



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 Third Quarterly Report of 2008

The Board of Directors of Industrial and Commercial Bank of China Limited (the “Bank”) is pleased to announce the results of the Bank and its subsidiaries (the “Group”) for the third quarter ended 30 September 2008. This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT NOTICE

- 1.1 The Board of Directors and the Board of Supervisors of the Bank and its directors, supervisors and senior management hereby warrant that there are no false records or misleading statements contained in, or material omissions from, this report, and severally and jointly accept responsibility for the authenticity, accuracy and completeness of the information contained in this report.
- 1.2 This quarterly report has been reviewed and approved at the forty-first meeting of the first session of the Board of Directors of the Bank held on 24 October 2008, and all directors were present at the meeting.
- 1.3 This quarterly financial report has not been audited.
- 1.4 Mr. Jiang Jianqing, the Legal Representative of the Bank, Mr. Yang Kaisheng, President in charge of finance affairs of the Bank, and Mr. Shen Rujun, General Manager of the Finance and Accounting Department of the Bank, hereby warrant the authenticity and completeness of the financial information contained in this quarterly report.

2. CORPORATE INFORMATION

2.1 Basic Information

Stock name	ICBC
Stock code	601398 (A share)
Stock exchange on which shares are listed	Shanghai Stock Exchange (the “SSE”)
Stock name	ICBC
Stock code	1398 (H share)
Stock exchange on which shares are listed	The Stock Exchange of Hong Kong Limited (the “SEHK”)
Secretary to the Board	Gu Shu
Contact address	No. 55, Fuxingmennei Avenue, Xicheng District, Beijing, the People’s Republic of China, 100032
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2.2 Major Accounting Data and Financial Indicators

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

In RMB millions, unless otherwise stated

	At 30 September 2008	At 31 December 2007	Change (%)
Total assets	9,383,771	8,683,712	8.06
Total loans and advances to customers	4,420,065	4,073,229	8.52
Allowance for impairment losses on loans and advances	127,074	115,687	9.84
Investment in securities, net	3,012,198	3,107,328	-3.06
Total liabilities	8,798,528	8,140,036	8.09
Due to customers	7,898,299	6,898,413	14.49
Due to banks and other financial institutions	593,716	805,174	-26.26
Equity attributable to equity holders of the parent company	581,123	538,371	7.94
Net assets per share (excluding minority interests) (in RMB)	1.74	1.61	8.07

In RMB millions, unless otherwise stated

		January 2008– September 2008	Change as compared to the same period of last year (%)
Net cash flow from operating activities		80,243	-80.84
Net cash flow per share from operating activities (in RMB)		0.24	-80.80
			Change during the reporting period as compared to the same period of last year^{note} (%, percentage points)
	July 2008– September 2008	January 2008– September 2008	
Profit after tax	28,198	93,077	24.31
Net profit attributable to equity holders of the parent company	28,199	92,730	25.54
Basic earnings per share (in RMB)	0.09	0.28	28.57
Diluted earnings per share (in RMB)	0.09	0.28	28.57
Return on weighted average equity (%)	4.99	16.36	Increase of 0.58 percentage point

Note: “Change during the reporting period as compared to the same period of last year” refers to the changes of relevant financial indicators for the period from July 2008 to September 2008 as compared to that for the three months from July 2007 to September 2007.

2.2.2 Reconciliation between IFRSs and Chinese Accounting Standards (“CASs”) on Net Profit and Equity Attributable to Equity Holders of the Parent Company for the Nine Months Ended and as at 30 September 2008

(In RMB millions)

**January 2008–
September 2008**

Net profit attributable to equity holders of the parent company under CASs	92,730
Adjustment for:	
Recognition of revaluation surplus on disposed assets	<u>—</u>
Net profit attributable to equity holders of the parent company under IFRSs	<u>92,730</u>

(In RMB millions)

