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)

(H Share Stock Code: 03968)
(Preference Share Stock Code: 04614)

THIRD QUARTERLY REPORT OF 2019

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.

The 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 the Company confirm that the contents in this report are true, accurate, and complete and have no false representations, misleading statements or material omissions, and they will individually and collectively accept legal responsibility for such contents.

1.2 The 4th meeting of the Eleventh Session of the Board of Directors of the Company has unanimously approved the third quarterly report of 2019 of the Company through voting by correspondence. 17 out of 17 eligible directors attended the meeting.

1.3 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.

1.4 "China Merchants Bank", "the Company" and "the Bank" mentioned in this report refer to China Merchants Bank Co., Ltd.; and "the Group" refers to China Merchants Bank Co., Ltd. and its subsidiaries.

1.5 Li Jianhong, Chairman of the Board of Directors of the Company, Tian Huiyu, President, Wang Liang, an Executive Vice President and the Chief Financial Officer, and Li Li, the person in charge of the Finance and Accounting Department, hereby make representations in respect of the truthfulness, accuracy and completeness of the financial statements in this report.

2 GENERAL INFORMATION

2.1 Major accounting data and financial indicators of the Group

	At the end of the reporting period 30 September 2019	At the end of last year 31 December 2018	Increase/ decrease at the end of the reporting period as compared to the end of last year (%)
	(in millions of RMB, unless otherwise stated)		
Total Assets	**7,305, 925**	6,745,729	8.30
Equity attributable to shareholders of the Bank	**596,425**	540,118	10.42
Net assets per share attributable to ordinary shareholders of the Bank *(in RMB Yuan)*	**22.30**	20.07	11.11

	January to September 2019	January to September 2018	Increase/ decrease as compared to the corresponding period of last year (%)
	(in millions of RMB, unless otherwise stated)		
Net cash used in operating activities	**(53,732)**	(174,705)	69.24
Net cash used in operating activities per share *(in RMB Yuan)*	**(2.13)**	(6.93)	69.26

	The reporting period July to September 2019	January to September 2019	January to September 2018	Increase/decrease during the period from January to September 2019 as compared to the corresponding period of last year (%)
	(in millions of RMB, unless otherwise stated)			
Net operating income	**69,407**	207,745	188,281	10.34
Net profit attributable to shareholders of the Bank	**26,627**	77,239	67,380	14.63
Basic earnings per share attributable to ordinary shareholders of the Bank *(in RMB Yuan)*	**1.04**	3.05	2.66	14.66
Diluted earnings per share attributable to ordinary shareholders of the Bank *(in RMB Yuan)*	**1.04**	3.05	2.66	14.66
Annualised weighted average return on net assets attributable to ordinary shareholders of the Bank *(%)*	**19.18**	19.19	19.07	Increase of 0.12 percentage point

Note: The relevant indicators are calculated in accordance with the provisions of the "Rules on the Information Disclosure and Preparation of Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Average Equity and Earnings per Share (《公開發行證券的公司信息披露編報規則第9號—淨資產收益率和每股收益的計算及披露》)". The Company issued non-cumulative preference shares in 2017, and completed the relevant approval procedures for the payment of dividends for offshore preference shares in the second interest-bearing year in September 2019. Therefore, when calculating earnings per share, return on average equity and net assets per share, the dividend on the preference shares was deducted from "net profit attributable to shareholders of the Bank", while the preference shares were deducted from both the "average equity" and the "net assets".

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 shareholders of the Bank for the reporting period ended 30 September 2019 and the equity attributable to shareholders of the Bank at the end of the reporting period.

2.3 Analysis of capital adequacy ratios

The Group continued to optimise its business structure and enhance capital management, and has satisfied various capital requirements of the Chinese banking regulatory authorities during the reporting period. During the reporting period, the various capital requirements imposed by the regulatory authority on the Group and the Company were that: the minimum capital requirements for capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio were 8%, 6% and 5%, respectively. Based on the above-mentioned minimum capital requirements, further provision shall be made for reserve capital, counter-cyclical capital and additional capital, of which the reserve capital, counter-cyclical capital and additional capital were required to be 2.5%, 0% and 0%, respectively, which represented that the capital adequacy ratio, the Tier 1 capital adequacy ratio and the core Tier 1 capital adequacy ratio of the Group and the Company during the reporting period should not be lower than 10.5%, 8.5% and 7.5%, respectively.

As at the end of the reporting period, the capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio of the Group under the Internally-Modelled Based Approaches were 15.44%, 12.66% and 11.90%, respectively.

The Group	**30 September 2019**	31 December 2018	Increase/ decrease at the end of the reporting period as compared to the end of last year (%)
	(in millions of RMB, except for percentages)		
The capital adequacy ratios under the Internally-Modelled Based Approaches [(1)]			
Net core Tier 1 capital	**533,586**	482,340	10.62
Net Tier 1 capital	**567,679**	516,433	9.92
Net capital	**692,051**	641,881	7.82
Core Tier 1 capital adequacy ratio	**11.90%**	11.78%	Increase of 0.12 percentage point
Tier 1 capital adequacy ratio	**12.66%**	12.62%	Increase of 0.04 percentage point
Capital adequacy ratio	**15.44%**	15.68%	Decrease of 0.24 percentage point
Information on leverage ratio [(2)]			
Total on and off balance sheet assets after adjustment	**8,573,568**	7,812,054	9.75
Leverage ratio	**6.62%**	6.61%	Increase of 0.01 percentage point

Notes:

1. The "Internally-Modelled Based Approaches" refers to the advanced measurement approach set out in the "Capital Rules for Commercial Banks (Provisional)" issued by the former CBRC on 7 June 2012 (same as below). In accordance with the requirements of the Internally-Modelled Based Approaches, 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 offshore branches and sub-branches of China Merchants Bank. As at the end of the reporting period, the Group's subsidiaries for calculating its capital adequacy ratio included CMB Wing Lung Bank Limited, CMB International Capital Holdings Corporation Limited, CMB Financial Leasing Co., Ltd. and China Merchants Fund Management Co., Ltd.. During the parallel run period when the Internally-Modelled Based Approaches for capital measurement were implemented, a commercial bank shall use the capital floor adjustment coefficients to adjust the amount of its risk-weighted assets multiplying the sum of its minimum capital requirement and reserve capital requirement, total amount of capital deductions and the provision for excessive loan loss which can be included into capital. The capital floor adjustment coefficients shall be 95%, 90% and 80% respectively in the first year, the second year, and the third and subsequent years during the parallel run period. 2019 is the fifth year since the implementation of the parallel run period.

