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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: 4603

EUR Preference Shares Stock Code: 4604

RMB Preference Shares Stock Code: 84602

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2017

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 2017. This announcement is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- 1.1 The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management members of Industrial and Commercial Bank of China Limited undertake that the information in this report contains no false record, misleading statement or material omission; and assume individual and joint and several liability for the authenticity, accuracy and completeness of the information in this report.
- 1.2 The First Quarterly Report of 2017 has been considered and approved at the meeting of the Board of Directors of the Bank held on 28 April 2017. There were 15 directors eligible for attending the meeting, of whom 13 directors attended the meeting in person and 2 directors by proxy, namely, Mr. Gu Shu, Vice Chairman of the Board, appointed Mr. Yi Huiman, Chairman of the Board, and Mr. Zhang Hongli appointed Mr. Wang Jingdong 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. Yi Huiman, Legal Representative of the Bank, Mr. Gu Shu, President in charge of finance of the Bank, and Mr. Zhang Wenwu, 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

	Stock name	Stock code	Stock exchange on which shares are listed
A Share	工商銀行	601398	Shanghai Stock Exchange
H Share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Offshore Preference Share	ICBC USDPREF1	4603	The Stock Exchange of Hong Kong Limited
	ICBC EURPREF1	4604	
	ICBC CNHPREF1-R	84602	
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange

Board Secretary and Company Secretary	
Name	Guan Xueqing
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 based on International Financial Reporting Standards ("IFRSs")

(In RMB millions, unless otherwise specified)

	31 March 2017	31 December 2016	Change (%)
Total assets	24,904,936	24,137,265	3.18
Total loans and advances to customers	13,572,444	13,056,846	3.95
Allowance for impairment losses on loans	304,646	289,512	5.23
Investment	5,664,974	5,481,174	3.35
Total liabilities	22,859,965	22,156,102	3.18
Due to customers	18,565,009	17,825,302	4.15
Due to banks and other financial institutions	1,776,128	2,016,799	(11.93)
Equity attributable to equity holders of the parent company	2,032,748	1,969,751	3.20
Net asset value per share (RMB yuan)	5.46	5.29	3.21

	Three months ended 31 March 2017	Three months ended 31 March 2016	Changes as compared to the same period of last year (%, percentage points)
Operating income	168,186	168,992	(0.48)
Net profit	76,027	74,904	1.50
Net profit attributable to equity holders of the parent company	75,786	74,764	1.37
Net cash flows from operating activities	109,306	199,614	(45.24)
Basic earnings per share (<i>RMB yuan</i>)	0.21	0.21	—
Diluted earnings per share (<i>RMB yuan</i>)	0.21	0.21	—
Return on weighted average equity (%, <i>annualised</i>)	15.80	17.12	A decrease of 1.32 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 based on IFRSs

In respect of the financial statements of the Group prepared under PRC GAAP and those based on IFRSs, net profit attributable to equity holders of the parent company for the reporting period ended 31 March 2017 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 544,187 ordinary shareholders, including 132,395 holders of H shares and 411,792 holders of A shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares	Increase/decrease of share during the reporting period
Central Huijin Investment Ltd.	State-owned	A share	34.71	123,717,852,951	None	—
Ministry of Finance of the People's Republic of China	State-owned	A share	34.60	123,316,451,864	None	—
HKSCC Nominees Limited/ Hong Kong Securities Clearing Company Limited	Foreign legal person	H share	24.15	86,057,018,678	Unknown	5,293,482
		A share	0.13	462,961,449	None	-1,499,132
China Securities Finance Co., Ltd.	State-owned legal person	A share	1.30	4,630,215,312	None	67,979,317
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A share	1.21	4,322,828,137	None	—
Sycamore Investment Platform Co., Ltd.	State-owned legal person	A share	0.40	1,420,781,042	None	—
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A share	0.28	1,013,921,700	None	—
Anbang Life Insurance Co., Ltd. — Conservative investment portfolio	Other entities	A share	0.11	390,487,231	None	—
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A share	0.10	360,058,787	None	43,019,860
Guotai Junan Securities Co., Ltd.	State-owned legal person	A share	0.04	144,213,069	None	-103,481,700

Notes: (1) The data above are based on the Bank's register of shareholders as at 31 March 2017.

