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中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

Stock Code: 1398

USD Preference Shares Stock Code: 4603

EUR Preference Shares Stock Code: 4604

RMB Preference Shares Stock Code: 84602

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2018

The Board of Directors of Industrial and Commercial Bank of China Limited (“the Bank”) announces the results of the Bank and its subsidiaries (“the Group”) for the first quarter ended 31 March 2018. This report is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- 1.1 The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management members of Industrial and Commercial Bank of China Limited undertake that the information in this report contains no false record, misleading statement or material omission; and assume individual and joint and several liability for the authenticity, accuracy and completeness of the information in this report.
- 1.2 The First Quarterly Report of 2018 has been considered and approved at the meeting of the Board of Directors of the Bank held on 27 April 2018. There were 16 directors eligible for attending the meeting, of whom 15 directors attended the meeting in person and 1 director attended the meeting by proxy, namely, Mr. Wang Jingdong appointed Mr. Gu Shu, Vice Chairman of the Board of Directors, to attend the meeting and exercise the voting right on his behalf.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Yi Huiman, Legal Representative of the Bank, Mr. Gu Shu, President in charge of finance of the Bank, and Mr. Zhang Wenwu, General Manager of the Finance and Accounting Department of the Bank, hereby warrant and guarantee that the financial statements contained in this quarterly report are authentic, accurate and complete.

2. CORPORATE INFORMATION

2.1 Basic information

	Stock name	Stock code	Stock exchange on which shares are listed
A Share	工商銀行	601398	Shanghai Stock Exchange
H Share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Offshore Preference Share	ICBC USDPREF1	4603	The Stock Exchange of Hong Kong Limited
	ICBC EURPREF1	4604	
	ICBC CNHPREF1-R	84602	
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange

Board Secretary and Company Secretary	
Name	Guan Xueqing
Address	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, China (Postal code: 100140)
Telephone	86-10-66108608
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2.2 Major accounting data and financial indicators

2.2.1 Major accounting data and financial indicators prepared based on International Financial Reporting Standards (“IFRSs”)

(In RMB millions, unless otherwise specified)

	31 March 2018	31 December 2017	Changes as compared to the end of last year (%)
Total assets	26,493,781	26,087,043	1.56
Total loans and advances to customers	14,568,014	14,233,448	2.35
Allowance for impairment losses on loans	392,688	340,482	15.33
Investment	6,153,795	5,756,704	6.90
Total liabilities	24,308,876	23,945,987	1.52
Due to customers	20,197,826	19,562,936	3.25
Due to banks and other financial institutions	1,709,411	1,706,549	0.17
Equity attributable to equity holders of the parent company	2,171,510	2,127,491	2.07
Net asset value per share (RMB yuan)	5.85	5.73	2.09

	Three months ended 31 March 2018	Three months ended 31 March 2017	Changes as compared to the same period of last year (%)
Operating income	183,185	168,186	8.92
Net profit	79,069	76,027	4.00
Net profit attributable to equity holders of the parent company	78,802	75,786	3.98
Net cash flows from operating activities	62,160	109,306	(43.13)
Basic earnings per share (<i>RMB yuan</i>)	0.22	0.21	4.76
Diluted earnings per share (<i>RMB yuan</i>)	0.22	0.21	4.76
Return on weighted average equity (%, <i>annualised</i>)	15.40	15.80	A decrease of 0.40 percentage points

Note: The new financial instrument standards were firstly adopted in this reporting period, but comparative data were not restated. For details of changes in accounting policies, please refer to “Significant Events — Changes in major accounting policies”.

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

In respect of the financial statements of the Group prepared under PRC GAAP and those based on IFRSs, net profit attributable to equity holders of the parent company for the reporting period ended 31 March 2018 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

