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中國銀行股份有限公司
BANK OF CHINA LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3988 and 4601 (Preference Shares))

Report for the Third Quarter ended 30 September 2014

The board of directors (the “Board”) of Bank of China Limited (the “Bank”) is pleased to announce the unaudited results of the Bank and its subsidiaries (the “Group”) for the third quarter ended 30 September 2014. This announcement is made by the Bank pursuant to Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

I. BASIC INFORMATION

1.1 Corporate information

Stock name	中國銀行
Stock code	601988 (Ordinary A Share)
Listing venue	Shanghai Stock Exchange
Stock name	Bank of China
Stock code	3988 (Ordinary H Share)
Listing venue	The Stock Exchange of Hong Kong Limited
Stock name	BOC 2014 PREF
Stock code	4601 (Offshore Preference Shares)
Listing venue	The Stock Exchange of Hong Kong Limited
Securities name	中行轉債
Securities code	113001 (A-Share Convertible Bonds)
Listing venue	Shanghai Stock Exchange
Secretary to the Board of Directors	FAN Yaosheng (范耀勝)
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1.2 Key financial data and performance indicators

1.2.1 Key financial data and performance indicators for the Group prepared in accordance with International Financial Reporting Standards (“IFRS”)

Unit: RMB million (unless otherwise stated)

Items	As at 30 September 2014	As at 31 December 2013	Change (%)
Total assets	15,427,957	13,874,299	11.20
Capital and reserves attributable to equity holders of the Bank	1,005,374	923,916	8.82
Net assets per share (RMB)	3.60	3.31	8.75
Items	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Change (%)
Operating income	346,150	305,451	13.32
Profit for the period	136,798	125,315	9.16
Profit attributable to equity holders of the Bank	131,133	120,210	9.09
Earnings per share for profit attributable to equity holders of the Bank (basic, RMB)	0.47	0.43	8.99
Earnings per share for profit attributable to equity holders of the Bank (diluted, RMB)	0.45	0.41	8.48
Return on average equity (%)	18.03	18.66	Down by 0.63 percentage point
Net cash inflow from operating activities	414,677	124,003	234.41
Net cash inflow from operating activities per share (RMB)	1.48	0.44	234.21

1.2.2 Reconciliation of differences between Chinese Accounting Standards (“CAS”) and IFRS financial information

There are no differences in the Group’s operating results for the nine-month period ended 30 September 2014 and 2013 or the total equity as at 30 September 2014 and as at 31 December 2013 presented in the Group’s consolidated financial statements prepared under IFRS and those prepared under CAS.

1.3 Number of shareholders and top ten shareholders

1.3.1 As at 30 September 2014, the Bank had a total of 935,307 shareholders, comprising 717,693 A-Share Holders and 217,614 H-Share Holders.

1.3.2 Top ten shareholders as at 30 September 2014

Unit: share

No.	Name of shareholder	Number of shares held as at the end of the reporting period	Percentage of total share capital	Type of shareholder	Type of shares
1	Central Huijin Investment Ltd.	189,179,033,607	67.68%	State	A
2	HKSCC Nominees Limited	81,632,363,153	29.20%	Foreign legal person	H
3	The Bank of Tokyo-Mitsubishi UFJ Ltd.	520,357,200	0.19%	Foreign legal person	H
4	CSOP FTSE China A50 ETF	130,701,189	0.05%	Foreign legal person	A
5	Huaxin Trust Co., Ltd.	124,931,383	0.04%	Domestic non state-owned legal person	A
6	Shenhua Group Corporation Limited	99,999,900	0.04%	State-owned legal person	A
6	Aluminum Corporation of China	99,999,900	0.04%	State-owned legal person	A
8	China Southern Power Grid Co., Ltd.	90,909,000	0.03%	State-owned legal person	A
9	China Securities Finance Corporation Limited	74,451,001	0.03%	State-owned legal person	A
10	Wang Jingfeng	60,588,888	0.02%	Domestic individual	A

Notes:

1. During the reporting period, Central Huijin Investment Ltd.'s shareholding of the Bank remained the same.
2. The number of shares held by H-Share Holders was recorded in the register of members as kept by the H-Share Registrar of the Bank.
3. HKSCC Nominees Limited acted as the nominee for all institutional and individual investors that maintain an account with it as at 30 September 2014. The aggregate number of H Shares held by HKSCC Nominees Limited included the shares held by National Council for Social Security Fund.
4. The Bank is not aware of any connected relations or concerted action among the afore-mentioned shareholders.
5. All the shares held by the aforesaid shareholders are not subject to selling restriction. The shares held by the aforesaid A-Share Holders have not been pledged or frozen. The Bank is not aware of whether the shares held by the aforesaid H-Share Holders have been pledged or frozen.

