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招商銀行股份有限公司

CHINA MERCHANTS BANK CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 03968)

THIRD QUARTERLY REPORT OF 2015

Pursuant to the regulations of the China Securities Regulatory Commission, the Company is required to publish a quarterly report for each of the first and third quarters.

All financial information set out in this quarterly report is unaudited and prepared in accordance with the International Financial Reporting Standards.

This announcement is made by the Company pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

§1 IMPORTANT NOTICE

- 1.1 The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of China Merchants Bank Co., Ltd. will individually and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents in this report, and confirm that there are no false representations, misleading statements, or material omissions contained herein.
- 1.2 None of the directors, supervisors and senior management has made any statement that he/she is unable to warrant or object to the truthfulness, accuracy and completeness of the information contained in the quarterly report.
- 1.3 The 40th meeting of the Ninth Session of the Board of Directors of the Company has approved the third quarterly report of 2015 of the Company through voting by correspondence. 16 out of the 16 directors attended and voted at the meeting.
- 1.4 All financial statements set out in this report are prepared in accordance with the International Financial Reporting Standards and are unaudited. The unaudited quarterly report prepared by the Company in accordance with the PRC Accounting Standards has been published on the website of Shanghai Stock Exchange. Unless otherwise stated, all monetary sums stated in this report are expressed in RMB.
- 1.5 Hereinafter “the Company”, “the Bank” and “China Merchants Bank” mentioned in this report are all referred to China Merchants Bank Co., Ltd.; and “the Group” is referred to China Merchants Bank and its subsidiaries.

1.6 Mr. Li Jianhong, Chairman of the Board of Directors of the Company, Mr. Tian Huiyu, the President and Chief Executive Officer, Mr. Li Hao, the First Executive Vice President and Chief Financial Officer, and Mr. Wang Tao, who is in charge of the Finance and Accounting Department, hereby make representations in respect of the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

§2 GENERAL INFORMATION

2.1 Major accounting data and financial indicators

(Unless otherwise stated, amounts expressed in millions of RMB)

	At the end of the reporting period 30 September 2015	At the end of last year 31 December 2014	Increase/decrease at the end of the reporting period as compared to the end of last year (%)
Total Assets	5,222,292	4,731,829	10.37
Equity attributable to shareholders of the Bank	348,962	314,404	10.99
Net assets per share attributable to shareholders of the Bank <i>(in RMB Yuan)</i>	13.84	12.47	10.99
	From the beginning of the year to the end of the reporting period January to September 2015	From the beginning of last year to the end of the reporting period of last year January to September 2014	Increase/ decrease as compared to the corresponding period of last year (%)
Net cash flow from operating activities	194,420	161,689	20.24
Net cash flow from operating activities per share <i>(in RMB Yuan)</i>	7.71	6.41	20.28

	The reporting period July to September 2015	From the beginning of the year to the end of the reporting period January to September 2015	From the beginning of last year to the end of the reporting period of last year January to September 2014	Increase/ decrease during the period of January to September 2015 as compared to the corresponding period of last year (%)
Net operating income	52,246	156,627	125,525	24.78
Net profit attributable to shareholders of the Bank	15,524	48,500	45,804	5.89
Basic earnings per share attributable to shareholders of the Bank (<i>in RMB Yuan</i>)	0.62	1.92	1.82	5.49
Diluted earnings per share attributable to shareholders of the Bank (<i>in RMB Yuan</i>)	0.62	1.92	1.82	5.49
Annualized weighted average return on net assets attributable to shareholders of the Bank (%)	18.24	19.50	21.33	Decrease of 1.83 percentage points

2.2 Explanation on the differences between the financial statements prepared in accordance with the PRC Accounting Standards and the International Financial Reporting Standards

In the financial statements prepared by the Group in accordance with the PRC Accounting Standards and the International Financial Reporting Standards, there has been no difference in the net profit attributable to the Bank's shareholders for the reporting period ended 30 September 2015 and the equity attributable to shareholders of the Bank at the end of the reporting period.

2.3 Analysis of capital adequacy ratios as at the end of the reporting period

The Company continued to optimize its business structure and enhance capital management, and has satisfied various capital requirements of China Banking Regulatory Commission (the "CBRC") during the reporting period. The capital adequacy ratio of the Company generally remained stable and the Company has maintained a balanced growth of internal capital.

As at 30 September 2015, the capital adequacy ratio and the Tier 1 capital adequacy ratio of the Group under the advanced approach were 12.79% and 10.83%, respectively.