2.3 Number of shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had a total of 569,459 ordinary shareholders, including 124,780 holders of H shares and 444,679 holders of A shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares	Increase/decrease of share during the reporting period
Central Huijin Investment Ltd.	State-owned	A share	34.71	123,717,852,951	None	—
Ministry of Finance of the People's Republic of China ("MOF")	State-owned	A share	34.60	123,316,451,864	None	—
HKSCC Nominees Limited/ Hong Kong Securities Clearing Company Limited	Foreign legal person	H share	24.17	86,141,124,098	Unknown	41,273,670
		A share	0.16	580,446,221	None	110,595,753
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A share	1.03	3,687,330,676	None	-44,000,000
China Securities Finance Co., Ltd.	State-owned legal person	A share	0.66	2,362,841,594	None	-1,613,238,292
Sycamore Investment Platform Co., Ltd.	State-owned legal person	A share	0.40	1,420,781,042	None	—
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A share	0.28	1,013,921,700	None	—
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A share	0.11	388,570,049	None	25,862,222
China Life Insurance Company Limited — Dividends distribution — Dividends distribution to individuals — 005L — FH002 Hu	Other entities	A share	0.08	290,882,510	None	159,080,165
Anbang Property & Casualty Insurance Co., Ltd. — Traditional products	Other entities	A share	0.06	207,691,297	None	—

Notes: (1) The data above are based on the Bank's register of shareholders as at 31 March 2018.

(2) The Bank had no shares subject to restrictions on sales.

(3) Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. The "China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu" and "China Life Insurance Company Limited — Dividends distribution — Dividends distribution to individuals — 005L — FH002 Hu" are managed by China Life Insurance Company Limited. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the aforementioned shareholders.

(4) HKSCC Nominees Limited held 86,141,124,098 H shares and Hong Kong Securities Clearing Company Limited held 580,446,221 A shares.

2.4 Interests and short positions held by substantial shareholders and other persons

Substantial Shareholders and Persons Having Notifiable Interests or Short Positions Pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong

As at 31 March 2018, the Bank had received notices from the following persons in relation to their interests or short positions held in the Bank's shares and relevant shares, and such interests or short positions of ordinary shares were recorded in the register which is required to be kept pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Percentage of A shares (%)	Percentage of total ordinary shares (%)
MOF ⁽¹⁾	Beneficial owner	118,006,174,032	Long position	43.77	33.11
Central Huijin Investment Ltd. ⁽²⁾	Beneficial owner	124,731,774,651	Long position	46.26	35.00

Notes: (1) According to the register of shareholders of the Bank as at 31 March 2018, MOF held 123,316,451,864 shares in the Bank.

(2) According to the register of shareholders of the Bank as at 31 March 2018, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank. Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares (%)	Percentage of total ordinary shares (%)
National Council for Social Security Fund	Beneficial owner	8,663,703,234	Long position	9.98	2.43
Temasek Holdings (Private) Limited	Interest of controlled corporations	7,317,475,731	Long position	8.43	2.05
Ping An Asset Management Co., Ltd. ⁽¹⁾	Investment manager	6,115,905,000	Long position	7.05	1.72
BlackRock, Inc.	Interest of controlled corporations	4,357,784,110	Long position	5.02	1.22
		534,000	Short position	0.00	0.00

Note: (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 31 March 2018 (the date of relevant event being 28 November 2017). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

2.5 Number of preference shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had 28 preference shareholders (or proxies), including two offshore preference shareholders (or proxies) and 26 domestic preference shareholders. During the reporting period, the Bank did not restore any voting right of the preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES) OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Cede & Co.	Foreign legal person	USD offshore preference shares	—	147,000,000	47.9	—	Unknown
The Bank of New York Depository (Nominees) Limited	Foreign legal person	RMB offshore preference shares	—	120,000,000	39.1	—	Unknown
		EUR offshore preference shares	—	40,000,000	13.0	—	Unknown

- Notes:* (1) The data above are based on the Bank's register of offshore preference shareholders as at 31 March 2018.
- (2) As the issuance was private offering, the register of preference shareholders presented the information on proxies of places.
- (3) The Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and between the afore-mentioned preference shareholders and the top 10 ordinary shareholders.
- (4) "Shareholding percentage" refers to the percentage of the number of offshore preference shares held by preference shareholders to the total number of offshore preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
China Mobile Communications Corporation	Other entities	Domestic preference shares	—	200,000,000	44.4	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	11.1	—	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	35,000,000	7.8	—	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	30,000,000	6.7	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
China Resources SZITIC Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOC International (China) Limited	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
Ping An Property & Casualty Insurance Company of China Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	10,000,000	2.2	—	None

Notes: (1) The above data are based on the Bank's register of domestic preference shareholders as at 31 March 2018.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. The “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividends distribution — Dividends distribution to individuals — 005L — FH002 Hu” are managed by China Life Insurance Company Limited. The “Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and among the afore-mentioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares held by preference shareholders in total number of domestic preference shares.

