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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)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2014

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 2014. This announcement is made in accordance with 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 liabilities to the authenticity, accuracy and completeness of the information in this report.
- 1.2 The First Quarterly Report of 2014 has been considered and approved at the meeting of the Board of Directors of the Bank held on 29 April 2014. There were 15 directors eligible for attending the meeting, of whom 12 directors attended the meeting in person and 3 directors by proxy. Mr. Liu Lixian appointed Mr. Yi Huiman, Vice-Chairman, Mr. Or Ching Fai appointed Mr. Kenneth Patrick Chung, and Mr. Yao Zhongli appointed Ms. Wang Xiaoya, respectively, to attend the meeting and exercise the voting right on their behalf.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Jiang Jianqing, Legal Representative of the Bank, Mr. Yi Huiman, President in charge of finance of the Bank, and Mr. Liu Yagan, 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

A share:	
Stock name	工商銀行
Stock code	601398
Stock exchange on which shares are listed	Shanghai Stock Exchange
H share:	
Stock name	ICBC
Stock code	1398
Stock exchange on which shares are listed	The Stock Exchange of Hong Kong Limited
A share convertible corporate bonds:	
Convertible corporate bond name	工行轉債
Convertible corporate bond code	113002
Stock exchange on which bonds are listed	Shanghai Stock Exchange
Board Secretary, Company Secretary:	
Name	Hu Hao
Address	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, People's Republic of 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 in Accordance with International Financial Reporting Standards (“IFRSs”)

(In RMB millions, unless otherwise specified)

	31 March 2014	31 December 2013	Change (%)
Total assets	19,734,683	18,917,752	4.32
Total loans and advances to customers	10,372,180	9,922,374	4.53
Allowance for impairment losses on loans	246,744	240,959	2.40
Investment	4,349,097	4,322,244	0.62
Total liabilities	18,371,763	17,639,289	4.15
Due to customers	15,160,980	14,620,825	3.69
Due to banks and other financial institutions	1,455,482	1,269,255	14.67
Equity attributable to equity holders of the parent company	1,358,485	1,274,134	6.62
Net asset per share (in RMB yuan)	3.87	3.63	6.61

	Three months ended 31 March 2014	Three months ended 31 March 2013	Changes as compared to the same period of last year (%, percentage points)
Operating income	156,863	144,743	8.37
Net profit	73,461	68,813	6.75
Net profit attributable to equity holders of the parent company	73,302	68,743	6.63
Net cash flows from operating activities	247,991	323,021	(23.23)
Basic earnings per share (<i>in RMB yuan</i>)	0.21	0.20	5.00
Diluted earnings per share (<i>in RMB yuan</i>)	0.21	0.19	10.53
Return on weighted average equity (%, <i>annualised</i>)	22.27	23.71	A decrease of 1.44 percentage points

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 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 2014 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 889,466 shareholders, including 146,213 holders of H shares and 743,253 holders of A shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 SHAREHOLDERS OF THE BANK

Unit: Share

Total number of shareholders	889,466 (number of holders of A shares and H shares on the register of shareholders as at 31 March 2014)					
Particulars of shareholding of the top 10 shareholders (The following data are based on the register of shareholders as at 31 March 2014)						
Name of shareholder	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Central Huijin Investment Ltd.	State-owned	A shares	35.33	124,155,852,951	—	None
Ministry of Finance of the People's Republic of China	State-owned	A shares	35.09	123,316,451,864	—	None
HKSCC Nominees Limited	Foreign legal person	H shares	24.48	86,012,564,479	—	Unknown
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other domestic entities	A shares	1.29	4,515,417,169	—	None
ICBC Credit Suisse Asset Management Co., Ltd. — ICBC — Asset management for specific customers	Other domestic entities	A shares	0.30	1,053,190,083	—	None
China Securities Finance Corporation Limited	Other domestic entities	A shares	0.23	819,683,416	—	None
An-Bang Insurance Group Co., Ltd. — Traditional insurance products	Other domestic entities	A shares	0.15	540,842,624	—	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other domestic entities	A shares	0.09	317,038,827	—	None
China Pacific Life Insurance Co., Ltd. — Traditional — Ordinary insurance products	Other domestic entities	A shares	0.08	290,359,686	—	None
Ping An Life Insurance Company of China, Ltd. — Traditional — High interest rate policy products	Other domestic entities	A shares	0.07	261,629,846	—	None

Notes: (1) Particulars of shareholding of H share holders were based on the number of shares set out in the Bank's register of shareholders maintained at the H share registrar.