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

(3) HKSCC Nominees Limited held 86,057,018,678 H shares and Hong Kong Securities Clearing Company Limited held 462,961,449 A shares.

(4) 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.

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 2017, the Bank had received notices from the following persons in relation to their interests or short positions held in the Bank's shares and relevant shares, which were recorded in the register which is required to be kept pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Percentage of A shares (%)	Percentage of total ordinary shares (%)
Ministry of Finance of the People's Republic of China ⁽¹⁾	Beneficial owner	118,006,174,032	Long position	43.77	33.11
Central Huijin Investment Ltd. ⁽²⁾	Beneficial owner	124,731,774,651	Long position	46.26	35.00

Notes: (1) According to the register of shareholders of the Bank as at 31 March 2017, 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 2017, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank. Central Huijin Asset Management Co., Ltd., a wholly-owned subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares (%)	Percentage of total ordinary shares (%)
Temasek Holdings (Private) Limited	Interest of controlled corporations	8,682,954,081	Long position	10.00	2.44
National Council for Social Security Fund	Beneficial owner	8,663,703,234	Long position	9.98	2.43
BlackRock, Inc.	Interest of controlled corporations	5,152,636,652	Long position	5.94	1.45

2.5 Number of preference shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had 28 preference shareholders (or proxies), including two offshore preference shareholders (or proxies) and 26 domestic preference shareholders. During the reporting period, the Bank did not restore any voting right of the preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES) OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Type of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Cede & Co.	Foreign legal person	USD offshore preference shares	—	147,000,000	47.9	—	Unknown
The Bank of New York Depository (Nominees) Limited	Foreign legal person	RMB offshore preference shares	—	120,000,000	39.1	—	Unknown
		EUR offshore preference shares	—	40,000,000	13.0	—	Unknown

Notes: (1) The data above are based on the Bank's register of offshore shareholders as at 31 March 2017.

- (2) As the issuance was private offering, the register of preference shareholders presented the information on proxies of places.
- (3) The Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and between the afore-mentioned preference shareholders and the top 10 ordinary shareholders.
- (4) "Shareholding percentage" refers to the percentage of the number of offshore preference shares held by preference shareholders to the total number of offshore preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
China Mobile Communications Corporation	Other entities	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
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
China Resources SZITIC Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOC International (China) Limited	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
Ping An Property & Casualty Insurance Company of China Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	10,000,000	2.2	—	None

Notes: (1) The data above are based on the Bank's register of domestic preference shareholders as at 31 March 2017.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and between the afore-mentioned preference shareholders and the top 10 ordinary shareholders.

(3) "Shareholding percentage" refers to the percentage of the number of domestic preference shares held by preference shareholders to the total number of domestic preference shares.

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 RMB76,027 million, representing an increase of 1.50% compared with the same period of last year. Annualised return on average total assets and annualised return on weighted average equity were 1.24% and 15.80%, respectively.

Operating income amounted to RMB168,186 million, representing a decrease of 0.48% compared with the same period of last year. Net interest income was RMB121,970 million, representing an increase of 2.66% compared with the same period of last year. Annualised net interest margin dropped by 0.16 percentage points to 2.12% compared with the same period of last year. Net fee and commission income was RMB40,958 million, representing a decrease of 5.81% compared with the same period of last year. Operating expenses (excluding taxes and surcharges) were RMB36,717 million, representing a decrease of 2.70% compared with the same period of last year. Cost-to-income ratio was 21.83%.