**At 30 September
2008**

Equity attributable to equity holders of the parent company under CASs	581,699
Adjustment for:	
Reversal of revaluation surplus ⁽¹⁾	<u>(576)</u>
Equity attributable to equity holders of the parent company under IFRSs	<u>581,123</u>

Note: (1) During the Group’s restructuring, the Group performed revaluation on assets pursuant to relevant requirements, with the revaluation surplus recognised in the capital reserve. Under IFRSs, certain assets were carried at cost and the revaluation surplus was reversed. Upon disposal of such assets, adjustments on recognition of revaluation surplus were reversed accordingly. In addition, for the available-for-sale equity investments included in these assets, when they meet the specific conditions to be measured at fair value under IFRSs, the adjustments on reversal of revaluation surplus were made to the investment revaluation reserve.

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

2.3.1 Total Number of Shareholders

As at the end of the reporting period, the Bank had a total of 1,644,004 shareholders, of which 174,890 are holders of H shares and 1,469,114 are holders of A shares.

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

Number of Shareholders and Particulars of Shareholding

Unit: Share

Total Number of Shareholders 1,644,004 (the number of holders of A shares and H shares on the register of shareholders as at 30 September 2008)

Particulars of the shareholding of the top 10 shareholders (The following data is based on the register of shareholders as at 30 September 2008)

Name of shareholder	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of shares subject to restriction on sales	Number of pledged or locked-up shares
Central SAFE Investments Limited	State-owned shares	A shares	35.3	118,008,174,032	118,006,174,032	None
Ministry of Finance, PRC	State-owned shares	A shares	35.3	118,006,174,032	118,006,174,032	None
HKSCC Nominees Limited	Foreign investment	H shares	13.3	44,279,916,577	0	Unknown
The Goldman Sachs Group, Inc.	Foreign investment	H shares	4.9	16,476,014,155	16,476,014,155	Unknown
National Council for Social Security Fund, PRC	Other domestic investment	H shares	4.2	14,102,149,559	14,102,149,559	Unknown
Dresdner Bank Luxembourg S.A. ⁽¹⁾	Foreign investment	H shares	1.9	6,432,601,015	6,432,601,015	Unknown
American Express Group	Foreign investment	H shares	0.4	1,276,122,233	1,276,122,233	Unknown
China Life Insurance (Group) Company — traditional — ordinary insurance products	Other domestic investment	A shares	0.2	695,027,367	0	None
China Huarong Asset Management Corporation	Other domestic investment	A shares	0.1	480,769,000	0	None
China Life Insurance Company Limited — traditional — ordinary insurance products — 005L — CT001 Hu	Other domestic investment	A shares	0.1	343,488,638	0	None

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

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

Particulars of Top 10 Shareholders Not Subject to Restriction on Sales (The following data is based on the register of shareholders as at 30 September 2008)

Unit: Share

Name of shareholder	Number of shares not subject to restriction on sales	Type of shares
HKSCC Nominees Limited	44,279,916,577	H shares
China Life Insurance (Group) Company — traditional — ordinary insurance products	695,027,367	A shares
China Huarong Asset Management Corporation	480,769,000	A shares
China Life Insurance Company Limited — traditional — ordinary insurance products — 005L — CT001 Hu	343,488,638	A shares
China Life Insurance Company Limited — bonus — personal bonus — 005L — FH002 Hu	224,980,605	A shares
E-Fund SSE 50 Index Securities Investment Fund	224,074,397	A shares
Beijing Meihua Hengrun Technology & Trading Co., Ltd.	217,972,438	A shares
Fortune SGAM Selected Sectors Fund	180,026,777	A shares
Capital Airports Holding Company	160,256,000	A shares
Dongfeng Motor Corporation	160,256,000	A shares

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

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

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

During the first three quarters, the Group maintained a steady growth in all businesses, and profit after tax for the nine months ended 30 September 2008 was RMB93,077 million, an increase of 45.26% as compared to the same period of last year. Net interest income was RMB196,567 million, an increase of 23.08% as compared to the same period of last year. Net fee and commission income was RMB34,583 million, an increase of 27.89% as compared to the same period of last year. Net profit attributable to equity holders of the parent company was RMB92,730 million, an increase of 46.03% as compared to the same period of last year. The cost-to-income ratio was 27.88%.