2. Since 2015, the leverage ratio shall be calculated based on the "Measures for Management of the Leverage Ratio of Commercial Banks (Revised)" promulgated by former CBRC on 12 February 2015. The leverage ratio of the Group was 6.43%, 6.82% and 6.61% as at the end of the first half of 2019, the end of the first quarter of 2019 and the end of 2018, respectively.

As at the end of the reporting period, the capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio of the Company under the Internally-Modelled Based Approaches were 15.27%, 12.32% and 11.54%, respectively.

The Company	**30 September 2019**	31 December 2018	Increase/ decrease at the end of the reporting period as compared to the end of last year (%)
	(in millions of RMB, except for percentages)		
The capital adequacy ratios under the Internally-Modelled Based Approaches			
Net core Tier 1 capital	**466,931**	420,996	10.91
Net Tier 1 capital	**498,384**	452,449	10.15
Net capital	**617,780**	573,466	7.73
Core Tier 1 capital adequacy ratio	**11.54%**	11.39%	Increase of 0.15 percentage point
Tier 1 capital adequacy ratio	**12.32%**	12.25%	Increase of 0.07 percentage point
Capital adequacy ratio	**15.27%**	15.52%	Decrease of 0.25 percentage point

As at the end of the reporting period, the capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio of the Group under the Standardised Approaches were 12.86%, 11.13% and 10.46%, respectively.

The Group	30 September 2019	31 December 2018	Increase/ decrease at the end of the reporting period as compared to the end of last year (%)
The capital adequacy ratios under the Standardised Approaches (Note)			
Core Tier 1 capital adequacy ratio	**10.46%**	10.31%	Increase of 0.15 percentage point
Tier 1 capital adequacy ratio	**11.13%**	11.04%	Increase of 0.09 percentage point
Capital adequacy ratio	**12.86%**	13.06%	Decrease of 0.20 percentage point

Note: The "Standardised Approaches" refers to the Standardised Approaches for credit risk, the standardised approach for market risk and the basic indicator approach for operational risk in accordance with the relevant provisions of the "Capital Rules for Commercial Banks (Provisional)" issued by the former CBRC on 7 June 2012. Same as below.

As at the end of the reporting period, the capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio of the Company under the Standardised Approaches were 12.48%, 10.69% and 10.01%, respectively.

The Company	30 September 2019	31 December 2018	Increase/ decrease at the end of the reporting period as compared to the end of last year (%)
The capital adequacy ratios under the Standardised Approaches			
Core Tier 1 capital adequacy ratio	**10.01%**	9.82%	Increase of 0.19 percentage point
Tier 1 capital adequacy ratio	**10.69%**	10.55%	Increase of 0.14 percentage point
Capital adequacy ratio	**12.48%**	12.66%	Decrease of 0.18 percentage point

2.4 Information on shareholders

2.4.1 Information on the shareholders of ordinary shares

As at the end of the reporting period, the Company had a total of 295,044 shareholders of ordinary shares, whose shareholdings are all not subject to trading moratorium.

As at the end of the reporting period, the shareholdings of the top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares whose shareholdings are not subject to trading moratorium of the Company were as follows:

Serial No.	Name of shareholder	Nature of shareholder	Number of shares held at the end of the period *(share)*	Percentage of total share capital *(%)*	Type of shares	Number of shares subject to trading moratorium *(share)*	Shares pledged or frozen *(share)*
1	HKSCC Nominees Ltd.	Offshore legal person	4,553,578,616	18.06	H Shares not subject to trading moratorium	–	Unknown
2	China Merchants Steam Navigation Co., Ltd.	State-owned legal person	3,289,470,337	13.04	A Shares not subject to trading moratorium	–	–
3	China Ocean Shipping Company Limited	State-owned legal person	1,574,729,111	6.24	A Shares not subject to trading moratorium	–	–
4	Hexie Health Insurance Co., Ltd. – Traditional – Ordinary insurance products	Domestic legal person	1,258,949,171	4.99	A Shares not subject to trading moratorium	–	–
5	Anbang Life Insurance Co., Ltd.- Conservative Investment Portfolio	Domestic legal person	1,258,949,100	4.99	A Shares not subject to trading moratorium	–	–
6	Shenzhen Yan Qing Investment and Development Company Ltd.	State-owned legal person	1,258,542,349	4.99	A Shares not subject to trading moratorium	–	–
7	China Merchants Finance Investment Holdings Co., Ltd.	State-owned legal person	1,147,377,415	4.55	A Shares not subject to trading moratorium	–	–
8	HKSCC Ltd.	Offshore legal person	953,799,664	3.78	A Shares not subject to trading moratorium	–	–
9	Shenzhen Chu Yuan Investment and Development Company Ltd.	State-owned legal person	944,013,171	3.74	A Shares not subject to trading moratorium	–	–
10	China Securities Finance Corporation Limited	Domestic legal person	754,798,622	2.99	A Shares not subject to trading moratorium	–	–

Notes:

1. Shares held by HKSCC Nominees Ltd. are the total shares in the accounts of holders of H Shares of the Company trading on the transaction platform of HKSCC Nominees Ltd.. HKSCC Ltd. is an institution designated by others to hold shares on behalf of them as a nominal holder, and the shares held by it are the A shares of China Merchants Bank acquired by investors through Shanghai-Hong Kong Stock Connect.

