4,489,829,320	A shares
Standard Chartered Bank	1,217,281,000	H shares
China Life Insurance Company Limited — Dividend Distribution — Individual Dividend — 005L — FH002 HU	1,192,907,000	A shares
Hwabao Trust Co., Ltd. — Single Fund Trust R2008ZX013	1,105,576,095	A shares
Sino Life Insurance Co., Ltd. — Traditional — Ordinary Insurance Products	960,506,177	A shares
China Shuangwei Investment Corporation	746,268,000	A shares
State Grid Yingda International Holdings Group Limited	746,268,000	A shares
China Railway Construction Investment Corp.	742,974,000	A shares
Ping An Life Insurance Company of China, Ltd. — Traditional — Insurance Policy with High Interest Rate	656,936,059	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 registers 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 in the Third Quarter

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

For the nine months ended 30 September 2012, the Group achieved a net profit of RMB120,115 million, representing an increase of 19.19% over the same period of 2011, 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 1.29% and 23.03%, respectively, representing an increase of 0.06 percentage point and 0.03 percentage point compared to the same period of 2011, respectively. We achieved basic earnings per share of RMB0.37.

Net interest income amounted to RMB253,233 million, representing an increase of 13.37% over the same period of 2011. Net interest margin and net interest spread amounted to 2.82% and 2.68%, respectively, representing an increase of 2 basis points and a decrease of 1 basis point compared to the same period of 2011, respectively. Net fee and commission income reached RMB58,110 million, representing an increase of 5.99% over the same period of 2011. Operating expenses amounted to RMB129,158 million, representing an increase of 19.86% over the same period of 2011. Cost-to-income ratio (excluding business tax and surcharges) was 34.66%, representing an increase of 1.75 percentage points over the same period of 2011. Provisions for impairment losses on assets reached RMB33,621 million, representing a decrease of RMB7,818 million over the same period of 2011.

At the end of the reporting period, total assets amounted to RMB13,061,873 million, representing an increase of RMB1,384,296 million or 11.85% compared to the end of 2011. Total loans and advances to customers increased by RMB616,270 million compared to the end of 2011 to RMB6,244,975 million, among which, corporate loans, retail loans, discounted bills, and overseas and other loans amounted to RMB4,306,773 million, RMB1,642,843 million, RMB131,841 million and RMB163,518 million, respectively. Loan-to-deposit ratio was 57.87%, representing a decrease of 0.63 percentage point compared to the end of 2011. Net investment in securities and other financial assets increased by RMB185,481 million or 7.06% compared to the end of 2011 to RMB2,813,533 million.

Total liabilities increased by RMB1,307,039 million or 11.85% over the end of 2011 to RMB12,334,828 million. Deposits from customers increased by RMB1,169,131 million or 12.15% compared to the end of 2011 to RMB10,791,157 million, among which, time deposits, demand deposits and other deposits amounted to RMB4,566,260 million, RMB5,719,546 million and RMB505,351 million, respectively.

Total equity increased by RMB77,257 million or 11.89% compared to the end of 2011 to RMB727,045 million, with share capital of RMB324,794 million, capital reserve of RMB98,773 million, investment revaluation reserve of RMB516 million, surplus reserve of RMB29,509 million, general reserve of RMB75,335 million and retained earnings of RMB197,978 million.

Based on the five-category loan classification criteria, the non-performing loans amounted to RMB83,951 million, decreased by RMB3,407 million compared to the end of 2011; non-performing loan ratio was 1.34%, decreased by 0.21 percentage point compared to the end of 2011. Allowance to non-performing loans reached 311.20%, representing an increase of 48.10 percentage points compared to the end of 2011.

At the end of the reporting period, core capital adequacy ratio was 9.76%, and capital adequacy ratio was 12.07%, representing increases of 0.26 percentage point and 0.13 percentage point, respectively, compared to the end of 2011.

