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招商銀行
CHINA MERCHANTS BANK

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)

OVERSEAS REGULATORY ANNOUNCEMENT
THIRD QUARTERLY REPORT OF 2011

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

This announcement is made pursuant to 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 of Directors, the Board of Supervisors and the directors, supervisors and senior management of China Merchants Bank Co., Ltd. hereby confirm that the information contained in this report does not contain any false representations, misleading statements or material omissions and individually and jointly accept full responsibilities for the truthfulness, accuracy and completeness of the information contained in this report.

1.2 None of the directors, supervisors and senior management has made any statement that he/she is unable to warrant or objects to the truthfulness, accuracy and completeness of the information contained in the quarterly report.

1.3 The twenty-second meeting of the Eighth Session of the Board of Directors of the Company has approved the third quarterly report of 2011 of the Company through voting by correspondence. 17 out of the 17 directors attended and voted at the meeting.

1.4 All financial statements set out in this report are prepared in accordance with the PRC Generally Accepted Accounting Principles and are unaudited. 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 Co., Ltd. and its subsidiaries.

1.6 Mr. FU Yuning, Chairman of the Company, Mr. MA Weihua, the President, Mr. LI Hao, the Executive Vice President and Chief Financial Officer, and Mr. ZHOU Song, who is in charge of the Planning and Finance Department, hereby make representations in respect of the truthfulness and completeness of the financial statements contained in this quarterly report.

§2 GENERAL INFORMATION

2.1 Major accounting data & financial indicators

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

	At the end of the reporting period 30 September 2011	At the end of last year 31 December 2010	Increase/decrease at the end of the reporting period as compared to the end of last year *(%)*
Total assets	**2,633,278**	2,402,507	9.61
Equity attributable to shareholders of the Bank	**153,848**	134,006	14.81
Net assets per share attributable to shareholders of the Bank *(in RMB Yuan)*	**7.13**	6.21	14.81

	January to September 2011	Increase/decrease as compared to the corresponding period of last year *(%)*
Net cash flow from operating activities	**61,547**	104.49
Net cash flow from operating activities per share *(in RMB Yuan)*	**2.85**	105.04

	Reporting period July to September 2011	January to September 2011	Increase/decrease in this reporting period as compared to the corresponding period of last year *(%)*[Note]
Net profit attributable to shareholders of the Bank	**9,788**	28,388	32.59
Basic earnings per share attributable to shareholders of the Bank *(in RMB Yuan)*	**0.45**	1.32	32.35
Diluted earnings per share attributable to shareholders of the Bank *(in RMB Yuan)*	**0.45**	1.32	32.35
Basic earnings per share attributable to shareholders of the Bank, net of non-recurring gains or losses *(in RMB Yuan)*	**0.45**	1.30	36.36
Return on equity attributable to shareholders of the Bank – weighted average *(%)*	**6.54**	19.72	Increase of 0.82 percentage point
Return on equity attributable to shareholders of the Bank – weighted average, net of non-recurring gains or losses *(%)*	**6.43**	19.51	Increase of 0.83 percentage point

Non-recurring gains or losses	January to September 2011
Non-operating income	**427**
Non-operating expense	**(33)**
Effect of income tax	**(93)**
Net non-operating income/expense	**301**

Note: "Increase/decrease in this reporting period as compared to the corresponding period of last year" refers to the comparison of the relevant financial indicators for the period from July to September 2011 and the relevant financial indicators for the period from July to September 2010.

2.2 Total number of 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 632,000

Top ten shareholders whose shares are not subject to trading moratorium

No.	Name of shareholders	Number of shares held	Class of Shares
1	HKSCC Nominees Limited*(Note 1)*	3,853,301,657	H shares
2	China Merchants Steam Navigation Company Limited	2,675,612,600	A Shares not subject to trading moratorium
3	China Ocean Shipping (Group) Company	1,341,336,551	A Shares not subject to trading moratorium
4	Shenzhen Yan Qing Investment and Development Company Limited	636,788,489	A Shares not subject to trading moratorium
5	Guangzhou Maritime Transport (Group) Company Limited	631,287,834	A Shares not subject to trading moratorium
6	Shenzhen Chu Yuan Investment and Development Company Limited	556,333,611	A Shares not subject to trading moratorium
7	China Communications Construction Company Limited	383,445,439	A Shares not subject to trading moratorium
8	Shanghai Automotive Industry Corporation	368,079,979	A Shares not subject to trading moratorium
9	CNOOC Investment Co., Ltd.	301,593,148	A Shares not subject to trading moratorium
10	Shandong State-owned Assets Investment Holdings Company Limited	258,470,781	A Shares not subject to trading moratorium
10	China Shipping (Group) Company	258,470,781	A Shares not subject to trading moratorium
10	Hebei Port Group Co., Ltd.	258,470,781	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: Except that China Merchants Steam Navigation Company Limited, Shenzhen Yan Qing Investment and Development Company Limited and Shenzhen Chu Yuan Investment and Development Company Limited are subsidiaries of China Merchants Group Limited, and Guangzhou Maritime Transport (Group) Company Limited is a wholly-owned subsidiary of China Shipping (Group) Company, the Company is not aware of any other related relationship among the above top ten shareholders.

