



中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

(Stock Code: 1398)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED **First Quarterly Report of 2007**

The Board of Directors of Industrial and Commercial Bank of China Limited (the “Bank”) announces the unaudited results of the Bank and its subsidiaries (the “Group”) for the first quarter ended 31 March 2007. This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- 1.1 The Board of Directors and the Board of Supervisors of the Bank and its directors, supervisors and senior management warrant that there are no false presentations or misleading statements contained in, or material omissions from, this report, and severally and jointly accept responsibility for the authenticity, accuracy and completeness of the information contained in this report.
- 1.2 This quarterly report has been reviewed and approved at the twenty-first meeting of the first session of the Board of Directors of the Bank, and all directors were present at the meeting.
- 1.3 The financial report for the quarter has not been audited.
- 1.4 Mr. Jiang Jianqiang, Legal Representative of the Bank, Mr. Yang Kaisheng, President-Finance and Mr. Gu Shu, General Manager-Finance and Accounting Department of the Bank, hereby warrant the authenticity and completeness of the financial information contained in this quarterly report.

2. CORPORATE INFORMATION

2.1 Basic Information

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

2.2 Main Accounting Data and Financial Indicators

	As at the end of the reporting period	As at the end of last year	Change (%)
Total Assets (<i>RMB million</i>)	7,878,726	7,508,751	4.93
Equity Attributable to Equity Holders of the Bank (<i>RMB million</i>)	484,556	466,464	3.88
Net Assets Per Share (Excluding minority interests) (<i>RMB</i>)	1.45	1.40	3.57

2.2.1 Major Accounting Data and Financial Indicators Prepared under International Financial Reporting Standards (IFRS)

	From the beginning of the year to the end of the reporting period
Net Cash Inflow from Operating Activities (<i>RMB million</i>)	106,169
Net Cash Inflow Per Share from Operating Activities (<i>RMB</i>)	0.32

	During the reporting period	From the beginning of the year to the end of the reporting period
Profit After Tax (<i>RMB million</i>)	18,899	18,899
Profit Attributable to Equity Holders of the Bank (<i>RMB million</i>)	18,713	18,713
Earnings Per Share — Basic (RMB)	0.06	0.06
Earnings Per Share — Diluted (RMB)	0.06	0.06
Return on Equity (Excluding minority interests) (%)	3.86	3.86

2.2.2 Reconciliation between IFRS and PRC GAAP on profit attributable to equity holders of the Bank for the period ended 31 March 2007 and equity attributable to equity holders of the Bank as at 31 March 2007

	For the period ended 31 March 2007 (in RMB Million)
Profit Attributable to equity holders of the Bank under PRC GAAP	18,706
Adjustments for:	
Recognition of revaluation surplus on disposed assets ⁽¹⁾	<u>7</u>
Profit Attributable to equity holders of the Bank under IFRS	<u>18,713</u>
	As at 31 March 2007
Equity Attributable to equity holders of the Bank under PRC GAAP	485,352
Adjustments for:	
Reversal of revaluation surplus ⁽¹⁾	<u>(796)</u>
Equity Attributable to equity holders of the Bank under IFRS	<u>484,556</u>

- (1) The Bank revalued some assets (including equity investments, repossessed assets and intangible assets, etc.) and the revaluation surplus was recognised in the capital reserve according to relevant requirements under in PRC GAAP. However, these assets are carried at cost under IFRS, thus, the revaluation surplus should be reversed. Upon disposal of the above assets, the adjustments on reversal of recognition of revaluation surplus under IFRS were made accordingly. Due to such difference, the equity attributable to equity holders of the Bank as of 31 March 2007 under IFRS is RMB796 million less than that under PRC GAAP.

2.3 Number of Shareholders and Particulars of Shareholding of Top 10 Holders of Tradable Shares as at Period End

2.3.1 Total Number of Shareholders

As at period end, the Bank's total shareholders were 1,140,977, including 236,995 holders of H shares and 903,982 holders of A shares.