2. Pursuant to the approval by China Banking and Insurance Regulatory Commission, Anbang Life Insurance Co., Ltd. has been renamed as Dajia Life Insurance Co., Ltd. and its controlling shareholder has been changed from Anbang Insurance Group Co., Ltd. to Dajia Insurance Group Co., Ltd.. The change of the names of its shareholders' accounts is still subject to completion of relevant procedures at China Securities Depository & Clearing Corporation Ltd., Shanghai Branch. For details, please refer to the announcement of the Company dated 28 August 2019.

3. As at the end of the reporting period, of the aforesaid top 10 shareholders, HKSCC Nominees Ltd. is a wholly-owned subsidiary of HKSCC Ltd.; China Merchants Steam Navigation Co., Ltd., Shenzhen Yan Qing Investment and Development Company Ltd., China Merchants Finance Investment Holdings Co. Ltd. and Shenzhen Chu Yuan Investment and Development Company Ltd. are all subsidiaries of China Merchants Group Ltd.; the ultimate controlling shareholder of both Hexie Health Insurance Co., Ltd. and Dajia Life Insurance Co., Ltd. is China Insurance Security Fund Co., Ltd.. The Company is not aware of any affiliated relationships or party acting in concert among other shareholders.

4. The above shareholders of A shares did not hold the shares of the Company through credit securities accounts.

2.4.2 Information on the shareholders of preference shares

As at the end of the reporting period, the Company had a total of 13 shareholders of preference shares (or nominee), including 1 shareholder of offshore preference shares (or nominee), and 12 shareholders of domestic preference shares. During the reporting period, the Company did not restore any voting right of the preference shares.

As at the end of the reporting period, the shareholdings of the top 10 shareholders of offshore preference shares (or nominee) of the Company were as follows:

Serial No.	Name of shareholder	Nature of shareholder	Type of shares	Number of shares held at the end of the period *(share)*	Percentage of shareholding *(%)*	Number of shares subject to trading moratorium *(share)*	Number of shares pledged or frozen *(share)*
1	The Bank of New York Depository (Nominees) Limited	Offshore legal person	Offshore preference shares	50,000,000	100	–	Unknown

Notes:

1. The shareholdings of shareholders of preference shares are calculated based on the information listed in the register of shareholders of preference shares maintained by the Company.

2. As the issuance is an offshore non-public issuance, the information listed in the register of shareholders of preference shares is the information on the nominee of the placees.

3. The Company is not aware of any affiliated relationship or party acting in concert among the above shareholders of preference shares and the top 10 shareholders of ordinary shares.

4. "Percentage of shareholding" represents the percentage of the number of offshore preference shares held by shareholders of preference shares to the total number of offshore preference shares.

As at the end of the reporting period, the shareholdings of the top 10 shareholders of domestic preference shares of the Company were as follows:

Serial No.	Name of shareholder	Nature of shareholder	Type of shares	Number of shares held at the end of the period *(share)*	Percentage of shareholding *(%)*	Number of shares subject to trading moratorium *(share)*	Number of shares pledged or frozen *(share)*
1	China Mobile Communications Corporation	State-owned legal person	Domestic preference shares	106,000,000	38.55	–	–
2	CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	30,000,000	10.91	–	–
3	BOC Asset Management Co., Ltd.	Other	Domestic preference shares	25,000,000	9.09	–	–
4	China National Tobacco (Henan Province) Company	State-owned legal person	Domestic preference shares	20,000,000	7.27	–	–
	Ping An Property & Casualty Insurance Company of China, Ltd.	Other	Domestic preference shares	20,000,000	7.27	–	–
6	China Everbright Bank Company Limited	Other	Domestic preference shares	19,000,000	6.91	–	–
7	China National Tobacco (Sichuan Province) Company	State-owned legal person	Domestic preference shares	15,000,000	5.45	–	–
	China National Tobacco (Anhui Province) Company	State-owned legal person	Domestic preference shares	15,000,000	5.45	–	–
9	China Construction Bank Corporation, Guangdong Branch	State-owned legal person	Domestic preference shares	10,000,000	3.64	–	–

Serial No.	Name of shareholder	Nature of shareholder	Type of shares	Number of shares held at the end of the period *(share)*	Percentage of shareholding *(%)*	Number of shares subject to trading moratorium *(share)*	Number of shares pledged or frozen *(share)*
10	China National Tobacco (Liaoning Province) Company	State-owned legal person	Domestic preference shares	5,000,000	1.82	–	–
	Changjiang Pension Insurance Co., Ltd.	State-owned legal person	Domestic preference shares	5,000,000	1.82	–	–
	China Resources SZITIC Trust Co., Ltd.	State-owned legal person	Domestic preference shares	5,000,000	1.82	–	–

Notes:

1. The shareholdings of shareholders of preference shares are calculated based on the information listed in the register of shareholders of preference shares maintained by the Company.

2. China National Tobacco (Henan Province) Company, China National Tobacco (Sichuan Province) Company, China National Tobacco (Anhui Province) Company and China National Tobacco (Liaoning Province) Company are wholly-owned subsidiaries of China National Tobacco Corporation. Save for the above, the Company is not aware of any affiliated relationship or party acting in concert among the above shareholders of preference shares or between the above shareholders of preference shares and the top 10 shareholders of ordinary shares.

3. "Percentage of shareholding" represents the percentage of the number of domestic preference shares held by shareholders of preference shares to the total number of domestic preference shares.

2.5 Management discussion and analysis

2.5.1 Analysis of operating status of the Group

As at the end of September 2019, total assets of the Group amounted to RMB7,305.925 billion, representing an increase of 8.30% as compared with the end of the previous year; and its total liabilities amounted to RMB6,703.077 billion, representing an increase of 8.08% as compared with the end of the previous year. As at the end of September 2019, the Group's total loans and advances to customers amounted to RMB4,462.259 billion, representing an increase of 13.46% as compared with the end of the previous year. Total deposits from customers amounted to RMB4,763.788 billion, representing an increase of 8.25% as compared with the end of the previous year (the total amount of deposits or loans in section 2.5 of this report does not include interest receivable or payable).

