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中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 1398

USD Preference Shares Stock Code: 4620

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2023

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 2023. This report is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IMPORTANT NOTICE:

The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management members of the Bank undertake that the information in this report contains no false record, misleading statement or material omission; and assume individual and joint and several liability for the authenticity, accuracy and completeness of the information in this report.

Mr. Chen Siqing, Legal Representative of the Bank, Mr. Liao Lin, President in charge of finance of the Bank, and Mr. Wang Gang, Person in charge of Finance and Accounting Department of the Bank, hereby guarantee that the financial information contained in this quarterly report are authentic, accurate and complete.

These quarterly financial statements have not been audited.

I. Major Financial Data

i. Major accounting data and financial indicators

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

In RMB millions, unless otherwise stated

Item	Three months ended 31 March 2023	Three months ended 31 March 2022		Increase/ decrease as compared to last year (%)
		Original	Restated	Restated
Operating income	218,461	226,858	226,431	(3.52)
Net profit attributable to equity holders of the parent company	90,164	90,633	90,145	0.02
Net cash flows from operating activities	1,105,614	1,207,219	1,207,219	(8.42)
Basic earnings per share (<i>RMB Yuan</i>)	0.25	0.25	0.25	—
Diluted earnings per share (<i>RMB Yuan</i>)	0.25	0.25	0.25	—
Return on weighted average equity (%, <i>annualised</i>)	11.22	12.22	12.15	A decrease of 0.93 percentage points

Item	31 March 2023	31 December 2022		Increase/ decrease as compared to the end of last year (%)
		Original	Restated	Restated
Total assets	42,033,895	39,609,657	39,610,146	6.12
Equity attributable to equity holders of the parent company	3,581,383	3,495,171	3,496,109	2.44

Explanations of the retroactive adjustments or restatements

Since 1 January 2023, the Group has implemented IFRS 17 – Insurance Contracts and the Amendments to IFRS 17. In accordance with the IFRS requirements, the Group made retroactive adjustments to relevant data and indicators for the comparable periods.

According to the accounting requirements of the Interim Measures for the Administration of the Gold Leasing Business issued by the People’s Bank of China, the Group has made adjustments to the presentation of the interbank gold leasing business since 2023, and adjusted relevant data for the comparable periods accordingly.

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

Changes in the above major accounting data and financial indicators did not exceed 30%.

iii. Reconciliation of differences between the financial statements prepared under Generally Accepted Accounting Principles of the People’s Republic of China (“PRC GAAP”) and those under IFRSs

In respect of the financial statements of the Group prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the reporting period ended 31 March 2023 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

II. Information on Shareholders

i. Number of ordinary shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had a total number of 713,934 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 109,959 holders of H shares and 603,975 holders of A shares.

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

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of pledged/ locked-up/ marked shares
Central Huijin Investment Ltd.	State-owned	A Share	—	123,717,852,951	34.71	None
Ministry of Finance of the People's Republic of China	State-owned	A Share	—	110,984,806,678	31.14	None
HKSCC Nominees Limited ⁽⁵⁾	Foreign legal person	H Share	2,061,692	86,147,398,053	24.17	Unknown
National Council for Social Security Fund ⁽⁶⁾	State-owned	A Share	—	12,331,645,186	3.46	None
China Securities Finance Co., Ltd.	State-owned legal person	A Share	—	2,416,131,540	0.68	None
Hong Kong Securities Clearing Company Limited ⁽⁷⁾	Foreign legal person	A Share	191,995,881	2,092,074,802	0.59	None
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A Share	—	1,013,921,700	0.28	None
Taiping Life Insurance Co., Ltd.	State-owned legal person	A Share	139,764,400	678,505,772	0.19	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A Share	-480,386,298	496,693,567	0.14	None
Hexie Health Insurance Co., Ltd. — Universal insurance products	Other entities	A Share	202,490,000	369,853,201	0.10	None

Notes: (1) The above data are based on the Bank's register of shareholders as at 31 March 2023.

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

(3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned shareholders.

