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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

EUR Preference Shares Stock Code: 4604

USD Preference Shares Stock Code: 4620

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2021

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 2021. This announcement 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 2021 has been considered and approved at the meeting of the Board of Directors of the Bank held on 29 April 2021. All directors of the Bank attended the meeting.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Chen Siqing, Legal Representative of the Bank, Mr. Liao Lin, President in charge of finance of the Bank, and Mr. Liu Yagan, General Manager of the Finance and Accounting Department of the Bank, hereby represent and warrant 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
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange
	工行優 2	360036	
Offshore Preference Share	ICBC EURPREF1	4604	The Stock Exchange of Hong Kong Limited
	ICBC 20USDPREF	4620	

Board Secretary and Company Secretary	
Name	Guan Xueqing
Address	55 Fuxingmennei Avenue, Xicheng District, Beijing, China (Postal code: 100140)
Telephone	86-10-66108608
Facsimile	86-10-66107571
E-mail	ir@icbc.com.cn

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 2021	31 December 2020	Changes as compared to the end of last year (%)
Total assets	34,367,549	33,345,058	3.07
Total loans and advances to customers	19,482,410	18,624,308	4.61
Allowance for impairment losses on loans ⁽¹⁾	562,571	531,161	5.91
Investment	8,716,755	8,591,139	1.46
Total liabilities	31,373,317	30,435,543	3.08
Due to customers	25,944,333	25,134,726	3.22
Due to banks and other financial institutions	2,961,226	2,784,259	6.36
Equity attributable to equity holders of the parent company	2,977,677	2,893,502	2.91
Net asset value per share (RMB yuan)	7.72	7.48	3.21

Note: (1) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.

	Three months ended 31 March 2021	Three months ended 31 March 2020	Changes as compared to the same period of last year (%)
Operating income	214,120	206,187	3.85
Net profit	86,297	85,013	1.51
Net profit attributable to equity holders of the parent company	85,730	84,494	1.46
Net cash flows from operating activities	612,669	1,907,890	(67.89)
Basic earnings per share (<i>RMB yuan</i>)	0.24	0.24	0.00
Diluted earnings per share (<i>RMB yuan</i>)	0.24	0.24	0.00
Return on weighted average equity (%, <i>annualised</i>)	12.65	13.44	A decrease of 0.79 percentage points

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

In respect of the financial statements of the Group prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the reporting period ended 31 March 2021 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 586,395 ordinary shareholders, including 115,684 holders of H shares and 470,711 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 shares 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	State-owned	A share	31.14	110,984,806,678	None	—
HKSCC Nominees Limited ⁽³⁾	Foreign legal person	H share	24.18	86,172,890,878	Unknown	5,289,247
National Council for Social Security Fund ⁽⁴⁾	State-owned	A share	3.46	12,331,645,186	None	—
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A share	1.03	3,687,330,676	None	—
China Securities Finance Co., Ltd.	State-owned legal person	A share	0.68	2,416,131,540	None	-24
Hong Kong Securities Clearing Company Limited	Foreign legal person	A share	0.34	1,229,160,916	None	43,040,663
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	0.15	533,432,374	None	63,083,086
China Life Insurance Company Limited — Dividends Distribution — Dividends Distribution to Individuals — 005L — FH002 Hu	Other entities	A share	0.12	440,755,786	None	199,299,525

Notes: (1) The above data are based on the Bank's register of shareholders as at 31 March 2021.

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

(3) Total number of shares held by HKSCC Nominees Limited refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 31 March 2021, which included H shares of the Bank held by National Council for Social Security Fund, Ping An Asset Management Co., Ltd., Temasek Holdings (Private) Limited and China Life Insurance (Group) Company.

(4) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), Ministry of Finance of the People's Republic of China transferred 12,331,645,186 A shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. At the end of the reporting period, according to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund also held 7,946,049,758 H shares of the Bank and 20,277,694,944 A and H shares in aggregate, accounting for 5.69% of the Bank's total ordinary shares.

