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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: 4620

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2022

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 2022. 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.

IMPORTANT NOTICE:

The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management members of the Bank 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.

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 guarantee that the financial information contained in this quarterly report are authentic, accurate and complete.

These quarterly financial statements have not been audited.

I. Major Financial Data

i. Major accounting data and financial indicators

(Financial data and indicators in this quarterly report are prepared in accordance with International Financial Reporting Standards (“IFRSs”) and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.)

In RMB millions, unless otherwise stated

Item	Three months ended 31 March 2022	Three months ended 31 March 2021	Increase/decrease as compared to the same period of last year (%)
Operating income	226,858	214,120	5.95
Net profit attributable to equity holders of the parent company	90,633	85,730	5.72
Net cash flows from operating activities	1,207,219	612,669	97.04
Basic earnings per share (<i>RMB Yuan</i>)	0.25	0.24	4.17
Diluted earnings per share (<i>RMB Yuan</i>)	0.25	0.24	4.17
Return on weighted average equity (%, <i>annualised</i>)	12.22	12.65	A decrease of 0.43 percentage points

	31 March 2022	31 December 2021	Increase/decrease as compared to the end of last year (%)
Total assets	37,296,465	35,171,383	6.04
Equity attributable to equity holders of the parent company	3,336,786	3,257,755	2.43

ii. Changes in major accounting data and financial indicators and the reasons thereof

In RMB millions, except for percentages

Item	Three months ended 31 March 2022	Three months ended 31 March 2021	Increase/ decrease (%)	Main reasons for change
Net cash flows from operating activities	1,207,219	612,669	97.04	The increase in the net increase of due to customers and deposits from banks and other financial institutions resulted in the increase in cash inflows.

iii. 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 2022 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

II. Information on Shareholders

i. Number of shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had a total number of 732,155 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 112,549 holders of H shares and 619,606 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	Increase/decrease of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of pledged/locked-up/ marked shares
Central Huijin Investment Ltd.	State-owned	A Share	—	123,717,852,951	34.71	None
Ministry of Finance of the People's Republic of China	State-owned	A Share	—	110,984,806,678	31.14	None
HKSCC Nominees Limited ⁽⁵⁾	Foreign legal person	H Share	4,921,766	86,159,046,315	24.17	Unknown
National Council for Social Security Fund ⁽⁶⁾	State-owned	A Share	—	12,331,645,186	3.46	None
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A Share	-736,135,000	2,951,195,676	0.83	None
China Securities Finance Co., Ltd.	State-owned legal person	A Share	—	2,416,131,540	0.68	None
Hong Kong Securities Clearing Company Limited ⁽⁷⁾	Foreign legal person	A Share	-24,533,115	1,361,918,551	0.38	None
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A Share	—	1,013,921,700	0.28	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A Share	-10,736,900	425,173,985	0.12	None
Taiping Life Insurance Co., Ltd. — Traditional — Ordinary insurance products — 022L — CT001 Hu	Other entities	A Share	-39,299,800	387,675,951	0.11	None

Notes: (1) The above data are based on the Bank's register of shareholders as at 31 March 2022.

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

(3) 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. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned shareholders.

(4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.

- (5) The number of shares held by HKSCC Nominees Limited at the end of the period 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 2022, which included H shares of the Bank held by National Council for Social Security Fund.
- (6) 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.
- (7) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 31 March 2022.

ii. 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), 26 domestic preference shareholders of “工行優 1” and 33 domestic preference shareholders of “工行優 2”.