2.3 Management discussion and analysis

2.3.1 Analysis of operating status of the Group

As at the end of September 2011, total assets of the Group amounted to RMB2,633.278 billion, representing an increase of 9.61% as compared with the beginning of the year; and its total liabilities amounted to RMB2,479.430 billion, representing an increase of 9.30% as compared with the beginning of the year. Total deposits from customers amounted to RMB2,090.004 billion, representing an increase of 10.16% as compared with the beginning of the year. Total loans and advances amounted to RMB1,598.087 billion, representing an increase of RMB166.636 billion or 11.64% as compared with the beginning of the year.

For the period from January to September 2011, the Group realized a net profit attributable to shareholders of the Bank of RMB28.388 billion, representing an increase of 37.91% as compared with the corresponding period of the previous year, and an operating income of RMB70.290 billion, among which, net interest income increased by 36.10% to RMB55.624 billion from that of the corresponding period of the previous year, mainly due to the increase in the volume of interest-earning assets, and the gradual improvement of net interest spread and net interest margin, which was 2.90% and 3.03%, respectively for the period from January to September 2011, among which, net interest spread and net interest margin for the third quarter was 2.93% and 3.12% respectively, representing an increase of 0.05 percentage point and 0.12 percentage point respectively as compared with the second quarter. The net interest income accounted for 79.14% of the operating income. The Group's net fee and commission income increased by 45.71% to RMB11.865 billion from that of the corresponding period of the previous year, and accounted for 16.88% of the operating income. Other net income amounted to RMB2.801 billion, representing an increase of 22.53% as compared with the corresponding period of the previous year. The cost-to-income ratio (excluding business tax and surcharges) of the Group decreased by 3.43 percentage points to 33.25% from that of the corresponding period of the previous year.

As at the end of September 2011, the non-performing loans of the Group totaled RMB9.420 billion, representing a decrease of RMB266 million as compared with the beginning of the year; the non-performing loan ratio was 0.59%, representing a decrease of 0.09 percentage point as compared with the beginning of the year; and the non-performing loan allowance coverage ratio was 366.53%, representing an increase of 64.12 percentage points as compared with the beginning of the year; the allowance-to-loan ratio was 2.16%, representing an increase of 0.11 percentage point as compared with that at the beginning of the year.

As at the end of September 2011, the capital adequacy ratio of the Group was 11.39%, representing a decrease of 0.08 percentage point as compared with the beginning of the year; and the core capital adequacy ratio was 8.10%, representing an increase of 0.06 percentage point as compared with the beginning of the year.

2.3.2 Analysis of operating status of the Company

During the period from January to September 2011, the Company, in face of the complicated and changing external economic situation, accelerated the promotion of its Second Transformation and maintained a sound development momentum as a whole:

Steady growth of assets and liabilities. As at the end of September 2011, total assets of the Company amounted to RMB2,487.818 billion, representing an increase of 8.71% as compared with the beginning of the year; and its total liabilities amounted to RMB2,327.451 billion, representing an increase of 8.39% as compared with the beginning of the year. Total loans and advances amounted to RMB1,492.582 billion, representing an increase of 10.88% as compared with the beginning of the year, among which corporate loans accounted for 59.24%, while retail loans accounted for 36.19% and discounted bills accounted for 4.57%. Deposits from customers amounted to RMB2,000.324 billion, representing an increase of 10.58% as compared with the beginning of the year, among which, demand deposits accounted for 52.27% and time deposits accounted for 47.73%. Among the demand deposits, corporate deposits accounted for 61.40% while retail deposits accounted for 38.60%; and among the time deposits, corporate deposits accounted for 67.65% and retail deposits accounted for 32.35%.

