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中国农业银行

AGRICULTURAL BANK OF CHINA

AGRICULTURAL BANK OF CHINA LIMITED

中國農業銀行股份有限公司

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

(Stock Code: 1288)

THE THIRD QUARTERLY REPORT OF 2020

The board of directors (the “**Board of Directors**”) of Agricultural Bank of China Limited (the “**Bank**”) is pleased to announce the unaudited results of the Bank and its subsidiaries (collectively the “**Group**”) for the third quarter ended 30 September 2020, prepared under International Financial Reporting Standards (“**IFRSs**”). This announcement is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

§1 CORPORATE INFORMATION

1.1 Basic corporate information

Stock exchange on which A Shares are listed Stock name Stock code	Shanghai Stock Exchange 農業銀行 601288
Stock exchange on which H Shares are listed Stock name Stock code	The Stock Exchange of Hong Kong Limited ABC 1288
Trading exchange and platform of preference shares Stock name Stock code	The Integrated Business Platform of Shanghai Stock Exchange 農行優1, 農行優2 360001, 360009
Contact details of Secretary to the Board of Directors	Address: No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, PRC (Postal code: 100005) Tel: 86-10-85109619 (Investors enquiry) Fax: 86-10-85126571 E-mail: ir@abchina.com

1.2 Major financial data

Financial data and indicators recorded in this quarterly financial report are data of the Group prepared in accordance with the IFRSs and denominated in Renminbi (“**RMB**”), unless otherwise stated.

1.2.1 Major financial data and financial indicators

In millions of RMB, unless otherwise stated

	30 September 2020	31 December 2019	Change as compared to the end of 2019 (%)
Total assets	27,296,753	24,878,288	9.72
Loans and advances to customers, net	14,356,921	12,819,610	11.99
Deposits with banks and other financial institutions	522,611	235,742	121.69
Placements with and loans to banks and other financial institutions	470,796	523,183	-10.01
Financial investments	8,052,148	7,422,930	8.48
Total liabilities	25,132,374	22,918,526	9.66
Deposits from customers	20,780,341	18,849,155	10.25
Deposits from banks and other financial institutions	1,341,814	1,503,909	-10.78
Placements from banks and other financial institutions	358,917	325,363	10.31
Equity attributable to equity holders of the Bank	2,153,348	1,948,355	10.52
Net assets per share (in RMB Yuan)	5.24	5.00	4.80

In millions of RMB, unless otherwise stated

	Three months ended 30 September 2020 (July– September)	Change as compared to the same period of 2019 (%)	Nine months ended 30 September 2020 (January– September)	Change as compared to the same period of 2019 (%)
Operating income	159,437	4.94	499,211	4.79
Net profit	56,721	-4.54	165,911	-8.7
Net profit attributable to equity holders of the Bank	56,501	-4.60	165,335	-8.49
Net cash flow from operating activities	N/A	N/A	(289,805)	-383.74
Basic earnings per share (in RMB Yuan)	0.15	-11.76	0.45	-11.76
Diluted earnings per share (in RMB Yuan)	0.15	-11.76	0.45	-11.76
Return on weighted average net assets (annualized, %) ¹	12.12	Decreased by 1.99 percentage points	11.81	Decreased by 2.54 percentage points

Note: 1. Calculated in accordance with the *Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Computation and Disclosure of Return on Net Assets and Earnings per Share* (2010 Revision) issued by the China Securities Regulatory Commission (the “CSRC”) and *International Accounting Standard 33 — Earnings per share*.

1.2.2 Differences between the financial statements prepared under IFRSs and Generally Accepted Accounting Principles of the People’s Republic of China (“PRC GAAP”)

There are no differences between the net profit or shareholders’ equity for the reporting period in the consolidated financial statements of the Group prepared under IFRSs and PRC GAAP.

1.3 Particulars of shareholding of ordinary shares at the end of the reporting period

At the end of the reporting period, the Bank had 473,772 holders of ordinary shares in total, including 22,323 holders of H Shares and 451,449 holders of A Shares.