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

- (5) The number of shares held by HKSCC Nominees Limited at the end of the period refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 31 March 2023, which included H shares of the Bank held by National Council for Social Security Fund.
- (6) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), Ministry of Finance of the People’s Republic of China transferred 12,331,645,186 A shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. At the end of the reporting period, according to the information provided by National Council for Social Security Fund to the Bank, it also held 7,515,194,750 H shares of the Bank and 19,846,839,936 A and H shares in aggregate, accounting for 5.57% of the Bank’s total ordinary shares.
- (7) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 31 March 2023.

ii. Number of preference shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had one offshore preference shareholder (or proxy), 26 domestic preference shareholders of “工行優 1” and 35 domestic preference shareholders of “工行優 2”.

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

Unit: Share

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

- Notes:* (1) The above data are based on the Bank’s register of offshore preference shareholders as at 31 March 2023.
- (2) As the issuance of the offshore preference shares above was non-public offering, the register of preference shareholders presented the information on the registered holder of the offshore preference shares.
- (3) The Bank is not aware of any connected relations or concert party action between the aforementioned preference shareholder and the top 10 ordinary shareholders.
- (4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 1”

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	200,000,000	44.4	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	11.1	—	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	35,000,000	7.8	—	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	30,000,000	6.7	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	13,110,000	2.9	—	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	-6,800,000	11,200,000	2.5	—	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	10,000,000	2.2	—	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 1” as at 31 March 2023.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is managed by China Life Insurance Company Limited. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and among the afore-mentioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優 1”.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 2”

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease of shares as compared to the end of last year	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	120,000,000	17.1	—	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	112,750,000	16.1	—	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	100,000,000	14.3	—	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	—	70,000,000	10.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	64,000,000	9.1	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	7.1	—	None
Jiangsu International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	37,250,000	5.3	—	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	—	30,000,000	4.3	—	None
Bank of Beijing Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,600,000	2.2	—	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	2.1	—	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	2.1	—	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 2” as at 31 March 2023.

- (2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is managed by China Life Insurance Company Limited. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and among the afore-mentioned preference shareholders and top 10 ordinary shareholders.
- (3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優 2”.

III. Other Matters Requiring Attention

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

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

For the first three months of 2023, net profit amounted to RMB90,770 million, representing an increase of 0.50% compared with the same period of last year. Annualised return on average total assets and annualised return on weighted average equity were 0.89% and 11.22%, down 0.11 and 0.93 percentage points respectively.

Operating income amounted to RMB218,461 million, representing a decrease of 3.52% compared with the same period of last year. Net interest income was RMB168,412 million, representing a decrease of 4.79%. Annualised net interest margin (“NIM”) decreased to 1.77%, due to the combined influence of factors such as the lagged effect of reductions in the Loan Prime Rate (LPR) and the continuously increasing proportion of time deposits. The trend of interest margin has industrywide and stage-specific characteristics. The Bank will make concerted efforts at both ends of assets and liabilities, and continuously optimize the structure to keep the NIM within a reasonable range. Non-interest income reported RMB50,049 million, representing an increase of 1.02%, of which net fee and commission income was RMB40,486 million, representing a decrease of 2.86%, mainly because customers’ risk appetite for investment and wealth management declined as affected by fluctuations in the capital market, resulting in a large drop in income from asset management and agency fund sales. Operating expenses (excluding taxes and surcharges) were RMB45,435 million, representing an increase of 5.39%. Cost-to-income ratio was 20.80%.

As at the end of the reporting period, total assets amounted to RMB42,033,895 million, representing an increase of RMB2,423,749 million or 6.12% over the end of the previous year. Total loans and advances to customers (excluding accrued interest) amounted to RMB24,525,205 million, representing an increase of RMB1,314,829 million or 5.66%, of which RMB-denominated loans of domestic branches grew by RMB1,267,667 million or 5.90%. In terms of the structure, corporate loans were RMB15,120,203 million, personal loans were RMB8,399,804 million and discounted bills were RMB1,005,198 million. Investments reached RMB11,032,677 million, representing an increase of RMB498,975 million or 4.74%.

Total liabilities amounted to RMB38,432,323 million, representing an increase of RMB2,337,596 million or 6.48% over the end of the previous year. Due to customers amounted to RMB31,983,874 million, representing an increase of RMB2,113,383 million or 7.08%. In terms of the structure, time deposits were RMB17,806,431 million, demand deposits were RMB13,534,465 million, other deposits were RMB188,763 million and accrued interest was RMB454,215 million.