Loans and advances to customers of County Area Banking Business amounted to RMB1,983,389 million, representing an increase of RMB231,854 million or 13.24% compared to the end of 2011. Deposits from customers of County Area Banking Business amounted to RMB4,520,756 million, representing an increase of RMB506,741 million or 12.62% compared to the end of 2011.

§4 Significant Events

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

√ Applicable □ Applicable

Compared with the end of 2011 or the same period of 2011, 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 2012	Nine months ended 30 September 2011	Change over the same period of 2011 (%)	Major reasons for change
Interest expense	(167,255)	(116,704)	43.32	The expansion of interest-bearing liabilities and the cumulative effect of the last round of interest rate increases
Net trading gain	1,898	448	323.66	The increase in the gain on investment relating to derivative instruments and changes in the fair value
Net gain/(loss) on financial instruments designated as at fair value through profit or loss	37	(1,885)	-101.96	The decrease in losses on derivatives and financial liabilities designated as at fair value through profit or loss
Net gain/(loss) on investment securities	42	(83)	-150.60	The increase in the returns generated from disposal of certain available-for-sale bonds
Other operating income, net	4,433	3,200	38.53	The increase in net operating income of subsidiaries and incentive income resulting from the increase of agriculture-related loans
Profit attributed to the non-controlling interests for this reporting period	32	19	68.42	The increase of the profit of subsidiaries
Other comprehensive expense	(300)	(4,938)	-93.92	Change in fair value of available-for-sale financial assets

In millions of RMB, except for percentages

Item	30 September 2012	31 December 2011	Change over the end of 2011 (%)	Major reasons for change
Deposits with banks and other financial institutions	343,528	131,874	160.50	The increase in the credit lending as the Bank had relatively adequate funds
Financial assets designated as at fair value through profit or loss	121,046	52,463	130.73	The increase in assets obtained from agreed investment of the proceeds from the sale of wealth management products
Financial assets held under resale agreements	784,731	529,440	48.22	The increase in bonds held under resale agreements
Other assets	193,963	103,412	87.56	The increase in the interest receivable, receivables and suspense payments and finance lease receivables of the subsidiaries
Borrowings from central bank	66	50	32.00	The increase in borrowings from central bank
Deposits from banks and other financial institutions	844,952	615,281	37.33	The increase in the deposits from domestic banks and other financial institutions
Financial liabilities held for trading	2,963	353	739.38	The increase in sales of individual gold product
Financial liabilities designated as at fair value through profit or loss	123,005	208,057	-40.88	The decrease in the financial liabilities designated as at fair value through profit or loss
Derivative financial liabilities	7,153	10,284	-30.45	The decrease in the derivative financial liabilities held
Financial assets sold under repurchase agreements	3,428	92,079	-96.28	The decrease in the bonds sold under repurchase agreements
Investment revaluation reserve	516	1,324	-61.03	Change in fair value of available-for-sale financial assets
Retained earnings	197,978	131,086	51.03	Profit for the period brought forward
Foreign currency translation reserve	(231)	(739)	-68.74	Change in translating the financial statements of overseas branches
Non-controlling interests	371	187	98.40	The increase in equity interests of subsidiaries

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 Applicable

The shareholders prior to the initial public offering of the Bank (the “**IPO**”) have undertaken to comply with the relevant lock-up requirements, and Huijin has undertaken to avoid any business competition with the Bank. Please refer to our prospectus for the IPO. As at 30 September 2012, 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 Applicable

On July 16th 2012, as approved by the Annual General Meeting for 2011, the Bank has distributed the cash dividend to holders of A shares and holders of H shares who were registered on the Bank’s register of shareholders after market close on 19 June 2012. The cash dividend was RMB1.315 per ten shares (including tax), aggregating RMB42,710 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 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 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 released 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, PRC
26 October 2012

As at the date of this announcement, our executive directors are Mr. JIANG Chaoliang and Mr. ZHANG Yun; 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 and Mr. WEN Tiejun.