1.4 Convertible Bonds

1.4.1 Convertible bondholders and guarantors

Number of convertible bondholders as at 30 September 2014			14,100
Guarantor of the Bank's Convertible Bonds			None
<i>Top ten convertible bondholders as at 30 September 2014</i>			
No.	Name of convertible bondholders	Amount of Convertible Bonds held as at the end of the reporting period (RMB)	Percentage of total unconverted Convertible Bonds
1	Aegon-Industrial Fund – Industrial Bank – Industrial Bank Co., Ltd. Shanghai Branch	2,881,068,000	7.40%
2	An-Bang Insurance Group Co., Ltd. – traditional insurance products	2,198,342,000	5.65%
3	UBS AG	1,238,034,000	3.18%
4	Credit Suisse (Hong Kong) Limited	1,041,624,000	2.67%
5	GuoYuan Securities Co., Ltd.	897,828,000	2.31%
6	Industrial Convertible Bond Hybrid Securities Investment Fund	895,937,000	2.30%
7	Industrial Trend Investment Hybrid Securities Investment Fund	860,635,000	2.21%
8	GIC Private Limited	788,181,000	2.02%
9	Guotai Junan Securities Co., Ltd.	761,236,000	1.95%
10	E Fund Management (HK) Co., Limited – Clients' Fund (Exchange)	760,295,000	1.95%

1.4.2 Changes in Convertible Bonds during the reporting period

Unit: RMB

Name of Convertible Bond	Before the change	Increase/decrease				After the change
		Conversion	Redemption	Back-sell	Others	
Bank of China A-Share Convertible Bond	39,386,615,000	447,064,000	-	-	-	38,939,551,000

1.4.3 Accumulated conversion of Convertible Bonds during the reporting period

Amount of conversion during the reporting period (RMB)	447,064,000
Number of converted shares during the reporting period (share)	170,634,786
Accumulated converted shares (share)	388,078,385
Proportion of accumulated converted shares to total shares before conversion	0.142915%
Amount of unconverted Convertible Bonds (RMB)	38,939,551,000
Proportion of unconverted Convertible Bonds to total issued Convertible Bonds	97.3489%

1.4.4 Previous adjustments of conversion price

Effective date of adjusted conversion price	Adjusted conversion price	Disclosure date	Reasons of adjustments	Media of disclosure
4 June 2010	RMB3.88 per share	31 May 2010	2009 profit distribution	China Securities Journal, Shanghai Securities News, Security Times, Securities Daily and the websites of SSE, HKEx and the Bank
16 November 2010	RMB3.78 per share	11 November 2010	A Share Rights issue	
16 December 2010	RMB3.74 per share	13 December 2010	H Share Rights issue	
10 June 2011	RMB3.59 per share	3 June 2011	2010 profit distribution	
13 June 2012	RMB3.44 per share	6 June 2012	2011 profit distribution	
29 March 2013	RMB2.99 per share	27 March 2013	Downward adjustment approved by the shareholders' meeting	
18 June 2013	RMB2.82 per share	6 June 2013	2012 profit distribution	
27 June 2014	RMB2.62 per share	20 June 2014	2013 profit distribution	
Conversion price at the end of reporting period		RMB2.62 per share		

Note: *Securities Daily* became the Bank's selected newspaper for information disclosure as of 1 January 2012.

1.4.5 The Bank's outstanding debts, creditworthiness and availability of cash for repayment of debts in future years

Dagong Global Credit Rating Co., Ltd. has evaluated the Bank's Convertible Bonds and provided an updated credit rating report (Da Gong Bao SD[2014]No.105) which reaffirmed an AAA credit rating on the Bank's Convertible Bonds. Dagong Global Credit Rating Co., Ltd. believes that the Bank is able to provide significantly strong support to the repayment of its Convertible Bonds issued in 2010.

