



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 2008

The Board of Directors of Industrial and Commercial Bank of China Limited (“the Bank”) is pleased to announce the results of the Bank and its subsidiaries (“the Group”) for the first quarter ended 31 March 2008. 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 and the Board of Supervisors of the Bank and its directors, supervisors and senior management warrant that there are no false records or misleading statements contained in, or material omissions from, this report, and severally and jointly accept responsibility for the authenticity, accuracy and completeness of the information contained in this report.
- 1.2 This quarterly report has been reviewed and approved at the thirty-fourth meeting of the first session of the Board of Directors of the Bank held on 29 April 2008, and all directors were present at the meeting.
- 1.3 This quarterly financial report has not been audited.
- 1.4 Mr. Jiang Jianqing, the Legal Representative of the Bank, Mr. Yang Kaisheng, President — finance, and Mr. Gu Shu, General Manager — Finance and Accounting Department of the Bank, hereby warrant the authenticity and completeness of the financial information contained in this quarterly report.

2. CORPORATE INFORMATION

2.1 Basic Information

Stock name	ICBC
Stock code	601398 (A share)
Stock exchange on which shares are listed	Shanghai Stock Exchange (the “SSE”)
Stock name	ICBC
Stock code	1398 (H share)
Stock exchange on which shares are listed	The Stock Exchange of Hong Kong Limited (the “SEHK”)
Secretary to the Board	Pan Gongsheng
Contact address	No. 55, Fuxingmennei Avenue, Xicheng District, Beijing, People’s Republic of China, 100032
Telephone	86-10-66108608
Facsimile	86-10-66106139
E-mail	ir@icbc.com.cn

2.2 Major Accounting Data and Financial Indicators

2.2.1 Major Accounting Data and Financial Indicators Prepared under International Financial Reporting Standards (“IFRSs”)

	At 31 March 2008	At 31 December 2007	Change (%)
Total assets (in RMB millions)	9,140,811	8,683,712	5.26
Equity attributable to equity holders of the parent company (in RMB millions)	566,032	538,371	5.14
Net assets per share (excluding minority interests) (in RMB)	1.69	1.61	4.97
			Change as compared to the January 2008– March 2008 same period of last year (%)
Net cash inflow from operating activities (in RMB millions)		109,594	22.63
Net cash inflow per share from operating activities (in RMB)		0.33	22.63

	January 2008–March 2008	Beginning of the year to the end of the reporting period	Change as compared to the same period of last year (% percentage points)
Profit after tax (in RMB millions)	33,282	33,282	76.10
Net profit attributable to equity holders of the parent company (in RMB millions)	33,113	33,113	76.95
Basic earnings per share (in RMB)	0.10	0.10	66.67
Diluted earnings per share (in RMB)	0.10	0.10	66.67
Return on weighted average equity (%)	6.00	6.00	Increase of 2.06 percentage points

2.2.2 Reconciliation between IFRSs and Chinese Accounting Standards (“CASs”) on Net Profit and Equity Attributable to Equity Holders of the Parent Company for the Three Months Ended and as at 31 March 2008

(In RMB millions)	January 2008–March 2008
Net profit attributable to equity holders of the parent company under CASs	33,113
Adjustment for:	
Recognition of revaluation surplus on disposed assets	<u>—</u>
Net profit attributable to equity holders of the parent company under IFRSs	<u>33,113</u>
(In RMB millions)	At 31 March 2008
Equity attributable to equity holders of the parent company under CASs	566,608
Adjustment for:	
Reversal of revaluation surplus ⁽¹⁾	<u>(576)</u>
Equity attributable to equity holders of the parent company under IFRSs	<u>566,032</u>

Note: (1) In the financial statements prepared in accordance with CASs, pursuant to the relevant regulations, the Bank revalued certain assets and recognized the revaluation surplus in capital surplus. In the financial statements prepared in accordance with IFRSs, the revalued assets should be accounted for at cost and the related revaluation surplus

should be reversed; when the revalued assets are disposed of, the revaluation surplus reversed are adjusted against the gains and losses from disposal.