3. BRIEF ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE FIRST QUARTER

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

Set out below are the highlights of the operating results of the Group for the reporting period:

Net profit amounted to RMB79,069 million, representing an increase of 4.00% compared with the same period of last year. Annualised return on average total assets and annualised return on weighted average equity were 1.20% and 15.40%, respectively.

Operating income amounted to RMB183,185 million, representing an increase of 8.92% compared with the same period of last year. Net interest income was RMB137,012 million, representing an increase of 12.33% compared with the same period of last year. Annualised net interest margin rose by 0.18 percentage points to 2.30% compared with the same period of last year. Non-interest income reported RMB46,173 million, representing a decrease of 0.09% compared with the same period of last year, of which net fee and commission income was RMB41,613 million, representing an increase of 1.60% compared with the same period of last year. Operating expenses (excluding taxes and surcharges) were RMB37,983 million, representing an increase of 3.45% compared with the same period of last year. Cost-to-income ratio was 20.73%.

As at the end of the reporting period, total assets amounted to RMB26,493,781 million, representing an increase of RMB406,738 million or 1.56% over the end of the previous year. Total loans and advances to customers amounted to RMB14,568,014 million, representing an increase of RMB334,566 million or 2.35% over the end of last year, of which RMB loans of domestic branches grew by RMB342,743 million or 2.76%. In terms of the structure, corporate loans were RMB9,144,883 million, personal loans were RMB5,135,814 million and discounted bills were RMB287,317 million. Investments reached RMB6,153,795 million, representing an increase of RMB397,091 million or 6.90% over the end of last year.

Total liabilities amounted to RMB24,308,876 million, representing an increase of RMB362,889 million or 1.52% over the end of the previous year. Due to customers amounted to RMB20,197,826 million, representing an increase of RMB634,890 million or 3.25% over the end of the previous year. In terms of the structure, time deposits were RMB10,111,826 million, demand deposits were RMB9,862,066 million and others were RMB223,934 million.

Shareholders' equity amounted to RMB2,184,905 million, representing an increase of RMB43,849 million or 2.05% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB225,023 million, representing an increase of RMB4,035 million over the end of the previous year. The NPL ratio was 1.54%, representing a decrease of 0.01 percentage points over the end of the previous year. The allowance to NPL ratio stood at 174.51%, representing an increase of 20.44 percentage points over the end of the previous year.

The core tier 1 capital adequacy ratio was 12.64%, the tier 1 capital adequacy ratio was 13.13% and the capital adequacy ratio was 15.09%¹, all meeting regulatory requirements.

¹ Calculated based on the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission.

4. SIGNIFICANT EVENTS

4.1 Significant changes in major financial data and financial indicators and the reasons thereof

Applicable Not Applicable

In RMB millions, except for percentages

Item	31 March 2018	31 December 2017	Increase/Decrease (%)	Main reasons for change
Financial assets designated at fair value through profit or loss	641,832	353,601	81.51	Demands on principal-guaranteed wealth management products increased, and accordingly asset-side investment of principal-guaranteed wealth management products also increased
Reverse repurchase agreements	652,054	986,631	(33.91)	Balance of placements with bond pledge decreased
Repurchase agreements	703,639	1,046,338	(32.75)	Balance of deposits from bond pledge decreased

In RMB millions, except for percentages

Item	Three months ended 31 March 2018	Three months ended 31 March 2017	Increase/Decrease (%)	Main reasons for change
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	176	(4)	(4,500.00)	Gains relating to principal-guaranteed wealth management products increased

4.2 Progress of significant events and analysis of their effects and solutions

Applicable Not applicable

Establishment of ICBC Aviation Leasing Company Limited

On 30 August 2017, the Board of Directors of the Bank approved the establishment of ICBC Aviation Leasing Company Limited (“ICBC Aviation Leasing”) in Hong Kong by ICBC Financial Leasing Co., Ltd. (“ICBC Leasing”), a wholly-owned subsidiary of the Bank. ICBC Aviation Leasing is wholly-owned by ICBC Leasing. China Banking Regulatory Commission approved the establishment of ICBC Aviation Leasing in Hong Kong in March 2018. On 15 March 2018, ICBC Aviation Leasing completed the incorporation registration in Hong Kong.