The Bank's adequate capital, stable mix of assets and liabilities and healthy profitability provide a solid foundation for the repayment of its various debts.

1.4.6 Significant changes to the profitability, asset condition and creditworthiness of the Convertible Bonds guarantor

There is no guarantee in relation to the Bank's issuance of the Convertible Bonds.

II. SUMMARY OF ANALYSIS ON OVERALL OPERATING ACTIVITIES

During the first three quarters of 2014, the Group achieved a profit for the period of RMB136.798 billion and a profit attributable to equity holders of the Bank of RMB131.133 billion, an increase of 9.16% and 9.09% respectively compared with the same period of 2013. Return on average total assets (ROA) was 1.24%, an increase of 0.01 percentage point compared with the prior year, and return on average equity (ROE) was 18.03%, a decrease of 0.01 percentage point compared with the prior year. The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 10.51%, 10.52% and 13.07% respectively¹.

¹ The capital adequacy ratios are calculated under advanced approaches in accordance with the *Capital Rules for Commercial Banks (Provisional)*.

2.1 The principal components of the Group's consolidated income statement for the nine-month period ended 30 September 2014 were as follows:

1. The Group's net interest income amounted to RMB238.775 billion, representing an increase of RMB30.570 billion or 14.68% compared with the same period of 2013. The net interest margin was 2.26%, an increase of 0.04 percentage point compared with the same period of 2013.
2. The Group's non-interest income amounted to RMB107.375 billion, representing an increase of RMB10.129 billion or 10.42% compared with the same period of 2013. Non-interest income represented 31.02% of the total operating income, a decrease of 0.82 percentage point compared with the same period of 2013. Particularly, net fee and commission income amounted to RMB72.078 billion, an increase of RMB6.693 billion or 10.24% compared with the same period of 2013.
3. The Group's operating expenses amounted to RMB129.564 billion, an increase of RMB4.162 billion or 3.32% compared with the same period of 2013. The cost to income ratio (calculated under domestic regulations) was 26.99%, a decrease of 2.15 percentage points compared with the same period of 2013.
4. The Group's impairment losses on assets amounted to RMB39.078 billion, an increase of RMB20.426 billion or 109.51% compared with the same period of 2013. The Group reported non-performing loans totalling RMB90.695 billion, and the ratio of non-performing loans to total loans was 1.07%. The ratio of allowance for loan impairment losses to non-performing loans was 207.70%.

2.2 The principal components of the Group's financial position as at 30 September 2014 were as follows:

The Group's total assets amounted to RMB15,427.957 billion, an increase of RMB1,553.658 billion or 11.20% compared with the end of 2013. Total liabilities amounted to RMB14,381.700 billion, an increase of RMB1,468.878 billion or 11.38% compared with the prior year-end. The Group's loan to deposit ratio was 71.65%².

1. The Group's due to customers amounted to RMB11,047.285 billion, an increase of RMB949.499 billion or 9.40% compared with the end of 2013. Particularly, domestic RMB-denominated deposits amounted to RMB8,236.861 billion, an increase of RMB526.898 billion or 6.83% from the prior year-end.
2. The Group's loans and advances to customers amounted to RMB8,444.403 billion, an increase of RMB836.612 billion or 11.00% compared with the prior year-end. Particularly, domestic RMB-denominated loans amounted to RMB5,975.261 billion, an increase of RMB421.631 billion or 7.59% compared with the prior year-end.
3. The Group's investments³ amounted to RMB2,533.324 billion, an increase of RMB129.693 billion or 5.40% compared with the prior year-end. The RMB-denominated investments amounted to RMB1,981.009 billion, an increase of RMB149.369 billion or 8.15% from the end of 2013. Foreign currency-denominated investments amounted to USD89.771 billion, a decrease of USD4.046 billion or 4.31% compared with the prior year-end.

² Calculated in accordance with the *Circular of the China Banking Regulatory Commission on the Adjustment to the Calculation Standards of the Loan-to-deposit Ratio of Commercial Banks* (Yin Jian Fa [2014] No.34).

