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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

EUR Preference Shares Stock Code: 4604

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2020

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 2020. 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 2020 has been considered and approved at the meeting of the Board of Directors of the Bank held on 28 April 2020. All directors of the Bank attended the meeting.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Chen Siqing, 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 represent and warrant 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 |
| Domestic Preference Share | 工行優 1 | 360011 | Shanghai Stock Exchange |
| | 工行優 2 | 360036 | |
| Offshore Preference Share | ICBC EURPREF1 | 4604 | The Stock Exchange of Hong Kong Limited |

| Board Secretary and Company Secretary | |
|---------------------------------------|--|
| Name | Guan Xueqing |
| Address | 55 Fuxingmennei Avenue, Xicheng District, Beijing, 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 2020 | 31 December 2019 | Changes as compared to the end of last year (%) |
|---|---------------|------------------|---|
| Total assets | 32,094,478 | 30,109,436 | 6.59 |
| Total loans and advances to customers | 17,515,921 | 16,761,319 | 4.50 |
| Allowance for impairment losses on loans ⁽¹⁾ | 498,631 | 478,730 | 4.16 |
| Investment | 8,158,037 | 7,647,117 | 6.68 |
| Total liabilities | 29,314,184 | 27,417,433 | 6.92 |
| Due to customers | 24,220,294 | 22,977,655 | 5.41 |
| Due to banks and other financial institutions | 2,854,580 | 2,266,573 | 25.94 |
| Equity attributable to equity holders of the parent company | 2,763,853 | 2,676,186 | 3.28 |
| Net asset value per share (RMB yuan) | 7.18 | 6.93 | 3.61 |

Note: (1) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.

| | Three months ended 31 March 2020 | Three months ended 31 March 2019 | Changes as compared to the same period of last year (%) |
|--|---|--|--|
| Operating income | 206,187 | 201,818 | 2.16 |
| Net profit | 85,013 | 82,690 | 2.81 |
| Net profit attributable to equity holders of the parent company | 84,494 | 82,005 | 3.04 |
| Net cash flows from operating activities | 1,948,937 | 1,044,774 | 86.54 |
| Basic earnings per share (<i>RMB yuan</i>) | 0.24 | 0.23 | 4.35 |
| Diluted earnings per share (<i>RMB yuan</i>) | 0.24 | 0.23 | 4.35 |
| Return on weighted average equity (%, <i>annualised</i>) | 13.44 | 14.35 | A decrease of 0.91 percentage points |

2.2.2 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 2020 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 618,297 ordinary shareholders, including 119,937 holders of H shares and 498,360 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 shares 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 | 31.14 | 110,984,806,678 | None | — |
| HKSCC Nominees Limited/ Hong Kong Securities Clearing Company Limited ⁽²⁾ | Foreign legal person | H share | 24.17 | 86,155,616,338 | Unknown | 2,467,297 |
| | | A share | 0.33 | 1,178,865,276 | None | -163,812,540 |
| National Council for Social Security Fund ⁽²⁾⁽³⁾ | State-owned | A share | 3.46 | 12,331,645,186 | None | — |
| Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products | Other entities | A share | 1.03 | 3,687,330,676 | None | — |
| China Securities Finance Co., Ltd. | State-owned legal person | A share | 0.68 | 2,416,131,564 | None | — |
| Wutongshu Investment Platform Co., Ltd. | State-owned legal person | A share | 0.40 | 1,420,781,042 | None | — |
| Central Huijin Asset Management Co., Ltd. ⁽⁴⁾ | State-owned legal person | A share | 0.28 | 1,013,921,700 | None | — |
| China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu | Other entities | A share | 0.13 | 472,599,788 | None | 94,929,461 |
| Taiping Life Insurance Co., Ltd. — Traditional — Ordinary insurance products — 022L — CT001 Hu | Other entities | A share | 0.11 | 387,807,151 | None | 24,521,800 |

Notes: (1) The above data are based on the Bank's register of shareholders as at 31 March 2020.