As at the end of the reporting period, total assets amounted to RMB9,383,771 million, an increase of RMB700,059 million or 8.06% over the end of last year. The amount of total loans and advances to customers amounted to RMB4,420,065 million. Of these, corporate loans, personal loans, discounted bills as well as overseas loans and others were RMB3,199,030 million, RMB816,842 million, RMB203,119 million and RMB201,074 million, respectively. The loan-to-deposit ratio was 56.68%.

Total liabilities were RMB8,798,528 million, an increase of RMB658,492 million or 8.09% over the end of the last year. The amount due to customers amounted to RMB7,898,299 million. Of these, time deposits, demand deposits and others were RMB4,028,722 million, RMB3,769,656 million and RMB99,921 million, respectively.

Total shareholders' equity was RMB585,243 million, an increase of RMB41,567 million or 7.65% over the end of last year.

The Group held US sub-prime residential mortgage-backed securities, Alt-A residential mortgage-backed securities and structured investment vehicles (SIVs) with nominal value totaling USD1,207 million, USD605 million and USD55 million, respectively. The investments in the aforementioned bonds have a nominal value of USD1,867 million in total, equivalent to 0.14% of the Group's total assets.

The bonds related to Lehman Brothers Holdings Inc. of the United States held by the Group amounted to USD152 million, equivalent to 0.01% of the Group's total assets.

The nominal value of corporate collateralized debt obligations (Corporate CDOs) held by the Group was USD505 million, equivalent to 0.04% of the Group's total assets.

The Group has made cumulative allowance of USD1,314 million for impairment losses on the aforementioned assets pursuant to the result of market valuation. As a result, the provision coverage (provisions/unrealized loss) and the provision ratio (provisions/nominal value) stood at 103.63% and 52.06%, respectively.

The nominal value of bonds related to Freddie Mac and Fannie Mae, the US mortgage agencies, held by the Group was USD1,676 million. Among these, the nominal value of the bonds issued by Freddie Mac and Fannie Mae amounted to USD210 million, and the nominal value of the mortgage-backed securities (MBSs) guaranteed by Freddie Mac and Fannie Mae amounted to USD1,466 million, collectively equivalent to 0.12% of the Group's total assets. The Group has made cumulative allowance of USD76 million for impairment losses on these bonds, and the provision coverage and the provision ratio stood at 100% and 4.53%, respectively.

According to the five-tier classification, the balance of non-performing loans (NPLs) amounted to RMB104,881 million, a decrease of RMB6,893 million as compared to the end of last year. The NPL ratio stood at 2.37%, a decrease of 0.37 percentage point from the end of last year. The ratio of allowance to NPLs was 121.16%, an increase of 17.66 percentage points over the end of the previous year.

The core capital adequacy ratio was 10.51%, and the capital adequacy ratio was 12.62%, both meeting regulatory requirements.

4. SIGNIFICANT EVENTS

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

✓ Applicable □ Not applicable

In RMB millions

Item	30 September 2008	31 December 2007	Increase/ Decrease (%)	Main Reasons for Change
Cash and balances with central banks	1,548,019	1,142,346	35.51	Increase in mandatory reserve deposits with central banks
Financial assets designated at fair value through profit or loss	1,542	2,785	-44.63	Decrease in debt securities designated at fair value through profit or loss
Investments in associates	32,066	172	18543.02	Acquisition of shares of Standard Bank Group Limited of South Africa
Deferred income tax assets	9,050	5,833	55.15	Increase of deductible temporary differences arising from the impairment provision
Repurchase agreements	43,633	193,508	-77.45	Decrease in debt securities under repurchase agreements
Certificates of deposit	923	562	64.23	Increase in certificates of deposit issued by a subsidiary
Deferred income tax liabilities	159	337	-52.82	Decrease in deferred income tax liabilities of overseas subsidiaries
Retained profits	94,354	46,148	104.46	Increase in the profit for the period

