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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 2013

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 2013. 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 2013 has been considered and approved at the meeting of the Board of Directors of the Bank held on 26 April 2013. There were 16 directors eligible for attending the meeting, of whom 13 directors attended the meeting in person and 3 directors by proxies. Mr. Yang Kaisheng, Vice Chairman, appointed Mr. Jiang Jianqing, Chairman, Mr. Xu Shanda appointed Mr. Or Ching Fai and Ms. Ge Rongrong appointed Ms. Wang Xiaoya, 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. Yang Kaisheng, President in charge of finance of the Bank, and Mr. Shen Rujun, 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 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 2013	31 December 2012	Change (%)
Total assets	18,357,278	17,542,217	4.65
Total loans and advances to customers	9,264,954	8,803,692	5.24
Allowance for impairment losses on loans	231,177	220,403	4.89
Investment	4,167,725	4,083,887	2.05
Total liabilities	17,159,463	16,413,758	4.54
Due to customers	14,384,273	13,642,910	5.43
Due to banks and other financial institutions	1,401,911	1,486,805	(5.71)
Equity attributable to equity holders of the parent company	1,194,175	1,124,997	6.15
Net assets per share (in RMB yuan)	3.42	3.22	6.21
		Three months ended 31 March 2013	Changes as compared to the same period of last year (%)
Net cash flows from operating activities		323,021	(19.19)
Net cash flows per share from operating activities (in RMB yuan)		0.92	(19.30)

	Three months ended 31 March 2013	From the beginning of the year to the end of the reporting period	Changes as compared to the same period of last year (%, percentage points)
Net Profit	68,813	68,813	12.12
Net profit attributable to equity holders of the parent company	68,743	68,743	12.08
Basic earnings per share (<i>in RMB yuan</i>)	0.20	0.20	11.11
Diluted earnings per share (<i>in RMB yuan</i>)	0.19	0.19	11.76
Return on weighted average equity (%, <i>annualised</i>)	23.71	23.71	A decrease of 1.09 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 for the year attributable to equity holders of the parent company for the reporting period ended 31 March 2013 and the 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 922,026 shareholders, including 149,063 holders of H shares and 772,963 holders of A shares.

Particulars of Shareholding of the Top 10 Shareholders of the Bank

Unit: Share

Total number of shareholders	922,026 (number of holders of A shares and H shares on the register of shareholders as at 31 March 2013)					
Particulars of shareholding of the top 10 shareholders (the following data are based on the register of shareholders as at 31 March 2013)						
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	35.5	123,980,407,454	0	None
Ministry of Finance of the People's Republic of China	State-owned	A shares	35.3	123,316,451,864	0	None
HKSCC Nominees Limited	Foreign corporation	H shares	24.6	86,021,371,065	0	Unknown
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other domestic entities	A shares	0.8	2,814,011,249	0	None
ICBC Credit Suisse Asset Management Co., Ltd. — ICBC — Assets management for specific customers	Other domestic entities	A shares	0.3	1,053,190,083	0	None
China Life Insurance Company Limited — Participating — Individual participating — 005L — FH002 Hu	Other domestic entities	A shares	0.2	734,088,927	0	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other domestic entities	A shares	0.2	571,842,187	0	None
An-Bang Insurance (Group) Company — Traditional insurance products	Other domestic entities	A shares	0.2	544,890,787	0	None
China Pacific Life Insurance Co., Ltd. — Traditional — Ordinary insurance products	Other domestic entities	A shares	0.1	281,287,898	0	None
Ping An Life Insurance Company of China, Ltd. — Traditional — High-interest rate policy products	Other domestic entities	A shares	0.1	261,629,846	0	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) According to Central Huijin Investment Ltd.'s notice received by the Bank on 10 October 2012, it intends to continue to increase, in its own capacity, its shareholding in the Bank by acquiring shares from the secondary market within six months from 10 October 2012. From 10 October 2012 to 31 March 2013, Central Huijin Investment Ltd. increased its holding by 211,717,258 A shares of the Bank accumulatively, accounting for approximately 0.061% of the total shares issued by the Bank as at 31 March 2013.