(2) Both "Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products" and "Ping An Life Insurance Company of China, Ltd. — Traditional — High interest rate policy products" are managed by Ping An Life Insurance Company of China, Ltd. Apart from these, the Bank is not aware of any connected relations or concerted 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 2014, the Bank had received notices from the following persons stating that they had interests or short positions in the shares or underlying shares of the Bank as recorded in the register required to be kept pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong:

HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Approximate percentage of issued A shares (%)	Approximate percentage of total issued shares (%)
Ministry of Finance of the People's Republic of China ⁽¹⁾	Beneficial owner	118,006,174,032	Long position	44.60	33.58
Central Huijin Investment Ltd. ⁽²⁾	Beneficial owner	118,006,174,032	Long position	44.60	33.58

Notes: (1) According to the register of shareholders of the Bank as at 31 March 2014, the Ministry of Finance of the People's Republic of China held 123,316,451,864 shares in the Bank.

(2) According to the register of shareholders of the Bank as at 31 March 2014, Central Huijin Investment Ltd. held 124,155,852,951 shares in the Bank.

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Approximate percentage of issued H shares (%)	Approximate percentage of total issued shares (%)
National Council for Social Security Fund	Beneficial owner	9,540,438,314	Long position	10.99	2.72
Temasek Holdings (Private) Limited	Interest of controlled corporations	7,002,665,393	Long position	8.07	1.99
JPMorgan Chase & Co.	Beneficial owner	652,143,385	Long position	0.75	0.19
	Investment manager	1,404,910,833	Long position	1.62	0.40
	Custodian-corporation/ approved lending agent	4,042,223,891	Long position	4.66	1.15
	Total	6,099,278,109		7.03	1.74
	Beneficial owner	273,429,763	Short position	0.32	0.08
Blackrock, Inc.	Interest of controlled corporations	5,194,290,673	Long position	5.98	1.48
		297,000	Short position	0.00	0.00

2.5 Particulars of Convertible Corporate Bonds

PARTICULARS OF HOLDING OF THE TOP 10 HOLDERS OF THE A SHARE CONVERTIBLE BONDS

Unit: RMB yuan

Name of bondholder	Amount held
Sunshine Life Insurance Co., Ltd. — Participating insurance products	1,569,369,000
Guotai Junan Securities Co., Ltd.	820,551,000
An-Bang Insurance (Group) Company — Traditional insurance products	642,093,000
Happy Life Insurance Co., Ltd — Participating	588,942,000
UBS AG	511,702,000
Guo Yuan Securities Co., Ltd.	481,190,000
AEGON-INDUSTRIAL Trend Investment Hybrid Securities Investment Fund	461,497,000
Credit Suisse (Hong Kong) Limited	396,297,000
GIC PRIVATE LIMITED	386,535,000
BNP Paribas — Owned funds	331,322,000

Note: Pursuant to the Notice on Participation of Convertible Corporate Bonds in Collateralized Bond Repurchase Business and relevant rules of the Shanghai Stock Exchange, convertible bonds of the Bank have participated in collateralized bond repurchase since 21 May 2012. The Bank consolidated and summed up relevant data according to the register of holders of A share convertible bonds at the end of the reporting period provided by China Securities Depository and Clearing Corporation Limited and the information on holders of specific accounts for collateralized bond repurchase of settlement participants.

2.5.1 Particulars of Guarantors of Convertible Bonds

The Bank had no guarantor of convertible bonds.

2.5.2 Adjustment of Conversion Price of Convertible Bonds

The conversion price of ICBC Convertible Bonds has been adjusted to RMB3.53 per share from RMB3.77 per share since 26 June 2013. During the reporting period, there was no adjustment in the conversion price of ICBC Convertible Bonds.