For the period from January to September 2019, the Group realised a net profit attributable to shareholders of the Bank of RMB77.239 billion, representing a year-on-year increase of 14.63%, and a net operating income of RMB207.745 billion, representing a year-on-year increase of 10.34%.

For the period from January to September 2019, the Group realised a net interest income of RMB131.224 billion, representing a year-on-year increase of 11.23% and accounting for 63.17% of the net operating income. For the period from January to September 2019, net interest spread and net interest margin of the Group were 2.54% and 2.65%, respectively, representing a year-on-year increase of 13 basis points and 11 basis points, respectively; for the third quarter of 2019, net interest spread and net interest margin of the Group were 2.45% and 2.57%, respectively, representing a quarter-on-quarter decrease of 13 basis points and 12 basis points, respectively, which was mainly due to the fact that the credit demand of the real economy was still weak and the market interest rate decreased, which put pressure on the yield of loans, and the inter-bank competition for securing deposits was fierce, which led to an increase in cost ratios of deposits.

For the period from January to September 2019, the Group realised a net non-interest income of RMB76.521 billion, representing a year-on-year increase of 8.84%, accounting for 36.83% of the net operating income. Among the net non-interest income, net fee and commission income amounted to RMB57.159 billion, representing a year-on-year increase of 7.89%, accounting for 27.51% of the net operating income, and representing a year-on-year decrease of 0.63 percentage point; other net income amounted to RMB19.362 billion, representing a year-on-year increase of 11.74%, which was mainly due to an increase in investment gains and exchange gains.

For the period from January to September 2019, the cost-to-income ratio of the Group was 29.18%, representing a year-on-year increase of 1.56 percentage points.

As at the end of September 2019, the balance of non-performing loans of the Group amounted to RMB53.261 billion, representing a decrease of RMB0.344 billion as compared with the end of the previous year; the non-performing loan ratio was 1.19%, down by 0.17 percentage point as compared with the end of the previous year; and the allowance coverage ratio of non-performing loans was 409.41%, up by 51.23 percentage points as compared with the end of the previous year; the allowance-to-loan ratio was 4.89%, up by 0.01 percentage point as compared with the end of the previous year.

2.5.2 Analysis of operating status of the Company

Both our deposits and loans grew steadily. As at the end of September 2019, total assets of the Company amounted to RMB6,842.676 billion, representing an increase of 7.80% as compared with the end of the previous year; total liabilities amounted to RMB6,278.632 billion, representing an increase of 7.64% as compared with the end of the previous year. As at the end of September 2019, the Company's total loans and advances to customers amounted to RMB4,136.890 billion, representing an increase of 13.28% as compared with the end of the previous year, among which, corporate loans, retail loans and discounted bills accounted for 38.41%, 55.18% and 6.41%, respectively. As at the end of September 2019, the Company's total deposits from customers amounted to RMB4,553.940 billion, representing an increase of 8.13% as compared with the end of the previous year, among which, demand deposits and time deposits accounted for 56.36% and 43.64%, respectively. Among the demand deposits, corporate deposits accounted for 59.80% while retail deposits accounted for 40.20%; and among the time deposits, corporate deposits accounted for 71.34% while retail deposits accounted for 28.66%. From January to September 2019, among the daily average balance of deposits from customers of the Company, the percentage of demand deposits accounted for 59.40%.

Our profits grew steadily. For the period from January to September 2019, the Company realised a net profit of RMB72.017 billion, representing a year-on-year increase of 13.71%. The Company realised a net operating income of RMB194.254 billion, representing a year-on-year increase of 9.51%, among which, the net operating income from the retail finance business amounted to RMB106.908 billion, representing a year-on-year increase of 22.18%, accounting for 55.04% of the net operating income of the Company.

For the period from January to September 2019, the Company realised a net interest income of RMB126.851 billion, representing a year-on-year increase of 10.53% and accounting for 65.30% of the net operating income. For the period from January to September 2019, net interest spread and net interest margin of the Company were 2.60% and 2.72%, respectively, representing a year-on-year increase of 12 basis points and 11 basis points, respectively; for the third quarter of 2019, net interest spread and net interest margin of the Company were 2.51% and 2.62%, respectively, representing a quarter-on-quarter decrease of 13 basis points and 14 basis points, respectively.

For the period from January to September 2019, the Company realised a net non-interest income of RMB67.403 billion, representing a year-on-year increase of 7.63%, accounting for 34.70% of the net operating income of the Company. Among the net non-interest income, net fee and commission income amounted to RMB52.638 billion, representing a year-on-year increase of 7.07%, among which, fee and commission income from wealth management business amounted to RMB18.802 billion (including: income from agency distribution of trust schemes amounted to RMB5.252 billion, income from agency distribution of insurance policies amounted to RMB5.097 billion, income from entrusted wealth management services amounted to RMB4.663 billion, income from agency distribution of funds amounted to RMB3.693 billion and income from agency distribution of precious metals amounted to RMB97 million).

For the period from January to September 2019, operating expenses of the Company amounted to RMB58.888 billion, representing a year-on-year increase of 16.65%; the cost-to-income ratio was 29.45%, representing a year-on-year increase of 1.85 percentage points.

Capital adequacy ratio and utilisation efficiency remained at a relatively satisfactory level. As at the end of September 2019, the capital adequacy ratio and Tier 1 capital adequacy ratio of the Company measured under the Internally-Modelled Based Approaches were 15.27% and 12.32%, respectively, up by 2.79 percentage points and 1.63 percentage points respectively as compared with those under the Standardised Approaches. The risk adjusted return on capital (RAROC) before tax under the Internally-Modelled Based Approaches was 30.06%, maintaining at a high level.