- (2) HKSCC Nominees Limited held 86,155,616,338 H shares, including those held by National Council for Social Security Fund. According to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund held 8,037,177,174 H shares of the Bank as at the end of the reporting period. Hong Kong Securities Clearing Company Limited held 1,178,865,276 A shares.
- (3) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), in December 2019, Ministry of Finance of the People's Republic of China transferred 12,331,645,186 shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum. 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.
- (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 2020, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register 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 ⁽²⁾ (%) | Percentage of total ordinary shares ⁽²⁾ (%) |
|---|-------------------------------------|---------------------------------|---------------------|---|--|
| Ministry of Finance of the People's Republic of China | Beneficial owner | 110,984,806,678 | Long position | 41.16 | 31.14 |
| Central Huijin Investment Ltd. ⁽¹⁾ | Beneficial owner | 123,717,852,951 | Long position | 45.89 | 34.71 |
| | Interest of controlled corporations | 1,013,921,700 | Long position | 0.38 | 0.28 |
| | Total | 124,731,774,651 | | 46.26 | 35.00 |

Notes: (1) According to the register of shareholders of the Bank as at 31 March 2020, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

(2) Due to rounding, percentages presented herein are for reference only.

HOLDERS OF H SHARES

| Name of substantial shareholder | Capacity | Number of H shares held (share) | Nature of interests | Percentage of H shares ⁽³⁾ (%) | Percentage of total ordinary shares ⁽³⁾ (%) |
|--|-------------------------------------|---------------------------------|---------------------|---|--|
| Ping An Asset Management Co., Ltd. ⁽¹⁾ | Investment manager | 12,168,809,000 | Long position | 14.02 | 3.41 |
| National Council for Social Security Fund ⁽²⁾ | Beneficial owner | 8,663,703,234 | Long position | 9.98 | 2.43 |
| Temasek Holdings (Private) Limited | Interest of controlled corporations | 7,317,475,731 | Long position | 8.43 | 2.05 |
| Citigroup Inc. | Interest of controlled corporations | 169,667,737 | Long position | 0.20 | 0.05 |
| | Approved lending agent | 4,247,961,164 | Long position | 4.89 | 1.19 |
| | Total | 4,417,628,901 | | 5.09 | 1.24 |
| | Interest of controlled corporations | 151,547,385 | Short position | 0.17 | 0.04 |

Notes: (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 31 March 2020 (the date of relevant event being 12 June 2019). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

(2) According to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund held 8,037,177,174 H shares of the Bank as at the end of the reporting period.

(3) Due to rounding, percentages presented herein are for reference only.

2.5 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 32 domestic preference shareholders of “工行優2”. 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 | 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 |
|--|-----------------------|--------------------------------|---|--------------------------------------|-----------------------------|---|---------------------------------------|
| The Bank of New York Depository (Nominees) Limited | Foreign legal person | EUR offshore preference shares | — | 40,000,000 | 100.0 | — | Unknown |

- Notes: (1) The above data are based on the Bank’s register of offshore preference shareholders as at 31 March 2020.
- (2) As the issuance of the offshore preference shares above was private offering, the register of preference shareholders presented the information on proxies of placees.
- (3) The Bank is not aware of any connected relations or concert party action between the afore-mentioned preference shareholder and 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 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 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 |
| BOCOM Schrodgers 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) Co., Ltd. | 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 above data are based on the Bank’s register of domestic preference shareholders of “工行優1” as at 31 March 2020.

(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. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. 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 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 |
|---|---------------------------------------|----------------------------|---|--------------------------------------|-----------------------------|---|---------------------------------------|
| Bosera Asset Management Co., Limited | State-owned legal person | Domestic preference shares | — | 150,000,000 | 21.4 | — | None |
| China Life Insurance Company Limited | State-owned legal person | Domestic preference shares | — | 120,000,000 | 17.1 | — | 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. | Domestic non-state-owned legal person | Domestic preference shares | — | 70,000,000 | 10.0 | — | None |
| CCB Trust Co., Ltd. | State-owned legal person | Domestic preference shares | — | 70,000,000 | 10.0 | — | None |
| China National Tobacco Corporation | Other entities | Domestic preference shares | — | 50,000,000 | 7.1 | — | 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 | — | 20,000,000 | 2.9 | — | 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 2020.