Particulars of shareholding of the top 10 holders of ordinary shares (based on the registers of shareholders as at 30 September 2020)

Unit: Share

Name of shareholders	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Central Huijin Investment Ltd.	State-owned	A Shares	40.03	140,087,446,351	10,082,342,569	None
Ministry of Finance of the PRC (the “MOF”)	State-owned	A Shares	35.29	123,515,185,240	9,877,329,974	None
HKSCC Nominees Limited	Overseas legal entity	H Shares	8.73	30,556,964,066	–	Unknown
National Council for Social Security Fund of the PRC (the “SSF”)	State-owned	A Shares	6.72	23,520,968,297	–	None
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu	Others	A Shares	0.81	2,849,966,632	–	None
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu	Others	A Shares	0.74	2,577,831,184	–	None
China National Tobacco Corporation	State-owned legal entity	A Shares	0.72	2,518,891,687	2,518,891,687	None
China Securities Finance Corporation Limited	State-owned legal entity	A Shares	0.53	1,842,751,186	–	None
Hong Kong Securities Clearing Company Limited	Overseas legal entity	A Shares	0.38	1,320,825,001	–	None
Shanghai Haiyan Investment Management Company Limited	State-owned legal entity	A Shares	0.36	1,259,445,843	1,259,445,843	None

Notes: 1. The total number of shares held by HKSCC Nominees Limited represents the number of H Shares held by it in aggregate as the nominee on behalf of all institutional and individual investors registered with it as at 30 September 2020.

2. The number of shares held by Hong Kong Securities Clearing Company Limited represents the number of A Shares (northbound shares of Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.

3. Pursuant to the *Notice on the Full Implementation of Transferring Part of State-owned Capital to Replenish Social Security Funds* (Cai Zi [2019] No. 49) jointly issued by the MOF, Ministry of Human Resources and Social Security, State-owned Assets Supervision and Administration Commission of the State Council, State Taxation Administration and the CSRC, the MOF transferred 13,723,909,471 shares to the state-owned capital transfer account of the SSF on one-off basis. In compliance with the *Notice of the State Council on Printing and Distributing the Implementation Plan of Transferring Part of State-owned Capital to Replenish Social Security Funds* (Guo Fa [2017] No. 49), the SSF shall be obligated to observe a lock-up period not less than three years from the date on which the shares are credited to the account.
4. Among the shareholders listed above, both “China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu” are under the management of China Life Insurance Company Limited; China National Tobacco Corporation is the *de facto* controller of Shanghai Haiyan Investment Management Company Limited. Save as mentioned above, the Bank is not aware of any connections between the shareholders above or whether they are parties acting in concert. The number of shares held by “China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu” amounted to 5,427,797,816 in aggregate, accounting for 1.55% of the total shares of the Bank. The number of shares held by China National Tobacco Corporation and Shanghai Haiyan Investment Management Company Limited amounted to 3,778,337,530 in aggregate, accounting for 1.08% of the total shares of the Bank.

**Particulars of shareholding of the top 10 holders of
ordinary shares not subject to restrictions on sales
(based on the registers of shareholders as at 30 September 2020)**

Unit: Share

Name of shareholders	Number of shares not subject to restrictions on sales	Type of shares
Central Huijin Investment Ltd.	130,005,103,782	A Shares
MOF	113,637,855,266	A Shares
HKSCC Nominees Limited	30,556,964,066	H Shares
SSF	23,520,968,297	A Shares
China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu	2,849,966,632	A Shares
China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu	2,577,831,184	A Shares
China Securities Finance Corporation Limited	1,842,751,186	A Shares
Hong Kong Securities Clearing Company Limited	1,320,825,001	A Shares
Central Huijin Asset Management Ltd.	1,255,434,700	A Shares
Zhongwei Capital Holding Company Limited	755,667,506	A Shares

- Notes:*
1. The total number of shares held by HKSCC Nominees Limited represents the number of H Shares held by it in aggregate as the nominee on behalf of all institutional and individual investors registered with it as at 30 September 2020.
 2. The number of shares held by Hong Kong Securities Clearing Company Limited represents the number of A Shares (northbound shares of Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.
 3. Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Both “China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu” are under the management of China Life Insurance Company Limited. China National Tobacco Corporation is the *de facto* controller of Zhongwei Capital Holding Company Limited. Save as mentioned above, the Bank is not aware of any connections between the shareholders above or between such shareholders and the top 10 shareholders or whether they are parties acting in concert.

1.4 Particulars of shareholding of preference shares at the end of the reporting period

The Bank had a total of 27 holders¹ of preference shares of “農行優1” (stock code: 360001) and 33 holders¹ of preference shares of “農行優2” (stock code: 360009).