Asset quality improved continuously. As at the end of September 2019, the balance of the Company's non-performing loans amounted to RMB50.823 billion, representing a decrease of RMB0.814 billion as compared with the end of the previous year, and the non-performing loan ratio was 1.23%, down by 0.18 percentage point as compared with the end of the previous year. The Company kept abreast of the macroeconomic and financial development, and continued to build a comprehensive risk management system that is driven by technology to support the transformation and development of its business.

The provisions for risk-bearing loans were made in a prudent and careful manner. The Company continued to adopt a stable and prudent policy in respect of making provisions. As at the end of September 2019, the balance of allowance for impairment losses on loans of the Company amounted to RMB212.503 billion, representing an increase of RMB24.951 billion as compared with the end of the previous year. The non-performing loan allowance coverage ratio was 418.12%, representing an increase of 54.91 percentage points as compared with the end of the previous year; the allowance-to-loan ratio was 5.14%, remaining at the same level as compared with the end of the previous year.

3 SIGNIFICANT EVENTS

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

(in millions of RMB, except for percentages)

Major items	30 September 2019	Changes over the end of last year *(%)*	Major reasons
Precious metals	3,538	(46.70)	Decrease in reserve of physical precious metals and volume of inter-bank gold leasing transactions
Equity investments designated at fair value through other comprehensive income	5,906	47.10	Increase in equity investments and their valuations
Right-of-use assets	19,473	N/A	New item under IFRS16
Other assets	52,927	62.51	Increase in funds to be settled
Amounts sold under repurchase agreements	140,790	80.17	Increase in the balance of positive buy-back of bonds and bills
Salaries and welfare payable	18,689	120.52	Increase in wages payable
Debt securities issued	564,696	32.89	Increase in long-term debt securities issued and negotiable interbank certificates of deposits
Lease liabilities	13,587	N/A	New item under IFRS16
Investment revaluation reserve	7,465	34.94	Increase in valuation of assets at fair value through other comprehensive income
Hedging reserve	(48)	N/A	Decrease in fair value of hedging instruments
Exchange reserve	2,449	116.73	Impact of exchange difference
Perpetual debt capital	4,060	250.60	Increase in perpetual bonds issued by CMB Wing Lung Bank Limited, our subsidiary, in the period

(in millions of RMB, except for percentages)

Major items	**January to September 2019**	**Changes over the same period of last year** *(%)*	**Major reasons**
Share of (losses) profits of associates	(14)	N/A	Decrease in profits of associates
Net profit attributable to non-controlling interests	522	183.70	Increase in net profit attributable to non-controlling interests of subsidiaries, increase in perpetual bonds issued by CMB Wing Lung Bank Limited and increase in interests paid
Cash flow hedge: net movement in hedging reserve	(111)	N/A	Fluctuation in valuation of hedging instruments
Equity-accounted investees share of other comprehensive income that will be reclassified subsequently to profit or loss	257	N/A	Increase in other comprehensive income of joint ventures
Fair value gain/(loss) on debt instruments measured at fair value through other comprehensive income	730	(76.05)	Decreased fluctuation in valuation of financial assets at fair value through other comprehensive income
Net changes in expected credit losses of debt instruments measured at fair value through other comprehensive income	475	(31.75)	Decrease in expected credit losses on debt instruments at fair value through other comprehensive income

3.2 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 thereof

☐ Applicable ✓ Not applicable

3.3 Update on changes in accounting policy

According to the "International Financial Reporting Standards 16 – Leases" issued by the International Accounting Standards Board ("IFRS16"), the Group has changed the relevant accounting policies since 2019. A resolution on the changes in accounting policies has been passed at the 32nd meeting of the Tenth Session of the Board of Directors of the Company. For details, please refer to the relevant announcements dated 30 October 2018 published on the websites of Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited and the Company. The Company discloses its financial statements in accordance with IFRS16 from the current year. According to the provisions for the transitional period of IFRS16, the Group did not restate the comparable figures as at the end of 2018 and those for the corresponding period of 2018, the total assets and total liabilities at the beginning of the year increased by RMB12.712 billion respectively, which had no effect on the equity at the beginning of the year. The following table shows the items in the consolidated statement of financial position affected by the adoption of IFRS16 at 1 January 2019:

(in millions of Renminbi)	Carrying amount At 31 December 2018	Impact of IFRS16	Carrying amount under IFRS16 At 1 January 2019
Assets			
Right-of-use assets	N/A	19,112	19,112
Intangible assets	9,150	(5,412)	3,738
Other assets	32,568	(988)	31,580
Liabilities			
Lease liabilities	N/A	12,807	12,807
Other liabilities	69,318	(95)	69,223

3.4 Uncompleted performance of overdue undertakings for the reporting period

☐ Applicable ✓ Not applicable

3.5 Other significant events requiring explanations and progress thereof

According to the "Approval of China Banking and Insurance Regulatory Commission on the Establishment of CMB Wealth Management Company Limited (招銀理財有限責任公司)" (Yin Bao Jian Fu [2019] No. 441), the Company steadily carried out the preparatory work for establishing CMB Wealth Management Company Limited, and duly submitted an application for commencement of operation to China Banking and Insurance Regulatory Commission on 29 September 2019. CMB Wealth Management Company Limited will commence operation in due time upon obtaining approval on the commencement of operation.

The 3rd meeting of the Eleventh Session of the Board of Directors of the Company considered and approved the "Proposal regarding the Issuance of Write-down Undated Capital Bonds" on 23 August 2019, deciding to initiate the issuance of write-down undated capital bonds of no more than RMB50 billion (the "Bonds"). The resolution contained the issuance plan of the Bonds, and the relevant senior management members were authorised to handle the issuance of the Bonds and specific matters during the term of the Bonds. For details, please refer to the relevant announcements dated 23 August 2019 published on the websites of Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited and the Company. Currently, the Company is steadily promoting the relevant issuance work.