(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. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. 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”.

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 RMB85,013 million, representing an increase of 2.81% compared with the same period of last year. Annualised return on average total assets was 1.09%. Annualised return on weighted average equity was 13.44%.

Operating income amounted to RMB206,187 million, representing an increase of 2.16% compared with the same period of last year. Net interest income was RMB154,287 million, representing an increase of 4.11%. Annualised net interest margin stood at 2.20%. Non-interest income reported RMB51,900 million, of which net fee and commission income was RMB47,283 million, representing an increase of 2.49%. Operating expenses (excluding taxes and surcharges) were RMB37,906 million, representing a decrease of 2.21%. Cost-to-income ratio was 18.38%.

As at the end of the reporting period, total assets amounted to RMB32,094,478 million, representing an increase of RMB1,985,042 million or 6.59% over the end of the previous year. Total loans and advances to customers (excluding accrued interest) amounted to RMB17,515,921 million, representing an increase of RMB754,602 million or 4.50%, of which RMB loans of domestic branches grew by RMB661,387 million or 4.43%. In terms of the structure, corporate loans were RMB10,558,995 million, personal loans were RMB6,548,104 million and discounted bills were RMB408,822 million. Investments reached RMB8,158,037 million, representing an increase of RMB510,920 million or 6.68%.

Total liabilities amounted to RMB29,314,184 million, representing an increase of RMB1,896,751 million or 6.92% over the end of the previous year. Due to customers amounted to RMB24,220,294 million, representing an increase of RMB1,242,639 million or 5.41%. In terms of the structure, time deposits were RMB12,070,780 million, demand deposits were RMB11,760,116 million, other deposits were RMB153,238 million and accrued interest was RMB236,160 million.

Shareholders' equity amounted to RMB2,780,294 million, representing an increase of RMB88,291 million or 3.28% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB250,103 million, representing an increase of RMB9,916 million over the end of the previous year. The NPL ratio was 1.43%, keeping the same level as the end of last year. The allowance to NPLs stood at 199.37%, representing an increase of 0.05 percentage points over the end of the previous year.

The core tier 1 capital adequacy ratio was 13.15%, the tier 1 capital adequacy ratio was 14.19% and the capital adequacy ratio was 16.52%, 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 2020 | 31 December 2019 | Increase/Decrease (%) | Main reasons for change |
|----------------------------------|---------------|------------------|-----------------------|--|
| Derivative financial assets | 113,094 | 68,311 | 65.56 | As affected by increased business scale and market price fluctuation, both derivative financial assets and liabilities increased largely |
| Due to central banks | 14,300 | 1,017 | 1,306.10 | The balance of relending from central banks increased |
| Derivative financial liabilities | 126,925 | 85,180 | 49.01 | As affected by increased business scale and market price fluctuation, both derivative financial assets and liabilities increased largely |

In RMB millions, except for percentages

| Item | Three months ended 31 March 2020 | Three months ended 31 March 2019 | Increase/Decrease (%) | Main reasons for change |
|---|----------------------------------|----------------------------------|-----------------------|--|
| Net trading (expense)/income | (6,570) | 5,171 | (227.05) | Loss on derivative contracts for hedging paper commodity business increased |
| Net gain/(loss) on financial investments | 10,883 | (2,188) | N/A | Mainly the payments to customers decreased due to the maturity of principal-guaranteed wealth management products and income from paper commodity business increased |
| Other operating income, net | 304 | 4,509 | (93.26) | Due to the impact of exchange rate fluctuation |
| Share of profits of associates and joint ventures | 404 | 637 | (36.58) | Investment income of associates recognised under equity method decreased |

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

Applicable Not applicable

4.2.1 Issuance of Undated Additional Tier 1 Capital Bonds and Eligible Tier 2 Capital Instruments

The Board of Directors of the Bank considered and approved the Proposal on the Issuance of Undated Additional Tier 1 Capital Bonds and Eligible Tier 2 Capital Instruments on 7 January 2020. The Bank planned to issue undated additional tier 1 capital bonds in the offshore market in foreign currency of RMB40.0 billion equivalent, which will be used to replenish additional tier 1 capital of the Bank; and to issue eligible tier 2 capital instruments of RMB40.0 billion or equivalent foreign currency in the domestic and offshore markets to replenish the Bank's tier 2 capital. The undated additional tier 1 capital bonds and eligible tier 2 capital instruments issuance plan is still subject to the review and approval by the Shareholders' General Meeting of the Bank, after which it is further subject to the approval by the relevant 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.