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
Interest income	142,231	123,116	420,488	340,068
Interest expense	<u>(56,683)</u>	<u>(44,482)</u>	<u>(167,255)</u>	<u>(116,704)</u>
Net interest income	<u>85,548</u>	<u>78,634</u>	<u>253,233</u>	<u>223,364</u>
Fee and commission income	20,125	18,329	60,271	56,505
Fee and commission expense	<u>(944)</u>	<u>(641)</u>	<u>(2,161)</u>	<u>(1,681)</u>
Net fee and commission income	<u>19,181</u>	<u>17,688</u>	<u>58,110</u>	<u>54,824</u>
Net trading gain/(loss)	217	(212)	1,898	448
Net gain/(loss) on financial instruments designated as at fair value through profit or loss	162	(1,917)	37	(1,885)
Net gain/(loss) on investment securities	3	16	42	(83)
Other operating income, net	<u>1,862</u>	<u>1,026</u>	<u>4,433</u>	<u>3,200</u>
Operating income	106,973	95,235	317,753	279,868
Operating expenses	(45,152)	(36,486)	(129,158)	(107,759)
Impairment losses on assets	<u>(10,849)</u>	<u>(13,742)</u>	<u>(33,621)</u>	<u>(41,439)</u>
Profit before tax	50,972	45,007	154,974	130,670
Income tax expense	<u>(11,379)</u>	<u>(10,910)</u>	<u>(34,859)</u>	<u>(29,894)</u>
Profit for the period	<u>39,593</u>	<u>34,097</u>	<u>120,115</u>	<u>100,776</u>
Attributable to:				
Equity holders of the Bank	39,584	34,090	120,083	100,757
Non-controlling interests	<u>9</u>	<u>7</u>	<u>32</u>	<u>19</u>
	<u>39,593</u>	<u>34,097</u>	<u>120,115</u>	<u>100,776</u>
Earnings per share attributable to the equity holders of the Bank (Expressed in RMB yuan per share)				
— Basic	<u>0.12</u>	<u>0.10</u>	<u>0.37</u>	<u>0.31</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
Profit for the period	39,593	34,097	120,115	100,776
Other comprehensive expense:				
Fair value changes on available-for-sale financial assets				
— fair value changes arising during the period	(6,315)	(5,326)	(981)	(7,753)
— amount reclassified to the profit or loss upon disposal/impairment	—	1,053	(22)	1,182
Income tax impact	1,512	1,007	195	1,580
Foreign currency translation differences	429	195	508	53
Other comprehensive expense, net of tax	<u>(4,374)</u>	<u>(3,071)</u>	<u>(300)</u>	<u>(4,938)</u>
Total comprehensive income for the period	<u>35,219</u>	<u>31,026</u>	<u>119,815</u>	<u>95,838</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	35,210	31,019	119,783	95,819
Non-controlling interests	<u>9</u>	<u>7</u>	<u>32</u>	<u>19</u>
	<u>35,219</u>	<u>31,026</u>	<u>119,815</u>	<u>95,838</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2012

(Amounts in millions of Renminbi, unless otherwise stated)

	At 30 September 2012 (Unaudited)	At 31 December 2011 (Audited)
Assets		
Cash and balances with central banks	2,566,280	2,487,082
Deposits with banks and other financial institutions	343,528	131,874
Placements with banks and other financial institutions	183,243	212,683
Financial assets held for trading	16,994	15,589
Financial assets designated as at fair value through profit or loss	121,046	52,463
Derivative financial assets	7,070	8,524
Financial assets held under resale agreements	784,731	529,440
Loans and advances to customers	5,983,718	5,398,863
Available-for-sale financial assets	675,992	651,198
Held-to-maturity investments	1,304,311	1,178,888
Debt securities classified as receivables	695,190	729,914
Interests in associates	111	134
Property and equipment	128,557	131,815
Deferred tax assets	57,139	45,698
Other assets	193,963	103,412
	<hr/>	<hr/>
Total assets	<u>13,061,873</u>	<u>11,677,577</u>
Liabilities		
Borrowings from central bank	66	50
Deposits from banks and other financial institutions	844,952	615,281
Placements from banks and other financial institutions	115,129	108,955
Financial liabilities held for trading	2,963	353
Financial liabilities designated as at fair value through profit or loss	123,005	208,057
Derivative financial liabilities	7,153	10,284
Financial assets sold under repurchase agreements	3,428	92,079
Due to customers	10,791,157	9,622,026
Debt securities issued	140,749	119,390
Deferred tax liabilities	32	27
Other liabilities	306,194	251,287
	<hr/>	<hr/>
Total liabilities	<u>12,334,828</u>	<u>11,027,789</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2012

