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# 中国银行股份有限公司

## 2006 年第三季度报告

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# 中国银行股份有限公司

## 2006 年第三季度报告正文

### § 1 重要提示

1.1 公司董事会、监事会及董事、监事、高级管理人员保证本报告所载资料不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

1.2 公司全体董事出席董事会会议。

1.3 公司第三季度财务报告未经审计。

1.4 公司负责人董事长肖钢、行长李礼辉，主管会计工作负责人周载群，会计机构负责人刘燕芬声明：保证本季度报告中财务报告的真实、完整。

### § 2 公司基本情况

#### 2.1 公司基本信息

股票简称	中国银行
股票代码	601988（A股）
上市证券交易所	上海证券交易所
股票简称	中国银行
股票代码	3988（H股）
上市证券交易所	香港联合交易所有限公司
	董事会秘书
姓名	杨志威
联系地址	中国北京市复兴门内大街1号
电话	010-66596688
传真	010-66016871
电子信箱	bocir@bank-of-china.com

## 2.2 财务资料

### 2.2.1 主要会计数据及财务指标

#### 2.2.1.1 按中国会计准则编制的主要会计数据及财务指标

币种:人民币

	2006年9月30日	2005年12月31日
总资产(百万元)	5,268,846	4,742,806
股东权益(不含少数股东权益)(百万元)	378,349	233,842
每股净资产(元)	1.49	1.12
调整后的每股净资产(元)	1.48	1.11

	2006年7-9月	2006年1-9月
每股收益(元)(全面摊薄)	0.05	0.12
净资产收益率(%) (年率, 不含少数股东权益, 全面摊薄)	13.23	11.12
扣除非经常性损益后的净资产收益率(%) (年率, 不含少数股东权益, 全面摊薄)	12.62	10.66

非经常性损益项目列示如下:

项 目	2006年7-9月(百万元)
营业外收入	276
营业外支出	(60)
处置长期股权投资净收益	476
以前年度已经计提各项减值准备的转回	179
相应税项调整	(287)
合计	584

2.2.1.2 按中国会计准则和按国际财务报告准则呈报的2006年前三季度本公司的净利润和报告期末股东权益（不含少数股东权益）的差异

单位：人民币百万元

	净利润	股东权益
	2006年1-9月	2006年9月30日
<b>按中国会计准则呈报</b>	<b>31,541</b>	<b>378,349</b>
国际财务报告准则转换调整：		
1. 冲回资产评估增值及相关的折旧费用	245	(7,754)
2. 投资物业以公允价值计量	411	3,227
3. 权益性投资分类为可供出售证券并以公允价值计量	-	2,113
4. 计提内退员工内退期间的工资及福利义务	325	(4,772)
5. 对非交易性贵金属按成本法计量	(108)	(745)
6. 递延所得税的影响	211	2,006
7. 以上事项对少数股东权益的影响及其他	(167)	560
小计	917	(5,365)
<b>按国际财务报告准则呈报</b>	<b>32,458</b>	<b>372,984</b>

2.2.2 利润表（未经审计）

单位：人民币百万元

项目	2006年7-9月	2006年1-9月
利息收入	56,606	156,383
利息支出	(24,228)	(69,529)
<b>净利息收入</b>	<b>32,378</b>	<b>86,854</b>
手续费及佣金收支净额	3,231	10,072
净交易收入	(1,245)	(1,438)
投资收益	607	2,288
其他业务收支净额	1,047	2,844
	<b>36,018</b>	<b>100,620</b>
业务及管理费	(12,052)	(35,245)
营业税金及附加	(1,675)	(4,662)
<b>营业利润</b>	<b>22,291</b>	<b>60,713</b>
营业外收支净额	216	683
<b>扣除资产减值损失前利润总额</b>	<b>22,507</b>	<b>61,396</b>
资产减值损失	(2,222)	(7,098)
<b>利润总额</b>	<b>20,285</b>	<b>54,298</b>
所得税	(6,604)	(18,966)
<b>税后利润</b>	<b>13,681</b>	<b>35,332</b>
少数股东应享本年利润	(1,164)	(3,791)
<b>净利润</b>	<b>12,517</b>	<b>31,541</b>