The Group	At the end of the reporting period 30 September 2015	At the end of last year 31 December 2014	Increase/decrease at the end of the reporting period as compared to the end of last year (%)
<i>(in millions of RMB, except for percentages)</i>			
Capital adequacy ratios under the advanced approach ⁽¹⁾			
1. Net core Tier 1 capital	335,712	301,977	11.17
2. Net Tier 1 capital	335,719	301,982	11.17
3. Net capital	396,396	358,334	10.62
4. Risk-weighted assets (without taking into consideration the minimum requirements during the grace period) ⁽²⁾	2,925,180	2,748,687	6.42
Of which: Credit risk weighted assets	2,633,073	2,471,180	6.55
Market risk weighted assets	37,209	22,610	64.57
Operational risk weighted assets	254,897	254,897	–
5. Risk-weighted assets (having taken into consideration the minimum requirements during the grace period)	3,099,489	2,893,732	7.11
6. Core Tier 1 capital adequacy ratio	10.83%	10.44%	Increase of 0.39 percentage point
7. Tier 1 capital adequacy ratio	10.83%	10.44%	Increase of 0.39 percentage point
8. Capital adequacy ratio	12.79%	12.38%	Increase of 0.41 percentage point
Information on leverage ratio ⁽³⁾			
9. Total on and off balance sheet assets after adjustment	6,047,968	(Note 3)	(Note 3)
10. Leverage ratio	5.55%	4.96%	Increase of 0.59 percentage point

Note 1: The “advanced approach” refers to the advanced measurement approach set out in the “Capital Rules for Commercial Banks (Provisional)” issued by CBRC on 7 June 2012 (same as below). Currently, the core Tier 1 capital adequacy ratio and the Tier 1 capital adequacy ratio of the Group and the Company remain consistent under the advanced approach. In accordance with the requirements of the advanced approach, the scope of entities for calculating the capital adequacy ratio of the Group shall include China Merchants Bank and its subsidiaries. The scope of entities for calculating the capital adequacy ratio of the Company shall include all the domestic and overseas branches and sub-branches of China Merchants Bank. As at 30 September 2015, the Group’s subsidiaries for calculating its capital adequacy ratio include Wing Lung Bank Limited, CMB International Capital Corporation Limited, CMB Financial Leasing Co., Ltd. and China Merchants Fund Management Co., Ltd. (“China Merchants Fund”).

Note 2: The “minimum requirements during the grace period” means that, during the grace period, in which the advanced approach for capital measurement were implemented, a commercial bank shall use the capital minimum adjustment coefficients to adjust the result of its risk-weighted assets multiplying the sum of its minimum capital amount and reserve capital amount, total amount of capital deductions and the provision for excessive loan loss which can be included into capital, so as to obtain the required capital amount subject to the capital minimum requirements. The capital minimum adjustment coefficients shall be 95%, 90% and 80% respectively in the first year, the second year, and the third and subsequent years during the grace period.

Note 3: Since 2015, the leverage ratio shall be calculated based on the “Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)” promulgated by CBRC on 12 February 2015. In 2014, the leverage ratio and total on and off balance sheet assets were still calculated based on the “Measures for the Administration of the Leverage Ratio of Commercial Banks” promulgated by CBRC on 1 June 2011. The leverage ratio of the Group were 5.26%, 5.51% and 4.96% respectively as at the end of the first half of 2015, the end of the first quarter of 2015 and the end of 2014.

The capital adequacy ratio and the Tier 1 capital adequacy ratio of the Company under the advanced approach were 12.38% and 10.43% respectively.

	At the end of the reporting period 30 September 2015	At the end of last year 31 December 2014	Increase/decrease at the end of the reporting period as compared to the end of last year (%)
The Company			
	<i>(in millions of RMB, except for percentages)</i>		

Capital adequacy ratios under the advanced approach

1.	Net core Tier 1 capital	298,191	268,845	10.92
2.	Net Tier 1 capital	298,191	268,845	10.92
3.	Net capital	354,215	320,740	10.44
4.	Risk-weighted assets (without taking into consideration the minimum requirements during the grace period)	2,691,650	2,546,291	5.71
	Of which: Credit risk weighted assets	2,414,786	2,285,300	5.67
	Market risk weighted assets	34,996	19,123	83.00
	Operational risk weighted assets	241,868	241,868	–
5.	Risk-weighted assets (having taken into consideration the minimum requirements during the grace period)	2,860,059	2,687,891	6.41
6.	Core Tier 1 capital adequacy ratio	10.43%	10.00%	0.43 percentage point Increase of
7.	Tier 1 capital adequacy ratio	10.43%	10.00%	0.43 percentage point Increase of
8.	Capital adequacy ratio	12.38%	11.93%	0.45 percentage point Increase of

As at 30 September 2015, the capital adequacy ratio of the Group under the weighted approach was 12.14%, representing an increase of 0.40 percentage point as compared with the beginning of the year; and its Tier 1 capital adequacy ratio was 10.05%, representing an increase of 0.45 percentage point as compared with the beginning of the year. The Group has a relatively strong ability to maintain a balanced growth of internal capital.

	At the end of the reporting period 30 September 2015	At the end of last year 31 December 2014	Increase/decrease at the end of the reporting period as compared to the end of last year (%)
The Group			
	<i>(in millions of RMB, except for percentages)</i>		

**The capital adequacy ratios under
the weighted approach ⁽¹⁾**

1.	Net core Tier 1 capital	335,712	301,977	11.17
2.	Net Tier 1 capital	335,719	301,982	11.17
3.	Net capital	405,388	369,532	9.70
4.	Risk-weighted assets	3,340,165	3,146,571	6.15
5.	Core Tier 1 capital adequacy ratio	10.05%	9.60%	Increase of 0.45 percentage point
6.	Tier 1 capital adequacy ratio	10.05%	9.60%	Increase of 0.45 percentage point
7.	Capital adequacy ratio	12.14%	11.74%	Increase of 0.40 percentage point

Note 1: The “weighted approach” refers to the weighted approach for credit risk, the standardised method for market risk and the basic indicator method for operational risk adopted by the Group to calculate its risk-weighted assets in accordance with the provisions of the “Capital Rules for Commercial Banks (Provisional)” before the adoption of the advanced approach. Same as below.