4.3 Implementation of the cash dividend policy during the reporting period

Applicable Not applicable

4.4 Unfulfilled commitments during the reporting period

Applicable Not applicable

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

Applicable Not applicable

4.6 Changes in major accounting policies

In 2014, the International Accounting Standards Board promulgated the IFRS 9 — Financial Instruments, the effective date of which is 1 January 2018. In accordance with the implementation requirements of the International Accounting Standards Board, the Bank adopted the above-mentioned new international financial reporting standard on 1 January 2018. For the impact of implementing the above-mentioned standard on the Bank, please refer to “Note 5. to the Financial Statements: Impact of Issued But Not Yet Effective International Financial Reporting Standards” prepared by the Bank in accordance with the IFRSs in its 2017 Annual Report.

5. APPENDICES

5.1 Financial statements prepared based on IFRSs are attached in Appendix I to this report.

5.2 Capital adequacy ratios disclosed as per the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the China Banking Regulatory Commission, leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) promulgated by the China Banking Regulatory Commission and liquidity coverage ratio disclosed as per the Administrative Measures for Liquidity Coverage Ratio of Commercial Banks promulgated by the China Banking Regulatory Commission are attached in Appendix II to this report.

6. RELEASE OF QUARTERLY REPORT

The report will be published simultaneously on the “HKEXnews” website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.icbc-ltd.com). The quarterly report prepared in accordance with PRC GAAP will also be published simultaneously on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Bank (www.icbc-ltd.com).

This report is prepared in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.

**By Order of
The Board of Directors of
Industrial and Commercial Bank of China Limited**

Beijing, China
27 April 2018

As at the date of this announcement, the Board of Directors comprises Mr. YI Huiman, Mr. GU Shu, Mr. ZHANG Hongli and Mr. WANG Jingdong as executive directors, Mr. CHENG Fengchao, Mr. ZHENG Fuqing, Mr. FEI Zhoulin, Ms. MEI Yingchun, Mr. DONG Shi and Mr. YE Donghai as non-executive directors, Mr. OR Ching Fai, Mr. HONG Yongmiao, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Ms. Sheila Colleen BAIR and Mr. SHEN Si as independent non-executive directors.

Appendix I

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Profit or Loss — Based on IFRS

For the three months ended 31 March 2018

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
Interest income	225,637	203,987
Interest expense	<u>(88,625)</u>	<u>(82,017)</u>
NET INTEREST INCOME	137,012	121,970
Fee and commission income	45,664	45,090
Fee and commission expense	<u>(4,051)</u>	<u>(4,132)</u>
NET FEE AND COMMISSION INCOME	41,613	40,958
Net trading income	1,044	1,176
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	176	(4)
Net gain on financial investments	814	136
Other operating income, net	<u>2,526</u>	<u>3,950</u>
OPERATING INCOME	183,185	168,186
Operating expenses	(39,998)	(38,556)
Net impairment loss on:		
— Loans and advances to customers	(39,048)	(31,446)
— Others	<u>(3,210)</u>	<u>(59)</u>
OPERATING PROFIT	100,929	98,125
Share of profits of associates and joint ventures	<u>717</u>	<u>671</u>
PROFIT BEFORE TAXATION	101,646	98,796
Income tax expense	<u>(22,577)</u>	<u>(22,769)</u>
PROFIT FOR THE PERIOD	79,069	76,027

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Profit or Loss — Based on IFRS (continued)

For the three months ended 31 March 2018

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
Attributable to:		
Equity holders of the parent company	78,802	75,786
Non-controlling interests	267	241
	<hr/>	<hr/>
Profit for the period	79,069	76,027
	<hr/> <hr/>	<hr/> <hr/>
EARNINGS PER SHARE		
— Basic (RMB Yuan)	0.22	0.21
— Diluted (RMB Yuan)	0.22	0.21
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Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
*General Manager of the Finance
and Accounting Department*