2.5.3 Conversion of Convertible Bonds

The conversion period of ICBC Convertible Bonds commenced on 1 March 2011. As at 31 March 2014, a total of 85,806,830 bonds were converted into A shares of the Bank, making the accumulated converted shares reach the number of 2,371,161,106. As at the end of the reporting period, there were still 164,193,170 ICBC Convertible Bonds trading in the market, accounting for 65.68% of the total ICBC Convertible Bonds issued by the Bank.

2.5.4 Credit Rating of Convertible Bonds

China Chengxin Securities Appraisal Co., Ltd. traced and analyzed the credit standing of the ICBC Convertible Bonds and issued a credit rating report (Xin Ping Wei Han Zi [2013] Gen Zong No. 056). The Bank was rated AAA with a stable prospect, and the credit rating for the ICBC Convertible Bonds as at the end of the reporting period was AAA.

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 RMB73,461 million, representing an increase of 6.75% over the same period of last year. Annualised return on average total assets was 1.52%. Annualised return on weighted average equity was 22.27%.

Operating income amounted to RMB156,863 million, representing a year-on-year increase of 8.37%. Net interest income was RMB115,825 million, representing a year-on-year increase of 8.53%. Net fee and commission income was RMB37,682 million, representing a year-on-year increase of 10.23%. Cost-to-income ratio was 24.06%.

As at the end of the reporting period, total assets amounted to RMB19,734,683 million, representing an increase of RMB816,931 million or 4.32% over the end of the previous year. Total loans and advances to customers amounted to RMB10,372,180 million, representing an increase of RMB449,806 million or 4.53% over the end of last year, of which RMB loans of domestic branches grew by RMB262,084 million or 2.97%. In terms of the structure of loans and advances to customers, corporate loans were RMB7,435,939 million, personal loans were RMB2,814,146 million and discounted bills were RMB122,095 million. Loan-to-deposit ratio was 67.3%.

Total liabilities amounted to RMB18,371,763 million, representing an increase of RMB732,474 million or 4.15% over the end of the previous year. Due to customers amounted to RMB15,160,980 million, representing an increase of RMB540,155 million or 3.69% over the end of the previous year. In terms of the structure of deposits, time deposits were RMB7,714,691 million, demand deposits were RMB7,175,202 million and others were RMB271,087 million.

Shareholders' equity amounted to RMB1,362,920 million, representing an increase of RMB84,457 million or 6.61% over the end of last year.

According to the five-tier classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB100,550 million, representing an increase of RMB6,861 million over the end of last year. The NPL ratio was 0.97%. The ratio of allowance to NPL stood at 245.39%. The allowance to total loans ratio was 2.38%, and the allowance to total loans ratio for domestic institutions was 2.52%.

The core tier 1 capital adequacy ratio was 10.88%, the tier 1 capital adequacy ratio was 10.88% and the capital adequacy ratio was 13.22%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 Statements Items and Financial Indicators and the Reasons thereof

Applicable Not applicable

In RMB millions, except for percentages

Item	31 March 2014	31 December 2013	Increase/Decrease (%)	Main reasons for change
Financial assets held for trading	18,859	28,143	(32.99)	Bond investments held for trading decreased
Reverse repurchase agreements	515,635	331,903	55.36	Placements by bond pledge increased
Derivative financial liabilities	25,918	19,168	35.21	It is mainly due to the increase in the valuation of liabilities relating to foreign exchange forward and foreign exchange swap contracts resulting from market fluctuations and business size increase

In RMB millions, except for percentages

Item	Three months ended 31 March 2014	Three months ended 31 March 2013	Increase/Decrease (%)	Main reasons for change
Net (loss)/gain on financial assets and liabilities designated at fair value through profit or loss	(2,221)	235	(1045.11)	The net expense paid to customers increased due to the increase in principal-guaranteed wealth management products and structured deposits
Net gain on financial investments	268	177	51.41	Gains on bill trading spread increased
Other operating income, net	4,816	3,046	58.11	It is mainly due to the increase in USD exposure because of USD appreciation and the increased in income from operating leasing business
Net profit attributable to non-controlling interests	159	70	127.14	The profit attributable to non-controlling shareholders of ICBC (Argentina), a non-wholly owned subsidiary, increased