2.3 Total Number of Shareholders and Particulars of Top 10 Shareholders Not Subject to Restriction on Sales as at the End of the Reporting Period

2.3.1 Total Number of Shareholders

As at the end of the reporting period, the Bank had a total of 1,732,169 shareholders, of which 180,657 are holders of H shares and 1,551,512 are holders of A shares.

2.3.2 Particulars of Top 10 Shareholders of the Bank (Particulars of shareholding of holders of H shares were based on the number of shares set out in the Bank's register of shareholders maintained by the H share registrar)

Number of Shareholders and Particulars of Shareholding

Unit: Share

Total number of shareholders 1,732,169 (the number of holders of A shares and H shares on the register of shareholders as at 31 March 2008)

Particulars of the shareholding of the top 10 shareholders (The following data is based on the register of shareholders as at 31 March 2008)

Name of shareholder	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of shares subject to restriction on sales	Number of pledged or locked-up shares
Ministry of Finance, PRC	State-owned shares	A share	35.3	118,006,174,032	118,006,174,032	None
Central SAFE Investments Limited	State-owned shares	A share	35.3	118,006,174,032	118,006,174,032	None
HKSCC Nominees Limited	Foreign investment	H share	13.2	44,227,984,885	0	Unknown
The Goldman Sachs Group, Inc.	Foreign investment	H share	4.9	16,476,014,155	16,476,014,155	Unknown
National Council for Social Security Fund, PRC	Other domestic investment	H share	4.2	14,102,149,559	14,102,149,559	Unknown
Dresdner Bank Luxembourg S.A. ⁽¹⁾	Foreign investment	H share	1.9	6,432,601,015	6,432,601,015	Unknown
American Express Group	Foreign investment	H share	0.4	1,276,122,233	1,276,122,233	Unknown
China Life Insurance (Group) Company — traditional — ordinary insurance products	Other domestic investment	A share	0.2	690,027,367	320,512,500	None
China Life Insurance Company Limited — traditional — ordinary insurance products — 005L — CT001 Hu	Other domestic investment	A share	0.2	633,476,467	320,512,500	None
China Huarong Asset Management Corporation	Other domestic investment	A share	0.1	480,769,000	240,384,500	None

Note: (1) Dresdner Bank Luxembourg S.A. is a wholly-owned subsidiary of Allianz Group, through which Allianz Group holds shares of the Bank.

China Life Insurance Company Limited is a subsidiary of China Life Insurance (Group) Company. Save and except as the aforesaid, the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

Particulars of Top 10 Shareholders Not Subject to Restriction on Sales (The following data is based on the register of shareholders as at 31 March 2008)

Unit: Share

Name of Shareholder	Number of shares not subject to restriction on sales	Type of shares
HKSCC Nominees Limited	44,227,984,885	H share
China Life Insurance (Group) Company — traditional — ordinary insurance products	369,514,867	A share
China Life Insurance Company Limited — traditional — ordinary insurance products — 005L — CT001 Hu	312,963,967	A share
China Huarong Asset Management Corporation	240,384,500	A share
Boshi Theme Industry Stock Investment Fund	230,000,000	A share
Fortune SGAM Selected Sectors Fund	200,000,000	A share
China Life Insurance Company Limited — bonus — personal bonus — 005L — FH002 Hu	194,980,607	A share
Dacheng Blue Chip Sustaining Securities Investment Fund	192,626,561	A share
China Huaneng Group	160,256,000	A share
E-Fund SSE 50 Index Securities Investment Fund	160,074,654	A share

China Life Insurance Company Limited is a subsidiary of China Life Insurance (Group) Company. Save and except as the aforesaid, the Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

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

At the end of the reporting period, the main operating activities of the Group are as follows:

Profit after tax for the reporting period was RMB33,282 million, an increase of 76.1% as compared to the same period of last year, mainly due to the growth of various businesses and the relatively rapid growth of various business incomes such as net interest income and net fee and commission income in the first quarter. In addition, the adoption of the new income tax

rate pursuant to the relevant regulations also resulted in a remarkable growth of profit after tax in the Bank. Net interest income was RMB66,287 million, an increase of 36.4% as compared to the same period of last year; net fee and commission income was RMB12,057 million, an increase of 86.4% as compared to the same period of last year; and net profit attributable to equity holders of the parent company was RMB33,113 million, an increase of 77.0% as compared to the same period of last year. The cost-to-income ratio was 25.35%.