Particulars of shareholding of the top 10 holders of preference shares of “農行優1” (stock code: 360001) (based on the registers of shareholders as at 30 September 2020)

Unit: Share

Name of shareholders	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares
Bank of Communications Schroder Fund Management Co., Ltd.	Others	Domestic preference shares	15.00	59,980,000	None
China Merchants Fund Management Co., Ltd.	Others	Domestic preference shares	12.25	49,000,000	None
Beijing Tiandi Fangzhong Asset Management Co., Ltd.	Others	Domestic preference shares	8.75	35,000,000	None
PICC Life Insurance Company Limited	Others	Domestic preference shares	7.50	30,000,000	None
Ping An Life Insurance Company of China, Ltd.	Others	Domestic preference shares	7.50	30,000,000	None
Hexie Health Insurance Co., Ltd.	Others	Domestic preference shares	7.50	30,000,000	None
Beijing International Trust Co., Ltd.	Others	Domestic preference shares	4.50	18,000,000	None
Zhonghai Trust Co., Ltd.	Others	Domestic preference shares	4.50	18,000,000	None
Bank of Ningbo Co., Ltd.	Others	Domestic preference shares	3.75	15,000,000	None
Beiyin Fengye Asset Management Co., Ltd.	Others	Domestic preference shares	3.00	12,000,000	None

Notes: 1. The Bank is not aware of any connections between the above holders of preference shares, or between the above holders of preference shares and top 10 holders of ordinary shares or whether they are parties acting in concert.

¹ The number of holders of preference shares was calculated by the number of qualified investors that held the preference shares. When calculating the number of the qualified investors, two or more products under the control of the same asset management institution will be counted as one investor that purchases or transfers the preference shares.

2. According to the *No. 2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report (Revision 2017)*, “Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the state and foreign holders”. Except for the entities which hold shares on behalf of the state and foreign holders, the nature of other holders of preference shares is categorized as “others”.
3. The proportion of the number of preference shares of “農行優1” held by the holders of preference shares to the total number of preference shares of “農行優1” (i.e. 400 million shares).

**Particulars of shareholding of the top 10 holders of preference shares of “農行優2”
(stock code: 360009) (based on the registers of shareholders as at 30 September 2020)**

Unit: Share

Name of shareholders	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares
China Life Insurance Company Limited	Others	Domestic preference shares	12.50	50,000,000	None
China National Tobacco Corporation	Others	Domestic preference shares	12.50	50,000,000	None
Maxwealth Fund Management Co., Ltd.	Others	Domestic preference shares	6.25	25,000,000	None
China Zheshang Bank Co., Ltd.	Others	Domestic preference shares	6.25	25,000,000	None
China Mobile Communications Group Co., Ltd.	Others	Domestic preference shares	5.00	20,000,000	None
Bank of Communications Schroder Fund Management Co., Ltd.	Others	Domestic preference shares	5.00	20,000,000	None
Bank of China Limited, Shanghai Branch	Others	Domestic preference shares	5.00	20,000,000	None
China National Tobacco Corporation Jiangsu Province Company	Others	Domestic preference shares	5.00	20,000,000	None
China National Tobacco Corporation Yunnan Province Company	Others	Domestic preference shares	5.00	20,000,000	None
Shanghai Tobacco Group Co., Ltd.	Others	Domestic preference shares	3.93	15,700,000	None

Notes: 1. China National Tobacco Corporation Jiangsu Province Company, China National Tobacco Corporation Yunnan Province Company and Shanghai Tobacco Group Co., Ltd. are wholly-owned subsidiaries of China National Tobacco Corporation. China National Tobacco Corporation is the *de facto* controller of Shanghai Haiyan Investment Management Company Limited. “China Life Insurance Company Limited — Traditional — General insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividend distribution — Individual dividend — 005L — FH002 Hu” are under the management of China Life Insurance Company Limited. Save as mentioned above, the Bank is not aware of any connections between the above holders of preference shares, or between the above holders of preference shares and the top 10 holders of ordinary shares or whether they are parties acting in concert.

2. According to the *No. 2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Annual Report (Revision 2017)*, “Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the state and foreign holders”. Except for the entities which hold shares on behalf of the state and foreign holders, the nature of other holders of preference shares is categorized as “others”.
3. The proportion of the number of preference shares of “農行優2” held by the holders of preference shares to the total number of preference shares of “農行優2” (i.e. 400 million shares).

The preference shares “農行優1” and “農行優2” of the Bank are shares not subject to restrictions on sales, and the top 10 holders of preference shares “農行優1” and “農行優2” who are not subject to restrictions on sales are the same as the top 10 holders of preference shares.

