

Ping An Bank Co., Ltd.

2012 Third Quarterly Report

§1 Important Reminder

1.1 The board of directors (hereinafter referred to as the "Board") along with its directors, the supervisory committee along with its supervisors, and senior management of Ping An Bank Co., Ltd. (hereinafter referred to as the "Company" or "Ping An Bank") confirm that there are no false representations and misleading statements contained in, or material omissions from this report, and severally and jointly assume responsibility for the truthfulness, accuracy and completeness of the contents of this report.

1.2 The 2012 third quarterly report was reviewed and approved at the 21st meeting of the eighth session of the Board. 18 directors were expected to attend the meeting, and 16 were present. Director Chen Wei and Independent Director Xia Donglin didn't attend it for some reason and entrusted Director Hu Yuefei and Independent Director Chu Yiyun to exercise their voting right, respectively. The Board approved this report unanimously at the meeting.

1.3 Chairman of the Board Xiao Suining, President Richard Jackson, Vice President and Chief Financial Officer Chen Wei, and Wang Lan, head of the Accounting Department, guarantee the truthfulness and completeness of the financial report in the 2012 third quarterly report.

1.4 This quarterly financial report does not go through the formal audit; however, E&Y-Huaming conducted AUP towards certain items and the compiling procedure of financial statement.

1.5 Definitions

Terms	Definition
Ping An Bank, the Bank, the Company	The original Shenzhen Development Bank Co., Ltd. (the "Original Shenzhen Development Bank" or "Original SDB"), which completed integration with the original Ping An Bank Co., Ltd. ("Original Ping An Bank") through absorption merger and changed its name to Ping An Bank.
Original Shenzhen Development Bank, Original SDB	A nationwide joint-stock commercial bank established on December 22, 1987, which changed its name to Ping An Bank following absorption merger of the Original Ping An Bank.
Original Ping An Bank	A cross-regional joint-stock commercial bank established in June 1995 and deregistered on June 12, 2012.
PAG	Ping An Insurance (Group) Company of China, Ltd.

1.6 Explanations on Data of Financial Statements

In July 2011, the Bank acquired approximately 90.75% equity interests in the Original Ping An Bank from PAG through non-public issuance of shares. The Original Ping An Bank then became a subsidiary of the Bank. Since acquisition of the Original Ping An Bank, the Bank has prepared its consolidated financial statements based on the Accounting Standards for Business Enterprises. The Bank completed absorption merger of the Original Ping An Bank in June 2012 and became a sole legal person. According to the accounting standards, the current financial statements are presented on both “consolidated” and “company” basis. Meanwhile, the “consolidated financial statements” for January to September 2012 and as at September 30, 2012 are different from the “consolidated financial statements” for January to December 2011 and as at December 31, 2011. The former is after absorption merger where minority interests no longer exist. The latter is prior to absorption merger and contains minority interests. Details as follows:

Financial Statements	Period/Date	Content
Consolidated Balance Sheet	September 30, 2012	Data after absorption merger where minority interests no longer exist.
	December 31, 2011	Consolidated data of the Original SDB and Original Ping An Bank which contains minority interests.
Balance Sheet (Company Level)	September 30, 2012	Data after absorption merger.
	December 31, 2011	Data of the Original Shenzhen Development Bank.
Consolidated Income Statement	January to September 2012	Net profit attributable to shareholders of the parent = net profit of Original SDB from January to September + 90.75% of the net profit of the Original Ping An Bank from January to May + 100% of the net profit of the Original Ping An Bank from June to September
	January to September 2011	Data of Original Shenzhen Development Bank from January to September + 90.75% of the net profit of the Original Ping An Bank from the date of acquisition in July 2011 to September 2011
Income Statement (Company Level)	January to September 2012	Net profit = net profit of the Original SDB from January to September 2012 + 100% net profit of the Original Ping An Bank from June to September + investment income accrued by Original SDB during the period

		of investment in Original Ping An Bank (from the date of acquisition in July 2011 to May 2012) (no analytical meaning according to accounting standards)
	January to September 2011	Data of the Original Shenzhen Development Bank

Unless otherwise specified, the relevant analysis and discussion in this report is referred to the data of the consolidated financial statements.

§2 Basic Facts of the Company

2.1 Key Accounting Data and Financial Indicators

(In RMB thousand)

	September 30, 2012	December 31, 2011		Change from the end of reporting period over the end of previous year (%)
Total assets	1,477,530,744	1,258,176,944		17.43%
Equity attributable to shareholders of parent	81,725,885	73,310,837		11.48%
Share capital	5,123,350	5,123,350		-
Net asset per share attributable to shareholders of parent (Yuan)	15.95	14.31		11.48%
	July - September 2012	Changes over the same period of last year (%)	January - September 2012	Changes over the same period of last year (%)
Operating income	9,906,139	15.67%	29,531,673	42.66%
Net profit	3,476,409	15.34%	10,345,973	33.58%
Net profit attributable to shareholders of parent	3,476,409	17.60%	10,237,894	33.18%
Net cash flow from operating activities	N/A	N/A	82,782,114	362.91%
Net cash flow from operating activities per share (Yuan)	N/A	N/A	16.16	363.04%
Basic EPS (Yuan)	0.68	4.62%	2.00	(0.50%)
Diluted EPS (Yuan)	0.68	4.62%	2.00	(0.50%)
Basic EPS less non-recurring gains/losses (Yuan)	0.68	7.94%	1.99	0.51%
Average return of assets (un-annualized)	0.23%	-0.06 percentage point	0.75%	-0.04 percentage point
Average return of assets	0.94%	-0.21 percentage	1.00%	-0.06 percentage point

(annualized)		point		
Fully diluted rate of return on net assets (un-annualized)	4.25%	+0.01 percentage point	12.53%	+1.50 percentage points
Fully diluted rate of return on net assets (annualized)	16.32%	+0.05 percentage point	16.03%	+1.85 percentage points
Weighted average return on net asset (un-annualized)	4.26%	-0.76 percentage point	13.05%	-4.59 percentage points
Weighted average return on net asset (annualized)	16.69%	-1.42 percentage points	17.03%	-3.24 percentage points
Weighted average return on net asset less non-recurring gains/losses (un-annualized)	4.24%	-0.66 percentage point	12.99%	-4.48percentage points
Weighted average return on net asset less non-recurring gains/losses (annualized)	16.61%	-1.08percentage points	16.95%	-3.10percentage points
Items of non-recurring gains/losses	Amount from the beginning of the year to the end of current period			
Gains/Losses on disposal of non-liquidity assets	29,282			
Losses from contingency	17,180			
Other non-operating income and expenses except the above items	19,122			
Impact on income tax of above adjustments	(14,993)			
Portions attributable to minority shareholders	(78)			
Total	50,513			

Notes: Non-recurring gains/losses are calculated based on the definition of CSRC Announcement 2008 No.43—Explanatory Announcement of Information Disclosure by Companies Publicly Offering Securities No.1- Non-recurring Gains/Losses.

(In RMB thousand)

Items	September 30, 2012	December 31, 2011	December 31, 2010	Change from the end of reporting period over the end of previous year (%)
I. Total deposits	935,396,853	850,845,147	562,912,342	9.94%
Including: Corporate deposits	762,748,590	698,564,967	477,741,629	9.19%
Retail deposits	172,648,263	152,280,180	85,170,713	13.38%
II. Total loans	705,083,759	620,641,817	407,391,135	13.61%
Including: Corporate loans	495,607,976	430,702,072	287,295,541	15.07%

General loans	455,957,903	413,019,170	268,648,981	10.40%
Discounted bills	39,650,073	17,682,902	18,646,560	124.23%
Retail loans	171,153,575	165,226,483	113,750,877	3.59%
Credit card receivables	38,322,208	24,713,262	6,344,717	55.07%
Loan impairment provision	(11,845,684)	(10,566,481)	(6,425,060)	12.11%
Net loans and advances	693,238,075	610,075,336	400,966,075	13.63%

2.2 Supplementary Financial Ratios

(Unit: %)

Indicators		Benchmark value	September 30, 2012	December 31, 2011	December 31, 2010
Capital adequacy ratio		≥8	11.30	11.51	10.19
Core capital adequacy ratio		≥4	8.47	8.46	7.10
NPL ratio		≤5	0.80	0.53	0.58
Provision coverage ratio		N/A	209.40	320.66	271.50
Provision to loan ratio		N/A	1.68	1.70	1.58
Cost/income ratio (excluding business tax)		N/A	38.56	39.99	40.95
Loan to deposit spread		N/A	4.40	4.25	3.79
Net interest spread		N/A	2.20	2.37	2.41
Net interest margin		N/A	2.38	2.53	2.49
Loan to deposit ratio (including discounted bills)	≤75	75.49	72.88	72.61	72.61
Loan to deposit ratio (excluding discounted bills)	N/A	71.18	70.75	69.23	69.23
Liquidity ratio	≥25	47.57	55.72	52.52	52.52
	≥25	87.30	62.89	49.94	49.94
	≥25	48.27	55.43	52.35	52.35
Loan for the biggest single customer to net capital ratio		≤10	2.95	3.71	5.29
Loan for top 10 customers to net capital ratio		N/A	17.34	19.24	26.86
Migration ratio of Pass loans		N/A	1.38	0.67	0.73
Migration ratio of Special Mention loans		N/A	48.91	9.35	39.17
Migration ratio of Substandard loans		N/A	38.48	39.40	23.15
Migration ratio of Doubtful loans		N/A	74.89	13.01	9.23

2.3 Number of shareholders and position of the top ten unrestricted shareholders at the end of the reporting period

(Unit: shares)

Total number of shares at the end of the reporting period	5,123,350,416	Total number of shareholders at the end of the reporting period	281,497
Position of top ten unrestricted shareholders			
Name of the shareholder		Number of unrestricted shares held	Share nature
Ping An Insurance (Group) Company of China, Ltd. – Group level - Self-owned fund		2,159,807,516	RMB ordinary shares
Ping An Life Insurance Company of China, LTD. - Self-owned fund		379,580,000	RMB ordinary shares
Ping An Life Insurance Company of China, LTD. - Tradition - Ordinary insurance products		140,963,528	RMB ordinary shares
Shenzhen Zhongdian Investment Co., Ltd.		87,382,302	RMB ordinary shares
Client credit trading guarantee securities account of Orient Securities Company Limited		62,518,169	RMB ordinary shares
China Life Insurance Company Limited - dividend - individual dividend - 005L-FH002 Shenzhen		48,661,762	RMB ordinary shares
BOC-Efund Shenzhen Stock Exchange 100 Transactional Open Index Securities Investment Fund		43,403,699	RMB ordinary shares
National Social Security Fund-10 portfolio		40,326,397	RMB ordinary shares
ICBC – Rongtong Shenzhen Stock Exchange 100 Index Securities Investment Fund		30,918,441	RMB ordinary shares
Haitong Securities Co., Ltd.		29,852,697	RMB ordinary shares