As at end of the reporting period, total assets amounted to RMB9,140,811 million, an increase of RMB457,099 million or 5.3% over the end of last year; total liabilities were RMB8,570,456 million, an increase of RMB430,420 million or 5.3% over the end of the previous year.

Net loans and advances to customers were RMB4,133,824 million, an increase of RMB176,282 million or 4.5% over the end of last year. Net investments in securities were RMB3,184,872 million, an increase of RMB77,544 million or 2.5% over the end of the previous year.

The face value of US sub-prime mortgage-backed securities held by the Bank was USD1,219 million. The Bank continued to make prudent revaluation and stringent impairment test on the above assets, and set aside an additional impairment provision of USD48 million on top of the USD400 million provisions made in 2007, with the provision coverage ratio (allowance/face value) reaching 36.75%. The face value of the structured investment vehicles (SIVs) totaled USD55 million. Impairment provision of USD10 million was made in the first quarter of 2008 in addition to the USD35 million of provision made in 2007. The provision coverage ratio reached 81.82%.

The amount due to customers and due to banks and other financial institutions amounted to RMB8,012,821 million, an increase of RMB386,799 million or 5.1% as compared to the end of last year.

Total shareholders' equity was RMB570,355 million, an increase of RMB26,679 million or 4.9% over the end of last year.

According to the five-tier classification, the balance of non-performing loans (NPLs) amounted to RMB106,694 million, a decrease of RMB5,080 million as compared to the end of last year. The NPL ratio stood at 2.51%, a decrease of 0.23 percentage point from the end of last year. The ratio of allowance to NPLs was 110.72%, an increase of 7.22 percentage points over the end of the previous year.

The core capital adequacy ratio was 10.15%, and the capital adequacy ratio was 11.92%, both meeting the regulatory requirements. The core capital adequacy ratio and the capital adequacy ratio declined by 0.84 and 1.17 percentage points, respectively, from the end of last year, mainly due to delivery of equities after the Bank completed the acquisition of Standard Bank Group Limited of South Africa.

4. SIGNIFICANT EVENTS

4.1 Significant Changes to Main Financial Statement Items and Financial Indicators during the Reporting Period and the Reasons Thereof

Applicable Not applicable

In RMB millions

Item	At 31 March 2008	At 31 December 2007	Increase/ Decrease (%)	Main reasons for change
Financial assets held for trading	42,569	31,536	34.99	Increase in financial assets held for trading
Investments in associates	33,133	172	19,163.37	Acquisition of shares of Standard Bank Group Limited of South Africa
Other assets	148,645	91,818	61.89	Increase in amount to be settled or transferred
Financial liabilities designated at fair value through profit or loss	8,455	15,590	-45.77	The amount of matured financial liabilities designated at fair value through profit or loss is more than the increase amount
Derivative financial liabilities	12,243	7,127	71.78	Changes in the fair value of derivative instruments
Certificates of deposit	1,063	562	89.15	Increase in certificates of deposit of subsidiaries
Retained profits	79,251	46,148	71.73	Increase in the profit for the period

In RMB millions

Item	January 2008– March 2008	January 2007– March 2007	Increase/ decrease (%)	Main reasons for change
Net interest income	66,287	48,580	36.45	Increase in interest-generating assets and interest spread
Net fee and commission income	12,057	6,470	86.35	Development of intermediary businesses and increase in fee income
Other operating loss, net	(2,731)	(177)	1,442.94	Effects of market fluctuation and exchange rate movement

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

Applicable Not applicable

Relevant information about the Bank's acquisition of 20% equity interests in Standard Bank Group Limited of South Africa, shares of Seng Heng Bank Limited and equities and warrants of Industrial and Commercial Bank of China (Asia) Limited have been disclosed in the Annual Report of 2007. Announcements regarding completion of the above three transactions were published on China Securities Journal, Shanghai Securities News and Securities Times on 4 March, 29 January and 25 January of 2008, respectively.