4.2 Progress of Significant Events and Analysis of Their Effects and Solutions

Applicable Not applicable

4.2.1 Acquisition of 20% Shares in Bank SinoPac

On 2 April 2013, the Bank, SinoPac Holdings Co., Ltd. (“SinoPac Holdings”) and Bank SinoPac Co., Ltd. (“Bank SinoPac”) entered into an agreement on the subscription by the Bank of 20% shares of SinoPac Holdings or Bank SinoPac. The transaction will be carried out after the limit of shareholding percentage of a commercial bank from Chinese Mainland is relaxed to 20% by the Taiwan’s financial regulator. At that time, the Bank will subscribe shares of Bank SinoPac. If the Taiwan’s financial regulator does not relax such shareholding percentage to 20% or more within one year (“selected transaction waiting period”) after the signing date of the share subscription agreement, the parties are entitled to negotiate the extension of the selected transaction waiting period. On 27 February 2014, the Bank entered into a supplemental agreement with SinoPac Holdings and Bank SinoPac, according to which, the selected transaction waiting period will be extended to 1 April 2015. Other provisions of the share subscription agreement remained unchanged. The final completion of the abovementioned transaction is subject to approval of relevant regulatory authorities. For details, please refer to the 2013 Annual Report of the Bank.

4.2.2 Acquisition of Shares in Standard Bank Plc

On 29 January 2014, the Bank entered into a share purchase agreement to acquire 60% of the existing issued shares in Standard Bank PLC (“Target Bank”) from Standard Bank London Holdings Limited (“SBLH”). In addition, the Bank also has a five-year option to acquire additional 20% of the existing issued shares of Target Bank exercisable from the second anniversary of the date that the transaction is completed (the “Call Option”). SBLH will have a put option, exercisable six months following the date on which the Bank’s Call Option is exercised, to require the Bank to purchase all of the shares held by SBLH and its related parties. The final completion of the abovementioned transaction is subject to approval of relevant regulatory authorities. For details, please refer to the 2013 Annual Report of the Bank.

4.3 Fulfillment of Commitments Made by the Bank, its Shareholders Holding 5% Shares or above and de facto Controllers of the Bank

Applicable Not applicable

During the reporting period, the Bank and the shareholders holding 5% shares or above did not make any new commitments. As at 31 March 2014, all of the continuing commitments made by the shareholders were properly fulfilled, which are set forth in the 2013 Annual Report of the Bank.

4.4 Implementation of Cash Dividend Policy 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 in accordance with IFRSs are attached in Appendix I to this announcement

5.2 Capital adequacy ratios disclosed as per the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the China Banking Regulatory Commission are attached in Appendix II to this announcement

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 websites of the Bank (www.icbc.com.cn, 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 websites of the Bank (www.icbc.com.cn, 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.

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

29 April 2014

As at the date of this announcement, the Board of Directors comprises Mr. Jiang Jianqing, Mr. Yi Huiman and Mr. Liu Lixian as executive directors, Ms. Wang Xiaoya, Ms. Ge Rongrong, Mr. Li Jun, Mr. Wang Xiaolan, Mr. Yao Zhongli and Mr. Fu Zhongjun as non-executive directors, Mr. Wong Kwong Shing, Frank, Sir Malcolm Christopher McCarthy, Mr. Kenneth Patrick Chung, Mr. Or Ching Fai, Mr. Hong Yongmiao and Mr. Yi Xiqun as independent non-executive directors.

Appendix I
Industrial and Commercial Bank of China Limited
Consolidated Income Statement — Prepared in accordance with IFRSs
For the three months ended 31 March 2014
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2013 (unaudited)
Interest income	203,145	184,303
Interest expense	<u>(87,320)</u>	<u>(77,586)</u>
NET INTEREST INCOME	<u>115,825</u>	<u>106,717</u>
Fee and commission income	40,550	36,629
Fee and commission expense	<u>(2,868)</u>	<u>(2,444)</u>
NET FEE AND COMMISSION INCOME	<u>37,682</u>	<u>34,185</u>
Net trading income	493	383
Net (loss)/gain on financial assets and liabilities designated at fair value through profit or loss	(2,221)	235
Net gain on financial investments	268	177
Other operating income, net	<u>4,816</u>	<u>3,046</u>
OPERATING INCOME	<u>156,863</u>	<u>144,743</u>
Operating expenses	(47,928)	(44,829)
Impairment losses on:		
— Loans and advances to customers	(13,672)	(12,434)
— Others	<u>(104)</u>	<u>282</u>
OPERATING PROFIT	<u>95,159</u>	<u>87,762</u>
Share of profits of associates and joint ventures	<u>498</u>	<u>576</u>
PROFIT BEFORE TAXATION	<u>95,657</u>	<u>88,338</u>
Income tax expense	<u>(22,196)</u>	<u>(19,525)</u>
PROFIT FOR THE PERIOD	<u><u>73,461</u></u>	<u><u>68,813</u></u>