## 2.3 报告期末股东总数及前十名股东持股情况

2.3.1 截至报告期末，本公司股东总数为846,456户，其中H股股东426,386户，A股股东420,070户。

### 2.3.2 报告期末A股前十名无限售条件流通股股东持股情况

单位：股

序号	股东名称(全称)	期末持有无限售条件流通股的数量	种类
1	国际金融-渣打-CITIGROUP GLOBAL MARKETS LIMITED	73,451,475	A 股
2	上海汇银投资有限公司	70,000,000	A 股
3	中国工商银行-广发策略优选混合型证券投资基金	51,314,751	A 股
4	中国工商银行-易方达价值精选股票型证券投资基金	50,397,000	A 股
5	中国人寿保险(集团)公司-传统-普通保险产品	47,157,043	A 股
5	中海石油财务有限责任公司	47,157,043	A 股
7	中国建设银行-交银施罗德稳健配置混合型证券投资基金	39,611,957	A 股
8	中国太平洋人寿保险股份有限公司-分红-个人分红	38,064,093	A 股
9	中国太平洋人寿保险股份有限公司-传统-普通保险产品	35,179,154	A 股
10	中船重工财务有限责任公司	33,009,930	A 股

注：除上述部分股东属于同一法人管理之外，本公司未知上述股东之间有关联关系或一致行动关系。

### 2.3.3 报告期末H股前十大股东持股情况

单位：股

序号	股东名称	期末持有股份数量	种类
1	香港中央结算(代理人)有限公司	30,247,998,800	H 股
2	RBS China Investments S.à.r.l.	20,942,736,236	H 股
3	亚洲金融控股私人有限公司	10,471,368,118	H 股
4	全国社会保障基金理事会	8,377,341,329	H 股
5	瑞士银行	3,377,860,684	H 股
6	亚洲开发银行	506,679,102	H 股
7	The Bank of Tokyo-Mitsubishi UFJ Ltd	473,052,000	H 股
8	Wingreat International Limited	420,490,000	H 股
9	Best Sense Investments Limited	236,526,000	H 股
10	Turbo Top Limited	236,526,000	H 股

注：H股股东持股情况根据H股股份过户登记处设置的本公司股东名册中所列的股份数目统计。

### § 3 管理层讨论与分析

#### 3.1 公司报告期内经营活动总体状况的简要分析

截至2006年9月30日，本公司的主要经营情况如下：

-总资产规模达52,688.46亿元，较2005年12月31日增加5,260.40亿元，增长11.09%；总负债规模达48,620.73亿元，较2005年12月31日增加3,818.87亿元，增长8.52%；

-本外币合计贷款总额为24,416.19亿元，较2005年12月31日增加2,065.73亿元，增长9.24%；本外币合计存款总额为40,500.27亿元，较2005年12月31日增加3,462.50亿元，增长9.35%；

-股东权益3,783.49亿元，较2005年12月31日增加1,445.07亿元，增长61.80%；

-按照五级分类，不良贷款余额为985.99亿元，不良率为4.04%。

2006年1-9月，本公司实现净利润315.41亿元。第三季度本公司的外汇净敞口继续下降，汇率风险进一步得到控制。

##### 3.1.1 占主营收入或主营业务利润总额10%以上的主营行业情况

单位：人民币百万元

行业	主营业务收入（2006年1-9月）	主营业务成本（2006年1-9月）
商业银行	168,644	110,470
投资银行	2,222	968
保险业务	6,265	5,804
其他	1,671	302

主营业务收入=利息收入+手续费及佣金收入+净交易收入+投资收益+其他业务收入

主营业务成本=利息支出+手续费及佣金支出+其他业务支出+业务及管理费+营业税金及附加

主营业务收入及成本分地区情况

单位：人民币百万元

地区	主营业务收入（2006年1-9月）	主营业务成本（2006年1-9月）
中国境内	127,273	82,428
港澳及其他境外	54,318	37,904

##### 3.1.2 公司经营的季节性或周期性特征 ☐ 适用 ☒ 不适用

##### 3.1.3 报告期利润构成情况与前一报告期相比的重大变动及原因的说明

报告期内，本公司利润构成情况与前一报告期相比未发生重大变化。

单位：人民币百万元

	2006年1-9月		2006年1-6月	
	金额	占比	金额	占比
主营业务利润	53,615	98.74%	33,546	98.63%
其他业务利润	-	-	-	-
资产减值损失	7,098	13.07%	4,876	14.34%
业务及管理费	35,245	64.91%	23,193	68.19%
营业外收支净额	683	1.26%	467	1.37%
利润总额	54,298	100.00%	34,013	100.00%