After reversal of the impact of “replacement of business tax with VAT”, operating income increased by 5.39% compared with the same period of last year and net interest income increased by 9.05% compared with the same period of last year. Annualised net interest margin decreased by 0.03 percentage points compared with the same period of last year, almost the same as the comparable data in 2016. Net fee and commission income decreased by 0.49% compared with the same period of last year. Operating expenses (excluding taxes and surcharges) decreased by 0.23% compared with the same period of last year after reversal of the impacts of the tax accounting standard adjustment and “replacement of business tax with VAT”.

As at the end of the reporting period, total assets amounted to RMB24,904,936 million, representing an increase of RMB767,671 million or 3.18% over the end of the previous year. Total loans and advances to customers amounted to RMB13,572,444 million, representing an increase of RMB515,598 million or 3.95% over the end of last year, of which RMB loans of domestic branches grew by RMB334,525 million or 2.92%. In terms of the structure, corporate loans were RMB8,708,340 million, personal loans were RMB4,388,306 million and discounted bills were RMB475,798 million. Investments reached RMB5,664,974 million, representing an increase of RMB183,800 million or 3.35% over the end of last year.

Total liabilities amounted to RMB22,859,965 million, representing an increase of RMB703,863 million or 3.18% over the end of the previous year. Due to customers amounted to RMB18,565,009 million, representing an increase of RMB739,707 million or 4.15% over the end of the previous year. In terms of the structure, time deposits were RMB9,068,694 million, demand deposits were RMB9,273,570 million and other deposits were RMB222,745 million.

Shareholders' equity amounted to RMB2,044,971 million, representing an increase of RMB63,808 million or 3.22% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans (“NPLs”) amounted to RMB215,285 million, representing an increase of RMB3,484 million over the end of the previous year. The NPL ratio was 1.59%, representing a decrease of 0.03 percentage points over the end of the previous year. The allowance to NPL ratio stood at 141.51%, representing an increase of 4.82 percentage points over the end of the previous year.

The core tier 1 capital adequacy ratio was 12.98%, the tier 1 capital adequacy ratio was 13.51% and the capital adequacy ratio was 14.66%¹, all meeting regulatory requirements.

4. SIGNIFICANT EVENTS

4.1 Significant changes in major financial data and financial indicators and the reasons thereof

Applicable Not Applicable

In RMB millions, except for percentages

Item	31 March 2017	31 December 2016	Increase/Decrease (%)	Main reasons for change
Repurchase agreements	769,022	589,306	30.50	Balance of deposits from bond pledge increased

In RMB millions, except for percentages

Item	Three months ended 31 March 2017	Three months ended 31 March 2016	Increase/Decrease (%)	Main reasons for change
Net trading income	1,176	1,729	(31.98)	Unrealised income from trading assets decreased.
Net (loss)/gain on financial assets and liabilities designated at fair value through profit or loss	(4)	36	(111.11)	Unrealised income from assets designated at fair value through profit or loss decreased.
Net gain on financial investments	136	1,351	(89.93)	Income from investments available for sale decreased.
Impairment losses on loans and advances to customers	31,446	23,123	35.99	Accrued impairment losses on loans increased.
Other impairment losses	59	545	(89.17)	Impairment losses on bad debts decreased.
Share of profits of associates and joint ventures	671	508	32.09	Recognised investment profits of associates increased.
Net profit attributable to non-controlling interests	241	140	72.14	Profit of non-wholly-owned subsidiaries increased.

¹ Calculated based on the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission.

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

Applicable Not applicable

4.3 Implementation of the cash dividend policy during the reporting period

Applicable Not applicable

4.4 Unfulfilled commitments during the reporting period

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 2017, all of the continuing commitments made by the shareholders were properly fulfilled. For relevant commitments, please refer to the 2016 Annual Report of the Bank.