Industrial and Commercial Bank of China Limited

Consolidated Income Statement — Prepared in accordance with IFRSs (continued)

For the three months ended 31 March 2014

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2013 (unaudited)
Attributable to:		
Equity holders of the parent company	73,302	68,743
Non-controlling interests	<u>159</u>	<u>70</u>
	<u><u>73,461</u></u>	<u><u>68,813</u></u>
EARNINGS PER SHARE		
— Basic (RMB yuan)	<u><u>0.21</u></u>	<u><u>0.20</u></u>
— Diluted (RMB yuan)	<u><u>0.21</u></u>	<u><u>0.19</u></u>

Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Statement of Comprehensive Income — Prepared in accordance with IFRSs

For the three months ended 31 March 2014

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2013 (unaudited)
Profit for the period	<u>73,461</u>	<u>68,813</u>
Other comprehensive income (after-tax, net):		
Fair value change on available-for-sale financial assets	8,903	2,993
Net gain/(loss) on cash flow hedges	22	(55)
Share of other comprehensive income of associates and joint ventures	42	395
Foreign currency translation differences	2,037	(3,003)
Others	<u>(12)</u>	<u>—</u>
Subtotal of other comprehensive income for the period	<u>10,992</u>	<u>330</u>
Total comprehensive income for the period	<u><u>84,453</u></u>	<u><u>69,143</u></u>
Total comprehensive income attributable to:		
Equity holders of the parent company	84,347	69,090
Non-controlling interests	<u>106</u>	<u>53</u>

Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position — Prepared in accordance with IFRSs

31 March 2014

(In RMB millions, unless otherwise stated)

	31 March 2014 (unaudited)	31 December 2013 (audited)
ASSETS		
Cash and balances with central banks	3,525,830	3,294,007
Due from banks and other financial institutions	570,113	717,984
Financial assets held for trading	18,859	28,143
Financial assets designated at fair value through profit or loss	338,271	344,413
Derivative financial assets	26,427	25,020
Reverse repurchase agreements	515,635	331,903
Loans and advances to customers	10,125,436	9,681,415
Financial investments	3,991,967	3,949,688
Investments in associates and joint ventures	29,899	28,515
Property and equipment	168,091	164,347
Deferred income tax assets	25,805	28,860
Other assets	398,350	323,457
TOTAL ASSETS	19,734,683	18,917,752
LIABILITIES		
Due to central banks	686	724
Financial liabilities designated at fair value through profit or loss	562,171	553,607
Derivative financial liabilities	25,918	19,168
Due to banks and other financial institutions	1,455,482	1,269,255
Repurchase agreements	233,208	299,304
Certificates of deposit	167,190	130,558
Due to customers	15,160,980	14,620,825
Income tax payable	71,880	55,674
Deferred income tax liabilities	459	420
Debt securities issued	248,644	253,018
Other liabilities	445,145	436,736
TOTAL LIABILITIES	18,371,763	17,639,289

Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position — Prepared in accordance with IFRSs (continued)

31 March 2014

(In RMB millions, unless otherwise stated)

	31 March 2014 (unaudited)	31 December 2013 (audited)
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	351,391	351,390
Equity component of convertible bonds	1,960	1,960
Reserves	420,393	408,835
Retained profits	584,741	511,949
	<hr/>	<hr/>
	1,358,485	1,274,134
Non-controlling interests	4,435	4,329
	<hr/>	<hr/>
TOTAL EQUITY	1,362,920	1,278,463
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	19,734,683	18,917,752
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Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows — Prepared in accordance with IFRSs