(Amounts in millions of Renminbi, unless otherwise stated)

	At 30 September 2012 (Unaudited)	At 31 December 2011 (Audited)
Equity		
Share capital	324,794	324,794
Capital reserve	98,773	98,773
Investment revaluation reserve	516	1,324
Surplus reserve	29,509	29,509
General reserve	75,335	64,854
Retained earnings	197,978	131,086
Foreign currency translation reserve	(231)	(739)
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	726,674	649,601
Non-controlling interests	371	187
	<hr/>	<hr/>
Total equity	727,045	649,788
	<hr/>	<hr/>
Total equity and liabilities	<u>13,061,873</u>	<u>11,677,577</u>

The consolidated financial statements on page I to VI were approved and authorised for issue by the Board of Directors on 26 October 2012 and are signed on its behalf by:

Jiang Chaoliang

CHAIRMAN

Zhang Yun

EXECUTIVE DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2012 (Unaudited)	2011 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	154,974	130,670
Adjustments for:		
Amortisation of intangible assets and other assets	1,426	1,226
Depreciation of property and equipment	9,719	8,424
Impairment losses on assets	33,621	41,439
Interest income arising from investment securities	(72,306)	(61,096)
Interest income arising from impaired financial assets	(392)	(393)
Interest expense on subordinated bonds issued	3,536	2,191
Net (gain)/loss on investment securities	(42)	83
Dividend income arising from investment securities	(15)	—
Net gain on disposal of property, equipment and other assets	(145)	(171)
Net foreign exchange (gain)/loss	(1,071)	4,855
Operating cash flows before movements in working capital	129,305	127,228
Net increase in balances with central banks, deposits with banks and other financial institutions	(124,881)	(341,131)
Net decrease/(increase) in placements with banks and other financial institutions	1,594	(19,763)
Net increase in loans and advances to customers	(614,560)	(530,721)
Net increase in borrowings from central bank	16	—
Net increase in placements from banks and other financial institutions	6,173	31,891
Net increase in due to customers and deposits from banks and other financial institutions	1,379,335	903,189
(Increase)/decrease in other operating assets	(76,153)	161,856
(Decrease)/increase in other operating liabilities	(116,505)	226,578
Cash generated from operations	584,324	559,127
Income tax paid	(51,618)	(27,073)
NET CASH FROM OPERATING ACTIVITIES	532,706	532,054
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of investment securities	590,043	731,018
Cash received from interest income arising from investment securities	44,668	60,419
Cash received from other investing activities	287	360
Cash paid for purchase of investment securities	(679,481)	(725,625)
Cash paid for purchase of property, equipment and other assets	(16,371)	(10,700)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(60,854)	55,472

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2012 (Unaudited)	2011 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from debt securities issued	40,827	49,950
Contribution from non-controlling shareholders of subsidiaries	152	—
Dividends paid	(42,310)	(17,336)
Cash payments for interest on subordinated bonds issued	<u>(4,509)</u>	<u>(2,005)</u>
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(5,840)</u>	<u>30,609</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	466,012	618,135
CASH AND CASH EQUIVALENTS AT 1 JANUARY	642,107	415,617
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>618</u>	<u>(2,910)</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u><u>1,108,737</u></u>	<u><u>1,030,842</u></u>