- (3) 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. Both “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Participating — Individual participating — 005L — FH002 Hu” are managed by China Life Insurance Company Limited. 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 2013, 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	44.90	33.75
Central Huijin Investment Ltd. ⁽²⁾	Beneficial owner	118,006,174,032	Long position	44.90	33.75

Notes: (1) According to the register of shareholders as at 31 March 2013, 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 as at 31 March 2013, Central Huijin Investment Ltd. held 123,980,407,454 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	10,405,376,524	Long position	11.99	2.98
Temasek Holdings (Private) Limited	Interest of controlled corporations	5,235,843,470	Long position	6.03	1.50
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	1.16
	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	5,113,517,641	Long position	5.89	1.46
		457,369,555	Short position	0.53	0.13

2.5 Particulars of A Share 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	1,833,390,000
China Everbright Bank Co., Ltd. — Boseria Enhanced Convertible Bond-type Securities Investment Fund	730,318,000
Guotai Junan Securities Co., Ltd.	660,967,000
An-Bang Insurance (Group) Company — Traditional insurance products	642,093,000
First Capital Securities Co., Ltd.	540,730,000
China Life Insurance Company Limited — Participating — Individual participating — 005L — FH002 Hu	463,709,000
Everbright Securities Co., Ltd.	452,605,000
China Life Insurance (Group) Company — Traditional — Ordinary insurance products	437,362,000
CITIC Trust Co., Ltd. — Double Profit No. 10	436,774,000
International Finance — Standard Chartered — Government of Singapore Investment Corporation Pte Ltd.	365,274,000

Note: Pursuant to the Notice on Participation of Convertible Corporate Bonds in Collateralized Bond Repurchase Business and the relevant rules of the Shanghai Stock Exchange, convertible bonds of the Bank have participated in collateralized bond repurchase since 21 May 2012. The above data has been summed up by the Bank according to the register of holders of A share convertible bonds at the end of the reporting period provided by the 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 from RMB3.97 per share to RMB3.77 per share since 14 June 2012. 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 2013, a total of 24,134,560 ICBC Convertible Bonds were converted to A shares of the Bank, and the accumulated converted shares reached 624,079,565 shares. As at the end of the reporting period, there were still 225,865,440 ICBC Convertible Bonds trading in the market, accounting for 90.35% of the total number of ICBC Convertible Bonds in issue.

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 [2012] Gen Zong No. 006). 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 RMB68,813 million, representing an increase of 12.12% over the same period of last year. Annualised return on average total assets was 1.53%, representing an increase of 0.08 percentage points as compared to the previous year. Annualised return on weighted average equity was 23.71%, representing an increase of 0.69 percentage points as compared to the previous year.

Operating income amounted to RMB144,743 million, representing an increase of 11.29% over the same period of last year. Net interest income was RMB106,717 million, representing an increase of 8.00% over the same period of last year. Net fee and commission income was RMB34,185 million, representing an increase of 19.44% over the same period of last year. Cost-to-income ratio was 24.59%.

As at the end of the reporting period, total assets amounted to RMB18,357,278 million, representing an increase of RMB815,061 million or 4.65% as compared to the end of the previous year. Total loans and advances to customers amounted to RMB9,264,954 million, representing an increase of RMB461,262 million or 5.24% as compared to the end of the previous year. Of which, RMB loans of domestic branches increased by RMB250,720 million or 3.18%. In terms of the structure of loans and advances to customers, corporate loans amounted to RMB6,705,068 million, personal loans amounted to RMB2,408,322 million, and discounted bills amounted to RMB151,564 million. Loan-to-deposit ratio was 64.2%.

Total liabilities amounted to RMB17,159,463 million, representing an increase of RMB745,705 million or 4.54% as compared to the end of the previous year. Due to customers was RMB14,384,273 million, representing an increase of RMB741,363 million or 5.43% as compared to the end of the previous year. In terms of the structure of deposits, time deposits amounted to RMB7,177,840 million, demand deposits amounted to RMB7,009,920 million, and others amounted to RMB196,513 million.

Shareholders' equity was RMB1,197,815 million in total, representing an increase of RMB69,356 million or 6.15% as compared to the end of the previous year.