- (5) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Both “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 afore-mentioned shareholders.

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 2021, the Bank received notices from the following persons about their interests or short positions held in the Bank’s ordinary shares and underlying shares, which were recorded in the register 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 ⁽²⁾ (%)	Percentage of total ordinary shares ⁽²⁾ (%)
Central Huijin Investment Ltd. ⁽¹⁾	Beneficial owner	123,717,852,951	Long position	45.89	34.71
	Interest of controlled corporations	1,013,921,700	Long position	0.38	0.28
	Total	124,731,774,651		46.26	35.00
Ministry of Finance of the People’s Republic of China	Beneficial owner	110,984,806,678	Long position	41.16	31.14

Notes: (1) According to the register of shareholders of the Bank as at 31 March 2021, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

- (2) Due to rounding, percentages presented herein are for reference only.

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares ⁽⁴⁾ (%)	Percentage of total ordinary shares ⁽⁴⁾ (%)
Ping An Asset Management Co., Ltd. ⁽¹⁾	Investment manager	12,168,809,000	Long position	14.02	3.41
National Council for Social Security Fund ⁽²⁾	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
China Life Insurance (Group) Company ⁽³⁾	Beneficial owner	205,750,000	Long position	0.24	0.06
	Interest of controlled corporations	5,005,191,000	Long position	5.77	1.40
	Total	5,210,941,000		6.00	1.46

Notes: (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 2021 (the date of relevant event being 12 June 2019). 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) According to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund held 7,946,049,758 H shares of the Bank as at the end of the reporting period.

(3) According to the interest disclosure by China Life Insurance (Group) Company dated 11 November 2020, China Life Insurance Company Limited is the controlled corporation of China Life Insurance (Group) Company, and it totally held the long position of 4,874,071,000 H shares, accounting for 5.62% and 1.37% of H shares and all ordinary shares of the Bank respectively.

(4) Due to rounding, percentages presented herein are for reference only.

2.5 Number of preference shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had one offshore preference shareholder (or proxy), 24 domestic preference shareholders of “工行優1” and 33 domestic preference shareholders of “工行優2”. 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
The Bank of New York Depository (Nominees) Limited	Foreign legal person	USD offshore preference shares	—	145,000,000	78.4	—	Unknown
		EUR offshore preference shares	—	40,000,000	21.6	—	Unknown

- Notes:* (1) The above data are based on the Bank’s register of offshore preference shareholders as at 31 March 2021.
- (2) As the issuance of the offshore preference shares above was private offering, the register of preference shareholders presented the information on the proxy of placees.
- (3) The Bank is not aware of any connected relations or concert party action between the afore-mentioned preference shareholder and top 10 ordinary shareholders.
- (4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優1”

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 Group Co., Ltd.	State-owned legal person	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
BOCOM Schrodgers Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	18,000,000	4.0	—	None
China International Capital Corporation Limited	State-owned legal person	Domestic preference shares	3,000,000	18,000,000	4.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOC International (China) Co., Ltd.	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 of “工行優1” as at 31 March 2021.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. Both “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. “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. Central Huijin Investment Ltd. is the controlling shareholder of China International Capital Corporation Limited. 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 of “工行優1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優1”.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優2”

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 Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	120,000,000	17.1	—	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	100,000,000	14.3	—	None
Bosera Asset Management Co., Limited	State-owned legal person	Domestic preference shares	-51,620,000	98,380,000	14.1	—	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	—	70,000,000	10.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	70,000,000	10.0	—	None
China International Capital Corporation Limited	State-owned legal person	Domestic preference shares	51,620,000	51,620,000	7.4	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	7.1	—	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	—	30,000,000	4.3	—	None
Bank of Beijing Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	20,000,000	2.9	—	None
BOCOM Schrodgers Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	2.1	—	None
Ping An Property & Casualty Insurance Company of China Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	2.1	—	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優2” as at 31 March 2021.

(2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. Both “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. “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. Central Huijin Investment Ltd. is the controlling shareholder of China International Capital Corporation Limited. 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 of “工行優2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優2”.