4.2.2 Issuance of Offshore Preference Shares

The First Extraordinary General Meeting of 2018 of the Bank reviewed and approved relevant proposals on issuance of domestic and offshore preference shares. In March 2020, the Bank received an approval from China Banking and Insurance Regulatory Commission, consenting to the Bank's offshore issuance of preference shares of no more than RMB30.0 billion in equivalent USD, which will be counted as the additional tier 1 capital of the Bank in accordance with relevant regulatory requirements. 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.

4.3 Implementation of cash dividend policy during the reporting period

Applicable Not applicable

4.4 Unfulfilled commitments during the reporting period

Applicable Not applicable

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

Applicable Not applicable

5. APPENDICES

- 5.1 Financial statements prepared based on IFRSs are attached in Appendix I to this report
- 5.2 Capital adequacy ratios disclosed as per the Regulation Governing Capital of Commercial Banks (Provisional), leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) and liquidity coverage ratio disclosed as per the Administrative Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks are attached in Appendix II to this report

6. RELEASE OF QUARTERLY REPORT

This 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 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 2020

As at the date of this announcement, the Board of Directors comprises Mr. CHEN Siqing and Mr. GU Shu as executive directors, Mr. LU Yongzhen, Mr. ZHENG Fuqing, Ms. MEI Yingchun, Mr. FENG Weidong and Ms. CAO Liqun as non-executive directors, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Mr. SHEN Si, Mr. Nout WELLINK and Mr. Fred Zulu HU 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 2020
(In RMB millions, unless otherwise stated)

| | Three months ended 31 March 2020 (Unaudited) | Three months ended 31 March 2019 (Unaudited) |
|---|---|--|
| Interest income | 264,531 | 249,277 |
| Interest expense | <u>(110,244)</u> | <u>(101,087)</u> |
| NET INTEREST INCOME | <u>154,287</u> | <u>148,190</u> |
| Fee and commission income | 50,108 | 50,237 |
| Fee and commission expense | <u>(2,825)</u> | <u>(4,101)</u> |
| NET FEE AND COMMISSION INCOME | <u>47,283</u> | <u>46,136</u> |
| Net trading (expense)/income | (6,570) | 5,171 |
| Net gain/(loss) on financial investments | 10,883 | (2,188) |
| Other operating income, net | <u>304</u> | <u>4,509</u> |
| OPERATING INCOME | <u>206,187</u> | <u>201,818</u> |
| Operating expenses | (39,979) | (40,614) |
| Impairment losses on assets | <u>(59,492)</u> | <u>(58,274)</u> |
| OPERATING PROFIT | <u>106,716</u> | <u>102,930</u> |
| Share of profits of associates and joint ventures | <u>404</u> | <u>637</u> |
| PROFIT BEFORE TAXATION | <u>107,120</u> | <u>103,567</u> |
| Income tax expense | <u>(22,107)</u> | <u>(20,877)</u> |
| PROFIT FOR THE PERIOD | <u><u>85,013</u></u> | <u><u>82,690</u></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 2020
(In RMB millions, unless otherwise stated)

| | Three months ended 31 March 2020 (Unaudited) | Three months ended 31 March 2019 (Unaudited) |
|--------------------------------------|---|--|
| Attributable to: | | |
| Equity holders of the parent company | 84,494 | 82,005 |
| Non-controlling interests | 519 | 685 |
| | <hr/> | <hr/> |
| Profit for the period | 85,013 | 82,690 |
| | <hr/> <hr/> | <hr/> <hr/> |
| EARNINGS PER SHARE | | |
| — Basic (RMB Yuan) | 0.24 | 0.23 |
| — Diluted (RMB Yuan) | 0.24 | 0.23 |
| | <hr/> <hr/> | <hr/> <hr/> |