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income — Based on IFRS
For the three months ended 31 March 2018
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
Profit for the period	<u>79,069</u>	<u>76,027</u>
Other comprehensive income (after tax, net):		
Items that will not be reclassified to profit or loss:		
Net gain on investment in equity instrument designated at fair value through other comprehensive income	68	
Others	(5)	—
Items that may be reclassified subsequently to profit or loss:		
Net gain on investment in financial assets at fair value through other comprehensive income	3,458	
Net loss from change in fair value of available-for-sale financial assets		(12,317)
Effective hedging portion of gains or losses arising from cash flow hedging instruments	58	60
Share of the other comprehensive income of investees accounted for using equity method which may be reclassified subsequently to profit or loss	(159)	(91)
Foreign currency translation differences	(6,710)	(60)
Others	<u>653</u>	<u>(396)</u>
Subtotal of other comprehensive income for the period	<u>(2,637)</u>	<u>(12,804)</u>
Total comprehensive income for the period	<u><u>76,432</u></u>	<u><u>63,223</u></u>
Total comprehensive income attributable to:		
Equity holders of the parent company	76,401	63,143
Non-controlling interests	<u>31</u>	<u>80</u>

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of the Finance
and Accounting Department

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Financial Position — Based on IFRS

31 March 2018

(In RMB millions, unless otherwise stated)

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS		
Cash and balances with central banks	3,639,302	3,613,872
Due from banks and other financial institutions	785,329	847,611
Financial assets held for trading	158,577	87,337
Financial assets designated at fair value through profit or loss	641,832	353,601
Derivative financial assets	114,120	89,013
Reverse repurchase agreements	652,054	986,631
Loans and advances to customers	14,175,888	13,892,966
Financial investments	5,353,386	5,315,766
Investments in associates and joint ventures	31,980	32,441
Property and equipment	242,904	247,744
Deferred income tax assets	57,735	48,392
Other assets	640,674	571,669
	<hr/>	<hr/>
TOTAL ASSETS	26,493,781	26,087,043
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INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Financial Position — Based on IFRS (continued)

31 March 2018

(In RMB millions, unless otherwise stated)

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
LIABILITIES		
Due to central banks	429	456
Financial liabilities designated at fair value through profit or loss	102,081	89,361
Derivative financial liabilities	100,801	78,556
Due to banks and other financial institutions	1,709,411	1,706,549
Repurchase agreements	703,639	1,046,338
Certificates of deposit	242,294	260,274
Due to customers	20,197,826	19,562,936
Income tax payable	88,346	70,644
Deferred income tax liabilities	569	433
Debt securities issued	531,712	526,940
Other liabilities	631,768	603,500
TOTAL LIABILITIES	24,308,876	23,945,987
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	86,051	86,051
Reserves	608,039	587,489
Retained profits	1,121,013	1,097,544
	2,171,510	2,127,491
Non-controlling interests	13,395	13,565
TOTAL EQUITY	2,184,905	2,141,056
TOTAL EQUITY AND LIABILITIES	26,493,781	26,087,043

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of the Finance
and Accounting Department

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Cash Flow Statement — Based on IFRS

For the three months ended 31 March 2018

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	101,646	98,798
Adjustments for:		
Share of profits of associates and joint ventures	(717)	(671)
Depreciation	3,122	3,298
Amortisation	1,549	1,554
Amortisation of financial investments	2,519	3,181
Net impairment losses on loans and advances to customers	39,048	31,446
Net impairment losses on assets other than loans and advances to customers	3,210	59
Unrealised loss/(gain) on foreign exchange	12,326	(359)
Interest expense on debt securities issued	5,137	3,742
Accreted interest on impaired loans	(591)	(899)
Gain on disposal of financial assets, net	(755)	(22)
Net trading loss/(gain) on equity investments	542	(32)
Net (gain)/loss on financial assets and liabilities designated at fair value through profit or loss	(176)	4
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)	(888)	(4)
Dividend income	(59)	(115)
	<u>165,913</u>	<u>139,980</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Cash Flow Statement — Based on IFRS (continued)

For the three months ended 31 March 2018

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
Net (increase)/decrease in operating assets:		
Due from central banks	(320)	(133,786)
Due from banks and other financial institutions	120,810	(62,180)
Financial assets held for trading	(69,967)	(10,165)
Financial assets designated at fair value through profit or loss	(285,675)	(23,763)
Reverse repurchase agreements	192,445	66,591
Loans and advances to customers	(374,050)	(544,014)
Other assets	(79,114)	(11,350)
	<u>(495,871)</u>	<u>(718,667)</u>
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	10,130	16,365
Due to central banks	(27)	(11)
Due to banks and other financial institutions	31,137	(234,947)
Repurchase agreements	(342,699)	179,716
Certificates of deposit	(8,926)	12,693
Due to customers	681,468	762,620
Other liabilities	26,958	(39,825)
	<u>398,041</u>	<u>696,611</u>
Net cash flows from operating activities before tax	68,083	117,924
Income tax paid	(5,923)	(8,618)
Net cash flows from operating activities	<u>62,160</u>	<u>109,306</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Cash Flow Statement — Based on IFRS (continued)