§3 Major events

3.1 Analysis on items in the comparative statements with changes over 30%

Applicable Not applicable

Item	Percentage of change	Cause for change
Due from other banks	76.41%	Increase in inter-bank business scale
Inter-bank placements	106.02%	Increase in inter-bank business scale
Financial assets carried at fair value through profit or loss	165.56%	Small base number
Reverse repurchase agreements	289.62%	Increase in inter-bank business scale
Receivables	(42.32%)	Decrease of agency payment business
Investments classified as receivables	292.80%	Adjustment on investment structure

Other assets	69.93%	Increase in settlement of transit fund at the end of the period
Due to Central Bank	2182.96%	Small base number
Due to other banks and financial institutions	105.74%	Inter-bank business structure adjustment
Due to banks	(59.73%)	Base number is zero
Financial liabilities carried at fair value through profit or loss	N/A	Small base number
Accounts payable	(57.81%)	Decrease of agency payment business
Other liabilities	(33.46%)	Decrease in settlement of fund at the end of the reporting period
General reserve	48.33%	Profit distribution
Unappropriated profit	37.07%	Profit increase for the year
Interest income	60.50%	Growth of the scale of interest-earning assets and interest rate
Interest expense	82.55%	Growth of the scale of interest-bearing liabilities and interest rate
Fee and commission income	70.95%	Increase in fee income from settlement, wealth management, agency and bank cards, etc.
Fee and commission expense	70.61%	Increase in fee expenses from agency and bank cards, etc
Investment income	115.48%	Increase in capital gains from transfer of notes and bonds
Gains or losses from change in fair value	(114.98%)	Decrease in the fair value of tradable securities
Business tax and surcharge	52.54%	Increase in taxable business income
Business and administrative expenses	43.09%	Headcount and business scale growth, the resources pooled for management
Impairment losses on assets	78.61%	Increase in provisions
Non-operating income	(49.69%)	Decrease in gains from disposal of repossessed assets
Non-operating expenses	(46.98%)	Decrease in provision for unsettled lawsuits
Income tax expenses	40.69%	Increase in taxable income and effective tax rate

Note: The income statement items represent the consolidated data of both banks for the current period. The comparative figures for the same period of last year represent the aggregate data of the Original Shenzhen Development Bank from January 2011 to September 2011 and the data of the Original Ping An Bank from the date of acquisition in July 2011 to September 2011. Therefore, the substantial change also due to increased scale following merger with the Original Ping An Bank.

3.2 Analysis and explanation of the progress, impact and solution of major events

3.2.1 Qualified opinions

Applicable Not applicable

3.2.2 Provision of capital to controlling shareholder or other connected parties or provision of guarantees to external parties in breach of stipulated procedures by the Company

Applicable Not applicable

3.2.3 Execution and performance of material contracts in the ordinary course

Applicable Not applicable

3.2.4 Other material matters

Applicable Not applicable

On August 15, 2012, the 18th meeting of the Board reviewed and approved the *Proposal on Extending the Effective Period of the Resolution on Non-public Offering of Ping An Bank Co., Ltd.*

On August 31, 2012, the 2012 second extraordinary general meeting of the Bank reviewed and approved the relevant resolutions including the *Proposal on Extending the Effective Period of the Resolution on Non-public Offering of Ping An Bank Co., Ltd.*

The non-public issuance of shares is subject to the approval of China Banking Regulatory Commission and China Securities Regulatory Commission etc.

For details, please refer to relevant announcement of the Bank published on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and on website of www.cninfo.com.cn.

3.3 Undertakings by the Company or shareholders with more than 5% of shareholding during or up to the reporting period

Applicable Not applicable

Undertakings	Promisor	Contents	Performance status
Undertaking in share reform	-	-	-

<p>Undertakings made in <i>Acquisition Report</i> or <i>Equity Change report</i></p>	<p>Ping An Insurance (Group) Company of China, Ltd.</p>	<p>PAG undertook in <i>Acquisition Report on Acquiring SDB</i> issued on June 30, 2011:</p> <p>As to all SDB shares owned by the acquirer and its affiliated institutions, as of the day when all SDB shares subscribed through the deal are registered under the name of the acquirer, the acquirer and its affiliated institutions will not transfer any of the shares within 36 months after the new shares are registered under the name of the acquirer, and after the lock-up period, the shares will be dealt with in accordance with relevant regulations of CSRC and Shenzhen Stock Exchange. However, under the permission of applicable laws, this restriction is not applicable to the transfer between the acquirer’s affiliated institutions.</p>	<p>The undertakings were still being performed.</p>
<p>Undertakings made upon major assets restructuring</p>	<p>Ping An Insurance (Group) Company of China, Ltd., the Bank</p>	<p>I. PAG made the following undertakings when it proposed to subscribe for 1,638,336,654 shares of SDB issued through non-public offering (this major assets restructuring) with its 90.75% shareholding of the Original Ping An Bank and RMB 2.6900523 billion cash:</p> <p>1. PAG and its affiliated institutions shall not transfer all the shares owned by PAG and its affiliated institutions within thirty-six (36) months since the day when this non-public offering is completed. However, under the permission of applicable laws, the transfer between PAG’s affiliated institutions (i.e. any party that has direct or indirect control over PAG, is directly or indirectly controlled by PAG and is jointly controlled by other parties together with PAG) will not be restricted. After the expiration of the above term, PAG can dispose such new shares in accordance with relevant regulations of CSRC and Shenzhen Stock Exchange.</p> <p>2. In accordance with <i>Profit Forecast Compensation Agreement</i> signed between PAG and the Bank on September 14, 2010, PAG shall, within 3 years after this deal of asset purchase by share issue (“the compensation period”), prepare Ping An Bank’s pro forma net profit data (“realized profit”) within 4 months after each accounting year pursuant to PRC enterprise accounting standards and urge the accounting firm engaged by PAG to present special auditing opinions (“the special auditing opinions”) with regard to such realized profit as well as the difference between such realized profit and the corresponding forecast amount (“the difference</p>	<p>The undertakings were still being performed.</p>

	<p>amount”). According to such special auditing opinions, if the actual profit amount achieved in any year within the compensation period is lower than the corresponding profit forecast, PAG shall pay 90.75% of the difference between the above mentioned actual profit and the corresponding forecast amount (“the compensation amount”) to the Bank in cash. PAG shall, within 20 business days after submission of the special auditing opinions for the year, pay such amount in full to the Bank’s designated account.</p> <p>3. As to the two properties without ownership certification by the Original Ping An Bank, PAG issued the <i>PAG Undertaking Letter on Providing Compensation for Potential Dispute about Ownership of Ping An Bank’s Properties</i>. According to the undertaking letter, PAG undertook that if there is any dispute about the ownership of the above properties of Ping An Bank in the future, PAG will try its best to coordinate all parties, strive to settle disputes and avoid any adverse impact to normal business operation of the Bank. If the dispute of the property ownership causes additional cost or income decrease to the aforesaid subordinate institutions, PAG promises to compensate the Bank in cash for the loss of profit caused due to handling the ownership dispute of Original Ping An Bank's property.</p> <p>On the basis of the above undertaking letter, PAG makes the <i>Undertaking letter of Ping An Insurance (Group) Company of China, Ltd. Regarding the Solutions to the Properties with Ownership Defects of Ping An Bank Company Limited</i>, which undertakes that: within three years after the completion of this deal, if the Bank cannot obtain real estate certificates for the two properties and cannot properly dispose of those properties, then PAG will purchase at a fair and reasonable price, or designate a third party to purchase those properties within three months upon the expiry of the three year period.</p> <p>4. After this major assets restructuring and during the period when PAG acts as the controlling shareholder of SDB, in respect of similar businesses or business opportunities as SDB that are intended to be engaged by or substantially obtained by PAG and other companies controlled by PAG in the future, and that the assets and businesses formed by those businesses or business</p>	
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	<p>opportunities may cause potential peer competition with SDB, PAG and other companies controlled by PAG will not engage in businesses that are the same or similar to SDB, so as not to involve in direct or indirect competition in relation to SDB's business operations.</p> <p>5. After this major assets restructuring, with regard to the related party transactions between PAG and other companies controlled by PAG and SDB, PAG and other companies controlled by PAG will carry out the transactions with SDB under the principles of openness, fairness and justice of market transactions and in accordance with fair and reasonable market price, as well as implement decision-making procedures based on requirements of relevant laws, regulations and regulatory documents so as to fulfill its obligation of information disclosure according to the laws. PAG guarantees that PAG and other companies controlled by PAG would not acquire any illegal interests or make SDB assume any improper obligations through the transactions with SDB.</p> <p>6. After this major assets restructuring and during the period when PAG acts as SDB's controlling shareholder, SDB's independence will be maintained so as to make sure SDB is independent to PAG and other companies controlled by PAG in terms of staffing, asset, finance, institution and business.</p> <p>II. Regarding the aforesaid two properties without ownership certificate of the Original Ping An Bank, the Bank promises that after the completion of the deal:</p> <p>1. The Company will proactively communicate with property ownership administrative authorities and relevant parties and try its best to get ownership certificate of the above two properties;</p> <p>2. If there is substantial obstacle in obtaining the property ownership certificate, the Company will dispose the above two properties through methods including but not limited to selling them within three years after the completion of the deal;</p> <p>3. If the Company fails to dispose the properties in the way mentioned in point 2 within three years after the completion of the deal due to any reason, the Company will sell the properties to PAG or a designated third party at a fair and reasonable price within three months after expiration of the three-year time limit; and</p>	
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		4. If there is any dispute about ownership before the properties are disposed, the Company will ask PAG to compensate the Company according to the <i>PAG Undertaking Letter on Providing Compensation for Potential Dispute about Ownership of Ping An Bank's Properties</i> issued by PAG.	
Undertakings made upon share issuance	Ping An Life Insurance Company of China, Ltd., (hereinafter referred to as the "Ping An Life")	Ping An Life made undertakings not to transfer the 379,580,000 new shares acquired from SDB in non-public offering within 36 months from the date of listing of the above subscribed shares, being September 17, 2010, however, under the permission of the laws and approval of relevant regulatory authorities, the transfer between Ping An Life and its related parties (including its controlling shareholders, de facto controllers and the other entities under the control of its de facto controllers) will not be restricted. If there are any selling deals against the said undertaking, the Clearing Company-Shenzhen Branch will be delegated to transfer all the money from selling of the subscribed shares to SDB's listed company account and the money will be owned by all SDB shareholders.	The undertakings were still being performed.
Other undertakings (including retrospective undertakings)	-	-	-

3.4 Anticipation of loss or substantial change of accumulative net profit from the beginning of the year to the end of next reporting period, and the explanation of reason

Applicable Not applicable

3.5 Execution of dividend policy in the reporting period

Applicable Not applicable

During the reporting period, according to the *Circular on Further Settling the Issues Concerning the Payment of Cash Dividends by Listed Companies* issued by China Securities Regulatory Commission and *Notice on Earnestly Implementing the Requirements of the "Circular on Further Settling the Issues Concerning the Payment of Cash Dividends by Listed Companies"* issued by Shenzhen Bureau of the China Securities Regulatory Commission, the Bank convened the second extraordinary general meeting for 2012 on August 31, 2012, during which the *Resolution on the Amendment of the Articles of Association of Ping An Bank, the Shareholders'*

Return Plan of the Company for the Next Three Years of 2012- 2014 and the Proposal on 2012 Interim Profit Distribution of Ping An Bank were reviewed and approved.