As at 30 September 2015, the capital adequacy ratio of the Company under the weighted approach was 11.70%, representing an increase of 0.43 percentage point as compared with the beginning of the year; and its Tier 1 capital adequacy ratio was 9.60%, representing an increase of 0.48 percentage point as compared with the beginning of the year.

	At the end of the reporting period 30 September 2015	At the end of last year 31 December 2014	Increase/decrease at the end of the reporting period as compared to the end of last year (%)
The Company			
	<i>(in millions of RMB, except for percentages)</i>		

**The capital adequacy ratios under
the weighted approach**

1.	Net core Tier 1 capital	298,191	268,845	10.92
2.	Net Tier 1 capital	298,191	268,845	10.92
3.	Net capital	363,206	331,937	9.42
4.	Risk-weighted assets	3,105,206	2,946,283	5.39
5.	Core Tier 1 capital adequacy ratio	9.60%	9.12%	Increase of 0.48 percentage point
6.	Tier 1 capital adequacy ratio	9.60%	9.12%	Increase of 0.48 percentage point
7.	Capital adequacy ratio	11.70%	11.27%	Increase of 0.43 percentage point

2.4 Total number of shareholders, the top ten shareholders and the top ten shareholders whose shares are not subject to trading moratorium as at the end of the reporting period

Total number of shareholders **279,910**

Top ten shareholders and the top ten shareholders whose shares are not subject to trading moratorium

No.	Name of shareholder	Nature of shareholder	Percentage of shareholding (%)	Number of shares held (share)	Class of Shares	Number of shares subject to trading moratorium (share)	Shares pledged or frozen (share)
1	HKSCC Nominees Limited (note 1)	/	18.00	4,538,474,369	H Shares	-	-
2	China Merchants Steam Navigation Company Ltd.	State-owned legal person	12.54	3,162,424,323	A Shares not subject to trading moratorium	-	-
3	Anbang Property & Casualty Insurance Company Ltd. – conventional products	Domestic non-state-owned legal person	10.72	2,704,596,216	A Shares not subject to trading moratorium	-	-
4	China Ocean Shipping (Group) Company	State-owned legal person	6.24	1,574,729,111	A Shares not subject to trading moratorium	-	-
5	Shenzhen Yan Qing Investment and Development Company Ltd.	State-owned legal person	4.99	1,258,542,349	A Shares not subject to trading moratorium	-	-
6	Shenzhen Chu Yuan Investment and Development Company Ltd.	State-owned legal person	3.68	927,758,194	A Shares not subject to trading moratorium	-	-
7	China Merchants Finance Investment Holdings Co., Ltd.	State-owned legal person	3.66	923,853,653	A Shares not subject to trading moratorium	-	-
8	China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.88	725,878,734	A Shares not subject to trading moratorium	-	-
9	Guangzhou Maritime Transport (Group) Co., Ltd	State-owned legal person	2.76	696,450,214	A Shares not subject to trading moratorium	-	-
10	China Communications Construction Company Limited	State-owned legal person	1.78	450,164,945	A Shares not subject to trading moratorium	-	-

Note 1: Shares held by HKSCC Nominees Limited are the total shares in the accounts of holders of H Shares of China Merchants Bank trading on the transaction platform of HKSCC Nominees Limited.

Note 2: Of the aforesaid top 10 shareholders, China Merchants Steam Navigation Company Ltd., Shenzhen Yan Qing Investment and Development Company Ltd., Shenzhen Chu Yuan Investment and Development Company Ltd. and China Merchants Finance Investment Holdings Co., Ltd. are subsidiaries of China Merchants Group Ltd. The Company is not aware of any affiliated relationships among other shareholders. As at 30 September 2015, China Merchants Group Ltd. indirectly held an aggregate of 26.80% of the total issued shares of the Company, consisting of 25.99% of the A shares of the Company and 0.81% of the H shares of the Company, respectively.

Note 3: The above shareholders did not hold the shares of the Company through securities accounts.

2.5 Management discussion and analysis

2.5.1 Analysis of operating status of the Group

As at the end of September 2015, total assets of the Group amounted to RMB5,222.292 billion, representing an increase of 10.37% as compared with the beginning of the year; and its total liabilities amounted to RMB4,872.327 billion, representing an increase of 10.31% as compared with the beginning of the year. Total deposits from customers amounted to RMB3,467.658 billion, representing an increase of 4.94% as compared with the beginning of the year. Total loans and advances amounted to RMB2,718.502 billion, representing an increase of 8.14% as compared with the beginning of the year.