Item	January 2008– September 2008	January 2007– September 2007	Increase/ decrease (%)	Main Reasons for Change
Net trading income	1,765	1,118	57.87	Increase in investment income from debt securities held for trading
Net loss on financial assets and liabilities designated at fair value through profit or loss	(377)	(1,599)	-76.42	Decrease in interest expense due to reduction of amount due to customers and certificates of deposit that are designated at fair value
Net gain/(loss) from financial investments	(1,228)	108	-1237.04	Increase in loss on disposal of available-for-sale financial assets
Other operating gain/(loss), net	232	(2,605)	-108.91	Decrease in net loss of foreign exchange and foreign exchange products
Impairment loss on assets	(33,892)	(23,226)	45.92	Increase in provision for impairment made on foreign currency debt securities
Share of profits of associates	1,352	9	14922.22	Investment income from Standard Bank Group Limited of South Africa under equity method of accounting

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

Applicable Not applicable

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

Applicable Not applicable

The shareholders made no new commitments during the reporting period, and the commitments effective to this reporting period were the same as those disclosed in the 2007 Annual Report. As at 30 September 2008, all commitments made by the shareholders were properly fulfilled.

4.4 Implementation of Cash Dividend Policy during the Reporting Period

Applicable Not applicable

4.5 Warnings and Explanations on Estimated Loss or Significant Changes (as compared to the corresponding 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

4.6 Other Notifiable Significant Events

4.6.1 Particulars of Securities Investments

Applicable Not applicable

S/N	Stock (Fund) Code	Abbreviated Name	Total number of shares held at the end of the period (in 10,000)	Initial Investment (in RMB)	Book value at the end of the period (in RMB)	Book value at the beginning of the period (in RMB)	Accounts
1	966 (Hong Kong, China)	CHINA INSURANCE	9,746.49	346,167,829	1,240,732,416	1,971,329,542	Available-for-sale financial assets
2	485105	ICBCCS Enhanced Income Bond Fund A	14,186.32	150,000,000	159,993,272	157,510,667	Available-for-sale financial assets
3	601998	CNCB	2,586.20	149,999,600	131,120,340	262,499,300	Available-for-sale financial assets
4	600744	HHEP	2,982.64	30,000,000	99,620,243	240,997,316	Available-for-sale financial assets
5	601600	CHALCO	918.19	10,000,000	85,116,213	361,675,041	Available-for-sale financial assets
6	600216	ZMC	479.00	3,513,203	66,916,300	92,926,000	Available-for-sale financial assets
7	1688 (Hong Kong, China)	ALIBABA	1,002.80	131,782,620	61,715,505	264,332,169	Available-for-sale financial assets
8	481001	ICBCCS Core Value Equity Fund	7,260.65	20,000,000	51,245,661	79,598,496	Available-for-sale financial assets
9	485107	ICBCCS Credit Value-added	3,000.86	30,000,000	31,055,900	—	Available-for-sale financial assets
10	000430	S*ST ZTDC	612.00	2,000,000	25,887,600	67,993,200	Available-for-sale financial assets
Total			—	873,463,252	1,953,403,450	3,498,861,731	—

Note: (1) The stocks and fund investments as stated in the table represent the investments in the shares issued by other listed companies and, open-end funds or close-end funds classified as available-for-sale or trading financial assets in the consolidated balance sheet as at 30 September 2008 (top 10 by the book value at the end of the reporting period). The beginning of the period refers to 1 January 2008.