§2 BRIEF ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE THIRD QUARTER

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

Financial results

For the nine months ended 30 September 2020, the Group achieved a net profit of RMB165,911 million, representing a decrease of 8.7% as compared to the same period of the previous year. Annualized return on average total assets was 0.85%, representing a decrease of 0.17 percentage point as compared to the same period of the previous year; annualized return on weighted average net assets was 11.81%, representing a decrease of 2.54 percentage points as compared to the same period of the previous year. We achieved basic earnings per share of RMB0.45, representing a decrease of RMB0.06 as compared to the same period of the previous year.

For the nine months ended 30 September 2020, the Group achieved an operating income of RMB499,211 million, representing an increase of 4.79% as compared to the same period of the previous year. Net interest income amounted to RMB393,785 million, representing an increase of 9.24% as compared to the same period of the previous year. Net fee and commission income amounted to RMB73,616 million, representing an increase of 5.38% as compared to the same period of the previous year. Operating expenses amounted to RMB160,165 million, representing an increase of 3.42% as compared to the same period of the previous year. Cost-to-income ratio (under PRC GAAP) amounted to 25.95%, representing a decrease of 1.15 percentage points as compared to the same period of the previous year. Credit impairment losses amounted to RMB139,072 million, representing an increase of RMB34,909 million as compared to the same period of the previous year, of which impairment losses on loans was RMB118,950 million.

Assets and liabilities

At 30 September 2020, the Group's total assets amounted to RMB27,296,753 million, representing an increase of RMB2,418,465 million or 9.72% as compared to the end of the previous year. Total loans and advances to customers amounted to RMB14,973,207 million, representing an increase of RMB1,613,019 million or 12.07% as compared to the end of the previous year. The total loans and advances to customers (excluding accrued interest) by business type include corporate loans, retail loans, discounted bills, and overseas and other loans, which amounted to RMB8,089,857 million, RMB6,067,046 million, RMB318,868 million and RMB453,160 million, respectively. Net investment amounted to RMB8,052,148 million, representing an increase of RMB629,218 million or 8.48% as compared to the end of the previous year.

Total liabilities amounted to RMB25,132,374 million, representing an increase of RMB2,213,848 million or 9.66% as compared to the end of the previous year. Deposits from customers amounted to RMB20,780,341 million, representing an increase of RMB1,931,186 million or 10.25% as compared to the end of the previous year. In terms of the maturity, deposits from customers (excluding accrued interest) consist of time deposits, demand deposits and other deposits, which amounted to RMB8,871,866 million, RMB11,143,098 million and RMB519,086 million, respectively. In terms of business line, deposits from customers (excluding accrued interest) consist of corporate deposits, retail deposits and other deposits, which amounted to RMB7,949,248 million, RMB12,065,716 million and RMB519,086 million, respectively.

Shareholders' equity amounted to RMB2,164,379 million, representing an increase of RMB204,617 million or 10.44% as compared to the end of the previous year, with ordinary shares of RMB349,983 million, other equity instruments of RMB319,875 million, capital reserve of RMB173,556 million, investment revaluation reserve of RMB21,479 million, surplus reserve of RMB175,016 million, general reserve of RMB311,779 million, retained earnings of RMB800,504 million, and foreign currency translation reserve of RMB1,156 million.

Assets quality

At 30 September 2020, the balance of non-performing loans amounted to RMB226,213 million, representing an increase of RMB39,003 million as compared to the end of the previous year. Non-performing loan ratio² was 1.52%, representing an increase of 0.12 percentage point as compared to the end of the previous year. Allowance to non-performing loans³ was 272.44%, representing a decrease of 16.31 percentage points as compared to the end of the previous year.

County Area Banking Business

At 30 September 2020, total loans and advances to customers of County Area Banking Business amounted to RMB5,222,055 million, representing an increase of RMB668,951 million or 14.69% as compared to the end of the previous year. Deposits from customers of County Area Banking Business amounted to RMB8,878,936 million, representing an increase of RMB918,378 million or 11.54% as compared to the end of the previous year.

Non-performing loan ratio² of County Area Banking Business amounted to 1.56%, representing a decrease of 0.02 percentage point as compared to the end of the previous year. Allowance to non-performing loans³ was 308.14%, representing a decrease of 7.04 percentage points as compared to the end of the previous year.

2 Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the total loans and advances to customers (excluding accrued interest).

3 Calculated by dividing the balance of allowance for impairment losses on loans (excluding accrued interest) by the balance of non-performing loans (excluding accrued interest), among which, the balance of allowance for impairment losses on loans (excluding accrued interest) does not include the balance of allowance for impairment losses on loans measured at fair value through other comprehensive income.