Rapid growth of profits. During the period from January to September 2011, the Company realized a net profit of RMB27.139 billion, representing an increase of 37.26% as compared with the corresponding period of the previous year. The Company realized an operating income of RMB67.390 billion, among which, net interest income increased by 36.19% from that of the corresponding period of the previous year to RMB53.945 billion, mainly due to the increase in the volume of interest-earning assets, and the gradual improvement of net interest spread and net interest margin, which was 3.00% and 3.11% respectively, among which, net interest spread and net interest margin for the third quarter was 3.08% and 3.20% respectively, both representing an increase of 0.12 percentage point as compared with the second quarter. The net interest income accounted for 80.05% of the operating income. The Company's net fee and commission income increased by 46.33% from that of the corresponding period of the previous year to RMB11.364 billion, mainly due to the increase in bank card fees, agency services fees, financial advisory service fees and commissions from custody and other trustee business. Net fee and commission income accounted for 16.86% of the operating income. Other net income amounted to RMB2.081 billion, representing an increase of RMB333 million as compared with the corresponding period of the previous year, mainly due to the increase of net gain arising from investments.

Effective control in costs. The Company continued to effectively manage its costs with successive improvement in standardization and level of refinement in expense management. During the period from January to September 2011, operating and administrative expenses of the Company amounted to RMB22.296 billion. Cost-to-income ratio was 33.09%, representing a decrease of 3.33 percentage points as compared with the corresponding period of the previous year.

High asset quality maintained. The Company improved its comprehensive credit risk management system by continuously promoting overall procedure optimization, proactively improving basic credit risk management, exploring portfolio risk management and promoting the transformation of credit structure. It also emphasized developing small and medium-sized enterprise credit, while with stringent control over loan extension to local government financing platforms, real estate and "high pollution, high energy consumption and excess capacity" and other high risk sectors and industries. As at the end of September 2011, the balance of the Company's non-performing loans was RMB9.150 billion, representing a decrease of RMB180 million as compared with the beginning of the year; and the non-performing loan ratio was 0.61%, representing a decrease of 0.08 percentage point as compared with the beginning of the year.

Further enhancement in capability to resist risks. The Group continued to adopt a stable and prudent policy for making provisions. As at the end of September 2011, the Company's allowances for impairment losses on loans amounted to RMB33.944 billion, representing an increase of RMB5.143 billion as compared with that at the end of the previous year, among which, RMB28.501 billion was made on a collective basis, accounting for 83.96% of the total allowances, and RMB5.443 billion was made on an individual basis, accounting for 16.04% of the total allowances. As at the end of September 2011, the non-performing loan allowance coverage ratio of the Company was 370.97%, representing an increase of 62.28 percentage points as compared with the beginning of the year. Allowance-to-loan ratio was 2.27%, representing an increase of 0.13 percentage point as compared with the beginning of the year. Annualized credit cost was 0.50%, which was 0.07 percentage point higher when compared with the previous year.

Gradual improvement in capital endogenous growth ability. As at the end of September 2011, the Company had a capital adequacy ratio of 11.14% and a core capital adequacy ratio of 8.63%. Affected by the changes in regulatory policies such as the new requirements of China Banking Regulatory Commission ("CBRC") on loans extended through the government's financing platforms and the regulations on the unused credit card commitment, the Company's capital adequacy ratio and core capital adequacy ratio as at the end of September 2011 both slightly decreased by 0.07 percentage point as compared with the beginning of the year, while increased by 0.34 percentage point and 0.26 percentage point respectively as compared with that as at the end of June this year. The capital depletion speed was effectively controlled and the capital endogenous growth ability was gradually improved.

Continuous advancement in the business development for small and medium-sized enterprises ("SME (s)"). During the reporting period, the Company focused on development of SMEs corporate loans business and control of credit risks in a strict manner, thereby attaining a rapid growth in loans with non-performing loan ratio further decreased. As at the end of September 2011, the balance of domestic SME corporate loans amounted to RMB455.503 billion, representing an increase of RMB67.085 billion as compared with the beginning of the year. The SME corporate loans accounted for 52.88% of the total balance of domestic corporate loans, an increase of 3.16 percentage points as compared with the beginning of the year. The non-performing loan ratio was 1.27%, representing a decrease of 0.19 percentage point as compared with the beginning of the year.

Continuous improvement in risk pricing of loans. The Company significantly raised its loan risk pricing levels through various effective measures, such as clearly defining loan pricing policies, strengthening evaluation of loan pricing, deepening its product innovation as well as enhancing integrated services, etc. From January to September 2011, the weighted average floating band of interest rates (weighted at actual granted amounts, same as below) of our newly granted general corporate loans in RMB rose by 10.55 percentage points as compared with the previous year, the weighted average floating band of interest rates of our newly granted retail loans in RMB rose by 14.98 percentage points as compared with the previous year.