³ Investments include investment securities available for sale, debt securities held to maturity, financial investments classified as loans and receivables, and financial assets at fair value through profit or loss.

III. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statement items and indicators and the reasons thereof

Applicable Not Applicable

The Group's key financial items and indicators which fluctuated over 30% compared with those as at the end of 2013, or compared with those for the nine-month period ended 30 September 2013 are as follows:

Unit: RMB million, except percentages

Items	As at 30 September 2014	As at 31 December 2013	Change	Main reasons
Due to central banks	391,665	200,939	94.92%	Due to increase in placements from central banks.
Due to customers at fair value	256,168	156,498	63.69%	Due to increase of structured deposits.
Reserve for fair value changes of available for sale securities	6,549	1,652	296.43%	Due to increase of fair value of available for sale debt securities caused by volatility in domestic and overseas debt securities market.

Unit: RMB million, except percentages

Items	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Change	Main reasons
Net trading gains	9,725	5,226	86.09%	Due to increase of net gains from foreign exchange and foreign exchange products.
Net gains on financial investments	1,133	593	91.06%	Due to increase of gains from the purchase and sale of available for sale equity securities.
Impairment losses on assets	(39,078)	(18,652)	109.51%	Due to increase of allowance for impairment losses on domestic loans.

3.2 Development of significant events, related impact and resolution

Applicable Not Applicable

The Bank completed the pricing and issuance of the Offshore Preference Shares on 15 October 2014 and 23 October 2014, respectively. The listing of the Offshore Preference Shares on the Hong Kong Stock Exchange was effective on 24 October 2014. The Offshore Preference Shares are priced in Renminbi, settled in U.S. Dollar, and the total issuance amounted to RMB39.940 billion, with 6.75% dividend rate per annum. The details have been set out in the Bank's announcement dated 23 October 2014.

3.3 Fulfillment of undertakings by the company, and shareholders holding 5% or more shares of the Bank

Applicable Not Applicable

Based on the best knowledge of the Bank, undertakings by the Bank and its shareholders holding 5% or more shares were fulfilled during the reporting period.

3.4 Warnings and explanations of any forecasted losses or significant changes to accumulated net profit from the beginning of the year to the end of the next reporting period

Applicable Not Applicable

3.5 Implementation of cash dividend policy during the reporting period

Applicable Not Applicable

IV. QUARTERLY REPORT

This announcement is simultaneously available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and that of the Bank at www.boc.cn. The 2014 third quarter report prepared in accordance with CAS is also available on the website of the Shanghai Stock Exchange at www.sse.com.cn and that of the Bank.

By Order of the Board
Bank of China Limited
YEUNG Cheung Ying
Company Secretary

Beijing, PRC
30 October 2014

As at the date of this announcement, the directors of the Bank are: Tian Guoli, Chen Siqing, Li Zaohang, Sun Zhijun^{}, Zhang Xiangdong^{*}, Zhang Qi^{*}, Wang Yong^{*}, Wang Wei^{*}, Liu Xianghui^{*}, Chow Man Yiu, Paul[#], Jackson Tai[#], Nout Wellink[#], Lu Zhengfei[#] and Leung Cheuk Yan[#].*

^{*} *Non-executive Directors*

[#] *Independent Non-executive Directors*

APPENDIX I – FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH IFRS)

Consolidated Income Statement

Unit: RMB million

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Interest income	155,152	131,741	449,345	381,611
Interest expense	(73,052)	(60,824)	(210,570)	(173,406)
Net interest income	82,100	70,917	238,775	208,205
Fee and commission income	21,768	21,469	77,343	69,942
Fee and commission expense	(1,821)	(1,565)	(5,265)	(4,557)
Net fee and commission income	19,947	19,904	72,078	65,385
Net trading gains	2,406	1,308	9,725	5,226
Net gains on financial investments	815	179	1,133	593
Other operating income	6,010	6,892	24,439	26,042
Operating income	111,278	99,200	346,150	305,451
Operating expenses	(43,667)	(43,193)	(129,564)	(125,402)
Impairment losses on assets	(11,296)	(4,510)	(39,078)	(18,652)
Operating profit	56,315	51,497	177,508	161,397
Share of results of associates and joint ventures	70	478	827	829
Profit before income tax	56,385	51,975	178,335	162,226
Income tax expense	(12,996)	(10,832)	(41,537)	(36,911)
Profit for the period	43,389	41,143	136,798	125,315
Profit for the period attributable to:				
Equity holders of the Bank	41,409	39,489	131,133	120,210
Non-controlling interests	1,980	1,654	5,665	5,105
	43,389	41,143	136,798	125,315