According to the five-tier classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB80,237 million, representing an increase of RMB5,662 million as compared to the end of the previous year. The NPL ratio was 0.87%, representing an increase of 0.02 percentage points as compared to the end of the previous year. The ratio of allowance to NPL was 288.12%, representing a decrease of 7.43 percentage points as compared to the end of the previous year. The ratio of allowance to total loans was 2.50%.

The core tier-one capital adequacy ratio was 11.00%, the tier-one capital adequacy ratio was 11.00% and the capital adequacy ratio was 13.68%¹, all meeting regulatory requirements.

¹ Calculated based on the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the 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 2013	31 December 2012	Increase/Decrease (%)	Main reasons for change
Financial assets held for trading	40,249	20,463	96.69	Bond investments held by the Bank for trading increased
Financial assets designated at fair value through profit or loss	132,132	201,208	(34.33)	The funds of principal-guaranteed wealth management products issued by the Bank decreased
Due to central banks	680	1,133	(39.98)	Borrowings from central banks by controlling institutions and overseas branches decreased
Repurchase agreements	314,698	237,764	32.36	Pledged bond borrowings and bond lending increased

In RMB millions, except for percentages

Item	Three months ended 31 March 2013	Three months ended 31 March 2012	Increase/Decrease (%)	Main reasons for change
Net trading income/ (expense)	383	(63)	N/A	Yields of interest rate and bond derivative contracts increased
Net gain/(loss) on financial assets and liabilities designated at fair value through profit or loss	235	(533)	N/A	Changes in bond yield curve resulted in the increase of bond valuation gains
Net gain on financial investments	177	590	(70.00)	Gains on available-for-sale investment spread decreased
Net profit attributable to non-controlling shareholders	70	37	89.19	Newly established subsidiaries resulted in the increase of gains of non-controlling shareholders in the period

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

Applicable Not applicable

4.2.1 Subscription of 20% shares in Bank SinoPac

On 2 April 2013, the Bank entered into a share subscription agreement with SinoPac Financial Holdings Co., Ltd. (“SinoPac Financial Holdings”) and Bank SinoPac Co., Ltd. (“Bank SinoPac”) on subscription of 20% shares of SinoPac Financial Holdings or Bank SinoPac. The Taiwan financial regulatory authorities stated at the third meeting on the negotiation concerning the cross-Straits banking supervision held on 1 April that the limit on shareholding proportion of a bank from mainland China in the subsidiary bank of a Taiwan financial holding company will be raised to a maximum of 20%. This transaction will be carried out after the official raising of the limit on such shareholding proportion to 20% by the Taiwan financial regulatory authorities. At that time, the Bank will subscribe shares of Bank SinoPac. The base subscription price of this transaction shall be determined by referring to the net assets value of Bank SinoPac stated in its 2012 interim report, and the base price for subscribing 20% of the shares of Bank SinoPac is approximately NT\$18.7 billion (equivalent to approximately RMB3.9 billion). After all necessary regulatory approvals are obtained for the transaction, the base subscription price will be adjusted to reflect the actual circumstances of net assets value of Bank SinoPac before clearing. The final completion of the transaction shall be subject to the approvals of both domestic and overseas regulatory authorities.

4.3 Fulfillment of commitments made by the Bank, its shareholders and de facto controllers

Applicable Not applicable

During the reporting period, the shareholders holding 5% shares or above did not make any new commitments. As at 31 March 2013, all of the continuous commitments made by the shareholders were properly fulfilled, which are set forth in the 2012 Annual Report.

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. APPENDIX

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 RESULTS ANNOUNCEMENT

The announcement will be published simultaneously on the “HKExnews” website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (www.icbc.com.cn, www.icbc-ltd.com). The First 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.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**

