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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)

## **INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FIRST QUARTERLY REPORT OF 2011**

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 2011. 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, 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 liabilities to the authenticity, accuracy and completeness of the information in this report.
- 1.2 The First Quarterly Report of 2011 has been considered and approved at the meeting of the Board of Directors of the Bank held on 28 April 2011. All directors were present at the meeting.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Jiang Jianqing, Legal Representative of the Bank, Mr. Yang Kaisheng, President in charge of finance of the Bank, and Mr. Shen Rujun, General Manager of the Finance and Accounting Department of the Bank, hereby warrant and guarantee that the financial statements contained in this quarterly report are authentic and complete.

## 2. CORPORATE INFORMATION

### 2.1 Basic information

A share:

Stock name	ICBC
Stock code	601398
Stock exchange on which shares are listed	Shanghai Stock Exchange

H share:

Stock name	ICBC
Stock code	1398
Stock exchange on which shares are listed	The Stock Exchange of Hong Kong Limited

Board Secretary, Company Secretary:

Name	Hu Hao
Address	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, People's Republic of China (Postal code: 100140)
Telephone	86-10-66108608
Facsimile	86-10-66106139
E-mail	ir@icbc.com.cn

### 2.2 Major accounting data and financial indicators

#### 2.2.1 Major accounting data and financial indicators prepared in accordance with International Financial Reporting Standards ("IFRSs")

(In RMB millions, unless otherwise specified)

	31 March 2011	31 December 2010	Change (%)
Total assets	14,389,996	13,458,622	6.92
Total loans and advances to customers	7,063,351	6,790,506	4.02
Allowance for impairment losses on loans	174,478	167,134	4.39
Net investment in securities	3,751,754	3,732,268	0.52
Total liabilities	13,517,771	12,636,965	6.97
Due to customers	11,764,424	11,145,557	5.55
Due to banks and other financial institutions	1,158,471	1,048,002	10.54
Equity attributable to equity holders of the parent company	870,968	820,430	6.16
Net assets per share (in RMB Yuan)	2.50	2.35	6.38

(In RMB millions, unless otherwise specified)

	<b>Three months ended 31 March 2011</b>	<b>Change as compared to the same period of last year (%)</b>
Net cash flows from operating activities	<b>331,532</b>	16.50
Net cash flows per share from operating activities (in RMB Yuan)	<b>0.95</b>	11.76

(In RMB millions, unless otherwise specified)

	<b>Three months ended 31 March 2011</b>	<b>From the beginning of the year to the end of the reporting period</b>	<b>Change as compared to the same period of last year (% , percentage points)</b>
Profit for the period	<b>53,836</b>	53,836	29.03
Net profit attributable to equity holders of the parent company	<b>53,787</b>	53,787	29.46
Basic earnings per share (in RMB Yuan)	<b>0.15</b>	0.15	25.00
Diluted earnings per share (in RMB Yuan)	<b>0.15</b>	0.15	25.00
Return on weighted average equity (%)	<b>25.44</b>	25.44	An increase of 1.58 percentage points

### ***2.2.2 Differences in financial statements prepared under IFRSs and Generally Accepted Accounting Principles of the People's Republic of China ("PRC GAAP")***

In respect of the financial statements of the Group prepared under PRC GAAP and those under IFRSs, there are no differences in the net profit attributable to equity holders of the parent company for the reporting period ended 31 March 2011 and the equity attributable to equity holders of the parent company as at the end of the reporting period.

### **2.3 Number of shareholders and particulars of shareholding**

As at the end of the reporting period, the Bank had a total of 1,099,424 shareholders, including 158,870 holders of H shares and 940,554 holders of A shares.