For the three months ended 31 March 2018

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2018 (Unaudited)	Three months ended 31 March 2017 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(844)	(392)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	789	548
Purchases of financial investments	(660,273)	(585,858)
Proceeds from sale and redemption of financial investments	564,638	425,297
Investments in associates and joint ventures	(1,473)	(558)
Proceeds from disposal of associates and joint ventures	633	—
Dividends received	936	730
	<hr/>	<hr/>
Net cash flows from investing activities	(95,594)	(160,233)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injection by non-controlling shareholders	—	731
Proceeds from issuance of debt securities	225,874	16,958
Interest paid on debt securities	(1,585)	(1,158)
Repayment of debt securities	(223,101)	(3,479)
Dividends paid to non-controlling shareholders	(134)	(146)
	<hr/>	<hr/>
Net cash flows from financing activities	1,054	12,906
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	1,520,330	1,189,368
Effect of exchange rate changes on cash and cash equivalents	(25,180)	(2,876)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,462,770	1,148,471
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	220,359	205,714
Interest paid	(96,725)	(81,354)
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Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of the Finance
and Accounting Department

Appendix II Capital Adequacy Ratio, Leverage Ratio and Liquidity Coverage Ratio

I. Capital Adequacy Ratio

In RMB millions, except for percentages

Item	31 March 2018		31 December 2017	
	Group	Parent Company	Group	Parent Company
Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission:				
Net core tier 1 capital	2,074,613	1,903,525	2,030,108	1,856,054
Net tier 1 capital	2,154,625	1,966,999	2,110,060	1,935,429
Net capital base	2,477,752	2,273,565	2,406,920	2,216,707
Core tier 1 capital adequacy ratio	12.64%	12.82%	12.77%	12.88%
Tier 1 capital adequacy ratio	13.13%	13.25%	13.27%	13.44%
Capital adequacy ratio	15.09%	15.31%	15.14%	15.39%
Calculated in accordance with the Regulation Governing Capital Adequacy of Commercial Banks and related regulations promulgated by China Banking Regulatory Commission:				
Core capital adequacy ratio	11.34%	11.57%	11.65%	11.96%
Capital adequacy ratio	14.12%	14.13%	14.56%	14.67%

II. Leverage Ratio

In RMB millions, except for percentages

Item	31 March 2018	31 December 2017	30 September 2017	30 June 2017
Net tier 1 capital	2,154,625	2,110,060	2,074,109	2,003,429
Balance of adjusted on- and off-balance sheet assets	28,551,949	28,084,967	27,689,701	27,467,633
Leverage ratio	7.55%	7.51%	7.49%	7.29%

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

No.		First quarter 2018	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		4,865,333
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	9,558,276	952,696
3	<i>Stable deposits</i>	49,065	1,775
4	<i>Less stable deposits</i>	9,509,211	950,921
5	Unsecured wholesale funding, of which:	11,115,784	3,791,180
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	6,184,075	1,499,016
7	<i>Non-operational deposits (all counterparties)</i>	4,873,148	2,233,603
8	<i>Unsecured debt</i>	58,561	58,561
9	Secured funding		46,973
10	Additional requirements, of which:	4,062,549	1,441,005
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,206,858	1,206,858
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	2,855,691	234,147
14	Other contractual funding obligations	50,158	49,846
15	Other contingent funding obligations	2,228,674	85,002
16	TOTAL CASH OUTFLOWS		6,366,702
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	848,857	267,318
18	Inflows from fully performing exposures	1,233,605	820,435
19	Other cash inflows	1,225,098	1,216,755
20	TOTAL CASH INFLOWS	3,307,560	2,304,508
			Total adjusted value
21	TOTAL HQLA		4,865,333
22	TOTAL NET CASH OUTFLOWS		4,062,194
23	LIQUIDITY COVERAGE RATIO		120.57%

Note: Data of the above table are all the simple arithmetic means of the 90 natural days' figures of the recent quarter.