Chen Siqing
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 2020

(In RMB millions, unless otherwise stated)

| | Three months ended 31 March 2020 (Unaudited) | Three months ended 31 March 2019 (Unaudited) |
|--|--|--|
| Profit for the period | <u>85,013</u> | <u>82,690</u> |
| Other comprehensive income (after tax, net): | | |
| Items that will not be reclassified to profit or loss: | | |
| Changes in fair value of equity instruments designated as at fair value through other comprehensive income | (414) | 2,672 |
| Others | 3 | (1) |
| Items that may be reclassified subsequently to profit or loss: | | |
| Changes in fair value of debt instruments measured at fair value through other comprehensive income | 6,184 | 4,840 |
| Credit losses of debt instruments measured at fair value through other comprehensive income | 256 | (221) |
| Reserve from cash flow hedging instruments | (83) | (26) |
| Other comprehensive income recognised under equity method | 976 | (95) |
| Foreign currency translation differences | (3,038) | (6,130) |
| Others | <u>(459)</u> | <u>427</u> |
| Subtotal of other comprehensive income for the period | <u>3,425</u> | <u>1,466</u> |
| Total comprehensive income for the period | <u><u>88,438</u></u> | <u><u>84,156</u></u> |
| Total comprehensive income attributable to: | | |
| Equity holders of the parent company | 87,668 | 83,626 |
| Non-controlling interests | <u>770</u> | <u>530</u> |

Chen Siqing
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 2020

(In RMB millions, unless otherwise stated)

| | 31 March 2020 (Unaudited) | 31 December 2019 (Audited) |
|--|--|----------------------------------|
| ASSETS | | |
| Cash and balances with central banks | 3,979,997 | 3,317,916 |
| Due from banks and other financial institutions | 929,041 | 1,042,368 |
| Derivative financial assets | 113,094 | 68,311 |
| Reverse repurchase agreements | 941,738 | 845,186 |
| Loans and advances to customers | 17,071,112 | 16,326,552 |
| Financial investments | 8,158,037 | 7,647,117 |
| — Financial investments measured at fair value through profit or loss | 1,085,607 | 962,078 |
| — Financial investments measured at fair value through other comprehensive income | 1,516,532 | 1,476,872 |
| — Financial investments measured at amortised cost | 5,555,898 | 5,208,167 |
| Investments in associates and joint ventures | 28,969 | 32,490 |
| Property and equipment | 287,797 | 286,561 |
| Deferred income tax assets | 55,400 | 62,536 |
| Other assets | 529,293 | 480,399 |
| TOTAL ASSETS | <u>32,094,478</u> | <u>30,109,436</u> |

Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS (continued)
31 March 2020
(In RMB millions, unless otherwise stated)

| | 31 March 2020 (Unaudited) | 31 December 2019 (Audited) |
|---|--|----------------------------------|
| LIABILITIES | | |
| Due to central banks | 14,300 | 1,017 |
| Financial liabilities designated as at fair value through profit or loss | 129,951 | 102,242 |
| Derivative financial liabilities | 126,925 | 85,180 |
| Due to banks and other financial institutions | 2,854,580 | 2,266,573 |
| Repurchase agreements | 323,957 | 263,273 |
| Certificates of deposit | 305,515 | 355,428 |
| Due to customers | 24,220,294 | 22,977,655 |
| Income tax payable | 100,121 | 96,192 |
| Deferred income tax liabilities | 2,122 | 1,873 |
| Debt securities issued | 736,028 | 742,875 |
| Other liabilities | 500,391 | 525,125 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 29,314,184 | 27,417,433 |
| EQUITY | | |
| Equity attributable to equity holders of the parent company | | |
| Share capital | 356,407 | 356,407 |
| Other equity instruments | 206,132 | 206,132 |
| Reserves | 748,501 | 745,111 |
| Retained profits | 1,452,813 | 1,368,536 |
| | <hr/> | <hr/> |
| | 2,763,853 | 2,676,186 |
| Non-controlling interests | 16,441 | 15,817 |
| | <hr/> | <hr/> |
| TOTAL EQUITY | 2,780,294 | 2,692,003 |
| | <hr/> | <hr/> |
| TOTAL EQUITY AND LIABILITIES | 32,094,478 | 30,109,436 |
| | <hr/> <hr/> | <hr/> <hr/> |