**Particulars of shareholding of the 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 at the H share registrar)**

*Unit: Share*

Total number of shareholders 1,099,424 (number of holders of A shares and H shares on the register of shareholders as at 31 March 2011)

Particulars of shareholding of the top 10 shareholders (the following data are based on the register of shareholders as at 31 March 2011)

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
Central Huijin Investment Ltd.	State-owned	A share	35.4	123,641,072,864	0	None
Ministry of Finance of the People's Republic of China	State-owned	A share	35.3	123,316,451,864	0	None
HKSCC Nominees Limited	Foreign corporation	H share	24.5	85,372,101,250	0	Unknown
China Ping An Life Insurance Company Limited — Traditional — Ordinary insurance products	Other domestic entities	A share	0.5	1,609,832,412	0	None
ICBC Credit Suisse Asset Management Co., Ltd. — Assets management for special customers	Other domestic entities	A share	0.3	1,053,190,083	0	None
American Express Company	Foreign corporation	H share	0.2	638,061,117	0	None
China Huarong Asset Management Corporation	Other domestic entities	A share	0.1	480,769,000	0	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other domestic entities	A share	0.1	419,539,119	0	None
China Life Insurance Company Limited — Dividend distribution — Personal dividend — 005L — FH002 Hu	Other domestic entities	A share	0.1	387,697,499	0	None
Sino Life Insurance Company Limited — Traditional — Ordinary insurance products	Other domestic entities	A share	0.1	300,000,000	0	None

*Note:* The Bank is not aware of any connections between the above shareholders or whether they are parties acting in concert.

For information regarding the conversion of A share convertible corporate bonds of the Bank into shares and changes in share capital of the Bank as at the end of the reporting period, please see the Announcement on the Changes in Share Capital of the Bank on The Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange respectively on 6 April 2011.

### 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 RMB53,836 million, representing an increase of 29.03% over the same period of last year. Net interest income was RMB85,376 million, representing an increase of 24.82% over the same period of last year, principally due to the size growth in interest-generating assets and the recovery of net interest margin. Net fee and commission income was RMB25,927 million, representing an increase of 42.02% over the same period of last year. Net profit attributable to equity holders of the parent company was RMB53,787 million, representing an increase of 29.46% over the same period of last year. Cost-to-income ratio was 25.44%.

As at the end of the reporting period, total assets amounted to RMB14,389,996 million, representing an increase of RMB931,374 million or 6.92% as compared to the end of the previous year. Total loans and advances to customers amounted to RMB7,063,351 million, representing an increase of RMB272,845 million or 4.02% from the end of the previous year. RMB loans of domestic branches increased by RMB210,516 million or 3.39%. In terms of the structure of loans and advances to customers, corporate loans amounted to RMB4,845,990 million, personal loans amounted to RMB1,720,669 million, discounted bills amounted to RMB91,856 million, and overseas loans and others amounted to RMB404,836 million. Loan-to-deposit ratio was 60.99%.

Total liabilities amounted to RMB13,517,771 million, representing an increase of RMB880,806 million or 6.97% as compared to the end of the previous year. Due to customers was RMB11,764,424 million, representing an increase of RMB618,867 million or 5.55% from the end of the previous year. In terms of the structure of deposits, time deposits amounted to RMB5,484,799 million, demand deposits amounted to RMB6,092,974 million, and others amounted to RMB186,651 million.

Shareholders' equity was RMB872,225 million, representing an increase of RMB50,568 million or 6.15% as compared to the end of the previous year.

According to the five-tier classification of loans, the balance of non-performing loans (NPLs) amounted to RMB70,774 million, representing a decrease of RMB2,467 million as compared to the end of the previous year. The NPL ratio was 1.00%, representing a decrease of 0.08 percentage point as compared to the end of the previous year. The ratio of allowance to NPL was 246.53%, an increase of 18.33 percentage points as compared to the end of the previous year. The ratio of allowance to total loans was 2.47%.

The capital adequacy ratio was 11.77% and the core capital adequacy ratio was 9.66%, both meeting regulatory requirements.