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

30 October 2019

As at the date of this announcement, the executive directors of the Company are Tian Huiyu, Liu Jianjun and Wang Liang; the non-executive directors of the Company are Li Jianhong, Fu Gangfeng, Zhou Song, Hong Xiaoyuan, Zhang Jian, Su Min, Wang Daxiong and Luo Sheng; and the independent non-executive directors of the Company are Leung Kam Chung, Antony, Zhao Jun, Wong See Hong, Li Menggang, Liu Qiao and Tian Hongqi.

APPENDIX I FINANCIAL STATEMENTS
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	
	2019	2018	**2019**	2018
Interest income	**219,424**	200,344	**74,907**	69,169
Interest expense	**(88,200)**	(82,372)	**(31,090)**	(28,209)
Net interest income	**131,224**	117,972	**43,817**	40,960
Fee and commission income	**62,596**	57,620	**20,084**	17,222
Fee and commission expense	**(5,437)**	(4,639)	**(1,896)**	(1,710)
Net fee and commission income	**57,159**	52,981	**18,188**	15,512
Other net income	**18,214**	16,203	**6,962**	5,423
Operating income	**206,597**	187,156	**68,967**	61,895
Operating expenses	**(64,134)**	(54,892)	**(23,733)**	(19,163)
Operating profit before expected credit losses	**142,463**	132,264	**45,234**	42,732
Expected credit losses	**(44,936)**	(44,810)	**(11,872)**	(13,381)
Share of profits of joint ventures	**1,162**	897	**441**	278
Share of (losses) profits of associates	**(14)**	228	**(1)**	5
Profit before tax	**98,675**	88,579	**33,802**	29,634
Income tax	**(20,914)**	(21,015)	**(6,899)**	(6,939)
Net Profit	**77,761**	67,564	**26,903**	22,695
Attributable to:				
Shareholders of the Bank	**77,239**	67,380	**26,627**	22,624
Non-controlling interests	**522**	184	**276**	71
Earnings per share				
Basic and diluted earnings per share (RMB)	**3.05**	2.66	**1.04**	0.88

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	
	2019	2018	**2019**	2018
Net Profit	**77,761**	67,564	**26,903**	22,695
Other comprehensive income for the period, net of tax				
Other comprehensive income that will be reclassified to profit or loss:				
Fair value gain/(loss) on debt instruments measured at fair value through other comprehensive income	**730**	3,048	**1,069**	499
Net changes in expected credit losses of debt instruments measured at fair value through other comprehensive income	**475**	696	**(125)**	214
Cash flow hedge: net movement in hedging reserve	**(111)**	185	**(14)**	31
Equity-accounted investees share of other comprehensive income	**257**	(85)	**86**	1
Exchange difference on translation of financial statements of foreign operations	**1,487**	2,118	**1,464**	1,539
Other comprehensive income that will not be reclassified to profit or loss:				
Change in fair value of equity investments designated at fair value through other comprehensive income	**445**	368	**(62)**	246
Remeasurement of defined benefit liability	**7**	–	**–**	–
Other comprehensive income for the period, net of tax	**3,290**	6,330	**2,418**	2,530
Attributable to:				
Shareholders of the Bank	**3,122**	6,482	**2,259**	2,633
Non-controlling interests	**168**	(152)	**159**	(103)
Total comprehensive income for the period	**81,051**	73,894	**29,321**	25,225
Attributable to:				
Shareholders of the Bank	**80,361**	73,862	**28,886**	25,257
Non-controlling interests	**690**	32	**435**	(32)

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	
	2019	2018	**2019**	2018
Interest income	**208,886**	191,335	**71,248**	66,062
Interest expense	**(82,035)**	(76,572)	**(28,964)**	(26,339)
Net interest income	**126,851**	114,763	**42,284**	39,723
Fee and commission income	**57,723**	53,535	**18,515**	15,955
Fee and commission expense	**(5,085)**	(4,375)	**(1,772)**	(1,615)
Net fee and commission income	**52,638**	49,160	**16,743**	14,340
Other net income	**13,947**	12,922	**5,610**	4,326
Operating income	**193,436**	176,845	**64,637**	58,389
Operating expenses	**(58,888)**	(50,481)	**(21,809)**	(17,742)
Operating profit before expected credit losses	**134,548**	126,364	**42,828**	40,647
Expected credit losses	**(43,752)**	(43,602)	**(11,625)**	(13,114)
Share of profits of joint ventures	**818**	541	**290**	177
Profit before tax	**91,614**	83,303	**31,493**	27,710
Less: income tax	**(19,597)**	(19,969)	**(6,420)**	(6,549)
Net Profit	**72,017**	63,334	**25,073**	21,161

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	
	2019	2018	**2019**	2018
Net Profit	**72,017**	63,334	**25,073**	21,161
Other comprehensive income for the period, net of tax				
Other comprehensive income that will be reclassified to profit or loss:				
Fair value gain/(loss) on debt instruments measured at fair value through other comprehensive income	**503**	3,499	**931**	478
Net changes in expected credit losses of debt instruments measured at fair value through other comprehensive income	**309**	317	**(153)**	263
Cash flow hedge: net movement in hedging reserve	**1**	59	**(1)**	19
Equity-accounted investees share of other comprehensive income	**228**	(85)	**67**	(4)
Exchange difference on translation of financial statements of foreign operations	**(51)**	247	**52**	90
Other comprehensive income that will not be reclassified to profit or loss:				
Change in fair value of equity investments designated at fair value through other comprehensive income	**635**	347	**105**	246
Other comprehensive income for the period, net of tax	**1,625**	4,384	**1,001**	1,092
Total comprehensive income for the period	**73,642**	67,718	**26,074**	22,253