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 of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
The Bank of New York Depository (Nominees) Limited	Foreign legal person	USD offshore preference shares	—	145,000,000	100	—	Unknown

- Notes:* (1) The above data are based on the Bank’s register of offshore preference shareholders as at 31 March 2022.
- (2) As the issuance of the offshore preference shares above was private offering, the register of preference shareholders presented the information on the registered holder of the offshore preference shares.
- (3) The Bank is not aware of any connected relations or concert party action between the afore-mentioned preference shareholder and the 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 of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked 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 Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	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
CITIC Securities Co., Ltd.	State-owned legal person	Domestic preference shares	—	12,290,000	2.7	—	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	11,400,000	2.5	—	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 2022.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is 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. 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 of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	120,000,000	17.1	—	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	112,750,000	16.1	—	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	100,000,000	14.3	—	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	-6,000,000	64,000,000	9.1	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	7.1	—	None
Jiangsu International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	37,250,000	5.3	—	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 Schroders 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 2022.

(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. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is 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. 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”.

III. Other Matters Requiring Attention

i. Brief analysis on overall operating activities in the first quarter

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

Net profit increased steadily. For the first three months of 2022, net profit amounted to RMB91,129 million, representing an increase of 5.60% compared with the same period of last year. Annualised return on average total assets and annualised return on weighted average equity were 1.01% and 12.22%, down 0.01 and 0.43 percentage points respectively.

Operating income amounted to RMB226,858 million, representing an increase of 5.95% compared with the same period of last year. Net interest income was RMB177,281 million, representing an increase of 6.41%. Annualised net interest margin stood at 2.10%. Non-interest income reported RMB49,577 million, representing an increase of 4.33%, of which net fee and commission income was RMB41,668 million, representing an increase of 1.22%. Operating expenses (excluding taxes and surcharges) were RMB43,438 million, representing an increase of 5.19%. Cost-to-income ratio was 19.15%.

As at the end of the reporting period, total assets amounted to RMB37,296,465 million, representing an increase of RMB2,125,082 million or 6.04% over the end of the previous year. Total loans and advances to customers (excluding accrued interest) amounted to RMB21,602,921 million, representing an increase of RMB935,676 million or 4.53%, of which RMB loans of domestic branches grew by RMB926,305 million or 4.89%. In terms of the structure, corporate loans were RMB12,936,622 million, personal loans were RMB8,065,555 million and discounted bills were RMB600,744 million. Investments reached RMB9,536,175 million, representing an increase of RMB278,415 million or 3.01%.

Total liabilities amounted to RMB33,941,551 million, representing an increase of RMB2,045,426 million or 6.41% over the end of the previous year. Due to customers amounted to RMB27,972,681 million, representing an increase of RMB1,530,907 million or 5.79%. In terms of the structure, time deposits were RMB14,345,448 million, demand deposits were RMB13,064,775 million, other deposits were RMB183,817 million and accrued interest was RMB378,641 million.

Shareholders' equity amounted to RMB3,354,914 million, representing an increase of RMB79,656 million or 2.43% over the end of last year.

Loan quality maintained stable. According to the five-category classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB306,887 million, representing an increase of RMB13,458 million over the end of the previous year. The NPL ratio was 1.42%, same as the end of the previous year. The allowance to NPLs stood at 209.91%, representing an increase of 4.07 percentage points.

The core tier 1 capital adequacy ratio was 13.43%, the tier 1 capital adequacy ratio was 15.04% and the capital adequacy ratio was 18.25%, all meeting regulatory requirements.

ii. Progress of significant events

Issuance of Eligible Tier 2 Capital Instruments

The Bank issued two tranches of tier 2 capital bonds of RMB40.0 billion and RMB50.0 billion in China's national inter-bank bond market in January and April 2022 respectively. All proceeds were used to replenish the Bank's tier 2 capital in accordance with the applicable laws as approved by relevant regulatory authorities. 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.