Consolidated Income Statement (continued)

Unit: RMB million

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial (losses)/gains on defined benefit plans	(46)	119	(151)	106
Subtotal	(46)	119	(151)	106
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value (losses)/gains on available for sale financial assets	(423)	(325)	5,096	(4,909)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	110	8	187	(3)
Exchange differences from the translation of foreign operations	(2,061)	(53)	(148)	(3,789)
Other	1	(16)	454	7
Subtotal	(2,373)	(386)	5,589	(8,694)
Other comprehensive income for the period, net of tax	(2,419)	(267)	5,438	(8,588)
Total comprehensive income for the period	40,970	40,876	142,236	116,727
Total comprehensive income attributable to:				
Equity holders of the Bank	39,186	39,179	135,777	113,419
Non-controlling interests	1,784	1,697	6,459	3,308
	40,970	40,876	142,236	116,727
Earnings per share for profit attributable to equity holders of the Bank during the period (Expressed in RMB per ordinary share)				
– Basic	0.15	0.14	0.47	0.43
– Diluted	0.14	0.14	0.45	0.41

Consolidated Statement of Financial Position

Unit: RMB million

	As at 30 September 2014 (unaudited)	As at 31 December 2013 (audited) (restated)
ASSETS		
Cash and due from banks and other financial institutions	875,337	702,584
Balances with central banks	2,484,516	2,132,001
Placements with and loans to banks and other financial institutions	581,046	512,888
Government certificates of indebtedness for bank notes issued	78,314	82,069
Precious metals	182,685	193,208
Financial assets at fair value through profit or loss	92,924	75,200
Derivative financial assets	42,242	40,823
Loans and advances to customers, net	8,256,032	7,439,742
Financial investments	2,440,400	2,328,431
– Available for sale	749,358	701,196
– Held to maturity	1,371,457	1,210,531
– Loans and receivables	319,585	416,704
Investment in associates and joint ventures	14,149	13,368
Property and equipment	161,566	158,968
Investment properties	18,475	20,271
Deferred income tax assets	22,295	22,928
Other assets	177,976	151,818
Total assets	15,427,957	13,874,299

Consolidated Statement of Financial Position (continued)

Unit: RMB million

As at 30 September 2014 (unaudited)	As at 31 December 2013 (audited) (restated)
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LIABILITIES

Due to banks and other financial institutions	1,783,257	1,551,624
Due to central banks	391,665	200,939
Bank notes in circulation	78,583	82,212
Placements from banks and other financial institutions	330,800	339,265
Derivative financial liabilities	40,313	36,212
Due to customers	11,047,285	10,097,786
– at amortised cost	10,791,117	9,941,288
– at fair value	256,168	156,498
Bonds issued	282,002	224,704
Other borrowings	30,435	29,570
Current tax liabilities	39,205	40,031
Retirement benefit obligations	4,555	4,815
Deferred income tax liabilities	3,848	3,385
Other liabilities	349,752	302,279
Total liabilities	14,381,700	12,912,822

EQUITY

Capital and reserves attributable to equity holders of the Bank

Share capital	279,535	279,365
Capital reserve	116,736	116,121
Treasury shares	(29)	(28)
Statutory reserves	80,404	80,225
General and regulatory reserves	144,974	144,450
Undistributed profits	399,189	323,673
Reserve for fair value changes of available for sale securities	6,549	1,652
Currency translation differences	(21,984)	(21,542)
	1,005,374	923,916
Non-controlling interests	40,883	37,561
Total equity	1,046,257	961,477
Total equity and liabilities	15,427,957	13,874,299