## 4. SIGNIFICANT EVENTS

### 4.1 Significant changes in major financial statements items and financial indicators and the reasons thereof

Applicable       Not Applicable

*In RMB millions, except for percentages*

Item	31 March 2011	31 December 2010	Increase/ Decrease (%)	Main reasons for change
Due from banks and other financial institutions	<b>395,801</b>	248,860	59.05	For the purpose of improving yields and optimizing the use of funds, the Bank increased amount due from banks
Financial assets designated at fair value through profit or loss	<b>103,474</b>	2,798	3,598.14	Debt instruments designated at fair value through profit or loss increased
Reverse repurchase agreements	<b>380,660</b>	262,227	45.16	Reverse repurchase bonds, bills and credit assets increased
Financial liabilities designated at fair value through profit or loss	<b>123,672</b>	6,670	1,754.15	Structured deposits and principal-guaranteed wealth management funds designated at fair value increased
Certificates of deposit and notes payable	<b>25,842</b>	11,168	131.39	Certificates of deposit and notes payable issued by overseas institutions increased
Income tax payable	<b>45,574</b>	33,759	35.00	Income tax settlement of previous year has not completed yet, and provisioning for income tax payable of current year increased

*In RMB millions, except for percentages*

<b>Item</b>	<b>Three months ended 31 March 2011</b>	<b>Three months ended 31 March 2010</b>	<b>Increase/Decrease (%)</b>	<b>Main reasons for change</b>
Net fee and commission income	<b>25,927</b>	18,256	42.02	The volume of settlement, clearing and cash management, personal wealth management and private banking service, investment banking, asset custody, guarantee and commitment businesses increased
Other operating income, net	<b>2,088</b>	275	659.27	Income from exchange rate and foreign exchange products increased
Impairment losses on loans and advances to customers	<b>(8,859)</b>	(3,973)	122.98	Impairment losses increased, as the Bank insisted on the prudent provisioning policy while maintaining stable quality of loans
Subtotal of other comprehensive income/(loss) for the period	<b>(3,251)</b>	3,696	(187.96)	Net losses on changes in fair value of available-for-sale financial assets and foreign currency translation losses increased

## **4.2 Progress of significant events and analysis on their effects and solutions**

Applicable       Not Applicable

### **4.2.1 Completion of the voluntary delisting tender offer of ICBC (Thai)**

With the regulatory approval, the Bank officially started the voluntary delisting tender offer of Industrial and Commercial Bank of China (Thai) Public Company Limited (“ICBC (Thai)”) on 28 December 2010. The Bank completed the voluntary delisting tender offer of ICBC (Thai) on 8 March 2011. The Bank acquired 7,276,848 ordinary shares and 73,533 preferred shares of ICBC (Thai) (in aggregate representing approximately 0.46% of the total issued shares of ICBC (Thai)) under the voluntary delisting tender offer. Upon completion of the voluntary delisting tender offer, the Bank held approximately 97.70% of the total issued shares of ICBC (Thai). The Shares of ICBC (Thai) were listed and traded on The Stock Exchange of Thailand until 18 March 2011.

#### **4.2.2 Acquisition of Shares in The Bank of East Asia (U.S.A.) National Association**

On 21 January 2011, the Bank, The Bank of East Asia (“BEA”) and East Asia Holding Company, Inc. (referred to as “EAHC”, a wholly-owned subsidiary of BEA in the United States, through which BEA held 100% equity interest in The Bank of East Asia (U.S.A.) National Association) entered into a share sale agreement on the acquisition of the shares of The Bank of East Asia (U.S.A.) National Association. The Bank agreed to purchase 80% of the shares of The Bank of East Asia (U.S.A.) National Association for a consideration of approximately USD140 million payable to BEA. Upon completion of this transaction, the Bank will hold 80% of the shares of The Bank of East Asia (U.S.A.) National Association, while EAHC will hold 20%. Pursuant to the terms of the agreement, EAHC will have a put option to sell to the Bank the remaining shares held by it pursuant to their mutual agreement at any time from the date that is 18 months after the date of completion of the transaction to the tenth anniversary of the date of completion of the transaction. China Banking Regulatory Commission officially approved the transaction on 10 March 2011, and completion of the transaction is still subject to the approvals of relevant domestic and overseas regulatory authorities, including the Hong Kong Monetary Authority and the U.S. Federal Reserve Board. As at the end of the reporting period, relevant regulatory approval procedures are in process.