Steady increase in proportion of high-net-worth customers. The Company has been constantly increasing the share of its high-net-worth customers and their aggregate contribution through enhancing resources integration and streamlined customer management, vigorously promoting business coordination and cross-selling and deepening customer cultivation. As at the end of September 2011, the number of our retail customers with daily average total assets per month of RMB500,000 or above was 756,700. The proportion of high-net-worth retail customers increased from 1.48% to 1.54% as compared with the beginning of the year. The number of corporate customers contributing an annualized total revenue of RMB100,000 or above was 51,008. The proportion of high-net-worth corporate customers increased from 8.70% to 13.98%, and their proportion of total revenue increased to 94.81% as compared with the beginning of the year.

Steady progress on establishment of branches. The Company continued to develop network building during the reporting period. In the third quarter of 2011, one branch was approved for setting up and one branch was approved to commence business. Specifically, the setting up of Xining Branch of the Company was approved by CBRC on 9 September 2011 and Longyan Branch of the Company was approved by CBRC Fujian Office to commence business on 15 August 2011.

2.3.3 Major financial indicators of WL Group (calculated based on Hong Kong Accounting Standards)

For the period from January to September 2011, Wing Lung Bank Limited and its subsidiaries (hereinafter referred to as "WL Group") recorded an unaudited consolidated profit after tax of HK$1,348 million, representing an increase of 40.79% as compared with the corresponding period of the previous year.

As at 30 September 2011, WL Group had total assets of HK$167.637 billion, representing an increase of 22.30% as compared with the end of 2010; net assets of HK$13.910 billion, representing an increase of 9.10% as compared with the end of 2010; total loans (including trade bills) grew by 20.68% to HK$85.098 billion as compared with the end of 2010; total deposits increased by 5.56% to HK$110.052 billion as compared with the end of 2010.

As at the end of September 2011, the core capital adequacy ratio and capital adequacy ratio of WL Group were 8.79% and 12.97%, representing a decrease of 0.86 and 1.90 percentage points respectively as compared with the beginning of the year. It was primarily due to the increase in the volume of loans and assets with banks. The average liquidity ratio from January to September 2011 was 43.40%. All were above statutory requirements. As at the end of September 2011, the non-performing loan balance (including trade bills) and non-performing loan ratio was HK$331 million and 0.39% respectively, showing that its overall loan quality remained satisfactory.

§3 SIGNIFICANT EVENTS

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

☑ Applicable ☐ Not applicable

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

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

Major items	As at 30 September 2011	Changes over the end of last year	Major reasons
Cash and balances and placements with central bank	386,052	30.89%	Increase in reserve ratio of RMB deposits
Placements with banks and other financial institutions	81,537	38.39%	Increase in scale of placements with other banks
Financial assets purchased under agreements to resell	73,811	(58.19%)	Decrease in scale of notes and debts purchased under agreements to resell
Interest receivables	10,056	32.53%	Increase in interests receivable of loans
Held-to-maturity investments	133,892	37.16%	Increase in bond investments held to maturity
Investment receivables	14,883	105.99%	Increase in investment receivables
Deferred income tax assets	6,004	62.01%	Increase in deferred income tax assets
Other assets	12,978	121.77%	Increase in amounts to be settled in subsidiaries
Financial liabilities held for trading	385	104.79%	Increase in financial liabilities held for trading
Financial liabilities designated as at fair value through profit or loss	3,019	159.14%	Increase in financial liabilities designated at fair value through profit or loss
Salaries and welfare payable	6,315	96.12%	Increase in salaries payable
Taxes payable	7,448	49.80%	Increase in income tax payable
Interests payable	14,487	39.71%	Increase in interest payables for issuance of debt securities and deposits from customers

Major items	As at 30 September 2011	Changes over the end of last year	Major reasons
Bonds payable	47,764	31.64%	Increase in issuance of certificates of deposit
Investment revaluation reserve	(3,165)	141.42%	Change in unrealized gains or losses in available-for-sale financial assets
Hedging reserve	86	2,766.67%	Increase in the value of hedge items
Retained profits	71,114	44.94%	Increase in profit for the year
Foreign exchange translation reserve	(1,043)	98.29%	Significant appreciation of RMB leading to increase in foreign exchange translation reserve

Major items	January to September 2011	Changes over the corresponding period of last year	Major reasons
Net interest income	55,624	36.10%	Increase in the size of interest-earning assets and the net interest margin
Net fee and commission income	11,865	45.71%	Increase in fee income from bank cards and agency services, etc.
Net gain arising from changes in fair value	(106)	(560.87%)	Increase in evaluated unrealized loss of debts investments held for trading
Net gain arising from investments	1,545	42.27%	Incomparable factor of gain arising from difference between the prices of notes
Business tax and surcharges	(4,397)	47.40%	Increase in operating income and education surcharge rate
Impairment losses of assets	(5,573)	87.08%	Increase in provision for impairment losses on loans to government financing platforms and loans to real estate companies
Non-operating expense	(33)	(34.00%)	Decrease in non-operating expense
Income tax expense	(8,740)	45.09%	Increase in total profits and income tax rates