For the period from January to September 2015, the Group realized a net profit attributable to shareholders of the Bank of RMB48.500 billion, representing a year-on-year increase of 5.89%, and net operating income of RMB156.627 billion, representing a year-on-year increase of 24.78%, among which, net interest income amounted to RMB101.159 billion, representing a year-on-year increase of 17.70%, and accounting for 64.59% of the net operating income. For the period from January to September 2015, net interest spread and net interest margin were 2.59% and 2.75%, respectively, representing a year-on-year increase of 0.28 percentage point and 0.14 percentage point, respectively, while they were 2.56% and 2.70% respectively for the third quarter of 2015, representing an increase of 0.08 percentage point and 0.05 percentage point as compared with the second quarter of 2015, respectively. Net fee and commission income increased rapidly by 47.16% to RMB44.977 billion from that of the corresponding period of the previous year, accounting for 28.72% of the net operating income, and other net income amounted to RMB10.353 billion, representing a year-on-year increase of 16.56%. Non-interest income increased by 40.16% to RMB55.468 billion from that of the corresponding period of the previous year, accounting for 35.41% of the net operating income. The cost-to-income ratio (excluding business tax and surcharges) of the Group was 25.03%, representing a year-on-year decrease of 2.95 percentage points. Since 2015, the Group has reclassified the income from credit card repayment by instalments from fee income to interest income and the relevant data has been restated.

As at the end of September 2015, the balance of non-performing loans of the Group amounted to RMB43.397 billion, representing an increase of RMB15.480 billion as compared with the beginning of the year; the non-performing loan ratio was 1.60%, representing an increase of 0.49 percentage point as compared with the beginning of the year; and the allowance coverage ratio of our non-performing loans was 195.47%, representing a decrease of 37.95 percentage points as compared with the beginning of the year; the allowance-to-loan ratio was 3.12%, representing an increase of 0.53 percentage point as compared with that at the beginning of the year.

2.5.2 Analysis of operating status of the Company

During the period from January to September 2015, the Company continued to promote strategic transformation and maintained steady business development as a whole:

Both our assets and liabilities grew moderately. As at the end of September 2015, total assets of the Company amounted to RMB4,931.951 billion, representing an increase of 9.82% as compared with the beginning of the year; while total liabilities amounted to RMB4,589.971 billion, representing an increase of 9.81% as compared with the beginning of the year. Total loans and advances amounted to RMB2,483.581 billion, representing an increase of 8.66% as compared with the beginning of the year, among which, corporate loans, retail loans and discounted bills accounted for 49.96%, 45.37% and 4.67%, respectively. Total deposits from customers amounted to RMB3,313.191 billion, representing an increase of 4.89% as compared with the beginning of the year, among which, demand deposits and time deposits accounted for 54.27% and 45.73%, respectively. Among the demand deposits, corporate deposits accounted for 58.89% while retail deposits accounted for 41.11%; and among the time deposits, corporate deposits accounted for 78.08% while retail deposits accounted for 21.92%.

Our profits grew steadily. During the period from January to September 2015, the Company realized a net profit of RMB45.059 billion, representing a year-on-year increase of 5.67%. The Company realized net operating income of RMB149.058 billion, representing a year-on-year increase of 25.40%, among which, net interest income amounted to RMB98.034 billion, representing a year-on-year increase of 18.19%, and accounting for 65.77% of the net operating income. Affected by the increased proportion of low-cost retail deposits on demand, and the falling cost ratio of inter-bank transaction of funds which was due to the relatively adequate market liquidity, there was an increase in both net interest spread and net interest margin of the Company. During the period from January to September 2015, net interest spread and net interest margin of the Company were 2.65% and 2.81%, respectively, representing a year-on-year increase of 0.17 percentage point and 0.14 percentage point, respectively, while they were 2.67% and 2.80% respectively for the third quarter of 2015, representing an increase of 0.12 percentage point and 0.08 percentage point as compared with the second quarter of 2015, respectively. The value contribution of the retail finance business grew steadily, with its profit before tax reached RMB28.260 billion, representing a year-on-year increase of 31.12%, and its proportion to the Company's pre-tax profit reached 47.67%, representing a year-on-year increase of 6.70 percentage points. The net operating income from retail finance amounted to RMB68.455 billion, representing a year-on-year increase of 37.27%, and accounting for 45.93% of the Company's net operating income.

Net non-interest income grew rapidly. During the period from January to September 2015, the Company continued its effort to expand its wealth management and other businesses, leading to a relatively rapid growth in non-interest income. During the period from January to September 2015, the Company realised a net non-interest income of RMB51.024 billion, representing a year-on-year increase of 42.06%. The proportion of the net non-interest income to our net operating income was 34.23%, representing a year-on-year increase of 4.01 percentage points. Fee and commission income amounted to RMB41.716 billion, representing a year-on-year increase of 48.27%, among which, fees and commission income from wealth management services amounted to RMB20.881 billion, representing an increase of 99.65% on the same statistical calibre as compared with the period from January to September of 2014. Specifically, income from entrusted wealth management services amounted to RMB7.634 billion, representing a year-on-year increase of 57.40%; income from sales of mutual fund amounted to RMB7.127 billion, representing a year-on-year increase of 277.69%; income from sales of third-party trust programmes amounted to RMB3.721 billion, representing a year-on-year increase of 97.40%; income from sales of third party insurance policies amounted to RMB2.300 billion, representing a year-on-year increase of 33.26%; income from precious metals custody amounted to RMB99 million.

