



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 **Third Quarterly Report of 2007**

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 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 representations 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-eighth meeting of the first session of the Board of Directors of the Bank, and all directors were present.
- 1.3 This quarterly financial report for the quarter has not been audited.
- 1.4 Mr. Jiang Jianqing, 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	ICBC
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, 100032
Telephone	86-10-66108608
Facsimile	86-10-66106139
E-mail	ir@icbc.com.cn

2.2 Major Accounting and Financial Indicators

2.2.1 *Major Accounting and Financial Indicators Prepared under International Financial Reporting Standards (“IFRS”)*

	30 September 2007	31 December 2006	Change (%)
Total Assets (In RMB millions)	8,594,847	7,508,751	14.5
Equity Attributable to Equity Holders of the Bank (In RMB millions)	520,363	466,464	11.6
Net Assets Per Share (excluding minority interests) (In RMB)	1.56	1.40	11.4

January 2007–September 2007

Net Cash Inflow from Operating Activities (In RMB millions)	437,321
Net Cash Inflow Per Share from Operating Activities (In RMB)	1.31

	July 2007– September 2007	January 2007– September 2007
Profit After Tax (In RMB millions)	22,684	64,074
Profit Attributable to Equity Holders of the Bank (In RMB millions)	22,463	63,499
Earnings Per Share — Basic (In RMB)	0.07	0.19
Earnings Per Share — Diluted (In RMB)	0.07	0.19
Return on Weighted Average Equity (%)	4.41	12.85

2.2.2 Reconciliation between PRC GAAP and IFRS on Profit and Equity Attributable to Equity Holders of the Bank as at and for the Nine Months Ended 30 September 2007

(In RMB millions)	January 2007–September 2007
Net profit attributable to Equity Holders of the Bank under PRC GAAP	63,307
Adjustments for:	
Recognition of revaluation surplus on disposed assets	<u>192</u>
Net profit attributable to Equity Holders of the Bank under IFRS	<u><u>63,499</u></u>

As of 30 September 2007

Equity attributable to Equity Holders of the Bank under PRC GAAP	520,958
Adjustments for:	
Reversal of revaluation surplus on disposed assets	<u>(595)</u>
Equity attributable to Equity Holders of the Bank under IFRS	<u><u>520,363</u></u>

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

2.3.1 Total Number of Shareholders

As at 30 September 2007, the Bank's total number of shareholders was 1,271,727, including 197,663 holders of H shares and 1,074,064 holders of A shares.

2.3.2 Particulars of Top 10 Shareholders of the Bank

Number of shareholders and particulars of shareholding

Unit: Share

Total number of shareholders 1,271,727 (the number of holders of A- and H-shares on the register of shareholders as of 30 September 2007)

Particulars of the shareholding of the top 10 shareholders (The following data is based on the register of shareholders as of 30 September 2007)

Name of Shareholder	Nature of Shareholder	Type of Shares	Shareholding Percentage (%)	Total Number of Shares Held	Number of Shares Subject to Restrictions on Sale	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	13.05	43,591,352,185	9,467,227,000	Unknown
Goldman Sachs	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 via 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	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	0.21	695,027,367	641,025,000	None
China Life Insurance Company Limited — traditional — ordinary insurance products — 005L-CT001 Hu	Others	A-share	0.20	664,959,047	641,025,000	None
China Pacific Life Insurance Co., Ltd. — traditional — ordinary insurance products	Others	A-share	0.19	641,025,000	641,025,000	None

Other than China Life Insurance Company Limited which 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 top 10 Shareholders Not Subject to Restrictions on Sale (The following data is based on the register of shareholders as of 30 September 2007)

Unit: Share

Name of Shareholder	Number of Shares not Subject to Restrictions on Sale	Type of Shares
HKSCC Nominees Limited	34,124,125,185	H-share
Dacheng Blue Chip Steady Securities Investment Fund	180,000,000	A-share
China Life Insurance Company Limited — bonus — personal bonus — 005L–FH002 Hu	138,447,976	A-share
Huaxia Return Securities Investment Fund	129,999,982	A-share
Everbright Pramerica Quantitative Core Securities Investment	128,556,900	A-share
Boshi Thematic Industrial Stock Securities Investment Fund	127,804,839	A-share
BNP Nominees Limited	120,000,000	H-share
Huaxia Blue Chip Core Mixed Securities Investment Fund (LOF)	115,473,183	A-share
Rongtong New Blue Chip Securities Investment Fund	114,923,287	A-share
Great Wall Brand Selective Stock Securities Investment Fund	110,335,003	A-share

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

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

Total assets of the Group were RMB8,594,847 million, an increase of RMB1,086,096 million or 14.5% over 31 December 2006; total liabilities amounted to RMB8,069,405 million, an increase of RMB1,031,655 million or 14.7% over 31 December 2006.