3.2 Performance of undertakings given by the Company, shareholders and de facto controllers

☐ Applicable ☑ Not applicable

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 financial 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

☐ Applicable ☑ Not applicable

3.5 Internal Control Status during the Reporting Period

Based on the existing management system and for the purpose of establishing an integrated internal control system framework that is complete, sound and in compliance with regulatory requirements, the Company engaged Deloitte Touche Tohmatsu CPA Ltd. to fully propel the overall implementation of corporate internal control standards by way of project consultation. The Company's implementation of internal control standards by way of consultation is effective for a period from July 2011 to March 2012. This project comprises four stages: preparation and commencement; streamlining, rectification and consolidation of internal control; enhancement of internal control system and framework, and project conclusion and handover.

I. Preparation and commencement

In the preparation and commencement stage, the Company prepared project charter, the overall work plan for project implementation, and work list, to further clarify and specify work requirements, schedules and related work for the project implementation. In the meantime, the Company specified the scope of project implementation according to principles of importance and comprehensiveness as well as requirements on financial reporting related internal control. The Company also defined methodologies and work templates on streamlining of internal control for various implementations.

II. Streamlining, rectification and consolidation of internal control

The Company commenced, in phases, streamlining of internal control and implementation of benchmarks for performance excellence in respect of all businesses and management works, convened communication meeting for implementation of internal control standards and provided training to and imposed requirements on personnel involved in the project. According to requirements in Basic Standards for Corporate Internal Control, relevant departments in Head Office were organized to summarize mechanisms and requirements on internal control needed to be established in each business line, to prepare a glossary of benchmarks for performance excellence in respect of internal control streamlining, and to implement benchmarks for performance excellence in respect of internal control streamlining. By the end of this quarter, the Company has defined the glossary of business lines involved in the project, and completed streamlining, comparison, and analysis of the existing internal control, so that descriptive information on internal control, such as internal control matrix and survey, and preliminary suggestions for improvement were formulated.

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

28 October 2011

As at the date of this announcement, the executive directors of the Company are Ma Weihua, Zhang Guanghua and Li Hao; the non-executive directors of the Company are Fu Yuning, Wei Jiafu, Li Yinquan, Fu Gangfeng, Hong Xiaoyuan, Sun Yueying, Wang Daxiong and Fu Junyuan; and the independent non-executive directors of the Company are Yi Xiqun, Wong Kwai Lam, Yan Lan, Chow Kwong Fai, Edward, Liu Yongzhang and Liu Hongxia.

UNAUDITED CONSOLIDATED BALANCE SHEET
(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2011	31 December 2010
Assets		
Cash and balances with central bank	**386,052**	294,955
Balances with banks and other financial institutions	**35,530**	28,961
Placements with banks and other financial institutions	**81,537**	58,917
Financial assets held for trading	**13,423**	12,079
Financial assets designated at fair value through profit or loss	**3,128**	3,150
Derivative financial assets	**2,036**	1,738
Financial assets purchased under resale agreement	**73,811**	176,547
Interest receivables	**10,056**	7,588
Loans and advances to customers	**1,563,560**	1,402,160
Available-for-sale financial assets	**266,166**	271,683
Long-term equity investments	**1,146**	1,130
Held-to-maturity investments	**133,892**	97,614
Investment receivables	**14,883**	7,225
Fixed assets	**15,045**	15,038
Intangible assets	**2,665**	2,620
Goodwill	**9,598**	9,598
Investment properties	**1,768**	1,946
Deferred income tax assets	**6,004**	3,706
Other assets	**12,978**	5,852
Total assets	**2,633,278**	2,402,507
Liabilities		
Deposits from banks and other financial institutions	**200,585**	203,011
Placements from banks and other financial institutions	**59,023**	45,573
Financial liabilities held for trading	**385**	188
Financial liabilities designated at fair value through profit or loss	**3,019**	1,165
Derivative financial liabilities	**2,275**	1,821
Financial assets sold under repurchase agreement	**24,368**	33,439
Deposits from customers	**2,090,004**	1,897,178
Salaries and welfare payable	**6,315**	3,220
Taxes payable	**7,448**	4,972
Interests payable	**14,487**	10,369
Debt securities payable	**47,764**	36,285
Deferred income tax liabilities	**876**	924
Other liabilities	**22,881**	30,356
Total liabilities	**2,479,430**	2,268,501