The operational efficiency was kept at a satisfactory level. During the period from January to September 2015, the operating expenses of the Company amounted to RMB45.937 billion, representing a year-on-year increase of 11.93%. Cost-to-income ratio was 24.77%, representing a year-on-year decrease of 3.36 percentage points. The Company made remarkable achievements in expenses management and control, thanks to its persistent effort in promoting the itemised management of expenses, the standardization of financial expenses and other management initiatives. As a result, our operating cost grew slower than our operating income.

The capital utilisation efficiency remained stable. As at the end of the reporting period, the capital adequacy ratio and Tier 1 capital adequacy ratio of the Company measured under the advanced approach were 12.38% and 10.43%, respectively; up by 0.45 percentage point and 0.43 percentage point respectively as compared with those as at the end of the previous year. The risk adjusted return on capital (RAROC) before tax was 27.14%, maintaining at a level which was significantly higher than the capital cost.

The risk of our asset quality was generally controllable. As at the end of September 2015, the balance of the Company’s non-performing loans amounted to RMB42.841 billion, representing an increase of RMB15.376 billion as compared with the beginning of the year, and the non-performing loan ratio was 1.72%, representing an increase of 0.52 percentage point as compared with the beginning of the year. Under the complicated economic environment of “decelerated economic growth, painful structural adjustment and vanishing impetus brought with the previous economic incentive policies”, the Company actively responded to the risk of macroeconomic downturn, accelerated the transformation of risk management and optimized portfolio allocation and strengthened the screening of portfolio risk so as to improve asset quality. The Company took proactive initiatives to taper asset exposure in seven high-risk sectors, namely overcapacity industries, group customers with high-amount risks, small enterprise with substantial risk, private guarantee companies, customers with general risk pre-warning, risk in a guarantee circle and micro-enterprise financing loans. The Company continued to improve the centralised risk management mechanism by focusing on the enhancement of risk control of emerging finance business and asset management business. The Company accelerated the disposal of risk-bearing loans, broadened channels for disposal of non-performing loans, and effectively controlled the risk in the deterioration of asset quality.

The provisions for risk-bearing loans were made in a prudent manner. The Company continued to adopt a stable and prudent policy in respect of making provisions. In the first three quarters of 2015, the Company increased the provisions for its risk-bearing loans granted to overcapacity industries. As at the end of September 2015, the balance of allowance for impairment losses on loans of the Company amounted to RMB82.704 billion, representing an increase of RMB19.537 billion as compared with the beginning of the year. The non-performing loan allowance coverage ratio was 193.05%, representing a decrease of 36.94 percentage points as compared with the beginning of the year; the allowance-to-loan ratio was 3.33%, representing an increase of 0.57 percentage point as compared with the beginning of the year.

§3 SIGNIFICANT EVENTS

3.1 Disclosure as to, and reason for, material changes in major accounting items and financial indicators of the Group

Applicable Not applicable

The table below sets out the major accounting items with a change rate over 30% and their reasons:

(Unless otherwise stated, amounts expressed in millions of RMB)

Major items	As at 30 September 2015	Increase/ decrease as compared to the end of last year	Major reasons
Precious metals	24,305	59.67%	Increase in proprietary trading of spot physical gold and leasing out of physical gold
Placements with banks and other financial institutions	164,413	32.50%	Increase in placements with banks and other financial institutions
Interest in joint venture	2,660	81.57%	Investment in CMB-China Unicom Consumption Finance Co., Ltd. (招聯消費金融有限公司), a joint venture
Held-to-maturity investments	343,053	32.23%	Increase in the held-to-maturity investment business
Investment receivables	645,051	57.81%	Increase in investment in trust beneficiary rights
Deferred tax assets	19,535	89.83%	Increase in the temporary difference of the deductible amounts
Other assets	23,310	65.42%	Increase in amounts pending for settlement
Borrowings from central bank	31,000	55.00%	Increase in borrowings from central bank
Placements from banks and other financial institutions	156,259	65.17%	Increase in placements from banks and other financial institutions
Proceeds from disposal of financial assets repurchased	169,525	153.07%	Increase in proceeds from disposal of bonds and notes repurchased
Financial liabilities at fair value through profit or loss	18,586	39.02%	Increase in issuance of large-amount time deposit slips which are measured at fair value through profit or loss
Bonds payable	203,916	92.09%	Issuance of financial bonds and interbank deposit slips
Accrued payroll	11,855	95.37%	Increase in salaries and welfare payable
Taxes payable	19,378	66.25%	Increase in enterprise income tax payable
Other liabilities	66,295	67.08%	Increase in amounts pending for settlement
Investment revaluation reserve	3,996	110.09%	Increase in valuation of available-for-sale financial assets
Hedge reserve	204	N/A	Increase in the fair value of hedge instruments
Minority interests	1,003	52.90%	Increase in the minority interests of China Merchants Fund

Major items	January to September 2015	Increase/ decrease as compared to the corresponding period of last year	Major reasons
Fee and commission income	48,131	45.33%	Increase in commissions from custody and other trustee businesses
Impairment losses on assets	(43,952)	99.80%	Increase in provision for impairment losses on loans
Gain or loss on minority interests	286	148.70%	Increase in gain or loss on minority interests of China Merchants Fund