4.5 Warnings and explanations on estimated loss or significant changes as compared to the same period of last year in net accumulated profit from the beginning of the year to the end of the next reporting period

Applicable Not applicable

5. APPENDICES

5.1 Financial statements prepared based on IFRSs are attached in Appendix I to this announcement.

5.2 Capital adequacy ratios disclosed as per the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the China Banking Regulatory Commission, leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) promulgated by the China Banking Regulatory Commission and liquidity coverage ratio disclosed as per the Administrative Measures for Liquidity Coverage Ratio of Commercial Banks 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 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, PRC
28 April 2017

As at the date of this announcement, the Board of Directors comprises Mr. YI Huiman, Mr. GU Shu, Mr. ZHANG Hongli and Mr. WANG Jingdong as executive directors, Ms. WANG Xiaoya, Ms. GE Rongrong, Mr. ZHENG Fuqing, Mr. FEI Zhoulin and Mr. CHENG Fengchao as non-executive directors, Mr. OR Ching Fai, Mr. HONG Yongmiao, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Ms. Sheila Colleen BAIR and Mr. SHEN Si as independent non-executive directors.

Appendix I
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
Consolidated Statement of Profit or Loss — Based on IFRS
For the three months ended 31 March 2017
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Interest income	203,987	200,475
Interest expense	<u>(82,017)</u>	<u>(81,665)</u>
NET INTEREST INCOME	121,970	118,810
Fee and commission income	45,090	47,744
Fee and commission expense	<u>(4,132)</u>	<u>(4,259)</u>
NET FEE AND COMMISSION INCOME	40,958	43,485
Net trading income	1,176	1,729
Net (loss)/gain on financial assets and liabilities designated at fair value through profit or loss	(4)	36
Net gain on financial investments	136	1,351
Other operating income, net	<u>3,950</u>	<u>3,581</u>
OPERATING INCOME	168,186	168,992
Operating expenses	(38,556)	(47,910)
Impairment losses on:		
— Loans and advances to customers	(31,446)	(23,123)
— Others	<u>(59)</u>	<u>(545)</u>
OPERATING PROFIT	98,125	97,414
Share of profits of associates and joint ventures	<u>671</u>	<u>508</u>
PROFIT BEFORE TAXATION	98,796	97,922
Income tax expense	<u>(22,769)</u>	<u>(23,018)</u>
PROFIT FOR THE PERIOD	<u>76,027</u>	<u>74,904</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Profit or Loss — Based on IFRS (continued)

For the three months ended 31 March 2017

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Attributable to:		
Equity holders of the parent company	75,786	74,764
Non-controlling interests	241	140
	<hr/>	<hr/>
Profit for the period	76,027	74,904
	<hr/> <hr/>	<hr/> <hr/>
EARNINGS PER SHARE		
— Basic (RMB Yuan)	0.21	0.21
— Diluted (RMB Yuan)	0.21	0.21
	<hr/> <hr/>	<hr/> <hr/>

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
*General Manager of the Finance
and Accounting Department*

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income — Based on IFRS
For the three months ended 31 March 2017
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Profit for the period	<u>76,027</u>	<u>74,904</u>
Other comprehensive income (after tax, net):		
Items that will not be reclassified to profit or loss:		
Share of the other comprehensive income of investees accounted for using equity method which will not be reclassified to profit or loss	—	(1)
Items that may be reclassified subsequently to profit or loss:		
Net losses from change in fair value of available-for-sale financial assets	(12,317)	(2,522)
Effective hedging portion of gains or losses arising from cash flow hedging instruments	60	(113)
Share of the other comprehensive income of investees accounted for using equity method which may be reclassified subsequently to profit or loss	(91)	(304)
Foreign currency translation differences	(60)	1,600
Others	<u>(396)</u>	<u>—</u>
Subtotal of other comprehensive income for the period	<u>(12,804)</u>	<u>(1,340)</u>
Total comprehensive income for the period	<u><u>63,223</u></u>	<u><u>73,564</u></u>
Total comprehensive income attributable to:		
Equity holders of the parent company	63,143	73,701
Non-controlling interests	<u>80</u>	<u>(137)</u>

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of the Finance
and Accounting Department

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Financial Position — Based on IFRS