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2019	31 December 2018
Assets		
Cash	**14,346**	15,814
Precious metals	**3,538**	6,638
Balances with central bank	**484,248**	477,568
Balances with banks and other financial institutions	**128,382**	100,160
Placements with banks and other financial institutions	**230,528**	313,411
Amounts held under resale agreements	**176,694**	199,386
Loans and advances to customers	**4,254,079**	3,749,949
Investments at fair value through profit or loss	**375,506**	330,302
Derivative financial assets	**35,110**	34,220
Debt investments at amortised cost	**923,719**	916,012
Debt investments at fair value through other comprehensive income	**442,661**	421,070
Equity investments designated at fair value through other comprehensive income	**5,906**	4,015
Interest in joint ventures	**9,829**	8,622
Interest in associates	**415**	249
Investment properties	**1,974**	2,061
Property and equipment	**65,803**	56,206
Right-of-use assets	**19,473**	N/A
Intangible assets	**4,362**	9,150
Goodwill	**9,954**	9,954
Deferred tax assets	**66,471**	58,374
Other assets	**52,927**	32,568
Total assets	**7,305,925**	6,745,729

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

	30 September 2019	31 December 2018
Liabilities		
Borrowing from central bank	**287,269**	405,314
Deposits from banks and other financial institutions	**496,726**	470,826
Placements from banks and other financial institutions	**192,994**	203,950
Financial liabilities at fair value through profit or loss	**43,569**	44,144
Derivative financial liabilities	**35,836**	36,570
Amounts sold under repurchase agreements	**140,790**	78,141
Deposits from customers	**4,793,171**	4,427,566
Salaries and welfare payable	**18,689**	8,475
Tax payable	**22,672**	20,411
Contract liabilities	**6,286**	5,607
Lease liabilities	**13,587**	N/A
Provision	**6,578**	5,665
Debt securities issued	**564,696**	424,926
Deferred tax liabilities	**1,233**	1,211
Other liabilities	**78,981**	69,318
Total liabilities	**6,703,077**	6,202,124
Equity		
Share capital	**25,220**	25,220
Other equity instruments	**34,065**	34,065
Including: Preference shares	**34,065**	34,065
Capital reserve	**67,523**	67,523
Investment revaluation reserve	**7,465**	5,532
Hedging reserve	**(48)**	63
Surplus reserve	**53,682**	53,682
Regulatory general reserve	**79,812**	78,542
Retained profits	**326,257**	250,654
Proposed profit appropriations	**–**	23,707
Exchange difference on translation of financial statements of foreign operations	**2,449**	1,130
Total equity attributable to shareholders of the Bank	**596,425**	540,118
Non-controlling interests	**6,423**	3,487
Including: Minority interests	**2,363**	2,329
Perpetual debt capital	**4,060**	1,158
Total equity	**602,848**	543,605
Total liabilities and equity	**7,305,925**	6,745,729

UNAUDITED STATEMENT OF FINANCIAL POSITION

(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2019	31 December 2018
Assets		
Cash	**13,373**	14,997
Precious metals	**3,434**	6,573
Balances with central bank	**481,569**	474,380
Balances with banks and other financial institutions	**105,414**	68,501
Placements with banks and other financial institutions	**226,700**	299,981
Amounts held under resale agreements	**176,674**	199,555
Loans and advances to customers	**3,932,625**	3,471,874
Investments at fair value through profit or loss	**351,027**	315,000
Derivative financial assets	**34,756**	33,582
Debt investments at amortised cost	**922,954**	915,410
Debt investments at fair value through other comprehensive income	**384,148**	380,971
Equity investments designated at fair value through other comprehensive income	**5,219**	3,465
Interests in subsidiaries	**43,901**	43,901
Interests in joint ventures	**5,743**	4,797
Investment properties	**1,216**	1,262
Property and equipment	**23,983**	23,169
Right-of-use assets	**13,641**	N/A
Intangible assets	**8,640**	8,157
Deferred tax assets	**64,793**	56,866
Other assets	**42,866**	25,174
Total assets	**6,842,676**	6,347,615

UNAUDITED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Expressed in millions of Renminbi unless otherwise stated)

	30 September 2019	31 December 2018
Liabilities		
Borrowing from central bank	**287,269**	405,314
Deposits from banks and other financial institutions	**478,936**	452,305
Placements from banks and other financial institutions	**96,747**	116,072
Financial liabilities at fair value through profit or loss	**37,362**	40,175
Derivative financial liabilities	**35,231**	35,795
Amounts sold under repurchase agreements	**132,334**	77,064
Deposits from customers	**4,582,484**	4,237,430
Salaries and welfare payable	**16,804**	6,697
Tax payable	**21,581**	19,512
Contract liabilities	**6,286**	5,607
Lease liabilities	**13,023**	N/A
Provision	**6,548**	5,638
Debt securities issued	**506,143**	375,625
Other liabilities	**57,884**	55,918
Total liabilities	**6,278,632**	5,833,152
Equity		
Share capital	**25,220**	25,220
Other equity instruments	**34,065**	34,065
Including: Preference shares	**34,065**	34,065
Capital reserve	**76,681**	76,681
Investment revaluation reserve	**7,215**	5,540
Hedging reserve	**(26)**	(27)
Surplus reserve	**53,682**	53,682
Regulatory general reserve	**75,818**	75,818
Retained profits	**291,285**	219,622
Proposed profit appropriations	**–**	23,707
Exchange difference on translation of financial statements of foreign operations	**104**	155
Total equity	**564,044**	514,463
Total liabilities and equity	**6,842,676**	6,347,615