Chen Siqing
Chairman

Gu Shu
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*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 2020

(In RMB millions, unless otherwise stated)

| | Three months ended 31 March 2020 (Unaudited) | Three months ended 31 March 2019 (Unaudited) |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 107,120 | 103,567 |
| Adjustments for: | | |
| Share of profits of associates and joint ventures | (404) | (637) |
| Depreciation | 5,073 | 4,350 |
| Amortisation | 744 | 694 |
| Amortisation of financial investments | (1,893) | (222) |
| Impairment losses on assets | 59,492 | 58,274 |
| Unrealised loss/(gain) on foreign exchange | 6,040 | (9,059) |
| Interest expense on debt securities issued | 6,896 | 6,236 |
| Accreted interest on impaired loans | (460) | (540) |
| Net (gain)/loss on disposal of financial investments | (10,371) | 2,228 |
| Net trading loss/(gain) on equity investments | 981 | (978) |
| Net gain on changes at fair value | (5,770) | (6,029) |
| Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets) | (349) | (415) |
| Dividend income | (512) | (40) |
| | 166,587 | 157,429 |

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the three months ended 31 March 2020
(In RMB millions, unless otherwise stated)

| | Three months ended 31 March 2020 (Unaudited) | Three months ended 31 March 2019 (Unaudited) |
|---|---|--|
| Net decrease/(increase) in operating assets: | | |
| Due from central banks | 259,766 | 111,551 |
| Due from banks and other financial institutions | 456,931 | 158,798 |
| Financial investments measured at fair value through profit or loss | (177,672) | (120,586) |
| Reverse repurchase agreements | 227,213 | 47,183 |
| Loans and advances to customers | (752,737) | (568,264) |
| Other assets | (94,186) | (246,303) |
| | (80,685) | (617,621) |
| Net increase/(decrease) in operating liabilities: | | |
| Financial liabilities designated as at fair value through profit or loss | 29,957 | 5,638 |
| Due to central banks | 13,284 | (16) |
| Due to banks and other financial institutions | 572,352 | 234,147 |
| Repurchase agreements | 60,652 | (217,072) |
| Certificates of deposit | (55,282) | 8,215 |
| Due to customers | 1,213,617 | 1,197,893 |
| Other liabilities | 42,424 | 296,943 |
| | 1,877,004 | 1,525,748 |
| Net cash flows from operating activities before tax | 1,962,906 | 1,065,556 |
| Income tax paid | (13,969) | (20,782) |
| Net cash flows from operating activities | 1,948,937 | 1,044,774 |

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the three months ended 31 March 2020
(In RMB millions, unless otherwise stated)

| | Three months ended 31 March 2020 (Unaudited) | Three months ended 31 March 2019 (Unaudited) |
|--|---|--|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment and other assets | (2,351) | (3,644) |
| Proceeds from disposal of property and equipment and other assets (other than repossessed assets) | 451 | 482 |
| Purchases of financial investments | (878,838) | (750,335) |
| Proceeds from sale and redemption of financial investments | 527,844 | 441,311 |
| Proceeds from disposal of associates and joint ventures | 146 | — |
| Dividends received | 718 | 875 |
| | <u>(352,030)</u> | <u>(311,311)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Capital injection by non-controlling shareholders | — | 57 |
| Proceeds from issuance of debt securities | 214,430 | 305,033 |
| Interest paid on debt securities | (5,473) | (2,546) |
| Repayment of debt securities | (224,968) | (226,873) |
| Dividends paid to non-controlling shareholders | (147) | (143) |
| Cash payment for other financing activities | (1,302) | — |
| | <u>(17,460)</u> | <u>75,528</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents at beginning of the period | 1,579,447 | 808,991 |
| Effect of exchange rate changes on cash and cash equivalents | 1,450,413 | 1,509,524 |
| | <u>11,804</u> | <u>(18,347)</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | |
| | <u><u>3,041,664</u></u> | <u><u>2,300,168</u></u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE: | | |
| Interest received | 248,539 | 240,638 |
| Interest paid | <u>(105,221)</u> | <u>(98,744)</u> |