#### **4.2.3 Investment in AXA-Minmetals Assurance Co., Ltd.**

On 28 October 2010, the Board of Directors of the Bank approved the investment by the Bank in AXA-Minmetals Assurance Co., Ltd.. On the same day, the Bank, AXA CHINA (a subsidiary of AXA Group) and China Minmetals Corporation entered into relevant agreement on the purchase of equity interest in AXA-Minmetals Assurance Co., Ltd. As at the end of the reporting period, the completion of the transaction was still subject to the approvals of the regulatory authorities.

#### **4.3 Fulfillment of commitments made by the Bank, its shareholders and de facto controllers**

Applicable       Not Applicable

During the reporting period, the shareholders holding 5% shares or above did not make any new commitments. As at 31 March 2011, all of the continuous 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 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. APPENDIX: FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSs**

**5.1 Financial statements prepared in accordance with IFRSs are attached as an appendix to this announcement**

## **6. RELEASE OF RESULTS ANNOUNCEMENT**

The announcement will be published simultaneously on the “HKExnews” website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Bank ([www.icbc.com.cn](http://www.icbc.com.cn), [www.icbc-ltd.com](http://www.icbc-ltd.com)). The first quarterly report prepared in accordance with PRC GAAP will also be published simultaneously on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Bank ([www.icbc.com.cn](http://www.icbc.com.cn), [www.icbc-ltd.com](http://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.

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

28 April 2011

*As at the date of this announcement, the Board of Directors comprises Mr. Jiang Jianqing, Mr. Yang Kaisheng, Ms. Wang Lili and Mr. Li Xiaopeng as executive directors, Mr. Huan Huiwu, Mr. Gao Jianhong, Ms. Li Chunxiang, Mr. Li Jun, Mr. Li Xiwen and Mr. Wei Fusheng as non-executive directors, and Mr. Leung Kam Chung, Antony, Mr. Qian Yingyi, Mr. Xu Shanda, Mr. Wong Kwong Shing, Frank, Sir Malcolm Christopher McCarthy and Mr. Kenneth Patrick Chung as independent non-executive directors.*

**Industrial and Commercial Bank of China Limited**  
**Consolidated Income Statement — Prepared in accordance with IFRSs**

*For the three months ended 31 March 2011*

*(In RMB millions, unless otherwise stated)*

	<b>Three months ended 31 March 2011 (Unaudited)</b>	Three months ended 31 March 2010 (Unaudited)
Interest income	<b>130,893</b>	106,036
Interest expense	<b>(45,517)</b>	(37,635)
<b>NET INTEREST INCOME</b>	<b>85,376</b>	68,401
Fee and commission income	<b>27,326</b>	19,281
Fee and commission expense	<b>(1,399)</b>	(1,025)
<b>NET FEE AND COMMISSION INCOME</b>	<b>25,927</b>	18,256
Net trading income/(expense)	<b>(45)</b>	31
Net loss on financial assets and liabilities designated at fair value through profit or loss	<b>(159)</b>	(58)
Net gain on financial investments	<b>218</b>	48
Other operating income, net	<b>2,088</b>	275
<b>OPERATING INCOME</b>	<b>113,405</b>	86,953
Operating expenses	<b>(35,346)</b>	(29,523)
Impairment losses on:		
— Loans and advances to customers	<b>(8,859)</b>	(3,973)
— Others	<b>205</b>	57
<b>OPERATING PROFIT</b>	<b>69,405</b>	53,514
Share of profits and losses of associates and jointly-controlled entities	<b>593</b>	601
<b>PROFIT BEFORE TAX</b>	<b>69,998</b>	54,115
Income tax expense	<b>(16,162)</b>	(12,390)
<b>PROFIT FOR THE PERIOD</b>	<b>53,836</b>	41,725

	<b>Three months ended 31 March 2011 (Unaudited)</b>	Three months ended 31 March 2010 (Unaudited)
Attributable to:		
Equity holders of the parent company	<b>53,787</b>	41,547
Non-controlling interests	<b>49</b>	178
	<hr/>	<hr/>
<b>EARNINGS PER SHARE</b>		
— Basic (in RMB Yuan)	<b>0.15</b>	0.12
	<hr/> <hr/>	<hr/> <hr/>
— Diluted (in RMB Yuan)	<b>0.15</b>	0.12
	<hr/> <hr/>	<hr/> <hr/>