其中：主营业务利润=主营业务收入-主营业务成本-资产减值损失

利润总额=主营业务利润+营业外收支净额

### 3.1.4 主营业务收入及其结构与前一报告期相比发生重大变化的情况及原因说明

报告期内，本公司主营业务及其结构与前一报告期相比未发生重大变化。本公司综合考虑本外币资金收益率水平、运用渠道等因素，叙做了衍生业务。有关成本计入净交易收入。

单位：人民币百万元

	2006年1-9月		2006年1-6月	
	金额	占比	金额	占比
利息收入	156,383	88.23%	99,777	86.92%
手续费及佣金收入	12,019	6.78%	8,166	7.11%
净交易收入	(1,438)	-0.81%	(193)	-0.17%
投资收益	2,288	1.29%	1,681	1.46%
其他业务收入	8,002	4.51%	5,366	4.68%
主营业务收入	177,254	100.00%	114,797	100.00%

### 3.1.5 主营业务盈利能力与前一报告期相比发生重大变化的情况及原因说明

报告期内，本公司主营业务盈利能力与前一报告期相比未发生重大变化。

单位：人民币百万元

业务盈利能力	2006年1-9月	2006年1-6月
主营业务收入	177,254	114,797
主营业务成本	116,541	76,375

## 3.2 重大事项及其影响和解决方案的分析说明

☐ 适用 ☒ 不适用

## 3.3 会计政策、会计估计、合并范围变化以及重大会计差错的情况及原因说明

☐ 适用 ☒ 不适用



3.4 经审计且被出具“非标意见”情况下董事会和监事会出具的相关说明

☐ 适用 ☒ 不适用

3.5 预测年初至下一报告期期末的累计净利润可能为亏损或者与上年同期相比发生大幅度变动的警示及原因说明

☐ 适用 ☒ 不适用

3.6 公司对已披露的年度经营计划或预算的滚动调整情况

☐ 适用 ☒ 不适用

3.7 公司原非流通股股东在股权分置改革过程中做出的特殊承诺及其履行情况

☐ 适用 ☒ 不适用

3.8 截止本次季报公告日，未进入股改程序公司的股改工作时间安排说明

☐ 适用 ☒ 不适用

截止本次季报公告日，未进入股改程序公司的相关说明

☐ 适用 ☒ 不适用

董事长：肖钢

中国银行股份有限公司董事会

2006年10月30日

§ 4 附录 财务报表

资产负债表

单位：人民币百万元

中国银行集团

资产	2006 年 9 月 30 日 (未经审计)	2005 年 12 月 31 日 (审计后)
现金	32,344	28,644
贵金属	42,209	30,314
存放中央银行	345,826	316,941
存出发钞基金	37,318	35,586
交易性及其他公允价值变动计入损益的 债券	102,704	107,271
衍生金融产品资产	21,695	16,808
存放及拆放同业	328,902	344,537
债券投资	1,849,650	1,562,320
贷款	2,441,619	2,235,046
减：贷款损失准备	(90,890)	(83,153)
应收利息	25,430	20,408
股权投资	14,590	15,393
固定资产	69,886	72,978
在建工程	4,178	3,342
递延税款借项	17,888	17,561
其他资产	25,497	18,810
<b>资产总计</b>	<b>5,268,846</b>	<b>4,742,806</b>

资产负债表（续）

单位：人民币百万元

中国银行集团

负债	2006 年 9 月 30 日 (未经审计)	2005 年 12 月 31 日 (审计后)
对中央银行负债	41,712	30,055
发行货币债务	37,317	35,731
衍生金融产品及公允价值变动计入损益的负债	110,259	91,174
同业存入及拆入	353,021	345,233
客户存款	4,050,027	3,703,777
应付利息	35,868	27,024
借入专项资金	47,761	52,164
发行债券	60,175	60,179
递延税款贷项	281	184
其他负债	125,652	134,665
<b>负债合计</b>	<b>4,862,073</b>	<b>4,480,186</b>
<b>少数股东权益</b>	<b>28,424</b>	<b>28,778</b>
<b>股东权益</b>		
股本	253,839	209,427
资本公积	76,545	3,978
盈余公积	8,095	5,987
一般准备及法定储备金	9,430	5,109
未分配利润	36,323	12,585
可供出售债券公允价值变动储备	(2,864)	(1,380)
外币报表折算差额	(3,019)	(1,864)
<b>股东权益合计</b>	<b>378,349</b>	<b>233,842</b>
<b>负债和股东权益总计</b>	<b>5,268,846</b>	<b>4,742,806</b>