IV. Quarterly Financial Statements Prepared based on IFRSs

Industrial and Commercial Bank of China Limited

Consolidated Statement of Profit or Loss

(Based on IFRSs)

For the three months ended 31 March 2022

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2022 <u>(Unaudited)</u>	Three months ended 31 March 2021 <u>(Unaudited)</u>
Interest income	305,370	278,781
Interest expense	<u>(128,089)</u>	<u>(112,180)</u>
NET INTEREST INCOME	<u>177,281</u>	<u>166,601</u>
Fee and commission income	45,649	44,896
Fee and commission expense	<u>(3,981)</u>	<u>(3,732)</u>
NET FEE AND COMMISSION INCOME	<u>41,668</u>	<u>41,164</u>
Net trading income	298	2,371
Net gains on financial investments	1,268	112
Other operating income, net	<u>6,343</u>	<u>3,872</u>
OPERATING INCOME	<u>226,858</u>	<u>214,120</u>
Operating expenses	<u>(45,658)</u>	<u>(43,457)</u>
Impairment losses on assets	<u>(70,662)</u>	<u>(62,862)</u>
OPERATING PROFIT	<u>110,538</u>	<u>107,801</u>
Share of results of associates and joint ventures	<u>552</u>	<u>619</u>
PROFIT BEFORE TAXATION	<u>111,090</u>	<u>108,420</u>
Income tax expense	<u>(19,961)</u>	<u>(22,123)</u>
PROFIT FOR THE PERIOD	<u>91,129</u>	<u>86,297</u>

Industrial and Commercial Bank of China Limited

Consolidated Statement of Profit or Loss (continued)

(Based on IFRSs)

For the three months ended 31 March 2022

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2022 <u>(Unaudited)</u>	Three months ended 31 March 2021 <u>(Unaudited)</u>
Attributable to:		
Equity holders of the parent company	90,633	85,730
Non-controlling interests	<u>496</u>	<u>567</u>
Profit for the period	<u><u>91,129</u></u>	<u><u>86,297</u></u>
EARNINGS PER SHARE		
— Basic (RMB Yuan)	0.25	0.24
— Diluted (RMB Yuan)	<u><u>0.25</u></u>	<u><u>0.24</u></u>

Chen Siqing
Chairman

Liao Lin
*Vice Chairman
and 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 IFRSs)
For the three months ended 31 March 2022
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2022	Three months ended 31 March 2021
	(Unaudited)	(Unaudited)
Profit for the period	<u>91,129</u>	<u>86,297</u>
Other comprehensive income (after tax, net):		
1. Items that will not be reclassified to profit or loss:		
(1) Changes in fair value of equity instruments designated as at fair value through other comprehensive income	(1,218)	2,020
(2) Other	4	—
2. Items that may be reclassified subsequently to profit or loss:		
(1) Changes in fair value of debt instruments measured at fair value through other comprehensive income	(10,532)	(3,132)
(2) Credit losses of debt instruments measured at fair value through other comprehensive income	368	374
(3) Reserve from cash flows hedging instruments	76	406
(4) Other comprehensive income recognised under the equity method	(700)	59
(5) Foreign currency translation differences	1,168	(1,246)
(6) Other	120	76
Subtotal of other comprehensive income for the period	<u>(10,714)</u>	<u>(1,443)</u>
Total comprehensive income for the period	<u>80,415</u>	<u>84,854</u>
Total comprehensive income for the period attributable to:		
Equity holders of the parent company	79,790	84,175
Non-controlling interests	625	679

Chen Siqing
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*Vice Chairman
and President*

Liu Yagan
*General Manager of the Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position

(Based on IFRSs)

31 March 2022

(In RMB millions, unless otherwise stated)

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
ASSETS		
Cash and balances with central banks	3,509,818	3,098,438
Due from banks and other financial institutions	830,243	827,150
Derivative financial assets	112,006	76,140
Reverse repurchase agreements	1,137,687	663,496
Loans and advances to customers	21,009,578	20,109,200
Financial investments	9,536,175	9,257,760
— Financial investments measured at fair value through profit or loss	738,885	623,223
— Financial investments measured at fair value through other comprehensive income	1,720,707	1,803,604
— Financial investments measured at amortised cost	7,076,583	6,830,933
Investments in associates and joint ventures	64,987	61,782
Property and equipment	287,518	290,296
Deferred tax assets	88,648	79,259
Other assets	719,805	707,862
TOTAL ASSETS	37,296,465	35,171,383

Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position (continued)

(Based on IFRSs)

31 March 2022

(In RMB millions, unless otherwise stated)

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
LIABILITIES		
Due to central banks	47,919	39,723
Financial liabilities designated as at fair value through profit or loss	81,248	87,180
Derivative financial liabilities	117,590	71,337
Due to banks and other financial institutions	3,262,549	2,921,029
Repurchase agreements	508,369	365,943
Certificates of deposit	234,339	290,342
Due to customers	27,972,681	26,441,774
Income tax payable	116,695	92,443
Deferred tax liabilities	5,352	5,624
Debt securities issued	820,747	791,375
Other liabilities	774,062	789,355
TOTAL LIABILITIES	33,941,551	31,896,125
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	354,331	354,331
Reserves	915,664	926,375
Retained earnings	1,710,384	1,620,642
	3,336,786	3,257,755
Non-controlling interests	18,128	17,503
TOTAL EQUITY	3,354,914	3,275,258
TOTAL LIABILITIES AND EQUITY	37,296,465	35,171,383

Chen Siqing
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Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows

(Based on IFRSs)

For the three months ended 31 March 2022

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2022	Three months ended 31 March 2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	111,090	108,420
Adjustments for:		
Share of results of associates and joint ventures	(552)	(619)
Depreciation	7,205	5,428
Amortisation	838	872
Impairment losses on assets	70,662	62,862
Unrealised gains on foreign exchange	(4,587)	(8,636)
Interest expense on debt securities issued	6,920	6,978
Accreted interest on impaired loans	(462)	(325)
Net gains on financial investments	(6,655)	(4,224)
Interest income in financial investments	(68,978)	(63,569)
Net gains on changes at fair value	4,747	1,779
Net gains on disposal and stocktake of property and equipment and other assets (other than repossessed assets)	(390)	(455)
Dividend income	(482)	(389)
	119,356	108,122

Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows (continued)

(Based on IFRSs)

For the three months ended 31 March 2022

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2022	Three months ended 31 March 2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(CONTINUED)		
Net (increase)/decrease in operating assets:		
Due from central banks	(132,332)	(33,162)
Due from banks and other financial institutions	346,413	393,677
Financial assets measured at fair value through profit or loss	(124,286)	(30,858)
Reverse repurchase agreements	(8,297)	48,004
Loans and advances to customers	(951,631)	(873,064)
Other assets	(11,863)	94,315
	<u>(881,996)</u>	<u>(401,088)</u>
Net (decrease)/increase in operating liabilities:		
Financial liabilities designated as at fair value through profit or loss	(5,844)	12,958
Due to central banks	8,196	987
Due to banks and other financial institutions	343,016	175,618
Repurchase agreements	142,965	18,914
Certificates of deposit	(55,348)	(16,363)
Due to customers	1,519,900	790,394
Other liabilities	19,456	(67,023)
	<u>1,972,341</u>	<u>915,485</u>
Net cash flows from operating activities before tax	1,209,701	622,519
Income tax paid	(2,482)	(9,850)
Net cash flows from operating activities	<u>1,207,219</u>	<u>612,669</u>

Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows (continued)

(Based on IFRSs)