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

5. APPENDIX: FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSs

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

6. RELEASE OF RESULTS ANNOUNCEMENT

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

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

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

24 October 2008

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

Industrial and Commercial Bank of China Limited
Consolidated Income Statement, Prepared in accordance with IFRSs
For the Nine Months Ended 30 September 2008
(In RMB millions, unless otherwise stated)

	July 2008– September 2008 (Unaudited)	January 2008– September 2008 (Unaudited)	July 2007– September 2007 (Unaudited)	January 2007– September 2007 (Unaudited)
Interest income	112,415	327,426	92,457	256,255
Interest expense	<u>(47,633)</u>	<u>(130,859)</u>	<u>(34,961)</u>	<u>(96,550)</u>
NET INTEREST INCOME	64,782	196,567	57,496	159,705
Fee and commission income	10,843	36,313	10,942	28,152
Fee and commission expense	<u>(740)</u>	<u>(1,730)</u>	<u>(437)</u>	<u>(1,110)</u>
NET FEE AND COMMISSION INCOME	10,103	34,583	10,505	27,042
Net trading income	432	1,765	186	1,118
Net loss on financial assets and financial liabilities designated at fair value through profit or loss	(89)	(377)	(711)	(1,599)
Net gain/(loss) on financial investments	(359)	(1,228)	(53)	108
Other operating gain/(loss), net	<u>1,717</u>	<u>232</u>	<u>(1,243)</u>	<u>(2,605)</u>
OPERATING INCOME	76,586	231,542	66,180	183,769
Operating expenses	(25,225)	(78,418)	(25,329)	(68,921)
Impairment losses on:				
Loans and advances to customers	(8,056)	(21,704)	(7,905)	(22,674)
Others	<u>(7,521)</u>	<u>(12,188)</u>	<u>80</u>	<u>(552)</u>
OPERATING PROFIT	35,784	119,232	33,026	91,622
Share of profits of associates	<u>389</u>	<u>1,352</u>	<u>2</u>	<u>9</u>
PROFIT BEFORE TAX	36,173	120,584	33,028	91,631
Income tax expense	<u>(7,975)</u>	<u>(27,507)</u>	<u>(10,344)</u>	<u>(27,557)</u>
PROFIT FOR THE PERIOD	<u>28,198</u>	<u>93,077</u>	<u>22,684</u>	<u>64,074</u>

Attributable to:				
Equity holders of the parent company	28,199	92,730	22,463	63,499
Minority interests	(1)	347	221	575
	<u>28,198</u>	<u>93,077</u>	<u>22,684</u>	<u>64,074</u>
DIVIDEND	<u>—</u>	<u>44,425</u>	<u>—</u>	<u>5,344</u>
EARNINGS PER SHARE				
— Basic and diluted (RMB yuan)	<u>0.09</u>	<u>0.28</u>	<u>0.07</u>	<u>0.19</u>

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

SHEN Rujun
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited
Consolidated Balance Sheet, Prepared in accordance with IFRSs
30 September 2008

(In RMB millions, unless otherwise stated)

	30 September 2008 (Unaudited)	31 December 2007 (Audited)
ASSETS		
Cash and balances with central banks	1,548,019	1,142,346
Due from banks and other financial institutions	208,141	199,758
Financial assets held for trading	29,658	31,536
Financial assets designated at fair value through profit or loss	1,542	2,785
Derivative financial assets	19,013	22,769
Reverse repurchase agreements	66,419	75,880
Loans and advances to customers	4,292,991	3,957,542
Financial investments	2,980,998	3,073,007
Investments in associates	32,066	172
Property and equipment	78,713	80,266
Deferred income tax assets	9,050	5,833
Other assets	117,161	91,818
	<hr/>	<hr/>
TOTAL ASSETS	9,383,771	8,683,712
	<hr/> <hr/>	<hr/> <hr/>