3. BRIEF ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE 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 RMB86,297 million, representing an increase of 1.51% compared with the same period of last year. Annualised return on average total assets was 1.02%. Annualised return on weighted average equity was 12.65%.

Operating income amounted to RMB214,120 million, representing an increase of 3.85% compared with the same period of last year. Net interest income was RMB166,601 million, representing an increase of 3.51% compared with the same period of last year. Annualised net interest margin stood at 2.14%. Non-interest income reported RMB47,519 million, representing an increase of 5.05% compared with the same period of last year, of which net fee and commission income was RMB41,164 million, representing an increase of 1.35% compared with the same period of last year. Operating expenses (excluding taxes and surcharges) were RMB41,293 million, representing an increase of 8.94% compared with the same period of last year. Cost-to-income ratio was 19.28%.

As at the end of the reporting period, total assets amounted to RMB34,367,549 million, representing an increase of RMB1,022,491 million or 3.07% over the end of the previous year. Total loans and advances to customers (excluding accrued interest) amounted to RMB19,482,410 million, representing an increase of RMB858,102 million or 4.61% over the end of last year, of which RMB loans of domestic branches grew by RMB712,258 million or 4.24%. In terms of the structure, corporate loans were RMB11,819,856 million, personal loans were RMB7,362,228 million and discounted bills were RMB300,326 million. Investments reached RMB8,716,755 million, representing an increase of RMB125,616 million or 1.46% over the end of last year.

Total liabilities amounted to RMB31,373,317 million, representing an increase of RMB937,774 million or 3.08% over the end of the previous year. Due to customers amounted to RMB25,944,333 million, representing an increase of RMB809,607 million or 3.22% over the end of the previous year. In terms of the structure, time deposits were RMB12,676,213 million, demand deposits were RMB12,749,145 million, other deposits were RMB234,372 million and accrued interest was RMB284,603 million.

Shareholders' equity amounted to RMB2,994,232 million, representing an increase of RMB84,717 million or 2.91% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB307,043 million, representing an increase of RMB13,065 million over the end of the previous year. The NPL ratio was 1.58%, same as the end of the previous year. The allowance to NPL ratio stood at 183.22%, representing an increase of 2.54 percentage points over the end of the previous year.

The core tier 1 capital adequacy ratio was 13.29%, the tier 1 capital adequacy ratio was 14.36% and the capital adequacy ratio was 17.01%¹, all meeting regulatory requirements.

¹ Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional).

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 2021	31 December 2020	Increase/ Decrease (%)	Main reasons for change
Reverse repurchase agreements	1,002,145	739,288	35.56	The lending from bond pledge increased

In RMB millions, except for percentages

Item	Three months ended 31 March 2021	Three months ended 31 March 2020	Increase/ Decrease (%)	Main reasons for change
Fee and commission expense	3,732	2,790	33.76	Fee and commission expense on settlement and acquiring business increased
Net trading income/ (expense)	2,371	(6,570)	N/A	Derivative contract income increased
Net gain on financial investments	112	10,883	(98.97)	Affected by fluctuations in investment product prices
Other operating income, net	3,872	304	1,173.68	Due to fluctuations in exchange rate and the increase in leasing business income
Share of profits of associates and joint ventures	619	404	53.22	Recognised investment income of associates increased

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

Applicable Not applicable

4.2.1 Issuance Progress of Domestic Undated Additional Tier 1 Capital Bonds

As of March 2021, the Bank received the replies from China Banking and Insurance Regulatory Commission and People's Bank of China respectively, approving the Bank to issue undated additional tier 1 capital bonds in China's national inter-bank bond market of an amount no more than RMB100.0 billion, which will be counted as the additional tier 1 capital of the Bank in accordance with relevant regulatory requirements.

4.2.2 Issuance Progress of Offshore Undated Additional Tier 1 Capital Bonds

The Bank received a reply from China Banking and Insurance Regulatory Commission in September 2020, pursuant to which, approval was granted to the Bank to issue undated additional tier 1 capital bonds in foreign currency of an amount no more than RMB40.0 billion equivalent in the offshore market, which will be counted as the additional tier 1 capital of the Bank in accordance with relevant regulatory requirements.