The cash dividend policy and 2012 interim profit distribution proposal of the Bank comply with its Articles of Association and the resolutions of the shareholders' general meeting, the distribution standard and proportion is definite and clear, the Board has conducted specific study on shareholders' return and collected opinions of shareholders (especially middle and small shareholders), independent directors and supervisory committee through various channels. The relevant decision making procedure and mechanism is complete. The independent directors have duly carried out their responsibilities to protect the legitimate interests of the middle and small shareholders.

The conditions and procedures for making adjustment and change to the cash dividend policy of the Bank are compliant and transparent.

3.6 Explanation of other major events

3.6.1 Securities investment situation of the Bank

Applicable Not applicable

At the end of the reporting period, book value of treasury and financial bonds (including PBOC notes, policy bank notes, ordinary financial bonds and subordinated financial bonds) held by the Bank was RMB 168.2 billion, among which the bonds with large amount are as follows:

(in RMB million)

Type	Book value	Annual coupon rate (%)	Maturity date
11 financial bonds	42,640	3.47~4.9	2013/5/12~2021/10/26
10 financial bonds	32,900	2.9~4.02	2012/11/2~2020/11/4
09 financial bonds	18,170	1.95~4.1	2012/10/21~2019/9/23
08 financial bonds	12,980	2.04~5.5	2013/2/26~2018/12/16
12 financial bonds	10,710	2.93~4.44	2013/3/13~2022/9/17
PBOC notes	8,950	2.65~3.97	2013/4/23~2014/10/21
10 T-bonds	8,032	2.23~4.6	2013/3/18~2040/6/21
07 financial bonds	5,205	3.61~5.14	2012/10/10~2017/11/29
11 T-bonds	4,707	3.03~6.15	2012/11/10~2041/6/23
03 financial bonds	4,032	3.14~4.55	2013/2/18~2013/11/13

3.6.2 Shareholding of other listed company

Applicable Not applicable

(in RMB thousand, %)

Code	Name	Initial investment	Portion of total shareholding	Face value in the	G/L (gain/loss) in the	Change of equity	Accounting subjects	Sources of shares
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			g in the end of the period	end of the period	reporting period	in the reporting period		
000150	Yihua Real Estate	5,895	1.36%	18,031	-	3,447	Available-for-sale	Repossessioned equity
600094	Great Town	4,248	0.07%	5,594	-	1,104	Available-for-sale	Repossessioned equity
000034	Shenxin Taifeng	5,553	0.18%	2,719	-	206	Available-for-sale	Repossessioned equity
000030	ST Sunrise A	2,916	0.12%	2,582	-	(219)	Available-for-sale	Repossessioned equity
	Visa Inc.	-	0.01%	1,871	12	453	Available-for-sale	Historical investment
Total		18,612	-	30,797	12	4,991		

3.6.3 Shareholding of other unlisted financial companies or to-be-listed companies

√ Applicable □ Not applicable

(in RMB thousand)

Name of invested company	Investment	Impairment provision	Ending net value
China UnionPay Company Ltd.	74,220	-	74,220
SWIFT Membership shares	1,586	-	1,586
Clearing Center for City Commercial Banks	600	-	600
Total	76,406	-	76,406

3.6.4 Position of derivatives investment at the end of the reporting period

√ Applicable □ Not applicable

(1) Derivatives investment table

<p>Risk analysis on derivatives position-holding in the reporting period and explanations on controlling measures (including but not limited to market risk, liquidity risk, credit risk, operational risk and legal risk)</p>	<p>1. Market risk. Market risk of derivatives refers to the risk of loss on on-balance-sheet and off-balance-sheet business due to change of market price (interest rate, exchange rate, stock price and goods price). The Bank conducts limit management from aspects such as exposure, risk level and G/L.</p> <p>2. Liquidity risk. Liquidity risk of derivatives refers to the risk that bank has the solvency but cannot obtain sufficient fund timely or cannot obtain sufficient fund in time with reasonable cost to deal with asset growth or pay off due debts. For derivatives delivered in full amount, the Bank adopts the measures of integration position closing to ensure sufficient fund for settlement while delivery; for derivatives delivered in net amount, there is no major impact as the cash flow would have minor impact on liquid assets of the Bank.</p> <p>3. Operational risk. Operational risk is the risk resulting from defective internal procedure, staff, system, or external events. The Bank strictly observes the CBRC Guidelines on Operational Risk Management at Commercial Banks, staffs full-time traders, adopted professional front-middle-back office monitoring system, set complete business operation process and authorization</p>
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	<p>management system and improved internal monitoring and auditing mechanism, trying its best to avoid operational risk.</p> <p>4. Legal risk. Legal risk refers to the possibility of risk exposure caused by business activity incompliance with legal rules or external legal events. The Bank attached great importance to legal documentation related to derivatives transaction and signed legal agreement including ISDA, CSA, MAFMII with peer banks to avoid legal dispute and regulate dispute resolving method. In accordance with regulatory requirement and transaction management necessity, the Bank also set customer transaction agreement referring to above inter-bank legal agreements thus avoid most potential legal disputes.</p> <p>5. Force Majeure. Force Majeure refers to the unforeseeable, inescapable or insurmountable objective circumstances, including not limited to fire, earthquake, flood or other natural disaster, war, military act, strike, pandemic, failure of IT, communication or electricity system, financial crisis, halt of related market transaction, or change of national legal rules or policy that prevent the derivatives transaction to be implemented normally. The Bank signed off agreement with all the individuals, institutional and inter-bank customers about force majeure to exempt obligation of contract breaching.</p>
<p>Changes of market price or in the fair value of invested derivatives in the reporting period. While making analysis on derivatives fair value, specific methods in use with relevant presumptions and parameters should be disclosed</p>	<p>In the third quarter of 2012, the Bank did not see big fair value change of invested derivatives during the reporting period. Regarding derivative financial instruments, the Bank engaged the evaluation technique to determine the value. The evaluation technique includes reference to familiar circumstances and the price used in latest market trading of each party voluntary for trading, and reference to the current fair values and discounted cash flow technique of other essentially same financial instruments. Evaluation technique may use market parameter if feasible. However, the management team needs to evaluate in light of the credit risk, market fluctuation rate and relevance of itself and the trading counterparts when lacking market parameters</p>
<p>Explanation on if there is major change of accounting policy or accounting settlement principle related to derivatives occurred in the reporting period compared with that of last reporting period</p>	<p>The Bank stipulates accounting policy and accounting settlement principle related to derivatives in line with the Accounting Standard for Business Enterprises. There is no major change of relevant policy</p>
<p>Specific comments from independent directors, sponsors or financial advisors on derivatives investment and risk control</p>	<p>Independent directors of the Bank believe that the Bank's derivatives transactions business is a commercial banking business approved by regulator. The current derivative investment business conducted by the Bank mainly includes FX forward/swap, IR swap, precious metal forward/swap etc. The Bank has established a relative complete risk management system and set up a dedicated unit for risk management. The Bank effectively manages the risks associated with its derivative investment business through formulating system, limit authorization, daily supervision, internal training and qualification certification of staff etc.</p>

(2) Position of derivative investment at the end of the reporting period

(in RMB million)

Agreement type	Beginning agreement amount (nominal)	Ending agreement amount (nominal)	Fair value change during the reporting period	Percentage of ending Agreement amount (nominal) to ending net asset attributable to shareholders of the parent (%)
FX forward agreement	109,552	154,400	(98)	189.75
IR swap agreement	13,256	24,927	(5)	30.63
Stock option agreement	-	-	-	-
Equity exchange agreement	-	-	-	-
Others		450	-	0.55
Total	122,808	179,777	(103)	219.97

Note: As of the end of the reporting period, the contracted amount of derivatives of the Group has increased, but the actual net exposure of risk for swap business was minimal. The Group has imposed limit for managing the forward fair value of swap business, and the change in actual net expose of risk was minimal.

3.6.5 Share offering plan raised by shareholders holding more than 30% of total shares and the implementation, and whether there is any situation of providing funds or providing external guarantee in violation of regulations to controlling shareholder or its related party

Applicable Not Applicable

3.6.6 Explanations on the implementation project progress of the Basic Standard for Enterprise Internal Control

During the reporting period, the Bank systematically commenced various internal control evaluation measures according to the Implementation Plan for Internal Control Evaluation of 2012 and the overall progress was satisfactory.

In order to achieve the goal of systematic management of internal control, the Bank has initiated internal control management systems which aim to realize the timely acknowledgement and refreshment of risk control information from the banking operations workflow, as well as conducting tests on design and operational effectiveness of control activities, enabling management to understand risks in a timely manner and control the situation.

3.6.7 Reception for investigation, communication and interview within the reporting period

✓ Applicable □ Not Applicable

During the reporting period, the Bank conducted several communications with institutions in respect of operation and financial status as well as other matters of the Bank by organizing results seminars, analyst briefings and receiving inquiries by phone from individual investors. The contents mainly include: business operations and development strategy, periodic report, interim report and remarks, business and management information and major events as legally disclosed of the Bank. According to the Guidelines for Fair Information Disclosure by Listed Companies of Shenzhen Stock Exchange, the Bank and relevant information disclosure obligators strictly observe the principle of fair information disclosure, and there is no situation in violation thereof.

The following are the major investor reception events held by the Bank during the reporting period:

Time	Location	Activities	Audience	Main Topics and information provided
2012/07/03	Shenzhen	On-site survey	Harvest Fund	Operations and development strategies
2012/07/06	Shenzhen	Luncheon	UBS AG	Operations and development strategies
2012/07/17	Shenzhen	On-site survey	Haitong Securities and others	Operations and development strategies
2012/08/17	Shenzhen	Conference call	All sorts of investors including brokers and fund investors	Release of Company results for the first half of 2012
2012/08/22	Shenzhen	Online Roadshow	Small to mid-sized investors	Results seminar for the Company' s results in the first half of 2012, Operations and development strategies
2012/08/23	Shenzhen	On-site survey	Shanghai Wangming Investments	Operations and development strategies
2012/08/30	Shenzhen	On-site survey	Fitch Ratings	Operations and development strategies
2012/09/03	Shanghai, Guangzhou	Roadshow	All sorts of investors including brokers and fund investors	Roadshow for the Company' s results for the first half of 2012
2012/09/04	Beijing,	Roadshow	All sorts of	Roadshow for the Company' s

	Shenzhen		investors including brokers and fund investors	results for the first half of 2012
2012/09/14	Shenzhen	On-site survey	Tiger Asia	Operations and development strategies

3.7 Management Discussion and Analysis

3.7.1 Business overview of the Bank

During the reporting period, affected by macroeconomic conditions and supervisory policy, the Bank implemented clear and sustainable development strategies: Strategic development was steadily implemented and more resources were invested into areas such as trade financing, microfinance, retail business and the credit card business, further enhancing competitive advantages. Leveraging on the Group's advantages, cross selling was conducted and synergies were developed; district control models and mechanisms were established, asset and liability management was enhanced. Service quality was enhanced while the risk control mechanism was optimized, leading to better operational results.