For the three months ended 31 March 2014

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2013 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	95,657	88,338
Adjustments for:		
Share of profits of associates and joint ventures	(498)	(576)
Depreciation	3,602	3,305
Amortisation	1,575	1,396
Amortisation of financial investments	150	(17)
Impairment losses on loans and advances to customers	13,672	12,434
Impairment losses on assets other than loans and advances to customers	104	(282)
Unrealised foreign exchange gain	(3,803)	(1,045)
Interest expense on debt securities issued	2,751	2,778
Accreted interest on impaired loans	(566)	(456)
Gain on disposal of available-for-sale financial assets, net	(260)	(174)
Net trading loss/(gain) on equity investments	11	(16)
Net loss/(gain) on financial assets and liabilities designated at fair value through profit or loss	2,221	(235)
Net gain on disposal of property and equipment and other assets (other than repossessed assets)	(218)	(97)
Dividend income	(8)	(3)
	<u>114,390</u>	<u>105,350</u>
Net decrease/(increase) in operating assets:		
Due from central banks	(139,920)	(106,455)
Due from banks and other financial institutions	99,923	56,931
Financial assets held for trading	9,456	(19,710)
Financial assets designated at fair value through profit or loss	8,052	69,863
Reverse repurchase agreements	(10,703)	2,402
Loans and advances to customers	(434,096)	(465,042)
Other assets	(74,729)	(12,908)
	<u>(542,017)</u>	<u>(474,919)</u>

Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows — Prepared in accordance with IFRSs (continued)

For the three months ended 31 March 2014

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2013 (unaudited)
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	7,508	(60,995)
Due to central banks	(38)	(453)
Due to banks and other financial institutions	176,405	(83,894)
Repurchase agreements	(66,096)	76,934
Certificates of deposit	34,047	3,115
Due to customers	525,043	743,302
Other liabilities	4,606	19,767
	<u>681,475</u>	<u>697,776</u>
Net cash flows from operating activities before tax	253,848	328,207
Income tax paid	(5,857)	(5,186)
Net cash flows from operating activities	<u>247,991</u>	<u>323,021</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(7,771)	(5,446)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	261	306
Purchases of financial investments	(246,393)	(312,903)
Proceeds from sale and redemption of financial investments	219,005	179,166
Dividends received	2	3
Net cash flows from investing activities	<u>(34,896)</u>	<u>(138,874)</u>

Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows — Prepared in accordance with IFRSs (continued)

For the three months ended 31 March 2014

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2013 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injection by non-controlling shareholders	—	125
Proceeds from issuance of other debt securities	9,439	11,878
Interest paid on debt securities	(292)	(155)
Repayments of other debt securities	(15,564)	—
	<u>(6,417)</u>	<u>11,848</u>
Net cash flows from financing activities	<u>(6,417)</u>	<u>11,848</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	957,402	1,201,647
Effect of exchange rate changes on cash and cash equivalents	10,316	(2,595)
	<u>1,174,396</u>	<u>1,395,047</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	<u>1,174,396</u>	<u>1,395,047</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	192,941	170,264
Interest paid	(78,634)	(63,204)
	<u>(78,634)</u>	<u>(63,204)</u>

Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
General Manager of Finance
and Accounting Department

Appendix II Capital Adequacy Ratio

In RMB millions, except for percentages

Item	31 March 2014		31 December 2013	
	Group	Parent Company	Group	Parent Company
Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission¹:				
Net core tier 1 capital	1,350,739	1,270,010	1,266,841	1,190,490
Net tier 1 capital	1,350,801	1,270,010	1,266,859	1,190,490
Net capital base	1,641,043	1,542,829	1,572,265	1,478,863
Core tier 1 capital adequacy ratio	10.88%	10.89%	10.57%	10.58%
Tier 1 capital adequacy ratio	10.88%	10.89%	10.57%	10.58%
Capital adequacy ratio	13.22%	13.23%	13.12%	13.14%
Calculated in accordance with the Regulations Governing Capital Adequacy of Commercial Banks and related regulations promulgated by China Banking Regulatory Commission:				
Core capital adequacy ratio	10.66%	10.91%	10.62%	10.86%
Capital adequacy ratio	13.25%	13.21%	13.31%	13.25%

Note 1: Weighted approach is adopted to measure capital requirement for credit risk, standardized approach is applied for market risk and basic indicator approach is applied for operational risk.