法定代表人、董事长：肖钢

主管财会工作副行长：周载群

副董事长、行长：李礼辉

财会部总经理：刘燕芬

利润表

单位：人民币百万元

中国银行集团

	2006 年 7-9 月 (未经审计)	2006 年 1-9 月 (未经审计)
利息收入	56,606	156,383
利息支出	(24,228)	(69,529)
<b>净利息收入</b>	<b>32,378</b>	<b>86,854</b>
手续费及佣金收支净额	3,231	10,072
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<b>净利润</b>	<b>12,517</b>	<b>31,541</b>

法定代表人、董事长：肖钢

主管财会工作副行长：周载群

副董事长、行长：李礼辉

财会部总经理：刘燕芬

**Bank of China Limited**

**2006 Third Quarter Report**

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## **Bank of China Limited**

### **2006 Third Quarter Report**

#### **I Important Notes**

**1.1** The Board of Directors of Bank of China Limited (the “Bank”) and its directors, the Board of Supervisors and its supervisors, the senior management of the Bank warrant that there are no fraudulent disclosures, misleading statements or material omissions in this report and that they will be individually and jointly responsible for the truthfulness, accuracy and completeness of the report.

**1.2** All directors of the Bank attended the meeting of the Board of Directors.

**1.3** The third quarter report of the Bank is unaudited.

**1.4** Chairman Xiao Gang, President Li Lihui, Vice President in charge of accounting function Zhou Zaiqun and General Manager in charge of the Accounting Department Liu Yanfen undertake that the financial statements in the third quarter report are true and complete.

#### **II Corporate Information**

##### **2.1 Brief Introduction**

Stock name	Bank of China Limited
Stock code	601988 (A Share)
Place of listing	Shanghai Stock Exchange
Stock name	Bank of China Limited
Stock code	3988 (H Share)
Place of listing	The Stock Exchange of Hong Kong Limited (The Hong Kong Stock Exchange)
	Secretary to the Board
Name	YEUNG Jason Chi Wai
Address	1 Fuxingmen Nei Street, Beijing, PRC China
Telephone	010-66596688
Fax	010-66016871
E-mail	bocir@bank-of-china.com

## 2.2 Financial Information

### 2.2.1 Major Accounting Data and Financial Indicators

2.2.1.1 Major Accounting Data and Financial Indicators prepared under PRC Accounting Standards for Business Enterprises and the Accounting System for Financial Institutions ("PRC GAAP")

Currency: RMB

	As at 30 September 2006	As at 31 December 2005
Total assets (million)	5,268,846	4,742,806
Shareholder's equity (excluding minority interests) (million)	378,349	233,842
Net assets per share	1.49	1.12
Adjusted net assets per share	1.48	1.11

Currency: RMB

	Three month period ended 30 September 2006	Nine month period ended 30 September 2006
Earnings per share (fully diluted)	0.05	0.12
Return on net assets (%) (Annualized, excluding minority interests, fully diluted)	13.23	11.12
Return on net assets deducting non-routine profit/loss (%) (Annualized, excluding minority interests, fully diluted)	12.62	10.66

Non-routine profit/loss items are listed as below:

Amounts: in RMB millions

Items	Three month period ended 30 September 2006
Non-operating income	276
Non-operating expense	(60)
Net gain on disposal of long-term equity investment	476
Write-back of the impairments recognised in previous years	179
Income tax impact of non-routine items	(287)
Total	584



## 2.2.1.2 Reconciliation between PRC GAAP and IFRS on net profit and shareholder's equity (excluding minority interests) for the period ended 30 September 2006

Amount: in RMB millions

	Net profit	Shareholder's equity
	Nine month period ended 30 September 2006	As at 30 September 2006
<b>PRC GAAP figures</b>	<b>31,541</b>	<b>378,349</b>
Adjustments for accounting standard differences:		
1. Reversal of revaluation surplus and corresponding depreciation	245	(7,754)
2. Fair value measurement on investment properties	411	3,227
3. Equity securities classified as available-for-sale financial assets and stated at fair value	-	2,113
4. Early retirement benefit obligation	325	(4,772)
5. Cost method applied on non-trading precious metals	(108)	(745)
6. Deferred tax impact	211	2,006
7. Minority interests effect and others	(167)	560
Subtotal	917	(5,365)
<b>IFRS figures</b>	<b>32,458</b>	<b>372,984</b>