After receiving approval from China Banking Regulatory Commission and completing the relevant change procedures with the Market Supervision Authority of Shenzhen Municipality, on July 27, 2012, the Bank officially changed its name to "Ping An Bank Co., Ltd.". Since August 2, 2012, the short name of the Bank's securities has changed to "Ping An Bank", while its stock code 000001 remained unchanged.

1、Scale grew steadily, while asset quality remained controllable

As of the end of the reporting period, the Bank's total assets reached RMB1,477.531 billion, up by 17.43% from the beginning of the year; total deposits amounted to RMB935.397 billion, up by 9.94% from the beginning of the year; loans amounted to RMB705.084 billion, up by 13.61% from the beginning of the year. Due to a surge of non-performing loans surfacing in the Wenzhou area, overall NPL ratio increased, but overall asset quality remained controllable. NPL ratio and the provision coverage ratio were 0.80% and 209.40% respectively.

Within the strategic businesses structure, accepted credit for trade financing went up by 20.60% from the beginning of the year; the microfinance balance went up by 14.47% from the beginning of the year while the credit card loans balance rose by 55.07% compared to the beginning of the year. Credit card circulation reached 10,480,000, up by 15.87% from the beginning of the year. Retail deposit growth was up by 13.38% compared to the beginning of the

year, clearly higher than that of total deposit growth.

2、Profitability was steady and revenue structure has improved

In the third quarter, the Bank realized net profit attributable to shareholders of parent company of RMB3.476 billion, representing a quarter-on-quarter growth of 4.32% and year-on-year growth of 17.60%; accumulated net profit attributable to the parent company for the first three quarters was RMB10.238 billion, up by 33.18% on a year-on-year basis. For the first three quarters, non-interest net income was RMB4.972 billion, increasing by 64.60% on a year-on-year basis. Its percentage in revenue was 16.83%, up 2.24% on a year-on-year basis, which further improving the revenue structure.

3、Capital adequacy ratio was in compliance with regulatory standard

As of the end of the reporting period, the capital adequacy ratio and core capital adequacy ratio of the Bank were 11.30% and 8.47 % respectively, which were in compliance with regulatory standards.

3.7.2 Asset and liability items

As of the end of reporting period, total assets of the Bank amounted to RMB1,477.531 billion, a growth of 17.43% over the beginning of the year; total liabilities amounted to RMB 1,395.805 billion, a growth of 18.01% over the beginning of the year.

Asset structure and change

(in RMB million)

Item	September 30, 2012		December 31, 2011		Change from the end of reporting period over the end of previous year
	Balance	%	Balance	%	
Loan and advance	705,084	47.72%	620,642	49.33%	13.61%
Loan impairment provision	(11,846)	(0.80%)	(10,567)	(0.84%)	12.11%
Net loan and advance	693,238	46.92%	610,075	48.49%	13.63%
Investment and other financial assets	248,759	16.84%	203,757	16.19%	22.09%
Cash on hand and due from the Central Bank	182,474	12.35%	160,635	12.77%	13.60%

Placements of deposits with banks and other financial institutions	70,360	4.76%	39,884	3.17%	76.41%
Funds loaned to other financial institutions and reverse repurchase agreements	151,056	10.22%	42,751	3.40%	253.34%
Accounts receivable	98,403	6.66%	170,589	13.56%	(42.32%)
Interest receivable	8,165	0.55%	7,274	0.58%	12.25%
Fixed assets	3,182	0.22%	3,524	0.28%	(9.70%)
Intangible assets	5,689	0.39%	5,990	0.48%	(5.03%)
Goodwill	7,568	0.51%	7,568	0.60%	-
Investment properties	250	0.02%	263	0.02%	(4.94%)
Deferred tax assets	3,328	0.23%	2,890	0.23%	15.16%
Other assets	5,059	0.33%	2,977	0.23%	69.93%
Total assets	1,477,531	100.00%	1,258,177	100.00%	17.43%

Liability structure and change

(in RMB million)

Item	September 30, 2012		December 31, 2012		Change from the end of reporting period over the end of previous year
	Balance	%	Balance	%	
Customer deposits	935,397	67.01%	850,845	71.94%	9.94%
Placement of deposits from banks and other financial institutions	319,747	22.91%	155,410	13.14%	105.74%
Funds borrowed from other financial institutions	10,180	0.73%	25,279	2.14%	(59.73%)
Financial liabilities carried at fair value through profit or loss	1,066	0.08%	-	-	N/A
Derivative financial liabilities	716	0.05%	732	0.06%	(2.19%)
Repurchase assets	33,945	2.43%	39,197	3.31%	(13.40%)
Employee salary payable	4,143	0.30%	3,600	0.30%	15.08%
Tax payable	2,181	0.16%	2,536	0.21%	(14.00%)
Interest Payable	11,370	0.81%	9,914	0.84%	14.69%
Bonds Payable	16,072	1.15%	16,054	1.36%	0.11%
Deferred tax liabilities	1,274	0.09%	1,351	0.11%	(5.70%)

Other liabilities	59,714	4.28%	77,878	6.59%	(23.32%)
Total liabilities	1,395,805	100.00%	1,182,796	100.00%	18.01%

3.7.3 Asset quality

During the reporting period, the Bank's credit assets quality was affected to some extent in face of external factors including domestic economic slowdown, no obvious rebound in domestic real economy and no substantial improvement in corporate operation, coupled with lower debt repayment ability due to operating difficulties experienced by some small and medium private enterprises in Jiangsu and Zhejiang region. Looking ahead, the Bank will further optimize its credit structure, to make more high-quality loans, to prevent and resolve various potential risks that may arise from existing loans and to strictly control incremental NPLs, so as to guarantee the stability of asset quality.

Five-tier loan classification

(In RMB million)

5-tier classification	September 30, 2012		December 31, 2011		Increase or decrease for the end of the period compared with the beginning of the year (%)
	Balance	%	Balance	%	
Pass	693,353	98.34%	612,937	98.76%	13.11%
Special mention	6,074	0.86%	4,410	0.71%	37.72%
NPL	5,657	0.80%	3,295	0.53%	71.69%
Including: Substandard	4,036	0.57%	1,744	0.28%	131.38%
Doubtful	779	0.11%	893	0.14%	(12.72%)
Loss	842	0.12%	658	0.11%	28.03%
Total loans	705,084	100.00%	620,642	100.00%	13.61%
Balance of provision for impairment of loans	(11,846)		(10,566)		12.11%
NPL ratio	0.80%		0.53%		+0.27 percentage point
Provision coverage ratio	209.40%		320.66%		-111.26 percentage points

The Bank's Special Mention loans and NPLs increased during the reporting period, which

mainly came from Jiangsu and Zhejiang region. Affected by the macro-economic and financial situation and the folk credit crisis, part of small and medium-sized enterprises in the Jiangsu and Zhejiang region, in particular in Wenzhou, has suffered capital chain rupture and entrepreneurs' escape since September 2011, resulting in worsening of the asset quality of Wenzhou branch, which has imposed large pressure on the asset quality of the Bank. However, as the total amount of loan of Wenzhou branch only represented a relatively small proportion of 2.80% to the whole bank, and most of the non-performance loans were secured by pledges, the overall risk was under control and the impact on the normal operation of the Bank was relatively minimal.

As of the end of the reporting period, according to the five-tier loan classification system, NPL balance of the Bank was RMB5.657 billion, representing an increase of RMB2.362 billion or 71.69% as compared with the beginning of the year. NPL ratio was 0.80%, up 0.27 percentage point from the beginning of the year. Provision coverage for loans was 209.40%, down 111.26 percentage points over the beginning of the year. Excluding the effects of Wenzhou branch, the Bank's NPL ratio was 0.56%, which continued to remain at a relatively low level.

Loan structure and quality by industry

(In RMB million)

Industries	September 30, 2012			December 31, 2011		
	Balance	%	NPL ratio	Balance	%	NPL ratio
Agriculture, husbandry and fishery	1,900	0.27%	0.53%	1,695	0.27%	-
Mining (heavy industry)	11,329	1.61%	-	6,619	1.07%	-
Manufacturing (light industry)	151,242	21.45%	1.53%	134,197	21.62%	0.78%
Energy	15,247	2.16%	-	14,644	2.36%	-
Transportation, posts And telecommunication	30,525	4.33%	0.27%	29,259	4.71%	0.40%
Commerce	124,739	17.69%	1.49%	106,970	17.24%	0.99%
Real estate	40,661	5.77%	0.03%	36,633	5.90%	0.54%
Social service, technology, culture and sanitary industries	46,343	6.57%	0.21%	51,689	8.33%	0.27%
Construction	30,429	4.32%	0.26%	27,570	4.44%	0.09%
Others (mainly personal loans)	213,019	30.21%	0.57%	193,683	31.21%	0.36%
Discount	39,650	5.62%	-	17,683	2.85%	0.07%
Total loans and	705,084	100.00%	0.80%	620,642	100.00%	0.53%

advances						
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As of the end of the reporting period, the loans of the Bank mainly concentrated in manufacturing and commerce, and the loan balances were RMB 151.242 billion and RMB 124.739 billion respectively, accounting for 21.45% and 17.69% of total loans. The Bank's NPLs mainly concentrated in manufacturing and commerce, and NPL ratios for other industries were all lower than 0.6%.

During the reporting period, the Bank's incremental corporate loans mainly concentrated in commerce and manufacturing, representing a growth of RMB 17.769 billion and RMB 17.045 billion over the beginning of the year and accounting for 21.04% and 20.19% of total incremental loans.

Loan quality by region

(In RMB million)

Region	September 30, 2012		December 31, 2011	
	Balance	NPL ratio	Balance	NPL ratio
East region				
South region	246,902	1.44%	228,038	0.56%
West region	227,104	0.41%	200,329	0.46%
North region	59,206	0.22%	47,852	0.22%
Headquarters	127,047	0.49%	110,995	0.49%
Total	44,825	0.92%	33,428	1.32%
Region	705,084	0.80%	620,642	0.53%

From the perspective of loan structure by region, the incremental NPLs of the Bank mainly concentrated in the East region during the reporting period, in particular our Wenzhou branch, and its NPL balance for the end of the period accounted for 32.24% of the total NPL balance.