UNAUDITED CONSOLIDATED BALANCE SHEET (CONTINUED)
(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2011	31 December 2010
Shareholders' equity		
Share capital	**21,577**	21,577
Capital reserve	**34,342**	36,197
Among which: investment revaluation reserve	**(3,165)**	(1,311)
Hedge reserve	**86**	3
Surplus reserve	**10,880**	10,880
Statutory general reserve	**16,892**	16,812
Retained profits	**71,114**	49,063
Among which: proposed dividend appropriations	**–**	6,257
Exchange reserve	**(1,043)**	(526)
Total shareholders' equity	**153,848**	134,006
Total shareholders' equity and liabilities	**2,633,278**	2,402,507

UNAUDITED BALANCE SHEET
(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2011	31 December 2010
Assets		
Cash and balances with central bank	**382,012**	292,899
Balances with banks and other financial institutions	**31,345**	24,736
Placements with banks and other financial institutions	**59,614**	41,551
Financial assets held for trading	**10,818**	10,377
Financial assets designated at fair value through profit or loss	**2,436**	1,888
Derivative financial assets	**1,917**	1,579
Financial assets purchased under resale agreement	**73,811**	176,547
Interest receivables	**9,611**	7,304
Loans and advances to customers	**1,458,638**	1,317,300
Available-for-sale financial assets	**251,782**	258,637
Long-term equity investments	**33,303**	33,287
Held-to-maturity investments	**131,361**	92,865
Investment receivables	**16,107**	8,497
Fixed assets	**11,529**	11,257
Intangible assets	**1,508**	1,388
Investment properties	**274**	275
Deferred income tax assets	**5,911**	3,594
Other assets	**5,841**	4,448
Total assets	**2,487,818**	2,288,429
Liabilities		
Deposits from banks and other financial institutions	**198,264**	200,611
Placements from banks and other financial institutions	**29,893**	23,784
Derivative financial liabilities	**1,856**	1,620
Financial liabilities designated at fair value through profit or loss	**2,206**	1,021
Financial assets sold under repurchase agreement	**21,368**	33,439
Deposits from customers	**2,000,324**	1,808,912
Salaries and welfare payable	**6,099**	3,013
Taxes payable	**7,078**	4,774
Interests payable	**14,012**	10,113
Debt securities payable	**34,739**	33,908
Other liabilities	**11,612**	26,135
Total liabilities	**2,327,451**	2,147,330

UNAUDITED BALANCE SHEET (CONTINUED)
(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2011	31 December 2010
Shareholders' equity		
Share capital	**21,577**	21,577
Capital reserve	**43,540**	45,237
Among which: investment revaluation reserve	**(3,126)**	(1,429)
Hedge reserve	**86**	3
Surplus reserve	**10,880**	10,880
Statutory general reserve	**16,700**	16,700
Retained profits	**67,584**	46,702
Among which: proposed dividend appropriations	**–**	6,257
Total shareholders' equity	**160,367**	141,099
Total shareholders' equity and liabilities	**2,487,818**	2,288,429

UNAUDITED CONSOLIDATED INCOME STATEMENT

(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	
	2011	2010	**2011**	2010
Operating income				
Interest income	**87,206**	60,847	**32,124**	21,621
Interest expense	**(31,582)**	(19,978)	**(12,216)**	(7,095)
Net interest income	**55,624**	40,869	**19,908**	14,526
Fee and commission income	**12,756**	8,944	**4,010**	3,108
Fee and commission expense	**(891)**	(801)	**(308)**	(311)
Net fee and commission income	**11,865**	8,143	**3,702**	2,797
Net gain arising from change in fair value	**(106)**	23	**(137)**	41
Net gain arising from investments	**1,545**	1,086	**344**	637
Net gain arising from foreign exchange	**1,086**	921	**322**	277
Insurance operating income	**276**	256	**95**	86
Other net income	**2,801**	2,286	**624**	1,041
Operating expense				
Business tax and surcharges	**(4,397)**	(2,983)	**(1,578)**	(1,073)
Operating and administrative expense	**(23,374)**	(18,818)	**(8,348)**	(7,274)
Impairment loss of assets	**(5,573)**	(2,979)	**(1,509)**	(585)
Provision for insurance claims	**(212)**	(197)	**(76)**	(65)
	(33,556)	(24,977)	**(11,511)**	(8,997)
Operating profit	**36,734**	26,321	**12,723**	9,367
Add: non-operating income	**427**	338	**243**	225
Less: non-operating expense	**(33)**	(50)	**(14)**	(13)