## 2.2.2 Income Statements prepared under PRC GAAP (unaudited)

Amount: in RMB millions

Items	Three month period ended 30 September 2006	Nine month period ended 30 September 2006
Interest income	56,606	156,383
Interest expense	(24,228)	(69,529)
<b>Net interest income</b>	<b>32,378</b>	<b>86,854</b>
Net fee and commission income	3,231	10,072
Net trading income	(1,245)	(1,438)
Investment income	607	2,288
Other operating income, net	1,047	2,844
	<b>36,018</b>	<b>100,620</b>
Operating and administrative expenses	(12,052)	(35,245)
Business tax and surcharges	(1,675)	(4,662)
<b>Operating profit</b>	<b>22,291</b>	<b>60,713</b>
Non-operating income, net	216	683
<b>Profit before impairment losses</b>	<b>22,507</b>	<b>61,396</b>
Impairment losses	(2,222)	(7,098)
<b>Profit before tax</b>	<b>20,285</b>	<b>54,298</b>
Income tax	(6,604)	(18,966)
<b>Profit after tax</b>	<b>13,681</b>	<b>35,332</b>
Minority interests	(1,164)	(3,791)
<b>Net profit</b>	<b>12,517</b>	<b>31,541</b>

## 2.3 Number of shareholders and top ten shareholders

2.3.1 Total number of shareholders: As at the end of the reporting period, the Bank's shareholders (A-Share + H-Share) total were 846,456, including 426,386 holders of H-Share and 420,070 holders of A-Share.

## 2.3.2 Top Ten Shareholders of A Share that are not Subject to Selling Restrictions

No.	Name of Shareholder	Number of Listed Trading Shares Held *	Type of Share
1	International Finance-Standard Chartered-CITIGROUP GLOBAL MARKETS LIMITED	73,451,475	A Share
2	Shanghai Huiyin Investment Limited Corporation	70,000,000	A Share
3	ICBC-GF Strategic Selection Balanced Securities Investment Fund	51,314,751	A Share
4	ICBC-E Fund Value Selection Stock Securities Investment Fund	50,397,000	A Share
5	China Life Insurance (Group) Company – Traditional - General Insurance	47,157,043	A Share
5	CNOOC Finance Corporation Ltd	47,157,043	A Share
7	CCB – BoCom Schrodgers Prudent Balanced Securities Investment Fund	39,611,957	A Share
8	China Pacific Life Insurance Co., Ltd – Dividend - Personal Dividend	38,064,093	A Share
9	China Pacific Life Insurance Co., Ltd – Traditional – General Insurance	35,179,154	A Share
10	China Marine Finance Co., Ltd	33,009,930	A Share

\* Except that some of the above shareholders may be under the management of the same corporation, the Bank is not aware of the connected relations and the concerted action among the above shareholders.

## 2.3.3 Top Ten Shareholders of H Share

No.	Name of Shareholder	Number of Shares Held *	Type of Share
1	HKSCC Nominees Limited	30,247,998,800	H Share
2	RBS China Investments S.à.r.l.	20,942,736,236	H Share
3	Asia Financial Holdings Pte Ltd	10,471,368,118	H Share
4	National Council for Social Security Fund, PRC	8,377,341,329	H Share
5	UBS AG	3,377,860,684	H Share
6	Asian Development Bank	506,679,102	H Share
7	The Bank of Tokyo-Mitsubishi UFJ Ltd	473,052,000	H Share
8	Wingreat International Limited	420,490,000	H Share
9	Best Sense Investments Limited	236,526,000	H Share
10	Turbo Top Limited	236,526,000	H Share

\* The number of shares held by H Share shareholders are those recorded in the Register of Members as kept by the H Share Registrar of the Bank.