2.3.2 Particulars of Shareholding of Top 10 Shareholders of the Bank

Number of Shareholders and Particulars of Shareholding

Unit: Shares

Total number of shareholders 1,140,977 (number of holders of A- and H-share on the register of shareholders as at 31 March 2007)

Particulars of shareholding of the top 10 shareholders (The following data is based on the register of shareholders as at 31 March 2007)

Name of Shareholder	Nature of Shareholder	Type of Shares	Shareholding Percentage	Total Number of Shares Held	Number of Shares Subject to Restrictions on Sales	Number of Pledged or Locked-up Shares
Ministry of Finance, PRC	State-owned shares	A-share	35.33%	118,006,174,032	118,006,174,032	None
Central SAFE Investments Limited	State-owned shares	A-share	35.33%	118,006,174,032	118,006,174,032	None
HKSCC Nominees Limited	Foreign investment	H-share	12.94%	43,208,908,220	0	Unknown
The Goldman Sachs Group, Inc.	Foreign investment	H-share	4.93%	16,476,014,155	16,476,014,155	Unknown
National Council for Social Security Fund	State-owned shares	H-share	4.22%	14,102,149,559	14,102,149,559	Unknown
Dresdner Bank Luxembourg S.A. (Allianz Group holds shares in the Bank through its wholly-owned subsidiary Dresdner Bank Luxembourg S.A.)	Foreign investment	H-share	1.93%	6,432,601,015	6,432,601,015	Unknown
American Express Group	Foreign investment	H-share	0.38%	1,276,122,233	1,276,122,233	Unknown
China Life Insurance (Group) Company-traditional-ordinary insurance products	Others	A-share	0.24%	809,266,000	641,025,000	None
China Life Insurance Company Limited- traditional-ordinary insurance products-005L-CT001 Hu	Others	A-share	0.20%	682,083,807	641,025,000	None
China Pacific Life Insurance Co., Ltd.-traditional-ordinary insurance products	Others	A-share	0.20%	655,591,000	641,025,000	None

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

Particulars of shareholding of the top 10 shareholders not subject to restriction on sales (The following data is based on the register of shareholders as at 31 March 2007)

Name of Shareholder	Number of Shares not Subject to Restrictions on Sales	Type of Shares
HKSCC Nominees Limited	43,208,908,220	H-share
China Life Insurance (Group) Company-traditional-ordinary insurance products	168,241,000	A-share
China Life Insurance Company Limited-bonus-personal bonus-005L-FH002 Hu	168,241,000	A-share
China Life Insurance Company Limited-bonus-group bonus-005L-FH001 Hu	168,241,000	A-share
CNOOC Finance Co., Ltd.	145,241,000	A-share
E Fund Active Growth Securities Investment Fund	120,000,000	A-share
BNP Nominees Limited	120,000,000	H-share
Dacheng Active Growth Stock Securities Investment Fund	101,239,473	A-share
Jingshun Great Wall Domestic Demand Growth No.2 Stock Securities Investment Fund	83,000,000	A-share
IFC-Standard Chartered-Citigroup Global Markets Limited	79,968,579	A-share

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

3. BRIEF ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE REPORTING PERIOD

As at period end, the main operating activities of the Group are as follows:

- Total assets reached RMB7,878,726 million, an increase of RMB369,975 million or 4.93% over the end of last year. Total assets exceeded USD1 trillion. Total liabilities stood at RMB7,389,569 million, an increase of RMB351,819 million or 5.00% over the end of last year.
- Total loans and advances to customers reached RMB3,696,433 million, an increase of RMB162,455 million or 4.60% over the end of last year. Total deposits from customers reached RMB6,560,019 million, an increase of RMB208,596 million or 3.28% over the end of last year.
- Owners' equity totalled RMB489,157 million, an increase of RMB18,156 million or 3.85% over the end of last year.
- Non-performing loans (NPLs) amounted to RMB136,851 million in accordance with the 5-tier classification standard, with an NPL ratio of 3.60% and allowance to NPL of 74.54%.
- Core capital adequacy ratio was 12.00%, and capital adequacy ratio was 13.83%.

During the period, net interest income reached RMB48,102 million, net fee and commission income reached RMB6,470 million. Profit after tax was RMB18,899 million, of which the profit attributable to equity holders of the Bank was RMB18,713 million.