4.3 Fulfillment of Commitments Made by the Bank, Shareholders and De Facto Controllers

Applicable Not applicable

The shareholders made no new commitments during the reporting period, and the commitments effective to this reporting period were the same as those disclosed in the 2007 Annual Report. As at 31 March 2008, all commitments made by the shareholders were properly fulfilled.

4.4 Warnings and Explanations on Estimated Loss or Significant Changes (as compared to the corresponding period of last year) to Net Accumulated Profit from the Beginning of the Year to the End of the Next Reporting Period

Applicable Not applicable

4.5 Other Notifiable Significant Events

4.5.1 Particulars of Securities Investments

Applicable Not applicable

No.	Stock (funds) code	Abbreviated Name	Total number of shares held at end of the period (10,000 shares)	Initial Investment (RMB)	Book value at end of the period (RMB)	Book value at beginning of the period (RMB)	Accounting Item
1	966 (Hong Kong, China)	CHINA INSURANCE	9,746.49	346,167,829	1,550,252,505	1,971,329,542	Available-for-sale financial assets
2	600744	HHEP	2,982.64	30,000,000	199,538,750	240,997,316	Available-for-sale financial assets
3	601600	CHALCO	918.19	10,000,000	186,943,484	361,675,041	Available-for-sale financial assets
4	601998	CNCB	2,586.2	149,999,600	183,878,820	262,499,300	Available-for-sale financial assets
5	485105	ICBCCS Enhanced Income Bond Fund A	14,186.32	150,000,000	153,325,704	157,510,667	Available-for-sale financial assets
6	1688 (Hong Kong, PRC)	ALIBABA	1,002.8	131,782,620	147,928,993	264,332,169	Available-for-sale financial assets
7	600216	ZMC	479	3,513,203	95,991,600	92,926,000	Available-for-sale financial assets
8	481001	ICBCCS Core Value Equity Fund	7,260.65	20,000,000	63,683,153	79,598,496	Available-for-sale financial assets
9	000430	S*ST ZTDC	612	2,000,000	56,671,200	67,993,200	Available-for-sale financial assets
10	483003	ICBCCS Select Balanced Equity Fund	3,576.81	20,000,000	32,495,349	40,872,246	Available-for-sale financial assets
Total			—	<u>863,463,252</u>	<u>2,670,709,558</u>	<u>3,539,733,977</u>	—

Note: (1) The stocks and fund investment as stated in the table is the investments in securities, open-end funds and close-end funds issued by other listed companies classified as available-for-sale financial assets or financial assets held for trading in the consolidated balance sheet for the reporting period in the First Quarterly Report of 2008 of the Bank. (The top 10 are selected and ranked according to the book value as at the end of the reporting period.)

(2) Stocks of China Insurance and ALIBABA are held by Industrial and Commercial Bank of China (Asia) Limited, a non-wholly-owned subsidiary of the Bank; while stocks of ICBCCS Enhanced Income Bond Fund A, ICBCCS Core Value Equity Fund and ICBCCS Select Balanced Equity Fund are held by ICBC Credit Suisse Asset Management Co., Ltd, a non-wholly-owned subsidiary of the Bank.

5. APPENDIX: FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSS

The financial statements prepared in accordance with IFRSs are attached as an appendix to this announcement.

Note: In the first quarter of 2008, the Bank completed the delivery of 79.9333% equity interests in Seng Heng Bank Limited of Macau from its original shareholders, and became the controlling shareholder of Seng Heng Bank Limited. Upon completion, Seng Heng Bank Limited became a subsidiary held by the Bank, and was included in the consolidated statements for the first quarter of 2008.