3.2 Performance of undertakings given by shareholders holding more than 5% of our shares

In the course of the rights issue of A shares and H shares in 2013, China Merchants Group Limited (hereinafter referred to as “China Merchants Group”), China Merchants Steam Navigation Company Ltd. and China Ocean Shipping (Group) Company had individually undertaken that, they will not seek for related-party transactions on terms more favourable than those given to other shareholders; they will repay the principal and interest thereon to the Company when the same falls due; they will not intervene with the ordinary operations of the Company; if they participate in the subscription of the rights shares, they will neither transfer or entrust others to manage the rights shares within five years from the transfer of such shares, nor will they seek for a repurchase by the Company of the rights shares held by them; upon expiration of the lock-up period of the rights shares, they will not transfer their rights shares until they obtain approval from the regulatory authorities on the share transfer and the shareholder qualification of transferees; they will continue to supplement the reasonable capital demand of the Company if an approval is granted by the Board of Directors and the shareholders’ general meeting; they will not impose improper performance indicators on the Company. For details, please refer to the A Share Rights Issue prospectus dated 22 August 2013 on the website of the Company (www.cmbchina.com).

In order to facilitate the steady and healthy development of the capital market, China Merchants Group and its subsidiaries have undertaken not to reduce but to take opportunities to increase their shareholdings in the Company during abnormal fluctuations in the stock market. For details, please refer to the announcement dated 10 July 2015 on the website of the Company (www.cmbchina.com).

As far as the Company is aware, as at the date of the report, the above shareholders did not violate the aforesaid undertakings.

3.3 Warning in respect of forecast of a probable loss or a significant change in the accumulated net profit from the beginning of the year to the end of the next reporting period or as compared with that of the corresponding period of last year and the reasons therefor

Applicable Not applicable

3.4 Implementation of the cash-based dividends policy during the reporting period

The Board of Directors of the Company has implemented the 2014 dividend distribution plan. For details of the implementation, please refer to the Company's announcement published on the websites of Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and the Company.

3.5 The Employee Stock Ownership Scheme and the H-Share Appreciation Rights Scheme

To further improve the Company's legal entity governance structure, stabilize management and key personnel team, establish a sound mid and long-term incentive mechanism combining incentives and restraints, and promote the long-term, sustained and healthy development of the Company, 2015 First Phase Employee Stock Ownership Scheme of the Company (Draft) (by way of subscribing A Shares in Private Placement) and the relevant resolutions were considered and approved at the 2014 Annual General Meeting, the First Class Meeting of the Shareholders of A Shares for 2015 and the First Class Meeting of the Shareholders of H Shares for 2015 of the Company. The "resolution regarding the termination of the H Share Appreciation Rights Scheme" was also approved at the aforesaid general meeting, pursuant to which it was resolved that, upon obtaining the approval for the Employee Stock Ownership Scheme at the general meeting, the H-Share Appreciation Rights yet to be granted shall be suspended immediately; subject to the approvals and implementation of the Employee Stock Ownership Scheme, the H-Share Appreciation Rights Scheme shall be terminated officially and automatically and the grant of the share appreciation rights yet to be granted shall also be terminated, and the implementation of the related specific matters will be arranged for by the Board. Currently, the implementation of the Employee Stock Ownership Scheme is still subject to approvals from the relevant regulatory authorities. For details, please refer to the relevant announcements published on the websites of Shanghai Stock Exchange, Hong Kong Stock Exchange and the Company.

The Board of Directors of
China Merchants Bank Co., Ltd.

29 October 2015

As at the date of this announcement, the executive directors of the Company are Tian Huiyu and Li Hao; the non-executive directors of the Company are Li Jianhong, Ma Zehua, Li Xiaopeng, Li Yinquan, Sun Yueying, Su Min, Fu Gangfeng and Hong Xiaoyuan; and the independent non-executive directors of the Company are Leung Kam Chung, Antony, Wong Kwai Lam, Pan Chengwei, Pan Yingli, Guo Xuemeng and Zhao Jun.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September		For the period from July to September ended 30 September	
	2015	2014 (restated)	2015	2014 (restated)
Interest income	176,897	169,027	58,538	60,438
Interest expense	(75,738)	(83,078)	(23,483)	(30,659)
Net interest income	101,159	85,949	35,055	29,779
Fee and commission income	48,131	33,118	14,891	10,095
Fee and commission expense	(3,154)	(2,554)	(1,011)	(921)
Net fee and commission income	44,977	30,564	13,880	9,174
Other net income	10,353	8,882	3,307	2,025
Total operating income	156,489	125,395	52,242	40,978
Operating expense	(48,472)	(42,910)	(16,792)	(15,148)
Provision for insurance claims	(213)	(245)	(67)	(82)
Operating profit before impairment losses	107,804	82,240	35,383	25,748
Impairment losses on assets	(43,952)	(21,998)	(14,781)	(5,678)
Gains on investment in associates	2	3	-	1
Gains on investment in joint ventures	136	127	4	36
Profit before tax	63,990	60,372	20,606	20,107
Less: income tax expense	(15,204)	(14,453)	(4,989)	(4,707)
Net profit	48,786	45,919	15,617	15,400
Attributable to:				
Equity shareholders of the Bank	48,500	45,804	15,524	15,345
Non-controlling interests	286	115	93	55