### III Management Discussion and Analysis

#### 3.1 Brief analysis of overall operating activities in the reporting period

As of 30 September 2006, total assets of the Bank and its subsidiaries ("the Group") reached RMB5,268.846 billion, an increase of RMB 526.040 billion or 11.09% over 31 December 2005. Total liabilities stood at RMB4,862.073 billion, an increase of RMB381.887 billion or 8.52% over 31 December 2005. The Group had a total loan portfolio of RMB2,441.619 billion, an increase of RMB206.573 billion or 9.24% over 31 December 2005. The total deposits of the Group reached RMB4,050.027 billion, an increase of RMB346.250 billion or 9.35% over 31 December 2005. Owner's Equity totaled RMB378.349 billion, an increase of RMB144.507 billion or 61.80% over 31 December 2005. The Group's non-performing loans (NPLs) were RMB 98.599 billion in accordance with five tier classification standards, NPL ratio was 4.04%.

The Group achieved a net profit of RMB31.541 billion from January to September. In the third quarter, the Group's net foreign exchange exposure was further reduced and hence exchange rate risk being contained further.

##### 3.1.1 Principal operations accounting for over 10% of income or profit from principal operations

Amount: in RMB millions

Business Segment	Income from principal operations (Nine month period ended 30 September 2006)	Cost from principal operations (Nine month period ended 30 September 2006)
Commercial banking	168,644	110,470
Investment banking	2,222	968
Insurance business	6,265	5,804
Other operations	1,671	302

Income from principal operations = interest income + fee and commission income + net trading income + investment income + other operating income

Cost from principal operations = interest expense + fee and commission expense + other operating expense + operating and administrative expenses + business tax and surcharges

##### Income and cost from principal operations by geographical areas

Amount: in RMB millions

Geographical Area	Income from principal operations (Nine month period ended 30 September 2006)	Cost from principal operations (Nine month period ended 30 September 2006)
the Chinese mainland	127,273	82,428
Hong Kong, Macau and other overseas locations	54,318	37,904

##### 3.1.2 Seasonal or periodic characteristics of the Bank's operation

□ Applicable    √ N.A.

##### 3.1.3 The composition of profit for the reporting period compared with that of the previous reporting period and the reasons therefor

In the current reporting period, there was no significant change in the profit composition compared with the previous reporting period.

Amount: in RMB millions

	Nine month period ended 30 September 2006		Six month period ended 30 June 2006	
	Amount	Percentage	Amount	Percentage
Profit from principal operations	53,615	98.74%	33,546	98.63%
Other operating profit	-	-	-	-
Impairment losses	7,098	13.07%	4,876	14.34%
Operating and administrative expenses	35,245	64.91%	23,193	68.19%
Non-operating income, net	683	1.26%	467	1.37%
Profit before tax	54,298	100.00%	34,013	100.00%

Profit from principal operations = income from principal operations - cost from principal operations - impairment losses  
Profit before tax = profit from principal operations + non-operating income, net

3.1.4 Significant changes in principal operations and its structure when compared with those of the previous reporting period and the reasons therefor

In the current reporting period, there was no significant change in principal operations and its structure in comparison with the previous reporting period. After taking into consideration the overall interest spread and investment opportunities between RMB and foreign currencies, the Group conducted foreign exchange derivative transactions. The costs arising therefrom were included in the Net trading income.

Amount: in RMB millions

	Nine month period ended 30 September 2006		Six month period ended 30 June 2006	
	Amount	Percentage	Amount	Percentage
Interest income	156,383	88.23%	99,777	86.92%
Fee and commission income	12,019	6.78%	8,166	7.11%
Net trading income	(1,438)	-0.81%	(193)	-0.17%
Investment income	2,288	1.29%	1,681	1.46%
Other operating income	8,002	4.51%	5,366	4.68%
<b>Income from principal operations</b>	<b>177,254</b>	<b>100.00%</b>	<b>114,797</b>	<b>100.00%</b>

3.1.5 Significant changes in profitability of principal operations when compared with that of the previous reporting period and the reasons therefor

In the current reporting period, there was no significant change in the profitability of principal operations in comparison with the previous reporting period.

Amount: in RMB millions

<b>Profitability of main business</b>	<b>Nine month period ended 30 September 2006</b>	<b>Six month period ended 30 June 2006</b>
Income from principal operations	177,254	114,797
Cost from principal operations	116,541	76,375

**3.2 Explanations of significant event, its impact and solutions**

☐ Applicable ☒ N.A.

**3.3 Changes in accounting policies, accounting estimates, consolidation scope and the significant accounting errors and the reasons therefor**

☐ Applicable ☒ N.A.