4.2.3 Issuance Progress of Eligible Tier 2 Capital Instruments

The Bank issued a tier 2 capital bond of RMB30.0 billion in China's national inter-bank bond market in January 2021. All proceeds will be used to replenish the Bank's tier 2 capital in accordance with the applicable laws as approved by relevant regulatory authorities.

The Board of Directors of the Bank reviewed and approved the Proposal on the Issuance of Eligible Tier 2 Capital Instruments on 26 March 2021. The Bank planned to issue eligible tier 2 capital instruments of an amount no more than RMB190.0 billion or an equivalent value in foreign currency in the domestic and offshore markets, which will be used to replenish the tier 2 capital of the Bank. The issue plan for eligible tier 2 capital instruments is still subject to the approval of the Shareholders' General Meeting of the Bank, after which, it is also subject to the approval of relevant regulatory authorities.

For details on the above-mentioned issuance of capital instruments, please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the "HKEXnews" website of Hong Kong Exchanges and Clearing Limited and the website of the Bank.

4.3 Implementation of 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

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), leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) and liquidity coverage ratio disclosed as per the Administrative Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks are attached in Appendix II to this report

6. RELEASE OF QUARTERLY REPORT

This report will be published simultaneously on the “HKEXnews” website of Hong Kong Exchanges and Clearing 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 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
29 April 2021

As at the date of this announcement, the Board of Directors comprises Mr. CHEN Siqing and Mr. LIAO Lin as executive directors, Mr. LU Yongzhen, Mr. ZHENG Fuqing, Mr. FENG Weidong and Ms. CAO Liqun as non-executive directors, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Mr. SHEN Si, Mr. Nout WELLINK and Mr. Fred Zulu HU 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 2021
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2021 (Unaudited)	Three months ended 31 March 2020 (Unaudited)
Interest income	278,781	271,198
Interest expense	<u>(112,180)</u>	<u>(110,244)</u>
NET INTEREST INCOME	166,601	160,954
Fee and commission income	44,896	43,406
Fee and commission expense	<u>(3,732)</u>	<u>(2,790)</u>
NET FEE AND COMMISSION INCOME	41,164	40,616
Net trading income/(expense)	2,371	(6,570)
Net gain on financial investments	112	10,883
Other operating income, net	<u>3,872</u>	<u>304</u>
OPERATING INCOME	214,120	206,187
Operating expenses	(43,457)	(39,979)
Impairment losses on assets	<u>(62,862)</u>	<u>(59,492)</u>
OPERATING PROFIT	107,801	106,716
Share of profits of associates and joint ventures	<u>619</u>	<u>404</u>
PROFIT BEFORE TAXATION	108,420	107,120
Income tax expense	<u>(22,123)</u>	<u>(22,107)</u>
PROFIT FOR THE PERIOD	<u>86,297</u>	<u>85,013</u>

Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss — Based on IFRS (continued)
For the three months ended 31 March 2021
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2021 (Unaudited)	Three months ended 31 March 2020 (Unaudited)
Attributable to:		
Equity holders of the parent company	85,730	84,494
Non-controlling interests	567	519
	<hr/>	<hr/>
Profit for the period	86,297	85,013
	<hr/> <hr/>	<hr/> <hr/>
EARNINGS PER SHARE		
— Basic (RMB Yuan)	0.24	0.24
— Diluted (RMB Yuan)	0.24	0.24
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Chen Siqing
Chairman