4. SIGNIFICANT EVENTS

4.1 Changes to Main Financial Statements Items and Financial Indicators within the Reporting Period and the Reasons Thereof

Applicable Not applicable

4.2 Progress of Significant Events and Analysis on Its Impact and Solutions

Applicable Not applicable

4.3 Fulfillment of Undertakings Made by the Company, Shareholders and Actual Controllers

Applicable Not applicable

Shareholders made no new undertakings in the reporting period, and the undertakings that continue to be valid during the reporting period were the same as those disclosed in the Prospectus and the 2006 Annual Report. As at 31 March 2007, all undertakings made by the shareholders were fulfilled.

4.4 Warnings and Explanations on Loss Forecast or Significant Changes in Net Accumulative Profit from the Beginning of the Year to the End of the Next Reporting Period

Applicable Not applicable

5. APPENDIX: FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

Financial statements prepared under IFRS is set out in the appendix to this announcement.

6. RELEASE OF RESULTS ANNOUNCEMENT

This announcement will be released on the websites of SEHK (www.hkex.com.hk) and ICBC (www.icbc.com.cn, www.icbc-ltd.com) simultaneously. The First Quarter Report prepared in accordance with the PRC GAAP will be released simultaneously on the websites of SSE (www.sse.com.cn) and ICBC (www.icbc.com.cn, www.icbc-ltd.com).

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

25 April 2007

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

Industrial and Commercial Bank of China Limited
Consolidated Balance Sheet — Prepared in accordance with IFRS
31 March 2007

(In millions of RMB, unless otherwise stated)

Items of Balance Sheet	As at 31 March 2007 (unaudited)	As at 31 December 2006
ASSETS		
Cash and balances with central banks	787,776	703,657
Due from banks and other financial institutions	138,787	206,506
Reverse repurchase agreements	73,636	39,218
Loans and advances to customers	3,696,433	3,533,978
Investment securities	2,991,168	2,860,798
Investments in associates	121	127
Property and equipment	84,419	87,609
Other assets	<u>106,386</u>	<u>76,858</u>
TOTAL ASSETS	<u>7,878,726</u>	<u>7,508,751</u>
LIABILITIES		
Due to banks and other financial institutions	581,343	400,318
Repurchase agreements	24,984	48,610
Certificates of deposits	6,560	6,458
Due to customers	6,560,019	6,351,423
Income tax payable	23,623	16,386
Deferred income tax liabilities	1,272	1,449
Debt issued	37,287	37,947
Other liabilities	<u>154,481</u>	<u>175,159</u>
TOTAL LIABILITIES	<u>7,389,569</u>	<u>7,037,750</u>
EQUITY		
Issued share capital	334,019	334,019
Reserves	125,681	126,286
Retained profits	<u>24,856</u>	<u>6,159</u>
Equity attributable to equity holders of the Bank	484,556	466,464
Minority interests	<u>4,601</u>	<u>4,537</u>
TOTAL EQUITY	<u>489,157</u>	<u>471,001</u>
TOTAL EQUITY AND LIABILITIES	<u>7,878,726</u>	<u>7,508,751</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman and President

Gu Shu
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited
Balance Sheet — Prepared in accordance with IFRS
31 March 2007

(In millions of RMB, unless otherwise stated)

Items of Balance Sheet	As at 31 March 2007 (unaudited)	As at 31 December 2006
ASSETS		
Cash and balances with central banks	787,524	703,245
Due from banks and other financial institutions	104,645	169,454
Reverse repurchase agreements	72,730	39,218
Loans and advances to customers	3,602,966	3,454,432
Investment securities	2,985,298	2,854,401
Investments in subsidiaries	7,260	7,260
Investment in an associate	74	74
Property and equipment	84,155	87,251
Other assets	<u>100,657</u>	<u>73,313</u>
TOTAL ASSETS	<u>7,745,309</u>	<u>7,388,648</u>
LIABILITIES		
Due to banks and other financial institutions	563,260	398,573
Repurchase agreements	25,411	49,119
Due to customers	6,462,700	6,251,403
Income tax payable	23,230	16,176
Deferred income tax liabilities	1,150	1,327
Debt issued	35,000	35,000
Other liabilities	<u>152,016</u>	<u>172,460</u>
TOTAL LIABILITIES	<u>7,262,767</u>	<u>6,924,058</u>
EQUITY		
Issued share capital	334,019	334,019
Reserves	124,452	124,872
Retained profits	<u>24,071</u>	<u>5,699</u>
TOTAL EQUITY	<u>482,542</u>	<u>464,590</u>
TOTAL EQUITY AND LIABILITIES	<u>7,745,309</u>	<u>7,388,648</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman and President