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September		For the period from July to September ended 30 September	
	2015	2014	2015	2014
Earnings per share				
Basic earnings per share (in RMB Yuan)	1.92	1.82	0.62	0.61
Diluted earnings per share (in RMB Yuan)	1.92	1.82	0.62	0.61
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other consolidated income for the period (after tax and reclassification adjustments)				
Exchange differences	494	220	456	(265)
Equity-accounted investees-share of other comprehensive income	(1)	21	(22)	5
Net movement in revaluation reserve of available-for-sale financial assets	2,095	5,325	809	653
Cash flow hedge	367	716	96	241
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other comprehensive income for the period	<u>2,955</u>	<u>6,282</u>	<u>1,339</u>	<u>634</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the period	<u>51,741</u>	<u>52,201</u>	<u>16,956</u>	<u>16,034</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income attributable to equity shareholders of the Bank	51,455	52,086	16,863	15,979
Total comprehensive income attributable to the non-controlling interests	286	115	93	55
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

UNAUDITED STATEMENT OF PROFIT OR LOSS
(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September		For the period from July to September ended 30 September	
	2015	2014	2015	2014
Interest income	170,217	161,871	56,605	58,209
Interest expense	(72,183)	(78,927)	(22,533)	(29,470)
Net interest income	98,034	82,944	34,072	28,739
Fee and commission income	44,770	30,614	13,750	9,288
Fee and commission expense	(3,054)	(2,478)	(1,037)	(941)
Net fee and commission income	41,716	28,136	12,713	8,347
Other net income	9,180	7,677	2,954	1,456
Total operating income	148,930	118,757	49,739	38,542
Operating expense	(45,937)	(41,039)	(15,953)	(14,479)
Operating profit before impairment losses	102,993	77,718	33,786	24,063
Impairment losses on assets	(43,839)	(21,626)	(14,745)	(5,524)
Gains on investment in joint ventures	128	105	18	25
Profit before tax	59,282	56,197	19,059	18,564
Less: income tax expense	(14,223)	(13,556)	(4,666)	(4,385)
Net profit	45,059	42,641	14,393	14,179

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September		For the period from July to September ended 30 September	
	2015	2014	2015	2014
Other consolidated income for the period (after tax and reclassification adjustments)				
Exchange differences	(1)	(11)	(6)	(42)
Equity-accounted investees-share of other comprehensive income	(1)	21	(22)	5
Net movement in revaluation reserve of available-for-sale financial assets	2,202	5,247	1,021	639
Cash flow hedge	367	716	96	241
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other comprehensive income for the period	<u>2,567</u>	<u>5,973</u>	<u>1,089</u>	<u>843</u>
Total comprehensive income for the period	<u>47,626</u>	<u>48,614</u>	<u>15,482</u>	<u>15,022</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*(Expressed in millions of Renminbi unless otherwise stated)*

	30 September 2015	31 December 2014
Assets		
Cash	14,287	14,793
Precious metals	24,305	15,222
Balances with central bank	602,666	639,992
Balances with banks and other financial institutions	68,270	55,986
Placements with banks	164,413	124,085
Financial assets purchased under agreements to resell	256,766	344,980
Loans and advances	2,633,672	2,448,754
Interest receivables	25,327	23,560
Financial assets at fair value through profit or loss	48,190	40,190
Derivative financial assets	10,957	9,315
Available-for-sale financial assets	292,918	278,526
Held-to-maturity investments	343,053	259,434
Investment receivables	645,051	408,752
Interest in joint ventures	2,660	1,465
Interest in associates	3	19
Fixed assets	31,893	27,445
Investment properties	1,714	1,684
Intangible assets	3,348	3,292
Goodwill	9,954	9,953
Deferred income tax assets	19,535	10,291
Other assets	23,310	14,091
Total assets	5,222,292	4,731,829
Liabilities		
Borrowings from the central bank	31,000	20,000
Deposits from banks and other financial institutions	678,855	697,448
Placements from banks	156,259	94,603
Financial assets sold under agreements to repurchase	169,525	66,988
Deposits from customers	3,467,658	3,304,438
Interests payable	39,507	45,349
Financial liabilities as at fair value through profit or loss	18,586	13,369
Derivative financial liabilities	8,731	10,246
Bonds payable	203,916	106,155
Salaries and welfare payable	11,855	6,068
Taxes payable	19,378	11,656
Deferred income tax liabilities	762	771
Other liabilities	66,295	39,678
Total liabilities	4,872,327	4,416,769

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2015	31 December 2014
Shareholders' equity		
Share capital	25,220	25,220
Capital reserve	67,523	67,523
Investment revaluation reserve	3,996	1,902
Hedging reserve	204	(163)
Surplus reserve	28,690	28,690
Regulatory general reserve	53,938	53,979
Retained profits	170,206	121,665
Proposed profit appropriations	–	16,897
Exchange differences	(815)	(1,309)
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	348,962	314,404
Non-controlling interests	1,003	656
	<hr/>	<hr/>
Total shareholders' equity	349,965	315,060
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities and shareholders' equity	5,222,292	4,731,829
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UNAUDITED STATEMENT OF FINANCIAL POSITION*(Expressed in millions of Renminbi unless otherwise stated)*