Liao Lin
Vice Chairman, President

Liu Yagan
*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 2021

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2021 (Unaudited)	Three months ended 31 March 2020 (Unaudited)
Profit for the period	<u>86,297</u>	<u>85,013</u>
Other comprehensive income (after tax, net):		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments designated as at fair value through other comprehensive income	2,020	(414)
Others	—	3
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income	(3,132)	6,184
Credit losses of debt instruments measured at fair value through other comprehensive income	374	256
Reserve from cash flow hedging instruments	406	(83)
Other comprehensive income recognised under equity method	59	976
Foreign currency translation differences	(1,246)	(3,038)
Others	<u>76</u>	<u>(459)</u>
Subtotal of other comprehensive income for the period	<u>(1,443)</u>	<u>3,425</u>
Total comprehensive income for the period	<u><u>84,854</u></u>	<u><u>88,438</u></u>
Total comprehensive income attributable to:		
Equity holders of the parent company	84,175	87,668
Non-controlling interests	<u>679</u>	<u>770</u>

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Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS

31 March 2021

(In RMB millions, unless otherwise stated)

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS		
Cash and balances with central banks	3,619,392	3,537,795
Due from banks and other financial institutions	929,245	1,081,897
Derivative financial assets	147,563	134,155
Reverse repurchase agreements	1,002,145	739,288
Loans and advances to customers	18,967,167	18,136,328
Financial investments	8,716,755	8,591,139
— Financial investments measured at fair value through profit or loss	822,584	784,483
— Financial investments measured at fair value through other comprehensive income	1,612,123	1,540,988
— Financial investments measured at amortised cost	6,282,048	6,265,668
Investments in associates and joint ventures	41,302	41,206
Property and equipment	285,666	286,279
Deferred income tax assets	66,619	67,713
Other assets	591,695	729,258
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TOTAL ASSETS	34,367,549	33,345,058
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Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS (continued)
31 March 2021
(In RMB millions, unless otherwise stated)

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
LIABILITIES		
Due to central banks	55,959	54,974
Financial liabilities designated as at fair value through profit or loss	100,964	87,938
Derivative financial liabilities	119,028	140,973
Due to banks and other financial institutions	2,961,226	2,784,259
Repurchase agreements	312,339	293,434
Certificates of deposit	319,872	335,676
Due to customers	25,944,333	25,134,726
Income tax payable	100,844	89,785
Deferred income tax liabilities	2,571	2,881
Debt securities issued	837,569	798,127
Other liabilities	618,612	712,770
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TOTAL LIABILITIES	31,373,317	30,435,543
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	225,819	225,819
Reserves	799,371	800,718
Retained profits	1,596,080	1,510,558
	<hr/>	<hr/>
	2,977,677	2,893,502
Non-controlling interests	16,555	16,013
	<hr/>	<hr/>
TOTAL EQUITY	2,994,232	2,909,515
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TOTAL EQUITY AND LIABILITIES	34,367,549	33,345,058
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Industrial and Commercial Bank of China Limited

Consolidated Cash Flow Statement — Based on IFRS

For the three months ended 31 March 2021

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2021 (Unaudited)	Three months ended 31 March 2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	108,420	107,120
Adjustments for:		
Share of profits of associates and joint ventures	(619)	(404)
Depreciation	5,428	5,073
Amortisation	872	744
Amortisation of financial investments	(242)	(1,893)
Impairment losses on assets	62,862	59,492
Unrealised (gain)/loss on foreign exchange	(8,636)	6,040
Interest expense on debt securities issued	6,978	6,896
Accreted interest on impaired loans	(325)	(460)
Net gain on financial investments	(4,224)	(9,390)
Interest income of financial investments	(63,327)	(58,394)
Net loss/(gain) on changes at fair value	1,779	(5,770)
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)	(455)	(349)
Dividend income	(389)	(512)
	108,122	108,193