The Group reported net loans and advances of RMB3,935,917 million, an increase of RMB401,939 million or 11.4% over 31 December 2006. Net securities investment stood at RMB3,110,540 million, an increase of RMB249,742 million or 8.7% over 31 December 2006. Of the net securities investment, the face value of US sub-prime mortgage-backed securities held by the Bank was USD1,228 million (equivalent to RMB9,226 million), all of which were backed by first-lien loans and with a credit rating of AA or above (by Standard & Poor's). As of 30 September 2007, the fair value of such securities was RMB1,624 million lower than their amortised cost, of which RMB1,154 million was recorded in equity as fair value changes and RMB429 million was charged to the current period's income statement as impairment provision, in accordance with relevant accounting standards. Deposits and

advances to customers and the amount due to banks and other financial institutions amounted to RMB7,698,404 million, an increase of RMB1,004,520 million or 15.0% over 31 December 2006.

Shareholder's equity totaled RMB525,442 million, an increase of RMB54,441 million or 11.6% over 31 December 2006.

The Group's outstanding non-performing loans ("NPLs") were RMB123,851 million in accordance with the 5-tier classification standard, with an NPL ratio 3.06%, registering a decrease of RMB13,894 million and 0.73 percentage points when compared with 31 December 2006. The allowance to NPL was 88.12%, an increase of 17.56 percentage points over 31 December 2006.

The Group's core capital adequacy ratio was 11.20% and capital adequacy ratio was 12.97%.

During the nine months ended 30 September 2007, the Group achieved net interest income of RMB159,705 million, an increase of 34.6% over the corresponding period of last year. The net fee and commission income was RMB24,284 million and net profit after tax was RMB64,074 million, an increase of 104.7% and 66.0% over the corresponding period of last year respectively. RMB63,499 million of the profit after tax was attributable to equity holders of the Bank, an increase of 66.3% over corresponding period of last year. The cost-to-income ratio was 31.26%.

4. Significant Events

4.1 Changes to Main Accounting Items and Financial Indicators during the Reporting Period and the Reasons Thereof

Applicable Not applicable

In the first three quarters of 2007, the Group's net profit reported significant growth over the same period of last year. This is mainly attributable to the increase of interest income from loans and bonds, the sharp increase in fee and commission income and the effective control on deposit cost and management expense.

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

Applicable Not applicable

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

Applicable Not applicable

The shareholders made no new undertakings during the reporting period, and the undertakings that continue to be valid during the reporting period were the same with those disclosed in the 2006 Annual Report. As of 30 September 2007, all undertakings made by the shareholders were fulfilled.

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

Applicable Not applicable

4.5 Other Notifiable Significant Events

4.5.1 Particulars of the Bank's Shareholding in Other Listed Companies

Applicable Not applicable

Number	Stock Code	Name	Total Number of Shares Held (10,000)	Shareholding Percentage (%)	Initial Investment (In RMB)	Accounting Item
1	966 (Hong Kong, China)	CIIH	9,746.49	6.89	357,917,703	Available-for-sale financial assets
2	601998	CNCB	2,586.20	0.07	149,999,600	Available-for-sale financial assets
3	600744	HHEP	2,982.64	4.19	30,000,000	Available-for-sale financial assets
4	3988 (Hong Kong, China)	BOC	1,000.00	<0.01	29,029,844	Financial assets held for trading
5	001740 (Korea)	SK Networks	27.29	0.11	14,088,119	Available-for-sale financial assets
6	601600	Chinalco	918.19	0.07	10,000,000	Available-for-sale financial assets
7	600216	Zhejiang Medicine	818.06	1.82	6,000,000	Available-for-sale financial assets
8	600642	Shenergy	150.00	0.05	2,800,000	Available-for-sale financial assets
9	000430	Zhangjiajie	612.00	3.33	2,000,000	Available-for-sale financial assets
10	600236	GGEP	166.67	0.12	2,000,000	Available-for-sale financial assets

11	600252	Zhongheng Group	264.67	1.22	2,000,000	Available-for-sale financial assets
Total					605,835,266	