UNAUDITED CONSOLIDATED INCOME STATEMENT (CONTINUED)
(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	
	2011	2010	**2011**	2010
Total profit	**37,128**	26,609	**12,952**	9,579
Less: income tax expense	**(8,740)**	(6,024)	**(3,164)**	(2,197)
Net profit	**28,388**	20,585	**9,788**	7,382
	In RMB Yuan	*In RMB Yuan*	***In RMB Yuan***	*In RMB Yuan*
Earnings per share				
Basic earnings per share	**1.32**	0.99	**0.45**	0.34
Diluted earnings per share	**1.32**	0.99	**0.45**	0.34

UNAUDITED CONSOLIDATED STATEMENT OF 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	
	2011	2010	**2011**	2010
Net profit for the period	**28,388**	20,585	**9,788**	7,382
Other comprehensive income for the period (after tax and reclassification adjustments)				
Exchange differences	**(517)**	(273)	**(238)**	(134)
Net change in revaluation reserve of available-for-sale financial assets	**(1,854)**	2,977	**(1,210)**	1,019
Cash flow hedge	**83**	–	**77**	–
Total other comprehensive income for the period	**(2,288)**	2,704	**(1,371)**	885
Total comprehensive income for the period	**26,100**	23,289	**8,417**	8,267

UNAUDITED INCOME STATEMENT
(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	
	2011	2010	**2011**	2010
Operating income				
Interest income	**83,846**	58,806	**30,812**	20,823
Interest expense	**(29,901)**	(19,196)	**(11,541)**	(6,761)
Net interest income	**53,945**	39,610	**19,271**	14,062
Fee and commission income	**12,196**	8,530	**3,828**	2,958
Fee and commission expense	**(832)**	(764)	**(290)**	(301)
Net fee and commission income	**11,364**	7,766	**3,538**	2,657
Net gain arising from change in fair value	**(77)**	4	**(70)**	38
Net gain arising from investments	**1,278**	955	**278**	604
Net gain arising from foreign exchange	**880**	789	**284**	232
Other net income	**2,081**	1,748	**492**	874
Operating expense				
Business tax and surcharges	**(4,340)**	(2,953)	**(1,557)**	(1,061)
Operating and administrative expense	**(22,296)**	(17,889)	**(7,999)**	(6,961)
Impairment loss of assets	**(5,427)**	(2,860)	**(1,448)**	(526)
	(32,063)	(23,702)	**(11,004)**	(8,548)
Operating profit	**35,327**	25,422	**12,297**	9,045
Add: non-operating income	**256**	239	**187**	195
Less: non-operating expense	**(33)**	(49)	**(15)**	(13)
Total profit	**35,550**	25,612	**12,469**	9,227
Less: income tax expense	**(8,411)**	(5,840)	**(3,056)**	(2,136)
Net profit	**27,139**	19,772	**9,413**	7,091

UNAUDITED STATEMENT OF 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	
	2011	2010	**2011**	2010
Net profit for the period	**27,139**	19,772	**9,413**	7,091
Other comprehensive income for the period (after tax and reclassification adjustments)				
Exchange differences	**–**	–	**–**	2
Net change in revaluation reserve of available-for-sale financial assets	**(1,697)**	2,999	**(1,066)**	934
Cash flow hedge	**83**	–	**77**	–
Total other comprehensive income for the period	**(1,614)**	2,999	**(989)**	936
Total comprehensive income for the period	**25,525**	22,771	**8,424**	8,027

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September	
	2011	2010
Cash flow from operating activities		
Net increase in deposits from customers	**192,826**	266,778
Net decrease in placements with banks and other financial institutions and financial assets purchased under resale agreement	**86,306**	8,007
Net increase in placements from banks and financial assets sold under repurchase agreement	**4,379**	–
Net decrease in balances with banks and other financial institutions	**–**	9,956
Net recoveries of loans and advances previously written off	**59**	36
Cash received from interest, fee and commission	**87,150**	60,540
Cash received from other operating activities	**3,435**	3,013
Sub-total of cash inflow from operating activities	**374,155**	348,330
Net increase in loans and advances	**(166,636)**	(194,754)
Net increase in balances with central bank	**(75,665)**	(51,108)
Net decrease in deposits from banks and other financial institutions	**(2,426)**	(37)
Net decrease in placements from banks and financial assets sold under repurchase agreement	**–**	(24,678)
Net increase in balances with banks and other financial institutions	**(1,373)**	–
Cash paid for interest, fee and commission	**(27,580)**	(17,725)
Cash payments to and for employees	**(11,048)**	(9,280)
Income tax and other taxes and fees paid	**(10,164)**	(7,821)
Other cash payments relating to operating activities	**(17,716)**	(12,829)
Sub-total of cash outflow from operating activities	**(312,608)**	(318,232)
Net cash flow from operating activities	**61,547**	30,098
Cash flow from investing activities		
Cash received from recovery of investments	**682,892**	1,239,348
Cash received from return on investments	**8,983**	6,674
Cash received from disposal of fixed assets and other assets	**65**	115
Repayment of loan to jointly controlled entity	**3**	8
Sub-total of cash inflow from investing activities	**691,943**	1,246,145