Loan structure and quality by product

(In RMB million)

Item	September 30, 2012		December 31, 2011		NPL ratio change
	Balance	NPL ratio	Balance	NPL ratio	
Corporate loans (excluding credit cards)	495,608	0.90%	430,702	0.60%	+0.30 percentage point
Including: General loans	455,958	0.98%	413,019	0.63%	+0.35 percentage point
Discounts	39,650	-	17,683	0.07%	-0.07 percentage point
Retail loans	171,154	0.47%	165,227	0.25%	+0.22 percentage point

(excluding credit cards)					
Including: Housing mortgage loans	69,053	0.24%	75,373	0.19%	+0.05 percentage point
Entrepreneur loans	51,819	0.78%	43,353	0.31%	+0.47 percentage point
Auto loans	17,381	0.19%	12,705	0.23%	-0.04 percentage point
Others	32,901	0.60%	33,796	0.32%	+0.28 percentage point
Account receivables of credit cards	38,322	1.07%	24,713	1.10%	-0.03 percentage point
Total loans	705,084	0.80%	620,642	0.53%	+0.27 percentage point

Loan impairment provision accrual and write-offs during the report period

(In RMB million)

Item	January- September 2012
Period-beginning balance	10,566
Add: Accrual for the current period (including non-credit impairment provision)	2,215
Less: Interest offset of impaired loans	147
Less: Non-credit impairment provision	73
Net accruals in the current period	1,995
Add: Recoveries in current period	274
Add: Exchange difference and other changes	(10)
Less: Written-off in the period	979
Period-end balance	11,846

Restructured, overdue and non-accrual loans as of the end of the reporting period

(In RMB million)

Item	September 30, 2012		December 31, 2011	
	Balance	Percentage over total loans	Balance	Percentage over total loans
Restructured loans	897	0.13%	992	0.16%
Loans, with overdue time for principal or interests within 90 days	4,734	0.67%	2,515	0.41%
Loans, with overdue time for principal or interests exceeding 90 days	7,191	1.02%	2,771	0.45%

Analysis and description :

(1) As of the end of the reporting period, the restructured loan balance of the Bank was RMB 897 million, representing a decrease of RMB 95 million or 9.58% over the beginning of the year, primarily due to further improvement of disposal efficiency of non-performing assets by the Bank through its reinforced management of restructured loans and its strengthened collection and disposal of restructured loans in respect of non-performing assets.

(2) As of the end of the reporting period, the balance of the Bank's loans with overdue time within 90 days was RMB 4.734 billion, representing an increase of RMB 2.219 billion or 88.23% over the beginning of the year; and the balance of the Bank's loans with overdue time exceeding 90 days was RMB 7.191 billion, representing an increase of RMB 4.420 billion or 159.51% over the beginning of the year.

Government financing platform loans

Through opening-up package and one-by-one review of government financing platform loans in the whole year of 2010 and the special clearing up and standardizing work in 2011, the Bank has gradually realized effective control on the government financing platform loans based on the established working plan. During the reporting period, the Bank, on the foundation of management via "listed system", continued to foster the resolving of platform loan risks via measures such as credit classification and management, strict control on total amount as well as rectification on newly added and deepened deposit amount.

According to the list of government financing platform published by China Banking Regulatory Commission on September 30, 2012, as of the end of the reporting period, the balance of the Bank's loans to government financing platform (including general corporate loans and loans still managed as platforms after rectification) was RMB 42.458 billion, representing a decrease of RMB 8.478 billion or 16.64% as compared with the beginning of the year and accounting for 6.02% of various loan balances.

Among which: in terms of loan type, the balance of the Bank's loans corrected to general corporate loans was RMB22.044 billion, accounting for 3.12% of total loan balance; the balance of loans still managed as platform loans was RMB20.414 billion, accounting for 2.90% of total loan balance.

In terms of loan quality, the platform loan quality of the Bank remained good with no non-performing loan.

Recovery of non-performing assets

During the reporting period, the Bank achieved good recovery results. It recovered non-performing assets of RMB1.324 billion in aggregate, including credit assets (loan principal) of RMB1.199 billion. Of the recovered principal amount of loans, loans of RMB274 million were written off and non-performing loans of RMB925 million were not written off. 97.82% of loans were recovered in cash while the rest was in the form of repossessed assets.

3.7.4 Income and profit

Interest income and expense

Daily average balance, and average yield or average cost rate of the major asset and liability items during the report period

(in RMB million , %)

Item	January- September 2012			January- September 2011		
	Daily average balance	Interest income/ expense	Average yield / cost rate (%)	Daily average balance	Interest income/ expense	Average yield / cost rate (%) (Note*)
Assets						
Loans and advances (excluding discount)	631,760	32,900	6.96%	567,655	21,762	6.27%
Bond investment	194,680	5,775	3.96%	172,121	3,631	3.57%
Placement at PBOC	175,238	1,995	1.52%	123,274	1,111	1.51%
Discounted bills and inter-banks business	238,382	8,990	5.04%	210,809	7,399	5.47%
Others	140,525	6,514	6.19%	30,722	1,096	4.86%
Total interest-earning assets	1,380,585	56,174	5.44%	1,104,581	34,999	5.13%
Liabilities						
Deposits	903,263	17,283	2.56%	797,120	10,186	2.10%
Bond issue	16,117	750	6.22%	14,540	582	5.96%
Inter-bank business	341,922	11,529	4.50%	217,357	6,044	4.63%
Others	41,587	2,052	6.59%	12,665	506	5.57%

Total interest-bearing liabilities	1,302,889	31,614	3.24%	1,041,682	17,318	2.73%
Net interest income		24,560			17,681	
Loan-to-deposit spread			4.40%			4.17%
NIS			2.20%			2.40%
NIM			2.38%			2.56%

Note * : (1) Average yield / cost rate for January- September 2011 was calculated based on the aggregated interest income/ expense of the annualized interest income/ expense for January-September 2011 of the Original SDB and the annualized interest income/ expense for July-September 2011 of the Original Ping An Bank.

(2) NIS = Yield of interest-earning asset –cost rate of interest –bearing liabilities; NIM = (Net interest income/average daily balance of interest-earning assets) * 100%.

On a period-on-period basis, under the influence of the interest rate adjustment policies of the Central Bank since 2011, and following the guidance of the Bank’s portfolio management and pricing strategy, deposit-loan spread recorded a better growth, but net interest spread and net interest margin were lowered due to the expansion of the scale of inter-bank business.

Item	July- September 2012			April- June 2012		
	Daily average balance	Interest income/ expense	Average yield / cost rate (%)	Daily average balance	Interest income/ expense	Average yield / cost rate (%)
Assets						
Loans and advances (excluding discount)	645,083	11,079	6.83%	631,899	11,038	7.03%
Bond investment	193,925	1,868	3.83%	195,482	1,954	4.02%
Placement at PBOC	177,105	676	1.52%	179,020	676	1.52%
Discounted bills and inter-banks business	322,128	3,814	4.71%	252,888	3,069	4.88%

Others	112,096	1,510	5.36%	138,180	2,124	6.18%
Total interest-earning assets	1,450,337	18,947	5.20%	1,397,469	18,861	5.43%
Liabilities						
Deposits	926,509	5,849	2.51%	918,665	5,961	2.61%
Bond issue	16,100	249	6.16%	16,127	250	6.23%
Inter-bank business	400,357	4,078	4.05%	350,102	3,904	4.48%
Others	27,627	367	5.29%	34,227	544	6.39%
Total interest-bearing liabilities	1,370,593	10,543	3.06%	1,319,121	10,659	3.25%
Net interest income		8,404			8,202	
Loan-to-deposit spread			4.32%			4.42%
NIS			2.14%			2.18%
NIM			2.31%			2.36%

On a quarter-on-quarter basis, as the Central Bank has launched twice downward adjustment on interest rate and expanded the margin for fluctuations for deposit and loan interest rate since June 2012, both return on assets and cost rate of liabilities for the third quarter decreased as compared with those for the second quarter, and as return on assets experienced a larger decrease than cost rate of liabilities, deposit-loan spread, net interest spread and net interest margin all narrowed.

Yield of customer loans and advances

(in RMB million , %)

Item	January- September 2012			January- September 2011		
	Daily average balance	Interest income	Average yield (%)	Daily average balance	Interest income	Average yield (%) (Same note*)
Corporate loans (excluding discount)	428,336	21,933	6.84%	391,542	15,207	6.33%
Retail loans	203,424	10,967	7.20%	176,113	6,555	6.15%
Customer loans and advances (excluding discount)	631,760	32,900	6.96%	567,655	21,762	6.27%

Item	July- September 2012			April- June 2012		
	Daily average balance	Interest income	Average yield (%)	Daily average balance	Interest income	Average yield (%)
Corporate loans (excluding discount)	435,374	7,193	6.57%	430,426	7,465	6.98%
Retail loans	209,709	3,886	7.37%	201,473	3,573	7.13%
Customer loans and advances (excluding discount)	645,083	11,079	6.83%	631,899	11,038	7.03%

Cost rate of customer deposits

(in RMB million , %)

Item	January- September 2012			January- September 2011		
	Daily average balance	Interest expense	Average cost rate (%)	Daily average balance	Interest expense	Average cost rate (%) (Same note*)
Corporate deposits	527,998	10,097	2.55%	478,233	6,012	2.15%
Including:						
Demand deposits	198,408	1,113	0.75%	200,262	890	0.74%
Time deposits	329,590	8,984	3.64%	277,971	5,122	3.17%
Including:						
Ministry of Finance and negotiated deposits	55,545	2,244	5.40%	50,274	1,607	4.98%
Corporate margin deposits	212,840	4,049	2.54%	195,127	2,613	2.11%
Retail deposits	162,425	3,137	2.58%	123,760	1,561	1.89%
Including:						
Demand deposits	55,698	197	0.47%	47,498	132	0.49%
Time deposits	106,727	2,940	3.68%	76,262	1,429	2.76%

Total deposits	903,263	17,283	2.56%	797,120	10,186	2.10%
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Item	July- September 2012			April- June 2012		
	Daily average balance	Interest expense	Average cost rate (%)	Daily average balance	Interest expense	Average cost rate (%)
Corporate deposits	546,228	3,468	2.53%	533,091	3,412	2.57%
Including: Demand deposits	200,017	342	0.68%	200,329	383	0.77%
Time deposits	346,211	3,126	3.59%	332,762	3,029	3.66%
Including: Ministry of Finance and negotiated deposits	54,710	715	5.20%	54,831	751	5.51%
Corporate margin deposits	215,272	1,385	2.56%	219,682	1,466	2.68%
Retail deposits	165,009	996	2.40%	165,892	1,083	2.63%
Including: Demand deposits	58,061	60	0.41%	55,347	66	0.48%
Time deposits	106,948	936	3.48%	110,545	1,017	3.70%
Total deposits	926,509	5,849	2.51%	918,665	5,961	2.61%

Fee income and expense

(in RMB million)

Item	January-September 2012	January-September 2011	Change
Settlement fee income	678	600	13.00%
Wealth management business fee income	498	211	136.02%
Agency and entrustment business fee income	692	348	98.85%
Bank card business fee income	1,649	698	136.25%
Consulting and advisory fee income	242	465	(47.96%)
Account management fee income	326	93	250.54%
Others	575	311	84.89%
Subtotal of fee income	4,660	2,726	70.95%
Agency business fee outlay	80	71	12.68%

Bank card fee outlay	348	195	78.46%
Others	77	30	156.67%
Subtotal of fee outlay	505	296	70.61%
Net fee and commission income	4,155	2,430	70.99%

During the reporting period, the Bank's consulting and advisory fee income dropped significantly under the influence of macro environment and regulatory policies. However, benefiting from the expansion of the Bank's size and customer base as well as factors such as the rapid development of bank card business, innovation in wealth management products and increase in service quality and factors on the merger, the Bank's net fee income showed a good overall growth trend.