	30 September 2008 (Unaudited)	31 December 2007 (Audited)
LIABILITIES		
Financial liabilities designated at fair value through profit or loss	11,742	15,590
Derivative financial liabilities	8,242	7,127
Due to banks and other financial institutions	593,716	805,174
Repurchase agreements	43,633	193,508
Certificates of deposit	923	562
Due to customers	7,898,299	6,898,413
Income tax payable	28,570	33,668
Deferred income tax liabilities	159	337
Subordinated bonds	35,000	35,000
Other liabilities	178,244	150,657
	<hr/>	<hr/>
TOTAL LIABILITIES	8,798,528	8,140,036
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to equity holders of the parent company		
Issued share capital	334,019	334,019
Reserves	152,750	158,204
Retained profits	94,354	46,148
	<hr/>	<hr/>
	581,123	538,371
Minority interests	4,120	5,305
	<hr/>	<hr/>
TOTAL EQUITY	585,243	543,676
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	9,383,771	8,683,712
	<hr/> <hr/>	<hr/> <hr/>

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

SHEN Rujun
*General Manager of Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement, Prepared in accordance with IFRSs
For the Nine Months Ended 30 September 2008
(In RMB millions, unless otherwise stated)

	January 2008– September 2008 (Unaudited)	January 2007– September 2007 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	120,584	91,631
Adjustments for:		
Share of profits and losses of associates	(1,352)	(9)
Depreciation	6,086	6,326
Amortisation	957	880
Amortisation of financial investments	1,478	(10,424)
Impairment losses on loans and advances to customers	21,704	22,674
Impairment losses on assets other than loans and advances to customers	12,188	552
Foreign exchange difference	12,670	6,328
Interest expense on subordinated bonds	923	864
Accreted interest on impaired loans	(1,070)	(1,300)
Loss/(gain) on disposal of available-for-sale investments, net	1,311	(90)
Net trading loss on equity investments	7	5
Net gain on disposal of property, equipment and other assets (other than repossessed assets)	(257)	(890)
Dividend income	(83)	(18)
	175,146	116,529
Net decrease/(increase) in operating assets:		
Due from central banks	(360,203)	(200,737)
Due from banks and other financial institutions	(12,625)	11,373
Financial assets at fair value through profit or loss	3,084	(9,091)
Reverse repurchase agreements	23,122	(57,580)
Loans and advances to customers	(357,999)	(395,196)
Other assets	(58,505)	(75,017)
	(763,126)	(726,248)

Net increase/(decrease) in operating liabilities:		
Financial liabilities at fair value through profit or loss	(4,181)	(9,701)
Due to banks and other financial institutions	(211,458)	523,617
Repurchase agreements	(149,875)	11,290
Certificates of deposit	361	(2,957)
Due to customers	999,886	488,315
Other liabilities	70,089	37,591
	704,822	1,048,155
Net cash inflow from operating activities before tax	116,842	438,436
Income tax paid	(36,599)	(19,653)
Net cash inflow from operating activities	80,243	418,783

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement (Continued), Prepared in accordance with IFRSs
For the Nine Months Ended 30 September 2008
(In RMB millions, unless otherwise stated)

	January 2008– September 2008 (Unaudited)	January 2007– September 2007 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(4,873)	(2,904)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	457	971
Purchases of financial investments	(973,234)	(921,130)
Proceeds from sale and redemption of investments	1,045,337	675,879
Acquisition of a subsidiary	2,261	—
Acquisition of minority interests	(1,783)	—
Acquisition of an associate	(37,240)	—
Dividends received	473	28
	<u>31,398</u>	<u>(247,156)</u>
Net cash outflow from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution by minority shareholders	66	—
Interests paid on subordinated bonds	(1,240)	(1,205)
Dividends paid on ordinary shares	(44,425)	(15,490)
Dividends paid to minority shareholders	(320)	(131)
	<u>(45,919)</u>	<u>(16,826)</u>
Net cash outflow from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	65,722	154,801
Effect of exchange rate changes on cash and cash equivalents	301,687	275,360
	<u>(10,833)</u>	<u>(4,004)</u>
Cash and cash equivalents at end of the period	<u>356,576</u>	<u>426,157</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES INCLUDE:		
Interests received	317,314	233,606
Interests paid	<u>(106,753)</u>	<u>(83,789)</u>

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

SHEN Rujun
*General Manager of Finance
and Accounting Department*