6. RELEASE OF RESULTS ANNOUNCEMENT

This announcement will be released on the “HKExnews” website of SEHK (www.hkexnews.com.hk) and the Bank (www.icbc.com.cn, www.icbc-ltd.com) simultaneously. The first quarterly report prepared in accordance with CASs will be released simultaneously on the website of SSE (www.sse.com.cn) and the Bank (www.icbc.com.cn, www.icbc-ltd.com).

This announcement is prepared in both Chinese and English. Should any discrepancy arises between the two versions, the Chinese version shall prevail.

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

29 April 2008

As at the date of this announcement, the Board of Directors comprises Mr. JIANG Jianqing, Mr. YANG Kaisheng, Mr. ZHANG Furong and Mr. NIU Ximing as executive directors, Mr. FU Zhongjun, Mr. KANG Xuejun, Mr. SONG Zhigang, Mr. WANG Wenyan, Ms. ZHAO Haiying, Mr. ZHONG Jian'an and Mr. Christopher A. COLE as non-executive directors; and Mr. LEUNG Kam Chung, Antony, Mr. John L. THORNTON, Mr. QIAN Yingyi and Mr. XU Shanda as independent non-executive directors.

Consolidated Income Statement — Prepared in accordance with IFRS

For the Three Months Ended 31 March 2008

(In RMB millions, unless otherwise stated)

	January 2008– March 2008 (Unaudited)	January 2007– March 2007 (Unaudited)
Interest income	105,609	78,476
Interest expense	(39,322)	(29,896)
Net interest income	66,287	48,580
Fee and commission income	12,784	6,993
Fee and commission expense	(727)	(523)
Net fee and commission income	12,057	6,470
Other operating income/loss, net	(2,731)	(177)
Operating income	75,613	54,873
Operating expenses	(23,674)	(19,560)
Impairment losses on:		
Loans and advances to customers	(5,704)	(7,312)
Others	(2,769)	(43)
Operating profit	43,466	27,958
Share of profits of associates	214	2
Profit before tax	43,680	27,960
Income tax expense	(10,398)	(9,061)
Profit after tax	33,282	18,899
Attributable to:		
Equity holders of the parent company	33,113	18,713
Minority interests	169	186
	33,282	18,899
Earnings per share attributable to equity holders of the parent company		
— Basic and diluted (RMB)	0.10	0.06

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

GU Shu
General Manager of Finance
and Accounting Department

Consolidated Balance Sheet — Prepared in accordance with IFRS

As at 31 March 2008

(In RMB millions, unless otherwise stated)

	As at 31 March 2008 (Unaudited)	As at 31 December 2007
Assets:		
Cash and balances with the central banks	1,262,206	1,142,346
Due from banks and other financial institutions	176,120	199,758
Financial assets held for trading	42,569	31,536
Financial assets designated at fair value through profit or loss	2,670	2,785
Derivative financial assets	28,366	22,769
Reverse repurchase agreement	88,885	75,880
Loans and advances to customers	4,133,824	3,957,542
Financial investments	3,139,633	3,073,007
Investments in associates	33,133	172
Property and equipment	79,010	80,266
Deferred income tax assets	5,750	5,833
Other assets	148,645	91,818
Total assets	9,140,811	8,683,712

	As at 31 March 2008 (Unaudited)	As at 31 December 2007
Liabilities:		
Financial liabilities designated at fair value through profit or loss	8,455	15,590
Derivative financial liabilities	12,243	7,127
Due to banks and other financial institutions	883,752	805,174
Repurchase agreement	188,976	193,508
Certificates of deposit	1,063	562
Due to customers	7,228,839	6,898,413
Income tax payable	43,258	33,668
Deferred income tax liabilities	161	337
Subordinated bonds	35,000	35,000
Other liabilities	168,709	150,657
	<hr/>	<hr/>
Total liabilities	8,570,456	8,140,036
	<hr/>	<hr/>
Equity		
Equity attributable to equity holders of the parent company		
Issued share capital	334,019	334,019
Reserves	152,762	158,204
Retained profits	79,251	46,148
	<hr/>	<hr/>
	566,032	538,371
Minority interests	4,323	5,305
	<hr/>	<hr/>
Total equity	570,355	543,676
	<hr/>	<hr/>
Total equity and liabilities	9,140,811	8,683,712
	<hr/> <hr/>	<hr/> <hr/>