Other net operating income

Other net operating income includes investment income, gains/losses from changes in fair value, foreign exchange gains/losses and other business income. During the reporting period, other net operating income of the Bank was RMB816 million, representing an increase of 38.18% over the same period of last year, primarily due to price difference gains from bonds and discounted bills.

Operating expense

During the reporting period, operating expense of the Bank increased by 43.09% over the same period of last year to RMB11.387 billion, primarily due to the influence of consolidation basis, headcount and business scale growth, the resources pooled for integrating the policies, procedures and systems of two banks after the merger, and continued investment in upgrading the management process and IT system. Cost to income ratio (excluding business tax) was 38.56%, representing an increase of 0.12 percentage point from 38.44% of the same period of last year, and a decrease of 1.43 percentage points from 2011. Operating expense includes staff expense of RMB6.071 billion with an increase of 44.08% over the same period of last year, business expense of RMB3.62 billion with an increase of 39.54% over the same period of last year, and depreciation, amortization and rentals of RMB1.696 billion with an increase of 47.49% over the same period of last year.

Asset impairment loss

(In RMB million)

Item	Provision for January- September 2012	Provision for January- September 2011	Increase/decrease for the period compared with the same period of last year (%)
Due from banks and other financial institutions	-	12	(100.00%)
Placement with banks and other financial institutions	-	4	(100.00%)
Loan disbursements and advances	2,142	1,231	74.00%
Held-to-maturity investments	-	5	(100.00%)
Long-term equity investments	-	(3)	100.00%
Repossessed assets	2	2	-
Other assets	71	(11)	745.45%
Total	2,215	1,240	78.61%

Income tax expense

During the reporting period, income tax rate of the Bank was 22.86%, up 0.90 percentage point over the same period of last year. According to the Enterprise Income Tax Law of the People's Republic of China and Notification of the State Council on Carrying out the Transitional Preferential Policies concerning Enterprise Income Tax, starting from January 1, 2008, the applicable tax rate for enterprises which originally enjoy preferential income tax rates will be gradually shifted to the statutory tax rate of 25% over five years after the enforcement of the new income tax law.

(In RMB million)

	January- September 2012	January- September 2011	Increase/decrease for the period compared with the same period of last year (%)
Profit before tax	13,412	9,924	35.15%
Income tax expense	3,066	2,179	40.69%
Actual income tax rate	22.86%	21.96%	+0.90 percentage point

3.7.5 Capital adequacy ratio

The Bank's capital adequacy ratio and core capital adequacy ratio were 11.30% and 8.47% respectively as of the end of the reporting period, which were in compliance with regulatory standards.

3.7.6 Business development

3.7.6.1 Corporate business

As of the end of the reporting period, the balance of the Bank's corporate deposits increased by 9.2% from the beginning of the year, while the balance of the corporate loans increased by 15.1% from the beginning of the year.

Corporate wealth management growing continuously

During the reporting period, the Group aggregately launched 1,760 products for corporate wealth management, with scale of sales aggregating to RMB 161.664 billion, including principal guaranteed wealth management products of RMB 152.837 billion and non-principal guaranteed wealth management products of RMB 8.827 billion. As of the end of the reporting period, the balance of corporate wealth management products was RMB21.845 billion, of which, balance of principal guaranteed products was RMB 20.563 billion and balance of non-principal guaranteed products was RMB 1.282 billion.

Trade finance business maintained a healthy development

The Bank's trade finance business maintained a steady growth. As of the end of the reporting period, the number of customers of trade finance amounted to 9,740, the decrease thereof mainly because the Bank, with a purpose to optimize customer structure, proactively exited some customers with relatively high risks. Looking ahead, the Bank will devote more efforts to business innovation and strive to expand to new industrial fields, so as to enlarge our customer base. Balance of the Bank's trade financing facilities amounted to RMB281.5 billion, representing an increase of 20.6% as compared with the beginning of the year; NPL ratio was 0.28%, which continued to remain at a relatively low level.

In terms of trade finance structure, both of the domestic and international trade finance recorded a growth. Domestic trade finance increased by RMB 39.6 billion or 19.6% over the beginning of the year, while international trade finance increased by RMB 8.6 billion or 27.7% over the beginning of the year. In terms of regional distribution, the Northern Region, the Southern Region and the Eastern Region grew by RMB 14.3 billion, RMB 13.4 billion and 11.6 billion respectively, accounting for 29.7%, 27.9% and 24.1% of the total growth; while the Western Region recorded the fastest growth of 42.4%.

Table of trade finance

(in RMB million)

Item	September 30, 2012	%	December 31, 2011	%	Change
Trade finance balance	281,527	100.0%	233,356	100.0%	20.6%
Region: East Region	67,989	24.1%	56,438	24.2%	20.5%
South Region	102,990	36.6%	89,561	38.4%	15.0%
West Region	29,785	10.6%	20,914	9.0%	42.4%
North Region	80,763	28.7%	66,443	28.4%	21.6%
Domestic/International: Domestic	242,082	86.0%	202,463	86.8%	19.6%
International (including offshore)	39,445	14.0%	30,893	13.2%	27.7%
Export	3,136	1.1%	2,013	0.8%	55.8%
Import	36,309	12.9%	28,880	12.4%	25.7%

3.7.6.2 Retail business

At the end of the reporting period, balance for retail deposits of the Bank increased by 13.4% over the beginning of the year, retail loans increased slightly, and net income from retail intermediate business increased by 34.8% on year-on-year basis.

The Bank reinforced research and development in retail sales of wealth management products, launched wealth management products with relative longer maturities, broadened its customer groups and improved customer assets, to strengthen its driving force on savings deposits, and ensure a good increasing trend in deposits; set up and expanded a platform for payment and settlement, and increased customers' coherency while driving the growth of deposits; proactively adjusted loan structure, focused on launching personal credit loans, auto loans and small and micro enterprises' loans with higher yields to enhance the level of yields; endeavored to consolidate the cross-selling platform, boosted sales of products such as bancassurance, funds and so on while expanding the banking business; actively promoted customers' equities, and customized various equities according to demands of the customers at all levels and customers' different value claims, with a view to attracting high-end customers and strengthening the philosophy of private banks.

Table of retail loans

(in RMB million)

Item	September 30, 2012	%	December 31, 2011	%
I. Retail loan excl. Credit Card				
East Region	72,868	42.58%	68,845	41.67%
South Region	59,518	34.77%	58,980	35.69%

West Region	11,806	6.90%	10,294	6.23%
North Region	26,962	15.75%	27,107	16.41%
Head office	-	-	1	-
Total balance of personal loan excl. CC	171,154	100.00%	165,227	100.00%
Among which: Total non-performing loans	800	0.47%	419	0.25%
II. Mortgage loans in personal loans				
Mortgage loan balance	72,683	42.47%	79,749	48.28%
Among which: Home mortgage Loans	69,053	40.35%	75,373	45.63%
Non-performing mortgage	181	0.11%	165	0.21%
Among which: Non-performing housing mortgage	166	0.10%	146	0.19%

The balance of personal loan excluding credit card increased by RMB5.928 billion over the beginning of the year. Among which East Region and West Region increased by RMB 4.023 billion and RMB 1.512 billion respectively compared with the beginning of the year, representing a significant growth.

3.7.6.3 Treasury Business

During the reporting period, by leveraging on integrated financial platform of the Group and the Bank, inter-bank businesses of the Bank optimized the assets and liabilities structure and achieved increases in both scale and efficiency. In respect of inter-bank assets and liabilities, the structure was continuously optimized while the scale was expanding, the number of testing online accounts on the inter-bank cooperation platform continued to increase, and the customer base of involved in the inter-bank cooperation continued to expand. For inter-bank products, sales team and channels were preliminary established and sales was increased steadily. The Bank also continued to strengthen market analysis and research, thus its transaction capacity was improved continuously.

Rapid growth in inter-bank business size and significant achievements in channel expansion

During the reporting period, the Bank strove to optimize the structure of its inter-bank businesses and maintain its inter-bank interest spread level, as a result, operating income from inter-bank businesses grew sequentially and became the major source of profits of the Bank.

The Bank made great progress in inter-bank cooperation, number of institutions involved in inter-bank cooperation of third-parties' custody, number of institutions involved in bank-securities companies cooperation of third-parties' depository and number of institutions involved in

inter-bank cooperation of “E Banking” all reached new high.

The Bank actively facilitated the development of advancement-for-client businesses, innovated products and improved services in respects of foreign exchange and precious metal, resulting in a rapid growth in the operating income of inter-bank businesses, provided strong supports to the growth of income from intermediary businesses.

As a result, transaction capacity was enhanced, and profit from various transactional assets was increased by seizing relevant opportunities while risks were under control.

Great enhancement in wealth management business and management capacities

At the end of the reporting period, the number of the Bank’s wealth management products ranked in the forefront among joint-stock banks in China, our market position and competitiveness were insignificantly strengthened.

3.7.6.4 Credit Card Business

Credit card businesses continued to grow rapidly and healthily, and maintained steady profitability. Thus, number of new customers increased steadily and the asset quality was further improved. Card issuance volume increased steadily, and the structure of customer base was optimized continuously.

During the reporting period, 3.03 million new cards were issued by the Bank, representing an increase of 85.17% as compared with the same period of last year. Cross-selling of comprehensive financial services achieved remarkable effects. Percentage of the number of newly issued cards from cross-selling reached 56.24%. The number of credit cards in circulation reached 10.48 million, representing an increase of 15.87% from the beginning of the year. Total amount of transactions reached RMB144.4 billion, representing an increase of 55.86% as compared with the same period of last year. The loan balance amounted to RMB38.3 billion, representing an increase of 55.07% from the beginning of the year. Customer activities were enhanced, average consumption per account increased by RMB1,188 as compared with the same period of last year. Profitability remains stable, net profit before tax increased by 128.74% as compared with the same period of last year. Operating income from intermediary businesses increased by 66.85%, percentage of total intermediary businesses was 34.44%. In which installment businesses grew strongly, sales increased by 78.54% as compared with the same period of last year, made great contribution to intermediary businesses.

The Bank constantly insisted in the risk management system throughout the credit process of credit cards, strengthened risk identification and prevention during pre-loan, in-loan and post-loan. We implemented differentiated risk monitoring measures and portfolio management strategies, according to particular customer condition, to achieve continuous improvement of asset quality of credit card products. At the end of the reporting period, NPL ratio of credit cards was 1.07%, representing a decrease of 0.03% from the beginning of the year. Annualized ratio of bad debts and annual average rate of delay were 0.69% and 0.85% respectively, representing a decrease of

0.33% and 0.23% from the beginning of the year respectively.