TIAN Guoli
Director

CHEN Siqing
Director

Consolidated Statement of Cash Flows

Unit: RMB million

For the nine-month period ended 30 September

	2014 (unaudited)	2013 (unaudited) (restated)
Cash flows from operating activities		
Profit before income tax	178,335	162,226
Adjustments:		
Impairment losses on assets	39,078	18,652
Depreciation of property and equipment	9,494	9,701
Amortisation of intangible assets and other assets	2,060	1,955
Net gains on disposal of property and equipment, intangible assets and other long-term assets	(223)	(316)
Net gains on disposal of investment in subsidiaries, associates and joint ventures	(685)	(61)
Share of results of associates and joint ventures	(827)	(829)
Interest income arising from financial investments	(61,942)	(52,950)
Dividends arising from investment securities	(406)	(447)
Net gains on financial investments	(1,133)	(593)
Interest expense arising from bonds issued	7,214	6,366
Accreted interest on impaired loans	(660)	(466)
Net changes in operating assets and liabilities:		
Net increase in balances with central banks	(130,621)	(135,345)
Net increase in due from and placements with and loans to banks and other financial institutions	(107,806)	(47,436)
Net decrease/(increase) in precious metals	10,523	(20,902)
Net increase in financial assets at fair value through profit or loss	(14,709)	(5,163)
Net increase in loans and advances to customers	(854,753)	(675,301)
Net (increase)/decrease in other assets	(24,791)	15,931
Net increase/(decrease) in due to banks and other financial institutions	231,633	(195,433)
Net increase in due to central banks	190,726	42,849
Net (decrease)/increase in placements from banks and other financial institutions	(8,465)	117,910
Net increase in due to customers	949,499	883,793
Net increase/(decrease) in other borrowings	865	(2,963)
Net increase in other liabilities	45,776	41,729
Cash inflow from operating activities	458,182	162,907
Income tax paid	(43,505)	(38,904)
Net cash inflow from operating activities	414,677	124,003

Consolidated Statement of Cash Flows (continued)*Unit: RMB million***For the nine-month period
ended 30 September**

	2014 (unaudited)	2013 (unaudited) (restated)
Cash flows from investing activities		
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	7,225	3,832
Proceeds from disposal of investment in subsidiaries, associates and joint ventures	812	213
Dividends received	857	556
Interest income received from financial investments	61,759	53,099
Proceeds from disposal/maturity of financial investments	675,251	939,302
Increase in investment in subsidiaries, associates and joint ventures	(158)	(240)
Purchase of property and equipment, intangible assets and other long-term assets	(17,413)	(18,783)
Purchase of financial investments	(774,085)	(1,179,052)
Net cash outflow from investing activities	(45,752)	(201,073)
Cash flows from financing activities		
Proceeds from issuance of bonds	134,618	48,975
Repayments of debts issued	(76,565)	(47,608)
Cash payments for interest on bonds issued	(7,054)	(6,442)
Dividend payments to equity holders of the Bank	(54,755)	(48,851)
Dividend payments to non-controlling interests	(3,128)	(3,873)
Other net cash flows from financing activities	27	112
Net cash outflow from financing activities	(6,857)	(57,687)
Effect of exchange rate changes on cash and cash equivalents	(3,036)	(18,182)
Net increase/(decrease) in cash and cash equivalents	359,032	(152,939)
Cash and cash equivalents at beginning of the period	1,150,566	1,072,283
Cash and cash equivalents at end of the period	1,509,598	919,344

APPENDIX II – CAPITAL ADEQUACY RATIO (CAR)

Unit: RMB million, except percentages

Group

As at
30 September 2014
(unaudited)

I. CAR calculated under advanced approaches in accordance with the *Capital Rules for Commercial Banks (Provisional)*¹

1. Net common equity tier 1 capital	991,833
2. Net tier 1 capital	992,996
3. Net capital	1,233,483
4. Common equity tier 1 capital adequacy ratio	10.51%
5. Tier 1 capital adequacy ratio	10.52%
6. Capital adequacy ratio	13.07%

II. CAR calculated in accordance with the *Regulation Governing Capital Adequacy of Commercial Banks*

1. Core capital adequacy ratio	10.78%
2. Capital adequacy ratio	13.46%

Note: 1. The capital adequacy ratios are calculated under advanced approaches in accordance with the *Capital Rules for Commercial Banks (Provisional)* as following to measure risk-weighted assets: Internal Ratings-based Approach for credit risk, Internal Models Approach for market risk, and Standardised Approach for operational risk.