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the three months ended 31 March 2021
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2021 (Unaudited)	Three months ended 31 March 2020 (Unaudited)
Net decrease/(increase) in operating assets:		
Due from central banks	(33,162)	259,766
Due from banks and other financial institutions	393,677	456,931
Financial investments measured at fair value through profit or loss	(30,858)	(177,672)
Reverse repurchase agreements	48,004	227,213
Loans and advances to customers	(873,064)	(752,737)
Other assets	94,315	(76,839)
	<u>(401,088)</u>	<u>(63,338)</u>
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated as at fair value through profit or loss	12,958	29,957
Due to central banks	987	13,284
Due to banks and other financial institutions	175,618	572,352
Repurchase agreements	18,914	60,652
Certificates of deposit	(16,363)	(55,282)
Due to customers	790,394	1,213,617
Other liabilities	(67,023)	42,424
	<u>915,485</u>	<u>1,877,004</u>
Net cash flows from operating activities before tax	622,519	1,921,859
Income tax paid	(9,850)	(13,969)
Net cash flows from operating activities	<u>612,669</u>	<u>1,907,890</u>

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the three months ended 31 March 2021
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2021 (Unaudited)	Three months ended 31 March 2020 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(2,167)	(2,351)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	1,917	451
Purchases of financial investments	(791,528)	(878,838)
Proceeds from sale and redemption of financial investments	698,950	527,844
Proceeds from disposal of associates and joint ventures	—	146
Investment returns received	54,598	41,765
Net cash flows from investing activities	<u>(38,230)</u>	<u>(310,983)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt securities	226,444	214,430
Interest paid on debt securities	(4,374)	(5,473)
Repayment of debt securities	(189,024)	(224,968)
Dividends paid to non-controlling shareholders	(137)	(147)
Cash payment for other financing activities	(1,476)	(1,302)
Net cash flows from financing activities	<u>31,433</u>	<u>(17,460)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	1,791,122	1,450,413
Effect of exchange rate changes on cash and cash equivalents	(3,534)	11,804
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>2,393,460</u></u>	<u><u>3,041,664</u></u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	228,768	207,492
Interest paid	(89,255)	(105,221)

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

I. Capital Adequacy Ratio

In RMB millions, except for percentages

Item	31 March 2021		31 December 2020	
	Group	Parent Company	Group	Parent Company
Net core tier 1 capital	2,737,080	2,480,035	2,653,002	2,404,030
Net tier 1 capital	2,956,971	2,681,543	2,872,792	2,605,594
Net capital base	3,503,010	3,212,333	3,396,186	3,114,878
Core tier 1 capital adequacy ratio	13.29%	13.21%	13.18%	13.14%
Tier 1 capital adequacy ratio	14.36%	14.28%	14.28%	14.24%
Capital adequacy ratio	17.01%	17.11%	16.88%	17.02%

Note: Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional).

II. Leverage Ratio

In RMB millions, except for percentages

Item	31 March 2021	31 December 2020	30 September 2020	30 June 2020
Net tier 1 capital	2,956,971	2,872,792	2,786,578	2,711,433
Balance of adjusted on- and off-balance sheet assets	36,423,221	35,300,338	35,490,453	35,239,614
Leverage ratio	8.12%	8.14%	7.85%	7.69%

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

No.		First quarter 2021	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		5,589,397
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	12,831,310	1,277,369
3	<i>Stable deposits</i>	87,660	3,004
4	<i>Less stable deposits</i>	12,743,650	1,274,365
5	Unsecured wholesale funding, of which:	13,805,153	4,597,337
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	8,107,281	1,968,412
7	<i>Non-operational deposits (all counterparties)</i>	5,625,148	2,556,201
8	<i>Unsecured debt</i>	72,724	72,724
9	Secured funding		9,837
10	Additional requirements, of which:	3,156,315	1,376,375
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,229,737	1,229,737
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	1,926,578	146,638
14	Other contractual funding obligations	71,939	71,776
15	Other contingent funding obligations	5,173,440	123,957
16	TOTAL CASH OUTFLOWS		7,456,651
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	389,229	162,731
18	Inflows from fully performing exposures	1,600,705	1,149,387
19	Other cash inflows	1,224,837	1,221,267
20	TOTAL CASH INFLOWS	3,214,771	2,533,385
			Total adjusted value
21	TOTAL HQLA		5,589,397
22	TOTAL NET CASH OUTFLOWS		4,923,266
23	LIQUIDITY COVERAGE RATIO (%)		113.64%

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