Shareholders’ equity amounted to RMB3,601,572 million, representing an increase of RMB86,153 million or 2.45% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans (“NPLs”) amounted to RMB337,591 million, representing an increase of RMB16,421 million over the end of the previous year. The NPL ratio was 1.38%, keeping at the same level as the end of last year. The allowance to NPLs stood at 213.57%, representing an increase of 4.10 percentage points.

The common equity tier 1 capital adequacy ratio was 13.70%, the tier 1 capital adequacy ratio was 15.22% and the capital adequacy ratio was 18.79%, all meeting regulatory requirements.

ii. Progress of significant events

Issuance of Tier 2 Capital Bonds

The Bank issued a tranche of tier 2 capital bonds of RMB55.0 billion in China’s national interbank bond market in April 2023. All proceeds were used to replenish the Bank’s tier 2 capital in accordance with the applicable laws and the approvals by the regulatory authorities. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited and the website of the Bank.

iii. Changes of major accounting policies

Since 2017, the International Accounting Standards Board has successively promulgated IFRS 17 – Insurance Contracts and the Amendments to IFRS 17. In accordance with the implementation requirements of the International Accounting Standards Board, the Group has implemented the above-mentioned new IFRS since 1 January 2023. For the impact of the adoption of the above-mentioned standards on the Group, please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited and the website of the Bank.

IV. Quarterly Financial Statements Prepared based on IFRSs

Industrial and Commercial Bank of China Limited

Consolidated Statement of Profit or Loss — Prepared in accordance with IFRSs

For the three months ended 31 March 2023

(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2023 (Unaudited)	Three months ended 31 March 2022 (Unaudited) (Restated)
Interest income	341,234	304,974
Interest expense	<u>(172,822)</u>	<u>(128,089)</u>
NET INTEREST INCOME	<u>168,412</u>	<u>176,885</u>
Fee and commission income	44,895	45,649
Fee and commission expense	<u>(4,409)</u>	<u>(3,969)</u>
NET FEE AND COMMISSION INCOME	<u>40,486</u>	<u>41,680</u>
Net trading income	5,460	41
Net gains on financial investments	4,885	1,640
Other operating (expense)/income, net	<u>(782)</u>	<u>6,185</u>
OPERATING INCOME	<u>218,461</u>	<u>226,431</u>
Operating expenses	(47,953)	(45,329)
Impairment losses on assets	<u>(65,022)</u>	<u>(70,849)</u>
OPERATING PROFIT	105,486	110,253
Share of results of associates and joint ventures	<u>1,100</u>	<u>552</u>
PROFIT BEFORE TAXATION	106,586	110,805
Income tax expense	<u>(15,816)</u>	<u>(20,490)</u>
PROFIT FOR THE PERIOD	<u><u>90,770</u></u>	<u><u>90,315</u></u>

Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss — Prepared in accordance with IFRSs (continued)
For the three months ended 31 March 2023
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2023	Three months ended 31 March 2022
	(Unaudited)	(Unaudited) (Restated)
Profit for the period attributable to:		
Equity holders of the parent company	90,164	90,145
Non-controlling interests	606	170
	<hr/>	<hr/>
Profit for the period	90,770	90,315
	<hr/> <hr/>	<hr/> <hr/>
EARNINGS PER SHARE		
— Basic <i>(RMB Yuan)</i>	0.25	0.25
— Diluted <i>(RMB Yuan)</i>	0.25	0.25
	<hr/> <hr/>	<hr/> <hr/>

Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income —
Prepared in accordance with IFRSs
For the three months ended 31 March 2023
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2023 (Unaudited)	Three months ended 31 March 2022 (Unaudited) (Restated)
Profit for the period	90,770	90,315
Other comprehensive income (after tax, net):		
(a) Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at fair value through other comprehensive income	920	(1,183)
(ii) Other	6	4
(b) Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at fair value through other comprehensive income	311	(10,994)
(ii) Credit losses of debt instruments measured at fair value through other comprehensive income	257	368
(iii) Cash flows hedging reserve	(198)	76
(iv) Other comprehensive income recognised under the equity method	168	(700)
(v) Foreign currency translation reserve	(5,616)	1,168
(vi) Other	341	368
Subtotal of other comprehensive income for the period	(3,811)	(10,893)
Total comprehensive income for the period	86,959	79,422
Total comprehensive income for the period attributable to:		
Equity holders of the parent company	86,080	79,195
Non-controlling interests	879	227
	86,959	79,422

Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position — Prepared in accordance with IFRSs

31 March 2023

(In RMB millions, unless otherwise stated)

	31 March 2023	31 December 2022
	(Unaudited)	(Audited) (Restated)
ASSETS		
Cash and balances with central banks	3,588,743	3,427,892
Due from banks and other financial institutions	1,266,038	1,192,532
Derivative financial assets	80,900	87,205
Reverse repurchase agreements	1,161,510	864,122
Loans and advances to customers	23,865,875	22,591,676
Financial investments	11,032,677	10,533,702
Financial investments measured at fair value through profit or loss	879,856	747,474
Financial investments measured at fair value through other comprehensive income	2,310,849	2,223,096
Financial investments measured at amortised cost	7,841,972	7,563,132
Investments in associates and joint ventures	64,725	65,790
Property and equipment	288,814	293,887
Deferred tax assets	104,216	101,117
Other assets	580,397	452,223
TOTAL ASSETS	<u>42,033,895</u>	<u>39,610,146</u>

Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Prepared in accordance with IFRSs
(continued)
31 March 2023
(In RMB millions, unless otherwise stated)

	31 March 2023	31 December 2022
	(Unaudited)	(Audited) (Restated)
LIABILITIES		
Due to central banks	195,673	145,781
Due to banks and other financial institutions	3,141,853	3,187,712
Financial liabilities measured at fair value		
through profit or loss	64,817	64,287
Derivative financial liabilities	94,235	96,350
Repurchase agreements	655,121	574,778
Certificates of deposit	357,212	375,452
Due to customers	31,983,874	29,870,491
Income tax payable	69,472	85,581
Debt securities issued	1,084,479	905,953
Deferred tax liabilities	4,808	3,950
Other liabilities	780,779	784,392
TOTAL LIABILITIES	38,432,323	36,094,727
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	354,331	354,331
Preference shares	134,614	134,614
Perpetual bonds	219,717	219,717
Reserves	1,009,717	1,013,624
Retained profits	1,860,928	1,771,747
	3,581,383	3,496,109
Non-controlling interests	20,189	19,310
TOTAL EQUITY	3,601,572	3,515,419
TOTAL LIABILITIES AND EQUITY	42,033,895	39,610,146

Chen Siqing
Chairman

Liao Lin
*Vice Chairman
and President*

Wang Gang
*Person in charge 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 2023
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2023	Three months ended 31 March 2022
	(Unaudited)	(Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	106,586	110,805
Adjustments for:		
Share of results of associates and joint ventures	(1,100)	(552)
Depreciation	7,303	7,205
Amortisation	1,001	838
Impairment losses on assets	65,022	70,849
Unrealised losses/(gains) on foreign exchange	1,341	(4,587)
Interest expense on debt securities issued	7,060	6,920
Accreted interest on impaired loans	(340)	(462)
Net gains on financial investments	(3,412)	(6,655)
Interest income on financial investments	(80,888)	(68,978)
Net (gains)/losses on changes in fair value	(4,383)	4,750
Net gains on disposal and stocktake of property and equipment and other assets (other than repossessed assets)	(640)	(390)
Dividend income	(568)	(482)
	96,982	119,261

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 2023
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2023	Three months ended 31 March 2022
	(Unaudited)	(Unaudited) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
— continued		
Net (increase)/decrease in operating assets:		
Due from central banks	(68,073)	(132,332)
Due from banks and other financial institutions	376,267	314,257
Financial assets measured at fair value through profit or loss	(94,221)	(124,286)
Reverse repurchase agreements	113,470	(8,297)
Loans and advances to customers	(1,346,391)	(951,585)
Other assets	(130,918)	20,247
	(1,149,866)	(881,996)
Net increase/(decrease) in operating liabilities:		
Financial liabilities measured at fair value through profit or loss	258	(5,844)
Due to central banks	49,905	8,196
Due to banks and other financial institutions	(38,936)	343,558
Repurchase agreements	83,642	142,965
Certificates of deposit	(15,978)	(55,348)
Due to customers	2,135,682	1,519,900
Other liabilities	(21,467)	19,009
	2,193,106	1,972,436
Net cash flows from operating activities before taxation	1,140,222	1,209,701
Income tax paid	(34,608)	(2,482)
Net cash flows from operating activities	1,105,614	1,207,219