4.5.2 The Bank's Shareholding in Non-listed Financial Enterprises and Companies to Be Listed

Applicable Not applicable

Name of Investee	Initial Investment (In RMB)	Total Number of Shares Held (10,000)	Shareholding Percentage (%)	Book Value at the end of the Period (In RMB)
Tai Ping Insurance Company Ltd	172,585,678	N/A	12.45	85,504,032
Xiamen International Bank	102,301,500	N/A	18.75	102,301,500
China UnionPay Co., Ltd.	90,000,000	9,000.00	5.45	90,000,000
Guangdong Development Bank	54,465,475	2,477.83	0.22	54,465,475
China Ping An Insurance (Hong Kong) Co., Ltd	14,134,025	27.50	25.00	41,466,247
Yueyang City Commercial Bank	3,500,000	353.64	1.59	3,500,000
Joint Electronic Teller Services Limited	1,950,004	0.0016	0.016	2,755,135
Guilin City Commercial Bank	420,000	113.61	0.51	420,000
Nanchang City Commercial Bank	300,000	39.00	0.03	390,000
Total	439,656,682			380,802,389

5. Appendix: Financial Statements Prepared in accordance with IFRS

The financial statements prepared in accordance with IFRS are attached as an appendix to this Announcement.

Note: As of 28 September 2007, the Bank had successfully completed the legal procedures of purchasing 90% equity interest of PT. Bank Halim Indonesia (“Bank Halim”) from the shareholders of Bank Halim, and formally became a controlling shareholder of Bank Halim. Bank Halim was renamed as PT. Bank ICBC Indonesia after the acquisition, and was recognized as a subsidiary of the Bank and incorporated into the consolidated financial statements of the Bank.

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 Third Quarterly 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 October 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, Mr. QIAN Yingyi and Mr. XU Shanda as independent non-executive directors.

Consolidated Balance Sheet — Prepared in accordance with the International Financial Reporting Standards

As at 30 September 2007

(In RMB millions, unless otherwise stated)

	30 September 2007 (Unaudited)	31 December 2006
ASSETS		
Cash and balances with central banks	1,013,306	703,657
Due from banks and other financial institutions	240,911	206,506
Financial assets held for trading	38,295	19,388
Financial assets designated at fair value		
profit or loss	1,585	1,768
Derivative financial assets	17,292	10,539
Reverse repurchase agreements	96,798	39,218
Loans and advances to customers	3,935,917	3,533,978
Financial investments	3,070,660	2,839,642
Investments in associates	41	127
Property and equipment	77,636	82,403
Other assets	102,406	71,525
	<hr/>	<hr/>
TOTAL ASSETS	8,594,847	7,508,751
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Financial liabilities designated at fair value through profit or loss	23,401	27,980
Derivative financial liabilities	4,533	2,613
Due to banks and other financial institutions	927,048	400,318
Repurchase agreements	59,900	48,610
Certificates of deposit	3,501	6,458
Due to customers	6,823,165	6,326,390
Income tax payable	24,360	16,386
Deferred income tax liabilities	543	1,449
Subordinated bonds	35,000	35,000
Other liabilities	167,954	172,546
	<hr/>	<hr/>
TOTAL LIABILITIES	8,069,405	7,037,750
	<hr/> <hr/>	<hr/> <hr/>

EQUITY

Issued share capital	334,019	334,019
Reserves	122,052	126,286
Retained profits	64,292	6,159
	<hr/>	<hr/>
Equity attributable to Equity Holders of the Bank	520,363	466,464
Minority interests	5,079	4,537
	<hr/>	<hr/>
TOTAL EQUITY	525,442	471,001
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	8,594,847	7,508,751
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JIANG Jianqing*Chairman***YANG Kaisheng***Vice Chairman and President***GU Shu***General Manager — Finance
and Accounting Department***Consolidated Income Statement — Prepared in accordance with the International Financial Reporting Standards***(In RMB millions, unless otherwise stated)*