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September 2019	For the period from January to September ended 30 September 2018
Cash flows from operating activities		
Profit before tax	**98,675**	88,579
Adjustments for		
– Impairment losses on loans and advances	**43,645**	43,183
– Provisions for impairment losses on investments	**504**	1,870
– (Reversals of)/provisions for impairment losses on other assets	**793**	(242)
– Unwind of discount on impaired loans	**(245)**	(236)
– Depreciation of properties and equipments and investment properties	**2,804**	3,586
– Depreciation of right-of-use assets	**3,175**	N/A
– Amortisation of other assets	**853**	685
– Share of profits of joint ventures	**(1,162)**	(897)
– Share of profits of associates	**14**	(228)
– Net gains on debt securities and equity investments	**(2,529)**	(8,907)
– Interest income on investments	**(36,612)**	(36,263)
– Interest expense on issued debt securities	**12,782**	10,421
– Net gains on disposal and retirement of fixed assets	**(273)**	(63)
Changes in:		
Balances with central bank	**(20,313)**	43,331
Balances and placements with banks and other financial institutions with original maturity over 3 months	**104,309**	7,378
Loans and advances to customers	**(528,558)**	(411,959)
Other assets	**(46,742)**	12,886
Deposits from customers	**363,114**	235,722
Deposits and placements from banks and other financial institutions	**77,406**	(132,534)
Borrowings from central bank	**(115,920)**	(35,842)
Other liabilities	**22,240**	38,077
Net cash generated from operating activities before income tax payment	**(22,040)**	(141,453)
Income tax paid	**(31,692)**	(33,252)
Net cash generated from operating activities	**(53,732)**	(174,705)

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(Expressed in millions of Renminbi unless otherwise stated)

	For the period from January to September ended 30 September 2019	For the period from January to September ended 30 September 2018
Cash flows from investing activities		
Payment for the purchase of investments	**(539,109)**	(529,156)
Proceeds from the disposal of investments	**493,496**	652,667
Gains received from investments	**48,902**	42,002
Payment for the purchase of properties and equipments and other assets	**(15,084)**	(11,069)
Proceeds from the disposal of properties and equipments and other assets	**1,132**	575
Net proceeds from the disposals of subsidiaries, joint venture or associates	**–**	9
Net payment for investments in the subsidiaries, joint venture or associates	**–**	(1,033)
Net cash flows generated from investing activities	**(10,663)**	153,995
Cash flows from financing activities		
Proceeds from the issue of certificates of deposits	**23,897**	29,615
Proceeds from the issue of debt securities	**72,067**	43,042
Proceeds from the issue of negotiable interbank certificates of deposits	**365,206**	322,653
Proceeds from the issue of perpetual capital instruments	**2,761**	–
Repayment of certificates of deposits	**(21,005)**	(29,219)
Repayment of issued debt securities	**(20,049)**	(11,199)
Repayment of negotiable interbank certificates of deposits	**(288,765)**	(302,862)
Payment of lease liabilities	**(3,180)**	N/A
Interest paid on issued debt securities	**(6,328)**	(4,883)
Payment for distribution of dividends	**(23,832)**	(21,185)
Repayment of redemption of non-controlling equity	**–**	(36)
Net cash generated from financing activities	**100,772**	25,926
Increase in cash and cash equivalents	**36,377**	5,216
Effects of foreign exchange rate changes on cash and cash equivalents	**(986)**	(1,730)
Net increase in cash and cash equivalents	**35,391**	3,486
Add: balance of cash and cash equivalents at the beginning of the period	**543,683**	460,425
Balance of cash and cash equivalents at the end of the period	**579,074**	463,911
Cash flows from operating activities include:		
Interest received	**182,525**	160,880
Interest paid	**75,059**	70,326

APPENDIX II INFORMATION ON LIQUIDITY COVERAGE RATIO

The Group prepared and disclosed information on liquidity coverage ratio in accordance with the "Measures for the Disclosure of Information on Liquidity Coverage Ratio by Commercial Banks". The basis used herein may differ from those adopted in Hong Kong or other countries. The average of liquidity coverage ratio of the Group was 143.84% in the third quarter of 2019, representing an increase of 11.35 percentage points as compared with the previous quarter, which was mainly due to the increase in stock of high quality liquid assets. The Group's liquidity coverage ratio at the end of the third quarter of 2019 was 154.13%, which was in line with the 2019 regulatory requirements of the China Banking and Insurance Regulatory Commission. The breakdown of the Group's average value of each item of liquidity coverage ratio in the third quarter of 2019 is set out below:

(Unit: in millions of RMB, except for percentages)

Serial No.		Unweighted amount (Average value)	Weighted amount (Average value)
Stock of high quality liquid assets			
1	Total stock of high quality liquid assets		1,024,607
Cash outflows			
2	Retail and small business customers deposits, of which:	1,699,098	150,159
3	Stable deposits	395,016	19,751
4	Less stable deposits	1,304,082	130,408
5	Unsecured wholesale funding, of which:	2,918,055	1,084,304
6	Operational deposits (excluding correspondent banks)	1,662,486	414,443
7	Non-operational deposits (including all counterparties)	1,228,344	642,636
8	Unsecured debt issuance	27,225	27,225
9	Secured funding		15,207
10	Additional requirements, of which:	1,331,392	359,690
11	Cash outflows arising from derivative contracts and other transactions arising from related collateral requirements	303,619	303,619
12	Cash outflows arising from secured debt instruments funding	–	–
13	Undrawn committed credit and liquidity facilities	1,027,773	56,071
14	Other contractual obligations to extend funds	48,876	48,876
15	Other contingent funding obligations	4,771,253	83,426
16	**Total cash outflows**		**1,741,662**

Cash inflows			
17	Secured lending (including reverse repo and securities borrowing)	162,605	160,983
18	Contractual inflows from fully performing loans	870,153	552,871
19	Other cash inflows	316,048	315,504
20	**Total cash inflows**	**1,348,806**	**1,029,358**
			Adjusted value
21	**Total stock of high quality liquid assets**		**1,024,607**
22	**Net cash outflows**		**712,304**
23	**Liquidity coverage ratio (%)**		**143.84%**

Notes:

1. The data of Mainland China in the above table is a simple arithmetic average of the 92-day value for the latest quarter and the monthly average for the date of subsidiaries.

2. The high quality liquid assets in the above table are prepared by the central bank reserve available under cash and pressure conditions, as well as the bond in line with the definition of Tier 1 and Tier 2 assets set by China Banking and Insurance Regulatory Commission on the "Measures for the Liquidity Risk Management of Commercial Banks".