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September	
	2011	2010
Cash paid for investments	**(739,206)**	(1,282,989)
Cash paid for purchase and construction of fixed assets and other assets	**(1,238)**	(1,789)
Sub-total of cash outflow from investing activities	**(740,444)**	(1,284,778)
Net cash flow from investing activities	**(48,501)**	(38,633)
Cash flow from financing activities		
Issuance of certificates of deposit	**22,365**	2,060
Issuance of shares	**–**	21,744
Sub-total of cash inflow from financing activities	**22,365**	23,804
Cash paid for repayment of debts at maturity	**(9,099)**	(3,233)
Interest paid for issuance of debt securities	**(1,764)**	(1,744)
Expenses paid for issuance of shares	**–**	(177)
Cash paid on distribution of dividends or profits	**(6,249)**	(4,528)
Sub-total of cash outflow from financing activities	**(17,112)**	(9,682)
Net cash flow from financing activities	**5,253**	14,122
Effect of exchange differences on cash	**361**	(1,913)
Net increase in cash and cash equivalents	**18,660**	3,674
Plus: Balance of cash and cash equivalents at the beginning of the period	**177,220**	183,631
Balance of cash and cash equivalents at the end of the period	**195,880**	187,305

UNAUDITED CASH FLOW STATEMENT
(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September	
	2011	2010
Cash flow from operating activities		
Net increase in deposits from customers	**191,412**	259,875
Net decrease in placements with banks and other financial institutions and financial assets purchased under resale agreement	**87,303**	5,539
Net decrease in balances with banks and other financial institutions	**–**	9,823
Net recoveries of loans and advances previously written off	**56**	33
Cash received from interest, fee and commission	**85,109**	59,140
Cash received from other operating activities	**623**	749
Sub-total of cash inflow from operating activities	**364,503**	335,159
Net increase in loans and advances	**(146,681)**	(168,191)
Net increase in balances with central bank	**(74,931)**	(50,902)
Net decrease in deposits from banks and other financial institutions	**(2,347)**	(996)
Net decrease in placements from banks and financial assets sold under repurchase agreement	**(5,962)**	(35,380)
Net increase in balances with banks and other financial institutions	**(1,593)**	–
Cash paid for interest, fee and commission	**(26,132)**	(17,042)
Cash payments to and for employees	**(10,597)**	(8,875)
Income tax and other taxes and fees paid	**(9,968)**	(7,809)
Other cash payments relating to operating activities	**(17,244)**	(13,537)
Sub-total of cash outflow from operating activities	**(295,455)**	(302,732)
Net cash flow from operating activities	**69,048**	32,427

UNAUDITED CASH FLOW STATEMENT (CONTINUED)
(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September	
	2011	2010
Cash flow from investing activities		
Cash received from recovery of investments	**672,921**	1,225,350
Cash received from return on investments	**8,626**	6,319
Cash received from disposal of fixed assets and other assets	**65**	113
Sub-total of cash inflow from investing activities	**681,612**	1,231,782
Cash paid for investments	**(727,316)**	(1,271,295)
Cash paid for purchase and construction of fixed assets and other assets	**(1,210)**	(1,767)
Sub-total of cash outflow from investing activities	**(728,526)**	(1,273,062)
Net cash flow from investing activities	**(46,914)**	(41,280)
Cash flow from financing activities		
Issuance of shares	**–**	21,744
Issuance of certificates of deposit	**4,667**	1,486
Sub-total of cash inflow from financing activities	**4,667**	23,230
Cash paid for repayment of debts at maturity	**(2,324)**	(1,593)
Interest paid for issuance of debt securities	**(1,680)**	(1,662)
Expenses for issuance of shares	**–**	(177)
Cash paid on distribution of dividends or profits	**(6,249)**	(4,528)
Sub-total of cash outflow from financing activities	**(10,253)**	(7,960)

UNAUDITED CASH FLOW STATEMENT (CONTINUED)
(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September	
	2011	2010
Net cash flow from financing activities	**(5,586)**	15,270
Effect of exchange differences on cash	**(235)**	(1,962)
Net increase in cash and cash equivalents	**16,313**	4,455
Plus: Balance of cash and cash equivalents at the beginning of the period	**159,085**	163,217
Balance of cash and cash equivalents at the end of the period	**175,398**	167,672