	July 2007– September 2007 (Unaudited)	January 2007– September 2007 (Unaudited)	July 2006– September 2006 (Unaudited)	January 2006– September 2006 (Unaudited)
Interest income	92,457	256,255	70,448	198,760
Interest expense	(34,961)	(96,550)	(28,441)	(80,106)
	<hr/>	<hr/>	<hr/>	<hr/>
Net interest income	57,496	159,705	42,007	118,654
	<hr/>	<hr/>	<hr/>	<hr/>
Fee and commission income	10,204	26,315	4,535	13,296
Fee and commission expense	(788)	(2,031)	(537)	(1,432)
	<hr/>	<hr/>	<hr/>	<hr/>
Net fee and commission income	9,416	24,284	3,998	11,864
	<hr/>	<hr/>	<hr/>	<hr/>
Other operating income, net	(1,748)	(1,806)	(432)	805
	<hr/>	<hr/>	<hr/>	<hr/>
Operating income	65,164	182,183	45,573	131,323
	<hr/>	<hr/>	<hr/>	<hr/>
Operating expenses	(24,313)	(67,335)	(20,651)	(55,347)
Provision for impairment losses on:				
— Loans and advances to customers	(7,905)	(22,674)	(7,406)	(19,051)
— Others	80	(552)	(406)	(979)
	<hr/>	<hr/>	<hr/>	<hr/>

Operating profit	33,026	91,622	17,110	55,946
Share of profits and losses of associates	<u>2</u>	<u>9</u>	<u>3</u>	<u>8</u>
Profit before tax	33,028	91,631	17,113	55,954
Income tax expense	<u>(10,344)</u>	<u>(27,557)</u>	<u>(4,164)</u>	<u>(17,363)</u>
NET PROFIT	<u>22,684</u>	<u>64,074</u>	<u>12,949</u>	<u>38,591</u>
Attributable to:				
Equity Holders of the Bank	22,463	63,499	12,791	38,190
Minority interests	<u>221</u>	<u>575</u>	<u>158</u>	<u>401</u>
DIVIDENDS	<u>—</u>	<u>5,344</u>	<u>18,593</u>	<u>22,130</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK — BASIC AND DILUTED (RMB YUAN)	<u>0.07</u>	<u>0.19</u>	<u>0.04</u>	<u>0.14</u>

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

GU Shu
*General Manager — Finance
and Accounting Department*

Consolidated Cash Flow Statement — Prepared In Accordance With The International Financial Reporting Standards

For the nine months ended 30 September 2007

(In RMB millions, unless otherwise stated)

January 2007–
September 2007
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax	91,631
Adjustments for:	
Share of profits and losses of associates	(9)
Depreciation of fixed assets	6,326
Amortization	880
Provision for impairment losses on loans and advances to customers	22,674
Provision for impairment losses on assets other than loans and advances to customers	552
Foreign exchange differences	2,715
Interest expense on subordinated bonds	864
Accretion of impairment provision discount	(1,300)
Gain on disposal of available-for-sale investments, net	(115)
Gain on financial assets held for trading, net	(762)
Net loss on financial assets and liabilities designated at fair value through profit or loss	1,599
Gain on disposal of property and equipment and other assets, net	(890)
Dividend income	(18)
	<hr/>
	124,147
	<hr/>
Net decrease/(increase) in operating assets:	
Due from central banks	(200,737)
Due from banks and other financial institutions	11,373
Reverse repurchase agreements	(57,580)
Loans and advances to customers	(409,194)
Other assets	(25,994)
	<hr/>
	(682,132)
	<hr/>

Net increase/(decrease) in operating liabilities:	
Due to banks and other financial institutions	523,617
Repurchase agreements	11,290
Certificates of deposit	(2,957)
Due to customers	488,315
Other liabilities	(5,306)
	<u>1,014,959</u>
Net cash inflow from operating activities before tax	456,974
Income tax paid	(19,653)
	<u>437,321</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment and other assets	(2,904)
Proceeds from disposal of property and equipment	971
Purchases of investments	(1,697,616)
Proceeds from sale and redemption of investments	1,203,643
Dividends received	28
	<u>(495,878)</u>
Net cash outflow from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Interests paid on subordinated bonds	(1,205)
Dividends paid on ordinary shares	(15,490)
Dividends paid to minority shareholders	(131)
	<u>(16,826)</u>
Net cash outflow from financing activities	
Net decrease in cash and cash equivalents	(75,383)
Cash and cash equivalents at beginning of the period	506,794
Effect of exchange rate changes on cash and cash equivalents	(4,004)
	<u>427,407</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	
NET CASH INFLOW FROM OPERATING ACTIVITIES INCLUDE:	
Interest received	244,030
Interest paid	(83,789)
	<u>160,241</u>

JIANG Jianqing
Chairman

YANG Kaisheng
Vice Chairman and President

GU Shu
*General Manager — Finance
and Accounting Department*