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 2023
(In RMB millions, unless otherwise stated)

	Three months ended 31 March 2023	Three months ended 31 March 2022
	(Unaudited)	(Unaudited) (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(2,820)	(2,629)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	4,935	279
Purchases of financial investments	(1,278,421)	(1,036,775)
Proceeds from sale and redemption of financial investments	887,260	861,124
Investments in associates and joint ventures	—	(1,150)
Investment returns received	70,258	62,032
	<hr/>	<hr/>
Net cash flows from investing activities	(318,788)	(117,119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt securities	388,850	217,034
Interest paid on debt securities	(6,440)	(5,494)
Repayment of debt securities	(206,036)	(195,827)
Dividends or interest paid to other equity instrument holders	(806)	(731)
Cash payment for other financing activities	(1,495)	(1,618)
	<hr/>	<hr/>
Net cash flows from financing activities	174,073	13,364
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	960,899	1,103,464
Cash and cash equivalents at beginning of the period	1,926,851	1,436,757
Effect of exchange rate changes on cash and cash equivalents	(9,309)	(7,518)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,878,441	2,532,703
	<hr/> <hr/>	<hr/> <hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	264,414	243,500
Interest paid	(167,007)	(103,357)
	<hr/> <hr/>	<hr/> <hr/>

V. Release of Quarterly Report

The report will be published simultaneously on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.icbc-ltd.com). The quarterly report prepared in accordance with PRC GAAP will also be published simultaneously on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Bank (www.icbc-ltd.com).

This report is prepared in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.

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

Beijing, China
28 April 2023

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

Appendix Capital Adequacy Ratio, Leverage Ratio and Liquidity Coverage Ratio

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

In RMB millions, except for percentages

Item	31 March 2023		31 December 2022	
	Group	Parent Company	Group	Parent Company
Net common equity tier 1 capital	3,205,932	2,905,308	3,121,080	2,824,565
Net tier 1 capital	3,560,849	3,233,684	3,475,995	3,152,660
Net capital base	4,394,987	4,056,810	4,281,079	3,945,322
Common equity tier 1 capital adequacy ratio (%)	13.70	13.64	14.04	14.03
Tier 1 capital adequacy ratio (%)	15.22	15.18	15.64	15.66
Capital adequacy ratio (%)	18.79	19.05	19.26	19.60

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

In RMB millions, except for percentages

Item	31 March 2023	31 December 2022	30 September 2022	30 June 2022
Net tier 1 capital	3,560,849	3,475,995	3,391,913	3,296,397
Balance of adjusted on- and off-balance sheet assets	44,231,978	41,780,554	41,802,773	41,006,112
Leverage ratio (%)	8.05	8.32	8.11	8.04

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

In RMB millions, except for percentages

No.		First quarter 2023	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		6,605,598
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	16,250,399	1,621,469
3	<i>Stable deposits</i>	56,061	2,035
4	<i>Less stable deposits</i>	16,194,338	1,619,434
5	Unsecured wholesale funding, of which:	16,091,828	5,538,953
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	8,926,986	2,165,872
7	<i>Non-operational deposits (all counterparties)</i>	7,071,246	3,279,485
8	<i>Unsecured debt</i>	93,596	93,596
9	Secured funding		14,180
10	Additional requirements, of which:	3,260,210	1,238,414
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,064,328	1,064,328
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	2,195,882	174,086
14	Other contractual funding obligations	95,366	95,350
15	Other contingent funding obligations	5,666,073	96,516
16	TOTAL CASH OUTFLOWS		8,604,882
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	612,287	372,065
18	Inflows from fully performing exposures	1,901,650	1,306,070
19	Other cash inflows	1,063,681	1,057,968
20	TOTAL CASH INFLOWS	3,577,618	2,736,103
			Total adjusted value
21	TOTAL HQLA		6,605,598
22	TOTAL NET CASH OUTFLOWS		5,868,779
23	LIQUIDITY COVERAGE RATIO (%)		112.59

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