**Jiang Jianqing**  
*Chairman*

**Yang Kaisheng**  
*Vice Chairman, President*

**Shen Rujun**  
*General Manager of the Finance  
and Accounting Department*

**Industrial and Commercial Bank of China Limited**  
**Consolidated Statement of Comprehensive Income — Prepared in**  
**accordance with IFRSs**

*For the three months ended 31 March 2011*

*(In RMB millions, unless otherwise stated)*

	<b>Three months ended 31 March 2011 (unaudited)</b>	Three months ended 31 March 2010 (unaudited)
Profit for the period	<b>53,836</b>	41,725
Other comprehensive income/(loss) (after-tax, net):		
Net gain/(loss) on available-for-sale financial assets	<b>(1,359)</b>	3,836
Net loss on cash flow hedges	<b>(2)</b>	(11)
Shares of other comprehensive income of associates and jointly-controlled entities	<b>96</b>	(372)
Foreign currency translation differences	<b>(1,986)</b>	243
Subtotal of other comprehensive income/(loss) for the period	<b>(3,251)</b>	3,696
Total comprehensive income for the period	<b>50,585</b>	45,421
Total comprehensive income attributable to:		
Equity holders of the parent company	<b>50,541</b>	45,196
Non-controlling interests	<b>44</b>	225

**Jiang Jianqing**  
*Chairman*

**Yang Kaisheng**  
*Vice Chairman, President*

**Shen Rujun**  
*General Manager of the Finance  
and Accounting Department*

**Industrial and Commercial Bank of China Limited**  
**Consolidated Statement of Financial Position — Prepared in accordance**  
**with IFRSs**

*As at 31 March 2011*

*(In RMB millions, unless otherwise stated)*

	<b>31 March 2011 (unaudited)</b>	31 December 2010 (audited)
<b>ASSETS</b>		
Cash and balances with central banks	<b>2,628,712</b>	2,282,999
Due from banks and other financial institutions	<b>395,801</b>	248,860
Financial assets held for trading	<b>33,998</b>	10,188
Financial assets designated at fair value through profit or loss	<b>103,474</b>	2,798
Derivative financial assets	<b>12,966</b>	13,332
Reverse repurchase agreements	<b>380,660</b>	262,227
Loans and advances to customers	<b>6,888,873</b>	6,623,372
Financial investments	<b>3,614,282</b>	3,719,282
Investments in associates and jointly-controlled entities	<b>38,643</b>	40,325
Property and equipment	<b>101,188</b>	103,412
Deferred income tax assets	<b>22,708</b>	21,712
Other assets	<b>168,691</b>	130,115
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>14,389,996</b>	13,458,622
	<hr/> <hr/>	<hr/> <hr/>

	<b>31 March 2011 (unaudited)</b>	31 December 2010 (audited)
<b>LIABILITIES</b>		
Due to central banks	<b>81</b>	51
Financial liabilities designated at fair value through profit or loss	<b>123,672</b>	6,670
Derivative financial liabilities	<b>10,286</b>	10,564
Due to banks and other financial institutions	<b>1,158,471</b>	1,048,002
Repurchase agreements	<b>81,746</b>	84,888
Certificates of deposit and notes payable	<b>25,842</b>	11,168
Due to customers	<b>11,764,424</b>	11,145,557
Income tax payable	<b>45,574</b>	33,759
Deferred income tax liabilities	<b>361</b>	318
Bond issued	<b>100,558</b>	100,410
Other liabilities	<b>206,756</b>	195,578
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<b>TOTAL LIABILITIES</b>	<b>13,517,771</b>	12,636,965
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
Equity attributable to equity holders of the parent company		
Issued share capital	<b>349,019</b>	349,019
Equity component of convertible bonds	<b>2,985</b>	2,985
Reserves	<b>264,087</b>	267,269
Retained profits	<b>254,877</b>	201,157
	<hr/>	<hr/>
	<b>870,968</b>	820,430
Non-controlling interests	<b>1,257</b>	1,227
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>872,225</b>	821,657
	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,389,996</b>	13,458,622
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**Jiang Jianqing**  
*Chairman*