§3 SIGNIFICANT EVENTS

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

✓ Applicable ☐ Not Applicable

Compared with the end of 2019 or for the same period of 2019, major items of consolidated financial statements and financial indicators with changes over 30% and the main reasons thereof are as follows:

In millions of RMB, except for percentages

Item	January to September 2020	January to September 2019	Change over the same period of 2019 (%)	Main reasons for change
Net gain on financial investments	(10,355)	1,272	-914.07	The increase in net loss on financial liabilities designated as at fair value through profit or loss
Credit impairment losses	(139,072)	(104,163)	33.51	The increase in impairment losses on on- and off-balance sheet credit assets
Share of results of associates and joint ventures	(16)	(44)	–	The decrease in loss of associates and joint ventures
Non-controlling interests	576	1,120	-48.57	The decrease in net profit of non-wholly owned subsidiaries
Other comprehensive income, net of tax	(9,179)	9,957	-192.19	The decrease in fair value of financial assets at fair value through other comprehensive income
Total comprehensive income attributable to non-controlling interests	665	1,318	-49.54	The decrease in net profit of non-wholly owned subsidiaries

in millions of RMB, except for percentages

Item	At 30 September 2020	At 31 December 2019	Change over the end of 2019 (%)	Main reasons for change
Deposits with banks and other financial institutions	522,611	235,742	121.69	The increase in cooperative deposits with banks
Precious metals	122,392	30,063	307.12	The increase in gold holding
Derivative financial assets	41,370	24,944	65.85	The increase in valuation surplus of currency derivatives for forward selling of US dollars
Other assets	226,017	131,881	71.38	The increases in receivables for settlement and clearance
Derivative financial liabilities	49,762	29,548	68.41	The increase in valuation deficit of currency derivatives for forward buying US dollars
Other equity instruments	319,875	199,886	60.03	The issuance of undated capital bonds
Foreign currency translation reserve	1,156	2,219	-47.90	Changes in foreign currency translation of overseas institutions' statements

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

☒ Applicable ☐ Not Applicable

In July 2020, the Bank entered into *Promoters' Agreement on the National Green Development Fund Co., Ltd.*, pursuant to which, the Bank will invest RMB8 billion into the National Green Development Fund Co., Ltd., representing a contribution proportion of 9.0396%, which will be paid up annually in five years from 2020.

In August 2020, the Board of Directors of the Bank resolved to increase the share capital of ABC International Holdings Limited by HKD4.25 billion. Such capital increase is subject to the approval of the China Banking and Insurance Regulatory Commission (the “CBIRC”).

In August 2020, the Bank issued the write-down undated capital bonds of RMB35 billion in the national inter-bank bond market, which was used to replenish the Bank's additional tier-1 capital after deducting expenses in relation to the issuances.

Please refer to the relevant announcements published by the Bank on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (www.hkexnews.hk) for the details.

3.3 Undertakings failed to be fulfilled during the reporting period

☐ Applicable ☒ Not Applicable

3.4 Implementation of cash dividend policy during the reporting period

☒ Applicable ☐ Not Applicable

On 3 July 2020, the Board of Directors of the Bank considered and approved the Dividend Payment Scheme of 2019–2020 for the First Tranche of the Preference Shares. On 5 November 2020, the Bank will pay cash dividends of RMB5.32 (tax inclusive) per preference share or RMB2.128 billion (tax inclusive) in aggregate, at a coupon rate of 5.32% to all holders of “農行優1” (stock code: 360001) whose names appear on the register of shareholders at the close of business on 4 November 2020.

As approved by the 2019 Annual General Meeting, the Bank has paid cash dividends of RMB0.1819 (tax inclusive) per ordinary share or RMB63.662 billion (tax inclusive) in aggregate to holders of ordinary shares whose names appeared on the register of shareholders at the close of business on 9 July 2020.

Please refer to the relevant announcements published by the Bank on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and of the Hong Kong Stock Exchange (www.hkexnews.hk) for details.

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

☐ Applicable ☒ Not Applicable

§4 RELEASE OF QUARTERLY REPORT

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

**The Board of Directors of
Agricultural Bank of China Limited**

Beijing, the PRC
30 October 2020

As at the date of this announcement, the executive directors are Mr. ZHOU Mubing, Mr. ZHANG Qingsong, Mr. ZHANG Xuguang and Ms. ZHANG Keqiu; the non-executive directors are Mr. ZHU Hailin, Mr. LIAO Luming, Mr. LI Qiyun, Mr. LI Wei and Mr. WU Jiangtao; and the independent non-executive directors are Ms. XIAO Xing, Mr. WANG Xinxin, Mr. HUANG Zhenzhong, Ms. LEUNG KO May Yee, Margaret and Mr. LIU Shouying.