For the three months ended 31 March 2022

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2022 <u>(Unaudited)</u>	Three months ended 31 March 2021 <u>(Unaudited)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(2,629)	(2,167)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	279	1,917
Purchases of financial investments	(1,036,775)	(791,528)
Proceeds from sale and redemption of financial investments	861,124	698,950
Investments in associates and joint ventures	(1,150)	—
Investment returns received	62,032	54,598
	<u>(117,119)</u>	<u>(38,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt securities	217,034	226,444
Interest paid on debt securities	(5,494)	(4,374)
Repayment of debt securities	(195,827)	(189,024)
Dividends or interest paid to other equity instrument holders	(731)	—
Dividends paid to non-controlling shareholders	—	(137)
Cash payment for other financing activities	(1,618)	(1,476)
	<u>13,364</u>	<u>31,433</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	1,436,757	1,791,122
Effect of exchange rate changes on cash and cash equivalents	(7,518)	(3,534)
	<u>2,532,703</u>	<u>2,393,460</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	243,500	228,768
Interest paid	(103,357)	(89,255)

Chen Siqing
Chairman

Liao Lin
Vice Chairman
and President

Liu Yagan
General Manager of the Finance
and Accounting Department

V. Release of Quarterly Report

The 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 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
29 April 2022

As at the date of this announcement, the Board of Directors comprises Mr. CHEN Siqing, Mr. LIAO Lin, Mr. ZHENG Guoyu and Mr. WANG Jingwu as executive directors, Mr. LU Yongzhen, Mr. FENG Weidong, Ms. CAO Liqun, Ms. CHEN Yifang and Mr. DONG Yang as non-executive directors, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Mr. SHEN Si and Mr. Fred Zuliou HU as independent non-executive directors.

Appendix Capital Adequacy Ratio, Leverage Ratio and Liquidity Coverage Ratio

i. Capital adequacy ratio calculated as per the Regulation Governing Capital of Commercial Banks (Provisional)

In RMB millions, except for percentages

Item	31 March 2022		31 December 2021	
	Group	Parent Company	Group	Parent Company
Net core tier 1 capital	2,966,073	2,692,181	2,886,378	2,614,392
Net tier 1 capital	3,321,161	3,022,573	3,241,364	2,944,636
Net capital base	4,030,619	3,719,909	3,909,669	3,600,883
Core tier 1 capital adequacy ratio (%)	13.43	13.43	13.31	13.29
Tier 1 capital adequacy ratio (%)	15.04	15.07	14.94	14.97
Capital adequacy ratio (%)	18.25	18.55	18.02	18.30

ii. Leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised)

In RMB millions, except for percentages

Item	31 March 2022	31 December 2021	30 September 2021	30 June 2021
Net tier 1 capital	3,321,161	3,241,364	3,132,095	3,009,641
Balance of adjusted on- and off-balance sheet assets	39,560,645	37,292,522	37,682,357	37,370,525
Leverage ratio (%)	8.40	8.69	8.31	8.05

iii. Quantitative information of liquidity coverage ratio disclosed as per the Administrative Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks

In RMB millions, except for percentages

No.		First quarter 2022	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		5,937,014
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	13,859,592	1,382,218
3	<i>Stable deposits</i>	58,539	2,113
4	<i>Less stable deposits</i>	13,801,053	1,380,105
5	Unsecured wholesale funding, of which:	14,673,025	4,936,862
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	8,530,296	2,071,355
7	<i>Non-operational deposits (all counterparties)</i>	6,058,596	2,781,374
8	<i>Unsecured debt</i>	84,133	84,133
9	Secured funding		14,486
10	Additional requirements, of which:	3,164,831	1,338,491
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,186,584	1,186,584
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	1,978,247	151,907
14	Other contractual funding obligations	77,093	77,074
15	Other contingent funding obligations	5,192,599	103,663
16	TOTAL CASH OUTFLOWS		7,852,794
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	633,153	405,148
18	Inflows from fully performing exposures	1,431,259	893,221
19	Other cash inflows	1,189,538	1,186,694
20	TOTAL CASH INFLOWS	3,253,950	2,485,063
			Total adjusted value
21	TOTAL HQLA		5,937,014
22	TOTAL NET CASH OUTFLOWS		5,367,731
23	LIQUIDITY COVERAGE RATIO (%)		110.68

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