Gu Shu
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited
Consolidated Income Statement (unaudited) — Prepared in accordance with IFRS
For the three months ended 31 March 2007
(In millions of RMB, unless otherwise stated)

	For the three months ended 31 March 2007
Items of Income Statement	
Interest income	78,476
Interest expense	<u>(30,374)</u>
NET INTEREST INCOME	48,102
Fee and commission income	6,993
Fee and commission expense	<u>(523)</u>
NET FEE AND COMMISSION INCOME	6,470
Other operating income, net	<u>301</u>
OPERATING INCOME	54,873
Operating expenses	(19,560)
Provisions for impairment losses on:	
Loans and advances to customers	(7,312)
Others	<u>(43)</u>
OPERATING PROFIT	27,958
Share of profits and losses of associates	<u>2</u>
PROFIT BEFORE TAX	27,960
Income tax expense	<u>(9,061)</u>
PROFIT FOR THE PERIOD	<u>18,899</u>
Attributable to:	
Equity holders of the Bank	18,713
Minority interests	<u>186</u>
	<u>18,899</u>
Earnings per share Basic (in RMB)	0.06
Earnings per share Diluted (in RMB)	<u>0.06</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman and President

Gu Shu
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement (unaudited) — Prepared in accordance with IFRS
For the three months ended 31 March 2007
(In millions of RMB, unless otherwise stated)

**For the three
months ended
31 March
2007**

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax	27,960
Adjustments for:	
Share of profits and losses of associates	(2)
Depreciation	2,192
Amortisation	264
Provisions for impairment losses on assets	7,355
Foreign exchange difference	495
Interest expense on debt issued	331
Accretion of impairment provision discount	(321)
Gain on disposal of available-for-sale securities, net	(99)
Gain on trading securities, net	(321)
Loss on financial assets and liabilities designated at fair value through profit or loss, net	42
Gain on derivatives and other instruments, net	(61)
Gain on disposal of property and equipment and other assets, net	(89)
	<u>37,746</u>
Net decrease/(increase) in operating assets:	
Due from central banks	(66,806)
Due from banks and other financial institutions	7,681
Reverse repurchase agreements	(30,539)
Loans and advances to customers	(171,712)
Other assets	(20,450)
	<u>(281,826)</u>
Net increase/(decrease) in operating liabilities:	
Due to banks and other financial institutions	181,025
Repurchase agreements	(23,626)
Certificates of deposits	102
Due to customers	208,596
Other liabilities	(14,614)
	<u>351,483</u>
Net cash inflow from operating activities before tax	107,403
Income tax paid	(1,234)
	<u>106,169</u>

**For the three
months ended
31 March
2007**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment and other assets	(767)
Proceeds from disposal of property and equipment	128
Purchases of investments	(579,424)
Proceeds from sale and redemption of investments	<u>211,052</u>
Net cash outflow from investing activities	<u>(369,011)</u>

CASH FLOWS FROM FINANCING ACTIVITY

Interest paid on debt issued	<u>(176)</u>
Net cash outflow from financing activity	<u>(176)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at beginning of the period	506,794
Effect of exchange rate changes on cash and cash equivalents	<u>(789)</u>

CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

242,987

NET CASH INFLOW FROM OPERATING ACTIVITIES INCLUDES:

Interest received	68,325
Interest paid	<u>(27,938)</u>

Jiang Jianqing
Chairman

Yang Kaisheng
Vice Chairman and President

Gu Shu
*General Manager of Finance
and Accounting Department*

*Please also refer to the published version of this announcement in **South China Morning Post**.*