**Yang Kaisheng**  
*Vice Chairman, President*

**Shen Rujun**  
*General Manager of the 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 2011*

*(In RMB millions, unless otherwise stated)*

	<b>Three months ended 31 March 2011 (unaudited)</b>	Three months ended 31 March 2010 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>69,998</b>	54,115
<b>Adjustments for:</b>		
Share of profits and losses of associates and jointly- controlled entities	<b>(593)</b>	(601)
Depreciation	<b>2,897</b>	2,358
Amortisation	<b>341</b>	997
Amortisation of financial investments	<b>(2,343)</b>	(946)
Impairment losses on loans and advances to customers	<b>8,859</b>	3,973
Impairment losses on assets other than loans and advances to customers	<b>(205)</b>	(57)
Unrealised foreign exchange (gain)/loss	<b>553</b>	(699)
Interest expense on subordinated and convertible bonds	<b>913</b>	641
Accreted interest on impaired loans	<b>(75)</b>	(202)
Gain on disposal of available-for-sale financial assets, net	<b>(205)</b>	(48)
Net trading gain on equity investments	<b>(11)</b>	—
Net loss on financial assets and liabilities designated at fair value through profit or loss	<b>159</b>	58
Net gain on disposal of property and equipment and other assets (other than repossessed assets)	<b>(138)</b>	(75)
Dividend income	<b>(13)</b>	—
	<b>80,137</b>	59,514

	<b>Three months ended 31 March 2011 (unaudited)</b>	Three months ended 31 March 2010 (unaudited)
Net decrease/(increase) in operating assets:		
Due from central banks	(172,822)	(220,306)
Due from banks and other financial institutions	(11,918)	(8,483)
Financial assets held for trading	(23,809)	8,656
Financial assets designated at fair value through profit or loss	(22,010)	79
Reverse repurchase agreements	3,271	89,420
Loans and advances to customers	(280,087)	(337,577)
Other assets	(38,449)	(25,450)
	<u>(545,824)</u>	<u>(493,661)</u>
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	117,024	4,483
Due to central banks	30	—
Due to banks and other financial institutions	109,396	166,019
Repurchase agreements	(3,142)	(35,443)
Certificates of deposit and notes payable	14,764	535
Due to customers	622,412	561,550
Other liabilities	(58,285)	26,420
	<u>802,199</u>	<u>723,564</u>
Net cash flows from operating activities before tax	336,512	289,417
Income tax paid	(4,980)	(4,839)
Net cash flows from operating activities	<u>331,532</u>	<u>284,578</u>



	<b>Three months ended 31 March 2011 (unaudited)</b>	Three months ended 31 March 2010 (unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment and other assets	(857)	(2,288)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	103	95
Purchases of financial investments	(324,679)	(331,243)
Proceeds from sale and redemption of financial investments	424,573	415,811
Proceeds from disposal of a subsidiary	—	(528)
Acquisition of a subsidiary	—	(228)
Dividends received	2	—
	<u>99,142</u>	<u>81,619</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid on subordinated bonds	—	(119)
Acquisition of non-controlling interests	(18)	—
	<u>(18)</u>	<u>(119)</u>
Net cash flows from financing activities	(18)	(119)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	430,656	366,078
Cash and cash equivalents at beginning of the period	528,971	409,394
Effect of exchange rate changes on cash and cash equivalents	(1,039)	(450)
	<u>958,588</u>	<u>775,022</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDES:</b>		
Interest received	117,959	98,897
Interest paid	(44,068)	(34,430)
	<u>117,959</u>	<u>98,897</u>

**Jiang Jianqing**  
*Chairman*

**Yang Kaisheng**  
*Vice Chairman, President*

**Shen Rujun**  
*General Manager of the Finance  
and Accounting Department*