APPENDIX I CAPITAL ADEQUACY RATIO INFORMATION

According to the application scope of the advanced approach of capital management as approved by the regulatory authority, the Bank adopted the foundation Internal Ratings-Based (IRB) approach for non-retail exposures and IRB approach for retail exposures to measure credit risk-weighted assets, weighting approach for credit risk-weighted assets uncovered by IRB approach. Internal Model Approach (IMA) was adopted to measure market risk-weighted assets, Standardized Approach was adopted to measure market risk-weighted assets uncovered by IMA. Standardized Approach was adopted to measure operational risk-weighted assets. The table below sets out the net capital, risk-weighted assets and capital adequacy ratios calculated pursuant to the *Capital Rules for Commercial Banks (Provisional)* at 30 September 2020.

In millions of RMB, except for percentages

Item	30 September 2020		31 December 2019	
	The Group	The Bank	The Group	The Bank
CET 1 capital, net	1,823,253	1,772,419	1,740,584	1,691,171
Tier 1 capital, net	2,143,136	2,092,294	1,940,478	1,891,057
Total capital, net	2,778,504	2,723,270	2,498,311	2,440,755
Risk-weighted assets	16,799,126	16,293,347	15,485,352	14,914,138
CET 1 capital adequacy ratio	10.85%	10.88%	11.24%	11.34%
Tier 1 capital adequacy ratio	12.76%	12.84%	12.53%	12.68%
Capital adequacy ratio	16.54%	16.71%	16.13%	16.37%

APPENDIX II LIQUIDITY COVERAGE RATIO INFORMATION

The Bank disclosed the following information of liquidity coverage ratio in accordance with relevant regulations of the China Banking and Insurance Regulatory Commission.

Regulatory Requirements of Liquidity Coverage Ratio

In accordance with the *Rules on Liquidity Risk Management of Commercial Banks* issued by the CBIRC, it is required that the liquidity coverage ratio of commercial banks should be no less than 100%. In addition, in accordance with the *Rules on Disclosure for Liquidity Coverage Ratio Information of Commercial Banks*, commercial banks are required to disclose liquidity coverage ratio information at the same frequency as issuing the financial reports, and to disclose the simple average of the liquidity coverage ratio based on daily data in every quarter from 2017 onwards and the quantity of daily data adopted in calculation of such average.

Liquidity Coverage Ratio

The Bank calculated the liquidity coverage ratio in accordance with the *Rules on Liquidity Risk Management of Commercial Banks* and applicable calculation requirements. The average of daily liquidity coverage ratio of the Bank was 109.6% in the third quarter of 2020, representing a decrease of 32.1 percentage points over the previous quarter. The number of days used in calculating such average was 92 days. The high-quality liquid assets of the Bank mainly include cash, available excess reserves of central bank under stress conditions as well as the bonds which satisfy the requirements of Level 1 and Level 2 assets defined in the *Rules on Liquidity Risk Management of Commercial Banks*.

The table below sets out the average of the daily liquidity coverage ratio and averages of individual line items over the third quarter in 2020:

In millions of RMB, except for percentages

No.		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		5,176,448
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	12,601,940	1,154,698
3	Stable deposits	2,109,893	105,493
4	Less stable deposits	10,492,047	1,049,205
5	Unsecured wholesale funding, of which:	7,464,190	2,864,542
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	2,677,809	644,839
7	Non-operational deposits (all counterparties)	4,730,747	2,164,069
8	Unsecured debt	55,634	55,634
9	Secured wholesale funding		71,938
10	Additional requirements, of which:	3,191,480	1,044,632
11	Outflows related to derivative exposures and other collateral requirements	866,423	866,423
12	Outflows related to loss of funding on debt products	67	67
13	Credit and liquidity facilities	2,324,990	178,142
14	Other contractual funding obligations	142,529	142,529
15	Other contingent funding obligations	1,629,125	73,447
16	TOTAL CASH OUTFLOWS		5,351,786
CASH INFLOWS			
17	Secured lending (e.g. reverse repos and borrowed securities)	160,687	160,650
18	Inflows from fully performing exposures	1,077,492	545,790
19	Other cash inflows	917,833	917,833
20	TOTAL CASH INFLOWS	2,156,012	1,624,273
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		4,081,917
22	TOTAL NET CASH OUTFLOWS		3,727,513
23	LIQUIDITY COVERAGE RATIO (%)		109.6%

APPENDIX III LEVERAGE RATIO INFORMATION

At 30 September 2020, the Bank's leverage ratio, calculated in accordance with the *Rules for the Administration of the Leverage Ratio of Commercial Banks (Revised)* issued by the China Banking and Insurance Regulatory Commission, was 7.24%, which was higher than the regulatory requirement.