26 April 2013

As at the date of this announcement, the Board of Directors comprises Mr. Jiang Jianqing, Mr. Yang Kaisheng, Ms. Wang Lili and Mr. Li Xiaopeng as executive directors, Mr. Huan Huiwu, Ms. Wang Xiaoya, Ms. Ge Rongrong, Mr. Li Jun, Mr. Wang Xiaolan and Mr. Yao Zhongli as non-executive directors, Mr. Xu Shanda, Mr. Wong Kwong Shing, Frank, Sir Malcolm Christopher McCarthy, Mr. Kenneth Patrick Chung, Mr. Or Ching Fai and Mr. Hong Yongmiao 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 2013
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Interest income	184,303	174,348
Interest expense	(77,586)	(75,532)
NET INTEREST INCOME	106,717	98,816
Fee and commission income	36,629	30,526
Fee and commission expense	(2,444)	(1,904)
NET FEE AND COMMISSION INCOME	34,185	28,622
Net trading income/(expense)	383	(63)
Net gain/(loss) on financial assets and liabilities designated at fair value through profit or loss	235	(533)
Net gain on financial investments	177	590
Other operating income, net	3,046	2,633
OPERATING INCOME	144,743	130,065
Operating expenses	(44,829)	(40,703)
Impairment losses on:		
— Loans and advances to customers	(12,434)	(10,134)
— Others	282	(14)
OPERATING PROFIT	87,762	79,214
Share of profits of associates and jointly-controlled entities	576	614
PROFIT BEFORE TAX	88,338	79,828
Income tax expense	(19,525)	(18,456)
PROFIT FOR THE PERIOD	68,813	61,372

Appendix I

Industrial and Commercial Bank of China Limited

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

For the three months ended 31 March 2013

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Attributable to:		
Equity holders of the parent company	68,743	61,335
Non-controlling interests	70	37
	<u>68,813</u>	<u>61,372</u>
EARNINGS PER SHARE		
— Basic (RMB yuan)	<u>0.20</u>	<u>0.18</u>
— Diluted (RMB yuan)	<u>0.19</u>	<u>0.17</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman, President

Shen Rujun
*General Manager of the 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 2013

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Profit for the period	<u>68,813</u>	<u>61,372</u>
Other comprehensive income/(loss) (after-tax, net):		
Net gain on available-for-sale financial assets	2,993	965
Net loss on cash flow hedges	(55)	(21)
Share of other comprehensive income of associates and jointly-controlled entities	395	(202)
Foreign currency translation differences	<u>(3,003)</u>	<u>2,167</u>
Subtotal of other comprehensive income for the period	<u>330</u>	<u>2,909</u>
Total comprehensive income for the period	<u><u>69,143</u></u>	<u><u>64,281</u></u>
Total comprehensive income attributable to:		
Equity holders of the parent company	69,090	64,234
Non-controlling interests	<u>53</u>	<u>47</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman, President

Shen Rujun
*General Manager of the Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position — Prepared in accordance with IFRSs

As at 31 March 2013

(In RMB millions, unless otherwise stated)

	31 March 2013 (unaudited)	31 December 2012 (audited)
ASSETS		
Cash and balances with central banks	3,220,108	3,174,943
Due from banks and other financial institutions	690,089	636,450
Financial assets held for trading	40,249	20,463
Financial assets designated at fair value through profit or loss	132,132	201,208
Derivative financial assets	17,941	14,756
Reverse repurchase agreements	672,004	544,579
Loans and advances to customers	9,033,777	8,583,289
Financial investments	3,995,344	3,862,216
Investments in associates and jointly-controlled entities	31,074	33,284
Property and equipment	138,017	135,889
Deferred income tax assets	20,860	22,789
Other assets	365,683	312,351
TOTAL ASSETS	18,357,278	17,542,217
LIABILITIES		
Due to central banks	680	1,133
Financial liabilities designated at fair value through profit or loss	258,841	319,742
Derivative financial liabilities	15,611	13,261
Due to banks and other financial institutions	1,401,911	1,486,805
Repurchase agreements	314,698	237,764
Certificates of deposit	41,033	38,009
Due to customers	14,384,273	13,642,910
Income tax payable	70,299	56,922
Deferred income tax liabilities	560	552
Bonds payable	244,165	232,186
Other liabilities	427,392	384,474
TOTAL LIABILITIES	17,159,463	16,413,758

Industrial and Commercial Bank of China Limited

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

As at 31 March 2013

(In RMB millions, unless otherwise stated)