**3.4 Explanation of the Board of Directors and the Board of Supervisors on the “non-standard opinion” of the report period by the auditors**

☐ Applicable ☒ N.A.

**3.5 Warnings and Explanations on Loss Forecast or Significant Changes in Net Accumulative Profit from the Beginning of the Year to the End of Next Report Period**

☐ Applicable ☒ N.A.

**3.6 Plans on alteration of disclosed business plan or budget**

☐ Applicable ☒ N.A.

**3.7 Undertakings and its performance of the previous non-tradable share holders made in stock splitting**

☐ Applicable ☒ N.A.

**3.8 Explanation on the joint-stock reform arrangements of company that has not gone through joint-stock reform by the end of the reporting period**

☐ Applicable ☒ N.A.

**Explanation of company that has not gone through joint-stock reform by the end of the reporting period**

☐ Applicable ☒ N.A.

**Xiao Gang**

Chairman

Board of Directors,

Bank of China Limited

October 30, 2006

**IV Appendix Financial Statements****Balance Sheets**

(Amount in millions of RMB)

	<b>Bank of China Group</b>	
	<b>As at 30 September 2006 (unaudited)</b>	<b>As at 31 December 2005 (audited)</b>
<b>ASSETS</b>		
Cash	32,344	28,644
Precious metals	42,209	30,314
Due from central banks	345,826	316,941
Government certificates of indebtedness for bank notes issued	37,318	35,586
Trading and other debt securities at fair value through profit or loss	102,704	107,271
Derivative financial instruments	21,695	16,808
Due from and placements with banks and other financial institutions	328,902	344,537
Debt securities	1,849,650	1,562,320
Loans and advances to customers	2,441,619	2,235,046
Less: Provision for loan losses	(90,890)	(83,153)
Interest receivable	25,430	20,408
Equity investments	14,590	15,393
Fixed assets	69,886	72,978
Construction in progress	4,178	3,342
Deferred tax assets	17,888	17,561
Other assets	25,497	18,810
<b>Total assets</b>	<b>5,268,846</b>	<b>4,742,806</b>

**Balance Sheets (continued)**

(Amount in millions of RMB)

	<b>Bank of China Group</b>	
	<b>As at 30 September 2006 (unaudited)</b>	<b>As at 31 December 2005 (audited)</b>
<b>LIABILITIES</b>		
Due to central banks	41,712	30,055
Bank notes in circulation	37,317	35,731
Derivative financial instruments and liabilities at fair value through profit or loss	110,259	91,174
Due to and placements from banks and other financial institutions	353,021	345,233
Deposits from customers	4,050,027	3,703,777
Interest payable	35,868	27,024
Special purpose borrowings	47,761	52,164
Bonds issued	60,175	60,179
Deferred tax liabilities	281	184
Other liabilities	<u>125,652</u>	<u>134,665</u>
<b>Total liabilities</b>	<b><u>4,862,073</u></b>	<b><u>4,480,186</u></b>
<b>Minority interests</b>	<b><u>28,424</u></b>	<b><u>28,778</u></b>
<b>Equity</b>		
Share capital	253,839	209,427
Capital reserve	76,545	3,978
Surplus reserve	8,095	5,987
General reserve and statutory reserve of subsidiary	9,430	5,109
Undistributed profits	36,323	12,585
Reserve for fair value changes of available-for-sale securities	(2,864)	(1,380)
Currency translation differences	<u>(3,019)</u>	<u>(1,864)</u>
<b>Total equity</b>	<b><u>378,349</u></b>	<b><u>233,842</u></b>
<b>Total liabilities and equity</b>	<b><u><u>5,268,846</u></u></b>	<b><u><u>4,742,806</u></u></b>

Legal Representative and Chairman:

**Xiao Gang**

Vice President in charge of accounting function:

**Zhou Zaiqun**

Vice Chairman and President:

**Li Lihui**

General Manager of the Accounting Department

**Liu Yanfen**

## Income Statements

(Amount in millions of RMB)

## Bank of China Group

	Three-month periods ended 30 September 2006 (unaudited)	Nine-month periods ended 30 September 2006 (unaudited)
Interest income	56,606	156,383
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<b>Net interest income</b>	<b>32,378</b>	<b>86,854</b>
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Li Lihui

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General Manager of the Accounting Department:

Liu Yanfen