In millions of RMB, except for percentages

Item	30 September 2020	30 June 2020	31 March 2020	31 December 2019
Tier 1 capital, net	2,143,136	2,073,819	2,013,406	1,940,478
Adjusted on- and off-balance sheet assets	29,601,836	28,933,349	28,863,234	27,369,508
Leverage ratio	7.24%	7.17%	6.98%	7.09%

APPENDIX IV FINANCIAL STATEMENTS PREPARED UNDER IFRS

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Interest income	230,237	217,734	680,556	639,304
Interest expense	(95,349)	(94,893)	(286,771)	(278,831)
Net interest income	134,888	122,841	393,785	360,473
Fee and commission income	26,105	23,405	85,901	80,701
Fee and commission expense	(4,839)	(4,447)	(12,285)	(10,844)
Net fee and commission income	21,266	18,958	73,616	69,857
Net trading gain	7,918	6,888	15,306	19,119
Net gain on financial investments	(6,564)	192	(10,355)	1,272
Other operating income	1,929	3,057	26,859	25,682
Operating income	159,437	151,936	499,211	476,403
Operating expenses	(52,122)	(49,721)	(160,165)	(154,874)
Credit impairment losses	(39,949)	(30,688)	(139,072)	(104,163)
Impairment losses on other assets	(90)	(48)	(141)	-
Operating profit	67,276	71,479	199,833	217,366
Share of result of associates and joint ventures	(14)	(19)	(16)	(44)
Profit before tax	67,262	71,460	199,817	217,322
Income tax expense	(10,541)	(12,041)	(33,906)	(35,531)
Profit for the period	56,721	59,419	165,911	181,791
Attributable to:				
Equity holders of the Bank	56,501	59,226	165,335	180,671
Non-controlling interests	220	193	576	1,120
	56,721	59,419	165,911	181,791
Earnings per share attributable to the ordinary equity holders of the Bank (expressed in RMB yuan per share)				
- Basic and diluted	0.15	0.17	0.45	0.51

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

(Amounts in millions of Renminbi, unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	56,721	59,419	165,911	181,791
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Fair value changes on financial assets at fair value through other comprehensive income	(16,185)	4,503	(14,205)	6,287
Loss allowance on financial assets at fair value through other comprehensive income	(1,700)	2,399	3,306	5,496
Income tax impact for fair value changes and loss allowance on financial assets at fair value through other comprehensive income	4,321	(1,797)	2,725	(2,991)
Foreign currency translation differences	(1,629)	840	(1,063)	993
Items that will not be reclassified subsequently to profit or loss:				
Fair value changes on other equity investments designated at fair value through other comprehensive income	62	(33)	78	233
Income tax impact for fair value changes on other equity investments designated at fair value through other comprehensive income	(16)	7	(20)	(61)
Other comprehensive income, net of tax	(15,147)	5,919	(9,179)	9,957
Total comprehensive income for the period	41,574	65,338	156,732	191,748
Total comprehensive income attributable to:				
Equity holders of the Bank	41,425	64,995	156,067	190,430
Non-controlling interests	149	343	665	1,318
	41,574	65,338	156,732	191,748

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Assets		
Cash and balances with central banks	2,520,794	2,699,895
Deposits with banks and other financial institutions	522,611	235,742
Precious metals	122,392	30,063
Placements with and loans to banks and other financial institutions	470,796	523,183
Derivative financial assets	41,370	24,944
Financial assets held under resale agreements	692,956	708,551
Loans and advances to customers	14,356,921	12,819,610
Financial investments		
Financial assets at fair value through profit or loss	786,075	801,361
Debt instrument investments at amortized cost	5,595,228	4,946,741
Other debt instrument investments and other equity investments at fair value through other comprehensive income	1,670,845	1,674,828
Investment in associates and joint ventures	8,440	6,672
Property and equipment	147,290	152,484
Goodwill	1,381	1,381
Deferred tax assets	133,637	120,952
Other assets	226,017	131,881
Total assets	27,296,753	24,878,288
Liabilities		
Borrowings from central banks	633,694	608,536
Deposits from banks and other financial institutions	1,341,814	1,503,909
Placements from banks and other financial institutions	358,917	325,363
Financial liabilities at fair value through profit or loss	18,411	24,333
Derivative financial liabilities	49,762	29,548
Financial assets sold under repurchase agreements	54,997	53,197
Due to customers	20,780,341	18,849,155
Debt securities issued	1,376,638	1,108,212
Deferred tax liabilities	461	520
Other liabilities	517,339	415,753
Total liabilities	25,132,374	22,918,526