	31 March 2013 (unaudited)	31 December 2012 (audited)
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	349,643	349,620
Equity component of convertible bonds	2,697	2,708
Reserves	400,755	400,128
Retained profits	441,080	372,541
	1,194,175	1,124,997
Non-controlling interests	3,640	3,462
TOTAL EQUITY	1,197,815	1,128,459
TOTAL EQUITY AND LIABILITIES	18,357,278	17,542,217

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman, President

Shen Rujun
*General Manager of the 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 2013

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	88,338	79,828
Adjustments for:		
Share of profits of associates and jointly-controlled entities	(576)	(614)
Depreciation	3,305	3,262
Amortisation	1,396	379
Amortisation of financial investments	(17)	(1,769)
Impairment losses on loans and advances to customers	12,434	10,134
Impairment losses on assets other than loans and advances to customers	(282)	14
Unrealised foreign exchange (gain)/loss	(1,045)	1,047
Interest expense on debt securities issued	2,778	2,280
Accreted interest on impaired loans	(456)	(142)
Gain on disposal of available-for-sale financial assets, net	(174)	(589)
Net trading gain on equity investments	(16)	(24)
Net (gain)/loss on financial assets and financial liabilities designated at fair value through profit or loss	(235)	533
Net gain on disposal of property and equipment and other assets (other than repossessed assets)	(97)	(39)
Dividend income	(3)	(1)
	<u>105,350</u>	<u>94,299</u>
Net decrease/(increase) in operating assets:		
Due from central banks	(106,455)	(16,978)
Due from banks and other financial institutions	56,931	(109,040)
Financial assets held for trading	(19,710)	(3,551)
Financial assets designated at fair value through profit or loss	69,863	(32,573)
Reverse repurchase agreements	2,402	12,311
Loans and advances to customers	(465,042)	(370,272)
Other assets	(12,908)	(61,695)
	<u>(474,919)</u>	<u>(581,798)</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 2013

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	(60,995)	182,220
Due to central banks	(453)	(30)
Due to banks and other financial institutions	(83,894)	285,449
Repurchase agreements	76,934	34,804
Certificates of deposit	3,115	1,155
Due to customers	743,302	354,394
Other liabilities	19,767	34,201
	697,776	892,193
Net cash flows from operating activities before tax	328,207	404,694
Income tax paid	(5,186)	(4,962)
Net cash flows from operating activities	323,021	399,732
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(5,446)	(1,008)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	306	92
Purchases of financial investments	(312,903)	(250,609)
Proceeds from sale and redemption of financial investments	179,166	195,028
Dividends received	3	—
Net cash flows from investing activities	(138,874)	(56,497)

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 2013

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2013 (unaudited)	Three months ended 31 March 2012 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital investments from non-controlling shareholders	125	—
Proceeds from issuance of other debt securities	11,878	6,375
Interest paid on debt securities	(155)	(32)
	<u>11,848</u>	<u>6,343</u>
Net cash flows from financing activities	11,848	6,343
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	1,201,647	848,308
Effect of exchange rate changes on cash and cash equivalents	(2,595)	(9)
	<u>1,395,047</u>	<u>1,197,877</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	<u>1,395,047</u>	<u>1,197,877</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	170,264	154,180
Interest paid	(63,204)	(62,944)
	<u>107,060</u>	<u>91,236</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman, President

Shen Rujun
General Manager of the Finance
and Accounting Department

Appendix II Capital Adequacy Ratio

In RMB millions, except for percentages

Calculated pursuant to the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the China Banking Regulatory Commission¹:		
Item	Group	Parent company
Net core tier-one capital	1,187,376	1,116,895
Net tier-one capital	1,187,399	1,116,895
Net capital	1,477,726	1,393,797
Core tier-one capital adequacy ratio	11.00%	10.86%
Tier-one capital adequacy ratio	11.00%	10.86%
Capital adequacy ratio	13.68%	13.56%
Calculated pursuant to the Regulations Governing Capital Adequacy of Commercial Banks and related rules promulgated by the China Banking Regulatory Commission:		
Item	Group	Parent company
Core capital adequacy ratio	10.84%	10.83%
Capital adequacy ratio	13.77%	13.42%

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.