31 March 2017

(In RMB millions, unless otherwise stated)

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS		
Cash and balances with central banks	3,437,830	3,350,788
Due from banks and other financial institutions	995,909	797,473
Financial assets held for trading	200,247	189,331
Financial assets designated at fair value through profit or loss	308,696	285,144
Derivative financial assets	71,997	94,452
Reverse repurchase agreements	558,602	755,627
Loans and advances to customers	13,267,798	12,767,334
Financial investments	5,156,031	5,006,699
Investments in associates and joint ventures	30,830	30,077
Property and equipment	246,021	246,209
Deferred income tax assets	31,109	28,398
Other assets	599,866	585,733
	<hr/>	<hr/>
TOTAL ASSETS	24,904,936	24,137,265
	<hr/> <hr/>	<hr/> <hr/>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Statement of Financial Position — Based on IFRS (continued)

31 March 2017

(In RMB millions, unless otherwise stated)

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
LIABILITIES		
Due to central banks	534	545
Financial liabilities designated at fair value through profit or loss	395,859	366,752
Derivative financial liabilities	71,726	89,960
Due to banks and other financial institutions	1,776,128	2,016,799
Repurchase agreements	769,022	589,306
Certificates of deposit	229,593	218,427
Due to customers	18,565,009	17,825,302
Income tax payable	65,300	52,640
Deferred income tax liabilities	607	604
Debt securities issued	374,569	357,937
Other liabilities	611,618	637,830
TOTAL LIABILITIES	22,859,965	22,156,102
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	86,051	86,051
Including: Preference shares	79,375	79,375
Perpetual bond	6,676	6,676
Reserves	574,069	586,630
Retained profits	1,016,221	940,663
	2,032,748	1,969,751
Non-controlling interests	12,223	11,412
TOTAL EQUITY	2,044,971	1,981,163
TOTAL EQUITY AND LIABILITIES	24,904,936	24,137,265

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of the Finance
and Accounting Department

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Cash Flow Statement — Based on IFRS

For the three months ended 31 March 2017

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	98,798	97,922
Adjustments for:		
Share of profits of associates and joint ventures	(671)	(508)
Depreciation	3,298	3,424
Amortisation	1,554	1,684
Amortisation of financial investments	3,181	(1,049)
Impairment losses on loans and advances to customers	31,446	23,123
Impairment losses on assets other than loans and advances to customers	59	545
Unrealised gain on foreign exchange	(359)	(9,439)
Interest expense on debt securities issued	3,742	3,312
Accreted interest on impaired loans	(899)	(1,185)
Gain on disposal of available-for-sale financial assets, net	(22)	(1,348)
Net trading gain on equity investments	(32)	(12)
Net loss/(gain) on financial assets and liabilities designated at fair value through profit or loss	4	(36)
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)	(4)	(127)
Dividend income	(115)	(3)
	<u>139,980</u>	<u>116,303</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Cash Flow Statement — Based on IFRS (continued)

For the three months ended 31 March 2017

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Net (increase)/decrease in operating assets:		
Due from central banks	(133,786)	(63,206)
Due from banks and other financial institutions	(62,180)	288,902
Financial assets held for trading	(10,165)	(47,076)
Financial assets designated at fair value through profit or loss	(23,763)	(37,098)
Reverse repurchase agreements	66,591	(128,877)
Loans and advances to customers	(544,014)	(439,525)
Other assets	(11,350)	(317,511)
	<u>(718,667)</u>	<u>(744,391)</u>
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	29,355	49,842
Due to central banks	(11)	(28)
Due to banks and other financial institutions	(234,947)	(214,807)
Repurchase agreements	179,716	(8,981)
Certificates of deposit	12,693	(14,331)
Due to customers	749,630	759,324
Other liabilities	(39,825)	265,486
	<u>696,611</u>	<u>836,505</u>
Net cash flows from operating activities before tax	117,924	208,417
Income tax paid	(8,618)	(8,803)
Net cash flows from operating activities	<u>109,306</u>	<u>199,614</u>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