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

GU Shu
*General Manager of Finance
and Accounting Department*

Consolidated Cash Flow Statement — Prepared in accordance with IFRS

For the Three Months Ended 31 March 2008

(In RMB millions, unless otherwise stated)

	January 2008– March 2008 (Unaudited)	January 2007– March 2007 (Unaudited)
Cash flow from operating activities		
Profit before tax	43,680	27,960
Adjustment for:		
Share of profits and losses of associates	(214)	(2)
Depreciation	2,019	2,192
Amortization	327	264
Amortization of financial investments	2,177	3,971
Impairment loss on loans and advances to customers	5,704	7,312
Impairment loss on assets other than loans and advances to customers	2,769	43
Unrealized foreign exchange difference	6,310	1,206
Interest expense on subordinated bonds	313	331
Accretion of impairment provision discount	(171)	(321)
Gain on disposal of available-for-sale securities, net	(120)	(99)
Net gain on disposal of property, equipment and other assets (other than repossessed assets)	(87)	(89)
	<u>62,707</u>	<u>42,768</u>
Net decrease/(increase) in operating assets:		
Due from central banks	(94,938)	(66,806)
Due from banks and other financial institutions	(23,561)	7,681
Financial assets held for trading	(17,543)	(16,799)
Reverse repurchase agreements	(8,912)	(30,539)
Loans and advances to customers	(163,836)	(171,712)
Other assets	(41,157)	(24,761)
	<u>(349,947)</u>	<u>(302,936)</u>
Net increase/(decrease) in operating liabilities:		
Due to banks and other financial institutions	78,578	181,025
Repurchase agreements	(4,532)	(23,626)
Certificates of deposit	501	102
Due to customers	330,426	208,596
Other liabilities	(7,486)	(15,325)
	<u>397,487</u>	<u>350,772</u>
Net cash inflow from operating activities before tax	110,247	90,604
Income tax paid	(653)	(1,234)
Net cash inflow from operating activities	<u>109,594</u>	<u>89,370</u>

	January 2008– March 2008 (Unaudited)	January 2007– March 2007 (Unaudited)
Cash flows from investing activities		
Purchases of property and equipment and other assets	(578)	(767)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	94	128
Purchase of financial investments	(431,704)	(469,591)
Proceeds from sale and redemption of financial investments	342,220	342,971
Proceeds from acquisition of a subsidiary	2,418	—
Proceeds from acquisition of shares of a subsidiary from the minority shareholders	(1,766)	—
Proceeds from acquisition of warrant of a subsidiary from the minority shareholders	(17)	—
Proceeds from acquisition of an associate	(33,718)	—
Net cash outflow from investing activities	<u>(123,051)</u>	<u>(127,259)</u>
Cash flows from financing activities		
Interests paid on subordinated bonds	(183)	(176)
Dividends paid to minority shareholders	(34)	—
Net cash outflow from financing activities	<u>(217)</u>	<u>(176)</u>
Net increase in cash and cash equivalents	(13,674)	(38,065)
Cash and cash equivalents at beginning of the period	301,687	275,360
Effect of exchange rate changes on cash and cash equivalents	(5,471)	(784)
Cash and cash equivalent at end of the period	<u>282,542</u>	<u>236,511</u>
Net cash inflow from operating activities includes:		
Interests received	93,650	68,325
Interests paid	(34,922)	(27,938)

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

GU Shu
*General Manager of Finance
and Accounting Department*