	30 September 2015	31 December 2014
Assets		
Cash	13,602	14,290
Precious metals	24,265	15,176
Balances with central bank	597,359	630,661
Balances with banks and other financial institutions	55,109	47,015
Placements with banks	138,809	137,848
Financial assets purchased under agreements to resell	255,449	343,955
Loans and advances	2,400,877	2,222,388
Interest receivables	24,131	22,411
Financial assets at fair value through profit or loss	44,308	37,218
Derivative financial assets	10,599	8,346
Available-for-sale financial assets	273,829	262,942
Held-to-maturity investments	341,496	254,708
Investment receivables	644,723	408,504
Interest in subsidiaries	40,664	39,664
Interest in joint ventures	1,343	1,223
Fixed assets	23,386	23,510
Investment properties	593	581
Intangible assets	2,359	2,279
Deferred income tax assets	19,191	9,962
Other assets	19,859	8,434
Total assets	<u>4,931,951</u>	<u>4,491,115</u>
Liabilities		
Borrowings from the central bank	31,000	20,000
Deposits from banks and other financial institutions	675,870	700,042
Placements from banks	68,794	40,059
Financial assets sold under agreements to repurchase	169,525	66,075
Deposits from customers	3,313,191	3,158,746
Interests payable	38,134	43,873
Financial liabilities as at fair value through profit or loss	18,094	12,929
Derivative financial liabilities	7,914	9,266
Bonds payable	184,846	84,559
Salaries and welfare payable	10,907	5,367
Taxes payable	18,383	11,105
Other liabilities	53,313	27,843
Total liabilities	<u>4,589,971</u>	<u>4,179,864</u>

UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)*(Expressed in millions of Renminbi unless otherwise stated)*

	30 September 2015	31 December 2014
Shareholders' equity		
Share capital	25,220	25,220
Capital reserve	76,681	76,681
Investment revaluation reserve	3,874	1,673
Hedging reserve	204	(163)
Surplus reserve	28,690	28,690
Regulatory general reserve	53,208	53,208
Retained profits	154,102	109,043
Proposed profit appropriations	–	16,897
Exchange differences	1	2
	<hr/>	<hr/>
Total shareholders' equity	341,980	311,251
	<hr/>	<hr/>
Total liabilities and shareholders' equity	4,931,951	4,491,115
	<hr/> <hr/>	<hr/> <hr/>

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT*(Expressed in millions of Renminbi unless otherwise stated)***For the period from January to
September ended 30 September**
2015 2014**Cash flows from operating activities**

Profit before tax	63,990	60,372
Adjustments for:		
– Impairment losses on loans and advances	43,258	23,158
– Provisions for/(reversals of) impairment losses on investments and other assets	694	131
– Unwind of interest income on impaired loans	(660)	(491)
– Depreciation of fixed assets and investment properties	2,313	2,117
– Depreciation of fixed assets under operating lease	80	56
– Amortization of other assets	424	270
– Net gains on debt and share investments	(1,850)	(3,557)
– Interest income on investments	(36,101)	(28,440)
– Interest expense on issued debts	5,055	2,239
– Share of profits of joint ventures	(136)	(127)
– Share of profits of associates	(2)	(3)
Changes in:		
Balances with central bank	(42,893)	(47,544)
Balances and placements with banks and other financial institutions with original maturity over 3 months	27,591	(166,245)
Loans and advances	(205,531)	(257,535)
Other assets	(9,671)	(45,988)
Deposits from customers	163,220	490,244
Deposits and placements from banks and other financial institutions	145,600	122,343
Other liabilities	39,039	10,689
Net cash inflow from operating activities	194,420	161,689
Income tax paid	(18,360)	(10,519)

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)*(Expressed in millions of Renminbi unless otherwise stated)***For the period from January to
September ended 30 September**
2015 2014**Cash flows from investing activities**

Cash received from recovery of investments	573,869	350,803
Cash received from return on investments	43,663	29,022
Cash received from disposal of fixed assets and other assets	59	20
Repayment of loans from joint ventures	2	2
Cash paid for investments	(908,880)	(546,108)
Cash paid for purchase and construction of fixed assets and other assets	(2,316)	(2,970)
Acquisition of interest in joint ventures	(1,000)	–

Net cash outflow from investing activities(294,603) (169,231)**Cash flows from financing activities**

Cash received by subsidiaries from minority shareholders	83	31
Issuance of bonds	3,138	15,397
Proceeds from issuance of interbank deposits	118,960	21,344
Proceeds from issuance of certificates of deposit	23,477	25,494
Cash paid for repayment of debts due	(46,936)	(29,803)
Interest paid on issued debts	(2,596)	(1,481)
Cash paid for distribution of dividends or profits	(16,897)	(15,636)
Payment made in cash to minority interests	–	(132)

Net cash inflow from financing activities79,229 15,214

Effect of exchange differences on cash

(3,075) 8,494

Net increase/(decrease) in cash and cash equivalents(42,389) 5,647Add: balance of cash and cash equivalents at
the beginning of the period

471,471 349,949

**Balance of cash and cash equivalents at the end of
the period**429,082 355,596**Cash flows from operating activities include:**

Interest received	172,569	159,152
Interest paid	(79,087)	(69,300)