Consolidated Cash Flow Statement — Based on IFRS (continued)

For the three months ended 31 March 2017

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(392)	(4,258)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	548	198
Purchases of financial investments	(585,858)	(648,097)
Proceeds from sale and redemption of financial investments	425,297	454,097
Investments in associates and joint ventures	(558)	(239)
Dividends received	730	3
	<u>(160,233)</u>	<u>(198,296)</u>
Net cash flows from investing activities	(160,233)	(198,296)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital injection by non-controlling shareholders	731	—
Proceeds from issuance of debt securities	16,958	203,010
Interest paid on debt securities	(1,158)	(589)
Repayment of debt securities	(3,479)	(201,539)
Payment for interest of perpetual bond	(146)	—
	<u>12,906</u>	<u>882</u>
Net cash flows from financing activities	12,906	882
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(38,021)	2,200
Cash and cash equivalents at beginning of the period	1,189,368	1,441,298
Effect of exchange rate changes on cash and cash equivalents	(2,876)	1,864
	<u>1,148,471</u>	<u>1,445,362</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,148,471</u>	<u>1,445,362</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	205,714	187,695
Interest paid	(81,354)	(76,396)
	<u>124,360</u>	<u>111,299</u>

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of the Finance
and Accounting Department

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

I. Capital Adequacy Ratio

In RMB millions, except for percentages

Item	31 March 2017		31 December 2016	
	Group	Parent Company	Group	Parent Company
Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission:				
Net core tier 1 capital	1,937,780	1,782,276	1,874,976	1,723,839
Net tier 1 capital	2,017,717	1,861,651	1,954,770	1,803,214
Net capital base	2,188,307	2,017,676	2,127,462	1,960,840
Core tier 1 capital adequacy ratio	12.98%	13.06%	12.87%	12.90%
Tier 1 capital adequacy ratio	13.51%	13.64%	13.42%	13.49%
Capital adequacy ratio	14.66%	14.79%	14.61%	14.67%
Calculated in accordance with the Regulation Governing Capital Adequacy of Commercial Banks and related regulations promulgated by China Banking Regulatory Commission:				
Core capital adequacy ratio	11.31%	11.64%	11.71%	11.96%
Capital adequacy ratio	13.76%	13.84%	14.29%	14.26%

II. Leverage Ratio

In RMB millions, except for percentages

Item	31 March 2017	31 December 2016	30 September 2016	30 June 2016
Net tier 1 capital	2,017,717	1,954,770	1,919,729	1,847,634
Balance of adjusted on- and off-balance sheet assets	26,753,069	25,904,533	25,357,448	25,309,554
Leverage ratio	7.54%	7.55%	7.57%	7.30%

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

No.		First quarter 2017	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		4,374,152
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	9,262,853	923,511
3	<i>Stable deposits</i>	43,202	1,546
4	<i>Less stable deposits</i>	9,219,651	921,965
5	Unsecured wholesale funding, of which:	10,272,581	3,554,165
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	5,668,710	1,374,010
7	<i>Non-operational deposits (all counterparties)</i>	4,555,524	2,131,808
8	<i>Unsecured debt</i>	48,347	48,347
9	Secured funding		23,173
10	Additional requirements, of which:	3,481,174	1,442,907
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,257,746	1,257,746
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	2,223,428	185,161
14	Other contractual funding obligations	45,607	45,420
15	Other contingent funding obligations	1,038,511	24,236
16	TOTAL CASH OUTFLOWS		6,013,412
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	466,977	205,863
18	Inflows from fully performing exposures	1,350,134	931,964
19	Other cash inflows	1,266,878	1,260,670
20	TOTAL CASH INFLOWS	3,083,989	2,398,497
			Total adjusted value
21	TOTAL HQLA		4,374,152
22	TOTAL NET CASH OUTFLOWS		3,614,915
23	LIQUIDITY COVERAGE RATIO		121.33%

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