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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 2020 | | 31 December 2019 | |
|------------------------------------|------------------|------------------|------------------|----------------|
| | Group | Parent Company | Group | Parent Company |
| Net core tier 1 capital | 2,544,252 | 2,305,331 | 2,457,274 | 2,222,316 |
| Net tier 1 capital | 2,744,542 | 2,485,528 | 2,657,523 | 2,403,000 |
| Net capital base | 3,196,386 | 2,923,396 | 3,121,479 | 2,852,663 |
| Core tier 1 capital adequacy ratio | 13.15% | 13.12% | 13.20% | 13.29% |
| Tier 1 capital adequacy ratio | 14.19% | 14.14% | 14.27% | 14.37% |
| Capital adequacy ratio | 16.52% | 16.64% | 16.77% | 17.06% |

Note: Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional).

II. Leverage Ratio

In RMB millions, except for percentages

| Item | 31 March 2020 | 31 December 2019 | 30 September 2019 | 30 June 2019 |
|--|-------------------|------------------|-------------------|--------------|
| Net tier 1 capital | 2,744,542 | 2,657,523 | 2,636,734 | 2,395,570 |
| Balance of adjusted on- and off-balance sheet assets | 34,044,105 | 31,982,214 | 32,402,109 | 32,093,349 |
| Leverage ratio | 8.06% | 8.31% | 8.14% | 7.46% |

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

| No. | | First quarter 2020 | |
|-----------------------------------|---|-------------------------|-----------------------------|
| | | Total un-weighted value | Total weighted value |
| HIGH-QUALITY LIQUID ASSETS | | | |
| 1 | Total high-quality liquid assets (HQLA) | | 5,361,279 |
| CASH OUTFLOWS | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 11,754,598 | 1,170,437 |
| 3 | <i>Stable deposits</i> | 76,526 | 2,630 |
| 4 | <i>Less stable deposits</i> | 11,678,072 | 1,167,807 |
| 5 | Unsecured wholesale funding, of which: | 12,717,838 | 4,287,647 |
| 6 | <i>Operational deposits (excluding those generated from correspondent banking activities)</i> | 7,205,992 | 1,749,813 |
| 7 | <i>Non-operational deposits (all counterparties)</i> | 5,424,607 | 2,450,595 |
| 8 | <i>Unsecured debt</i> | 87,239 | 87,239 |
| 9 | Secured funding | | 14,997 |
| 10 | Additional requirements, of which: | 3,020,422 | 944,182 |
| 11 | <i>Outflows related to derivative exposures and other collateral requirements</i> | 771,113 | 771,113 |
| 12 | <i>Outflows related to loss of funding on debt products</i> | — | — |
| 13 | <i>Credit and liquidity facilities</i> | 2,249,309 | 173,069 |
| 14 | Other contractual funding obligations | 65,865 | 65,234 |
| 15 | Other contingent funding obligations | 4,175,549 | 125,554 |
| 16 | TOTAL CASH OUTFLOWS | | 6,608,051 |
| CASH INFLOWS | | | |
| 17 | Secured lending (including reverse repos and securities borrowing) | 752,981 | 321,617 |
| 18 | Inflows from fully performing exposures | 1,411,562 | 995,260 |
| 19 | Other cash inflows | 748,500 | 743,089 |
| 20 | TOTAL CASH INFLOWS | 2,913,043 | 2,059,966 |
| | | | Total adjusted value |
| 21 | TOTAL HQLA | | 5,361,279 |
| 22 | TOTAL NET CASH OUTFLOWS | | 4,548,085 |
| 23 | LIQUIDITY COVERAGE RATIO (%) | | 118.05% |

Note: Data of the above table are all the simple arithmetic means of the 91 natural days' figures of the recent quarter.