After the integration of two banks, the Bank continued to strengthen its brand image of “Safe, Easy to Use and Great Value”, by way of focusing on customer experiences, improving customer services and operations, supporting platform establishment and establishing unified customer hotlines, to realize one-stop customer services progressively. The core system of credit cards operated smoothly, and its efficiency was enhanced greatly to provide better and faster services to customers. The Bank continued to integrate advantageous resources of two banks, and set unified business policies, service standard, charging standard and product pricing standard. For marketing, Ping An Credit Card continued to promote “Special benefits for Ping An” series of activities (“Watch movie at RMB10”, “Gasoline discount 5%”, “Spend RMB199 and get RMB10 in return in supermarket” and “Enjoy one room for one stay”). These activities are designed for different properties and consumption habits of card holders, to promote precise marketing and enhance customer retention, thus received good market response. In addition, by leveraging on Ping An’s integrated finance platform, the Bank will continue to improve the establishment of cross-selling channels for credit card businesses, strive to provide better credit card products and services to customers, and enhance its profitability.

3.7.6.5 Financial Service to Micro Enterprises

During the reporting period, the Bank remained its focus on expanding our financial services to micro enterprises, and investment in institution establishment, staff allocation, risk control system and supporting resources continued to increase.

As of the end of the reporting period, the balance of micro loans of the Bank increased by RMB6.952 billion from the beginning of the year to RMB54.980 billion. Loan amount granted during the reporting period was RMB33.736 billion. Due to the large repayment amount of granted loans, the overall loan size grew slightly. Impacted by the economic condition, NPL ratio of micro loans increased to 1.13%. As the overall size of micro loans was not large, and non-performance events existed mainly in Jiangsu and Zhejiang, so the overall quality of assets of the Bank was limitedly influenced. From the regional perspective, East Region granted loans amounting to RMB15.584 billion, having the largest percentage in total loans of 46.2%, while South Region, North Region and West Region granted loans amounting to RMB10.793 billion, RMB4.198 billion, and RMB3.161 billion respectively, percentages in total loans were 32.0%, 12.4% and 9.4% respectively. Interest rates of all micro loans of the Bank increased significantly.

In RMB million

Items	30 September 2012		31 December 2011		Compared to the beginning of the Year	
	Balance of loans	%	Balance of loans	%	Increase/decrease(±)	Rate
Loans to micro business	54,980	100.00%	48,028	100.00%	6,952	14.47%
Of which: East Region	22,715	41.31%	23,894	(4.93%)	(4.93%)	(4.93%)
South Region	19,124	34.78%	14,464	30.12%	4,660	32.22%
West Region	5,123	9.32%	2,964	6.17%	2,159	72.84%
North Region	8,018	14.58%	6,706	13.96%	1,312	19.56%

3.7.6.6 Auto Financing Agency Service

During the reporting period, the auto financing division granted retail auto loans amounting to RMB11.7 billion, representing an increase of 66% as compared with the same period of last year. Of which, loans granted in the third quarter amounted to RMB5.7 billion, representing an increase of 116%. At the end of the reporting period, the balance of auto loans of the Bank was RMB17.3 billion, increased by 38% from the beginning of the year, and the NPL ratio was 0.18%. Asset quality was maintained while the rapid development of businesses was achieved.

3.7.6.7 Implementation and Profit/Loss of Wealth Management Business and Agency Business

Wealth Management Business: The Bank actively expanded wealth management products, strengthened wealth management innovations, putting emphasize on development of bank and trust cooperation products, and adding structured securities, structured bonds and trust beneficiary products. The Bank developed proprietary wealth management products, and strove to sales enhancement. For precious metal businesses, the Bank emphasized on the development of new products and the expansion of product connotations. It also increased cooperation with subsidiaries under the Group, to improve the sales platform. During the reporting period, the wealth management products (including corporate and retail) provided by the Bank reached the amount of over RMB980.0 billion, in which, capital preservation wealth management fees income amounted to over RMB750.0 billion, and fees income of wealth management businesses was RMB0.498 billion, representing an increase of 74.81% as compared with the same period of last year based on the same calculation standard. At the end of the reporting period, balance of wealth management capital of the Bank (including corporate and retail) amounted to RMB141.9 billion,

in which, balance of capital preservation wealth management assets amounted to RMB73.9 billion.

Agency Business: the Bank has established a comprehensive entrustment business unit, covering more than 20 trustable products of 7 categories: public funds, wealth management for securities companies, trusts, wealth management for banks, PE public funds, social security funds, transaction fund custodies. The Bank also established stable cooperation relationship with more than 150 financial and asset management institutional customers.

During the reporting period, accumulated custodian fees income was RMB15.960 million, representing an increase of 131% as compared with the same period of last year. Net value of assets under custody amounted to RMB37.30 billion, representing an increase of 215% from the beginning of the year, which was significantly higher than the average level in the market.

3.7.7 Institution expansion

In the first three quarters, the Bank has newly opened 15 institutions, of which 6 was opened in the third quarter. In the operating institutions newly opened in the third quarter, 1 was operating institution of branch level and 5 were operating institutions of sub-branch level, thus, the Bank had 410 outlets in total (the closed outlets included). Below is a list of operating institutions of the Bank:

Name of branch and sub-branch	Address
Zhengzhou Branch (including Zhengzhou Branch Outlet)	No. 25 Shang Wu Wai Huan Road, Zhengzhou New District, Zhengzhou
Quanzhou Huian Sub-Branch	Block 21, Xintingwei sub-district, Century Avenue, Huian County, Quanzhou
Guangzhou Jinsuilu Sub-Branch	No. 68 Jinsui Road, Tianhe District, Guangzhou
Xiamen Jimei Sub-Branch	No. 20 Xinglin East Road, Jimei District, Xiamen
Foshan Fenjiang Sub-Branch	No. 25 Lvjingyi Road, Chancheng District, Foshan
Fuzhou Pingtan Sub-Branch	No. 31 Hongdongzhuang, Cuiyuan North Road, Tancheng Town, Pingtan County, Fuzhou

Audit opinion: This is subject to formal audit.

Board of Directors
Ping An Bank Co., Ltd.
26 October 2012

Appendices:

1. Consolidated and parent balance sheet
2. Consolidated and parent income statement
3. Consolidated and parent cash flow statement

ASSETS	2012-9-30	2011-12-31
Cash on hand and due from the Central Bank	182,474,068	160,635,236
Placements of deposits with other financial institutions	70,359,847	39,884,342
Funds loaned to other financial institutions	17,401,541	8,446,567
Financial assets at fair value through profit or loss	6,925,435	2,607,902
Derivative financial assets	691,295	810,577
Reverse repurchase agreements	133,653,945	34,303,887
Accounts receivable	98,402,775	170,589,011
Interest receivable	8,165,416	7,274,189
Loans and advances	693,238,075	610,075,336
Available-for-sale financial assets	80,733,960	78,383,526
Held-to-maturity investments	105,931,385	107,683,080
Receivables	53,939,700	13,732,100
Long term equity investments	535,796	539,294
Goodwill	7,568,304	7,568,304
Investment properties	250,329	262,791
Fixed assets	3,182,252	3,524,265
Intangible assets	5,689,380	5,989,731
Deferred tax assets	3,328,347	2,889,762
Other assets	5,058,894	2,977,044
TOTAL ASSETS	1,477,530,744	1,258,176,944
LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to the Central Bank	25,817,426	1,130,876
Placements of deposits from other financial institutions	319,747,312	155,409,777
Funds borrowed from other financial institutions	10,180,100	25,279,349
Financial liabilities at fair value through profit or loss	1,065,689	-
Derivative financial liabilities	715,717	732,418
Repurchase agreements	33,944,541	39,197,371
Customer deposits	935,396,853	850,845,147
Employee benefits payable	4,143,354	3,600,345
Tax payable	2,181,349	2,535,814
Accounts payable	29,768,767	70,560,734
Interest payable	11,370,360	9,913,661
Bonds payable	16,072,173	16,054,486
Provisions	86,597	112,246
Deferred tax liabilities	1,273,659	1,351,062
Other liabilities	4,040,962	6,073,074
TOTAL LIABILITIES	1,395,804,859	1,182,796,360
SHAREHOLDERS' EQUITY:		
Share capital	5,123,350	5,123,350
Capital reserve	40,227,235	41,537,746
Surplus reserve	2,830,459	2,830,459
General reserve	11,799,151	7,954,903
Unappropriated profit	21,745,690	15,864,379
Total shareholders' equity attributable to the parent company	81,725,885	73,310,837
Non-controlling shareholders' equity	-	2,069,747
TOTAL SHAREHOLDERS' EQUITY	81,725,885	75,380,584
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,477,530,744	1,258,176,944

Legal representative: Xiao Suining

President: Richard Jackson

Chief financial officer: Chen Wei

Accounting manager: Wang Lan

ASSETS	2012-9-30	2011-12-31
Cash on hand and due from the Central Bank	182,474,068	119,945,894
Placements of deposits with other financial institutions	70,359,847	15,346,333
Funds loaned to other financial institutions	17,401,541	6,017,091
Financial assets at fair value through profit or loss	6,925,435	2,512,660
Derivative financial assets	691,295	786,739
Reverse repurchase agreements	133,653,945	28,916,930
Accounts receivable	98,402,775	166,620,120
Interest receivable	8,165,416	5,563,972
Loans and advances	693,238,075	460,982,960
Available-for-sale financial assets	80,733,960	48,292,746
Held-to-maturity investments	105,931,385	83,640,331
Receivables	53,939,700	13,732,100
Long term equity investments	535,796	27,216,181
Goodwill	7,568,304	-
Investment properties	250,329	212,523
Fixed assets	3,182,252	2,563,163
Intangible assets	5,689,380	261,016
Deferred tax assets	3,328,347	2,606,163
Other assets	5,058,894	2,583,553
TOTAL ASSETS	1,477,530,744	987,800,475
LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to the Central Bank	25,817,426	861,233
Placements of deposits from other financial institutions	319,747,312	125,309,018
Funds borrowed from other financial institutions	10,180,100	24,470,000
Financial liabilities at fair value through profit or loss	1,065,689	-
Derivative financial liabilities	715,717	715,472
Repurchase agreements	33,944,541	27,707,200
Customer deposits	935,396,853	640,585,112
Employee benefits payable	4,143,354	2,972,260
Tax payable	2,181,349	2,085,106
Accounts payable	29,768,767	67,258,052
Interest payable	11,370,360	7,769,337
Bonds payable	16,072,173	13,130,234
Provisions	86,597	22,020
Deferred tax liabilities	1,273,659	65,737
Other liabilities	4,040,962	2,711,340
TOTAL LIABILITIES	1,395,804,859	915,662,121
SHAREHOLDERS' EQUITY:		
Share capital	5,123,350	5,123,350
Capital reserve	39,972,961	41,462,697
Surplus reserve	2,830,459	2,830,459
General reserve	11,799,151	7,954,903
Unappropriated profit	21,999,964	14,766,945
TOTAL SHAREHOLDERS' EQUITY	81,725,885	72,138,354
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,477,530,744	987,800,475