AGRICULTURAL BANK OF CHINA LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION(Continued)**

AS AT 30 SEPTEMBER 2020

(Amounts in millions of Renminbi, unless otherwise stated)

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Equity		
Ordinary shares	349,983	349,983
Other equity instruments	319,875	199,886
Preference shares	79,899	79,899
Perpetual bonds	239,976	119,987
Capital reserve	173,556	173,556
Investment revaluation reserve	21,479	29,684
Surplus reserve	175,016	174,910
General reserve	311,779	277,016
Retained earnings	800,504	741,101
Foreign currency translation reserve	1,156	2,219
	<hr/>	<hr/>
Equity attributable to equity holders of the Bank	2,153,348	1,948,355
Non-controlling interests	11,031	11,407
	<hr/>	<hr/>
Total equity	<hr/> 2,164,379	<hr/> 1,959,762
	<hr/>	<hr/>
Total equity and liabilities	<hr/> 27,296,753	<hr/> 24,878,288

The consolidated financial statements on page I to VI were approved and authorized for issue by the Board of Directors on 30 October 2020 and are signed on its behalf by:

Zhou Mubing

Chairman

Zhang Keqiu

Executive Director

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	199,817	217,322
Adjustments for:		
Amortization of intangible assets and other assets	1,706	1,521
Depreciation of property, equipment and right-of-use assets	12,463	12,272
Credit impairment losses	139,072	104,163
Impairment losses on other assets	141	-
Interest income arising from investment securities	(177,143)	(173,233)
Interest expense on debt securities issued	26,476	22,618
Revaluation gain on financial instruments at fair value through profit or loss	(3,770)	(12,063)
Net gain on investment securities	(638)	(394)
Share of result of associates and joint ventures	16	44
Net gain on disposal of property, equipment and other assets	(605)	(639)
Net foreign exchange gain	9,838	(10,341)
	<u>207,373</u>	<u>161,270</u>
Net change in operating assets and operating liabilities:		
Net (increase)/decrease in balances with central banks, deposits with banks and other financial institutions	(345,296)	149,120
Net decrease/(increase) in placements with and loans to banks and other financial institutions	53,510	(114,148)
Net increase in financial assets held under resale agreements	(68,655)	(100,364)
Net increase in loans and advances to customers	(1,618,308)	(1,392,190)
Net increase/(decrease) in borrowings from central banks	22,853	(70,521)
Net increase in placements from banks and other financial institutions	34,327	20,080
Net increase in due to customers and deposits from banks and other financial institutions	1,749,261	1,733,177
Increase in other operating assets	(422,020)	(347,222)
Increase in other operating liabilities	160,242	118,157
	<u>(226,713)</u>	<u>157,359</u>
Cash (used in)/from operations	(226,713)	157,359
Income tax paid	(63,092)	(55,222)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	<u>(289,805)</u>	<u>102,137</u>

AGRICULTURAL BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS(Continued)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020
(Amounts in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of investment securities	1,545,430	1,297,274
Cash received from interest income arising from investment securities	188,452	177,491
Cash received from disposal of property, equipment and other assets	679	1,588
Cash paid for purchase of investment securities	(2,034,772)	(1,715,597)
Increase in investment in associates and joint ventures	(1,785)	(1,977)
Cash paid for purchase of property, equipment and other assets	(7,045)	(6,516)
NET CASH USED IN INVESTING ACTIVITIES	(309,041)	(247,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from issues of other equity instruments	120,000	120,000
Cash payments for transaction cost of other equity instruments issued	(11)	(13)
Cash received from debt securities issued	1,141,700	974,499
Cash payments for interest on debt securities issued	(25,728)	(19,095)
Repayments of debt securities issued	(872,428)	(759,998)
Cash payments for transaction cost of debt securities issued	(7)	(33)
Cash payments for principal portion and interest portion of the lease liability	(3,501)	(3,159)
Capital distribution from non-controlling interests	(928)	-
Dividends paid to ordinary shareholders	(63,662)	(60,862)
Dividends paid to preference shareholders	(7,402)	(2,200)
Dividends paid to non-controlling interests	(113)	-
NET CASH FROM FINANCING ACTIVITIES	287,920	249,139
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(310,926)	103,539
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,454,581	978,441
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(4,937)	4,151
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	1,138,718	1,086,131