Legal representative: Xiao Suining

President: Richard Jackson

Chief financial officer: Chen Wei

Accounting manager: Wang Lan

Items	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
I. Operating income	9,906,139	8,564,132	29,531,673	20,701,401
Net interest income	8,403,537	7,288,763	24,560,134	17,680,986
Interest income	18,947,348	15,458,998	56,174,192	34,999,460
Interest expense	10,543,811	8,170,235	31,614,058	17,318,474
Net fee and commission income	1,376,268	1,242,254	4,155,558	2,429,891
Fee and commission income	1,560,646	1,395,603	4,660,362	2,725,638
Fee and commission expense	184,378	153,349	504,804	295,747
Other net operating income	126,334	33,115	815,981	590,524
Investment income	145,468	-75,250	597,346	277,211
Gains or losses from changes in fair values	-22,287	-7,785	-33,645	-15,650
Foreign exchange gains/(losses)	-10,487	83,342	173,134	235,013
Other operating income	13,640	32,808	79,146	93,950
II. Operating costs	4,738,471	4,283,197	13,956,871	9,642,577
Business tax and surcharge	834,065	731,521	2,569,731	1,684,612
Business and administrative expenses	3,904,406	3,551,676	11,387,140	7,957,965
III. Operating profit before impairment losses on assets	5,167,668	4,280,935	15,574,802	11,058,824
Impairment losses on assets	644,488	509,285	2,214,722	1,239,963
IV. Operating profit	4,523,180	3,771,650	13,360,080	9,818,861
Add: Non-operating income	14,382	106,094	73,120	145,351
Less: Non-operating expenses	4,097	16,464	21,086	39,769
V. Profit before tax	4,533,465	3,861,280	13,412,114	9,924,443
Less: Income tax expense	1,057,056	847,344	3,066,141	2,179,366
VI. Net profit	3,476,409	3,013,936	10,345,973	7,745,077
Net profit attributable to owners of parent	3,476,409	2,956,041	10,237,894	7,687,182
Gains or losses of minority shareholders	-	57,895	108,079	57,895
VII. Earnings per share				
(I) Basic earnings per share	0.68	0.65	2.00	2.01
(II) Diluted earnings per share	0.68	0.65	2.00	2.01
VIII. Other comprehensive income	-1,060,798	-516,214	-798,283	-598,339
IX. Total comprehensive income	2,415,611	2,497,722	9,547,690	7,146,738
Total comprehensive income attributable to owners of parent	2,415,611	2,469,641	9,421,343	7,118,657
Total comprehensive income attributable to minority shareholders	-	28,081	126,347	28,081

Legal representative: Xiao Suining

President: Richard Jackson

Chief financial officer: Chen Wei

Accounting manager: Wang Lan

Items	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
I. Operating income	9,906,139	6,249,409	27,894,835	18,386,678
Net interest income	8,403,537	5,421,146	21,275,890	15,813,369
Interest income	18,947,348	11,594,339	49,373,744	31,134,800
Interest expense	10,543,811	6,173,193	28,097,854	15,321,431
Net fee and commission income	1,376,268	774,980	3,420,025	1,962,618
Fee and commission income	1,560,646	871,292	3,829,027	2,201,327
Fee and commission expense	184,378	96,312	409,002	238,709
Other net operating income	126,334	53,283	3,198,920	610,691
Investment income	145,468	-44,539	3,006,760	307,921
Gains or losses from changes in fair values	-22,287	-6,344	-36,510	-14,209
Foreign exchange gains/(losses)	-10,487	73,061	154,059	224,732
Other operating income	13,640	31,105	74,611	92,247
II. Operating costs	4,738,471	2,989,057	11,706,628	8,348,436
Business tax and surcharge	834,065	561,486	2,214,934	1,514,577
Business and administrative expenses	3,904,406	2,427,571	9,491,694	6,833,859
III. Operating profit before impairment losses on	5,167,668	3,260,352	16,188,207	10,038,242
Impairment losses on assets	644,488	308,695	1,971,329	1,039,374
IV. Operating profit	4,523,180	2,951,657	14,216,878	8,998,868
Add: Non-operating income	14,382	102,941	64,113	142,198
Less: Non-operating expenses	4,097	3,551	13,171	26,855
V. Profit before tax	4,533,465	3,051,047	14,267,820	9,114,211
Less: Income tax expense	1,057,056	663,000	2,678,218	1,995,022
VI. Net profit	3,476,409	2,388,047	11,589,602	7,119,189
VII. Earnings per share				
(I) Basic earnings per share	0.68	0.52	2.26	1.85
(II) Diluted earnings per share	0.68	0.52	2.26	1.85
VIII. Other comprehensive income	-1,060,798	-193,905	-995,776	-276,031
IX. Total comprehensive income	2,415,611	2,194,142	10,593,826	6,843,158

Legal representative: Xiao Suining

President: Richard Jackson

Chief financial officer: Chen Wei

Accounting manager: Wang Lan

Items	Jan-Sep 2012	Jan-Sep 2011
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase in amounts due to the Central Bank	24,668,709	-
Net increase in customer deposits and placements of deposits	248,889,240	115,297,560
Net decrease in funds loaned to other financial institutions	-	866,673
Net increase in funds loaned from other financial institutions	-	500,337
Net increase in repurchase agreements		4,127,770
Net decrease in accounts receivable	72,186,236	-
Net increase in accounts payable	-	41,615,147
Net decrease in reverse repurchase agreements	-	32,302,004
Cash receipts from interest and fee and commission income	48,979,107	26,767,390
Cash receipts relating to other operating activities	2,025,731	2,003,505
Subtotal of cash inflows from operating activities	396,749,023	223,480,386
Net increase in amounts due from the Central Bank and placements of deposits with other financial institutions	50,008,135	28,075,071
Net decrease in amounts due from the Central Bank	-	1,256,649
Net increase in funds loaned to other financial institutions	1,685,385	-
Net decrease in funds loaned from other financial institutions	15,099,249	-
Net increase in reverse repurchase agreements	65,212,588	-
Net increase in accounts receivable	-	96,397,639
Net decrease in accounts payable	40,791,967	-
Net increase in loans and advances	83,028,516	55,242,688
Net decrease in repurchase agreements	5,324,402	-
Cash payments for interest and fee and commission expenses	29,296,296	14,005,453
Cash payments for salaries and staff expenses	5,527,595	3,859,678
Cash payments for taxes	6,283,474	3,655,034
Cash payments relating to other operating activities	11,709,302	3,105,013
Subtotal of cash outflows from operating activities	313,966,909	205,597,225
Net cash flows generated from operating activities	82,782,114	17,883,161
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from investments upon disposal/maturity	139,805,549	101,881,640
Cash receipts from investment income	8,062,359	3,411,571
Cash receipts from disposal of fixed assets and investment properties	-	3,437
Subtotal of cash inflows from investing activities	147,867,908	105,296,648
Cash payments for investments	184,130,056	139,217,011
Cash payments for acquisition of subsidiary's non-controlling shareholders' equity	2,574,977	-
Cash payments for fixed assets, intangible assets, construction in progress and leasehold improvements	328,143	350,971
Subtotal of cash outflows from investing activities	187,033,176	139,567,982
Net cash flows used in investing activities	-39,165,268	-34,271,334
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from issue of share capital	-	2,690,052
Cash receipts from bond issue	-	3,650,000
Subtotal of cash inflows from financing activities	-	6,340,052
Cash payments for issue of share capital	-	-
Cash payments for dividend distribution and interest	889,863	473,828
Subtotal of cash outflows from financing activities	889,863	473,828

Net cash flows generated from financing activities	-889,863	5,866,224
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-11,705	-21,528
V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	42,715,278	-10,543,477
Add: Balance of cash and cash equivalents at beginning of the period	67,906,367	84,876,253
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	110,621,645	74,332,776

Legal representative: Xiao Suining

President: Richard Jackson

Chief financial officer: Chen Wei

Accounting manager: Wang Lan

Items	Jan-Sep 2012	Jan-Sep 2011
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in amounts due to the Central Bank	24,938,373	-
Net increase in customer deposits and placements of deposits	214,906,897	119,211,327
Net decrease in funds loaned to other financial institutions	-	866,673
Net increase in repurchase agreements	4,695,769	-
Net decrease in accounts receivable	72,163,701	-
Net increase in accounts payable	-	40,330,966
Net decrease in reverse repurchase agreements	-	23,702,178
Cash receipts from interest and fee and commission income	42,703,973	23,286,192
Cash receipts relating to other operating activities	1,966,093	1,980,590
Subtotal of cash inflows from operating activities	361,374,806	209,377,926
Net increase in amounts due from the Central Bank and placements of deposits with other financial institutions	44,517,310	22,383,291
Net decrease in amounts due from the Central Bank	-	1,256,649
Net increase in funds loaned to other financial institutions	1,745,385	-
Net decrease in funds loaned from other financial institutions	14,712,996	387,174
Net increase in reverse repurchase agreements	65,227,729	-
Net increase in accounts receivable	-	95,114,767
Net decrease in accounts payable	37,992,740	-
Net increase in loans and advances	75,595,051	51,059,605
Net decrease in repurchase agreements	-	1,014,055
Cash payments for interest and fee and commission expenses	26,057,271	12,282,816
Cash payments for salaries and staff expenses	4,617,427	3,435,369
Cash payments for taxes	5,352,582	3,332,677
Cash payments relating to other operating activities	8,112,601	2,465,429
Subtotal of cash outflows from operating activities	283,931,092	192,731,832
Net cash flows generated from operating activities	77,443,714	16,646,094
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from investments upon disposal/maturity	138,574,277	79,082,052
Cash receipts from investment income	7,108,182	2,861,334
Cash receipts from disposal of fixed assets and investment properties	-	3,437
Cash and cash equivalents of subsidiary receipts upon a acquisition	37,854,809	-
Subtotal of cash inflows from investing activities	183,537,268	81,946,823
Cash payments for investments	183,215,956	119,371,375
Cash payments for acquisition of subsidiary's non-controlling shareholders' equity	2,574,977	-
Cash payments for fixed assets, intangible assets, construction in progress and leasehold improvements	320,667	301,532
Subtotal of cash outflows from investing activities	186,111,600	119,672,907
Net cash flows used in investing activities	-2,574,332	-37,726,084
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from issue of share capital	-	2,690,052
Cash receipts from bond issue	-	3,650,000
Subtotal of cash inflows from financing activities	-	6,340,052
Cash payments for issue of share capital	-	-
Cash payments for dividend distribution and interest	889,863	473,625
Subtotal of cash outflows from financing activities	889,863	473,625
Net cash flows generated from financing activities	-889,863	5,866,427

IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-29,603	-
V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>73,949,916</u>	<u>-15,213,563</u>
Add: Balance of cash and cash equivalents at beginning of the period	36,671,729	68,147,808
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>110,621,645</u>	<u>52,934,245</u>

Legal representative: Xiao Suining President: Richard Jackson Chief financial officer: Chen Wei Accounting manager: Wang Lan