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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 THIRD QUARTERLY REPORT OF 2014**

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 third quarter ended 30 September 2014. 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 Third Quarterly Report of 2014 has been considered and approved at the meeting of the Board of Directors of the Bank held on 29 October 2014. All directors of the Bank attended the meeting.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Jiang Jianqing, Legal Representative of the Bank, Mr. Yi Huiman, President in charge of finance of the Bank, and Mr. Liu Yagan, 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, accurate and complete.

## 2. CORPORATE INFORMATION

### 2.1 Basic information

A share:	
Stock name	工商銀行
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
A share convertible corporate bonds:	
Convertible corporate bond name	工行轉債
Convertible corporate bond code	113002
Stock exchange on which shares are listed	Shanghai Stock Exchange
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	86-10-66107571
E-mail	ir@icbc.com.cn

### 2.2 Major accounting data and financial indicators

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

(In RMB millions, unless otherwise specified)

	30 September 2014	31 December 2013	Change (%)
Total assets	20,150,956	18,917,752	6.52
Total loans and advances to customers	10,853,652	9,922,374	9.39
Allowance for impairment losses on loans	250,108	240,959	3.80
Investment	4,441,560	4,322,244	2.76
Total liabilities	18,718,581	17,639,289	6.12
Due to customers	15,339,964	14,620,825	4.92
Due to banks and other financial institutions	1,429,869	1,269,255	12.65
Equity attributable to equity holders of the parent company	1,427,581	1,274,134	12.04
Net asset value per share (RMB yuan)	4.06	3.63	11.85

(In RMB millions, unless otherwise specified)

	<b>Nine months ended 30 September 2014</b>	Nine months ended 30 September 2013	<b>Changes as compared to the same period of last year (%, percentage points)</b>
Operating income	<b>469,541</b>	432,474	8.57
Net profit	<b>220,855</b>	205,771	7.33
Net profit attributable to equity holders of the parent company	<b>220,464</b>	205,533	7.26
Net cash flows from operating activities	<b>76,689</b>	69,831	9.82
Basic earnings per share ( <i>RMB yuan</i> )	<b>0.63</b>	0.59	6.78
Diluted earnings per share ( <i>RMB yuan</i> )	<b>0.62</b>	0.58	6.90
Return on weighted average equity (%, <i>annualised</i> )	<b>21.52</b>	23.00	A decrease of 1.48 percentage points

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

In respect of the financial statements of the Group prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the reporting period ended 30 September 2014 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

## 2.3 Number of shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had a total of 846,200 shareholders, including 144,167 holders of H shares and 702,033 holders of A shares.

### Particulars of Shareholding of the Top 10 Shareholders of the Bank

*Unit: Share*

Total number of shareholders	846,200 (number of holders of A shares and H shares on the register of shareholders as at 30 September 2014)					
Particulars of shareholding of the top 10 shareholders (The following data are based on the register of shareholders as at 30 September 2014)						
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 shares	35.32	124,155,852,951	—	None
Ministry of Finance of People's Republic of China	State-owned	A shares	35.08	123,316,451,864	—	None
HKSCC Nominees Limited	Foreign legal person	H shares	24.47	86,010,601,575	—	Unknown
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other domestic entities	A shares	1.28	4,515,417,169	—	None
ICBC Credit Suisse Asset Management Co., Ltd. — Asset management for specific customers	Other domestic entities	A shares	0.30	1,053,190,083	—	None
China Securities Finance Co., Ltd.	Other domestic entities	A shares	0.23	819,683,416	—	None
An-Bang Insurance (Group) Company — Traditional insurance products	Other domestic entities	A shares	0.15	540,842,624	—	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other domestic entities	A shares	0.09	319,038,827	—	None
CSOP Asset Management Limited — CSOP FTSE China A50ETF	Other domestic entities	A shares	0.09	306,670,526	—	None
Ping An Life Insurance Company of China, Ltd. — Traditional — High interest rate policy products	Other domestic entities	A shares	0.07	261,629,846	—	None

Notes: (1) Particulars of shareholding of H shareholders were based on the number of shares set out in the Bank's register of shareholders maintained at the H share registrar.

(2) Both "Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products" and "Ping An Life Insurance Company of China, Ltd. — Traditional — High interest rate policy products" are managed by Ping An Life Insurance Company of China, Ltd. Apart from these, the Bank is not aware of any connected relations or concerted action among the afore-mentioned shareholders.

## 2.4 Interests and short positions held by substantial shareholders and other persons

### Substantial Shareholders and Persons Having Notifiable Interests or Short Positions Pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong

As at 30 September 2014, the Bank had received notices from the following persons stating that they had interests or short positions in the shares or underlying shares of the Bank as recorded in the register required to be kept pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong:

## HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Approximate percentage of issued A shares (%)	Approximate percentage of total issued shares (%)
Ministry of Finance of People's Republic of China <sup>(1)</sup>	Beneficial owner	118,006,174,032	Long position	44.58	33.57
Central Huijin Investment Ltd. <sup>(2)</sup>	Beneficial owner	118,006,174,032	Long position	44.58	33.57

Notes: (1) According to the register of shareholders of the Bank as at 30 September 2014, the Ministry of Finance of People's Republic of China held 123,316,451,864 shares in the Bank.

(2) According to the register of shareholders of the Bank as at 30 September 2014, Central Huijin Investment Ltd. held 124,155,852,951 shares in the Bank.

## HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Approximate percentage of issued H shares (%)	Approximate percentage of total issued shares (%)
National Council for Social Security Fund	Beneficial owner	9,540,438,314	Long position	10.99	2.71
Temasek Holdings (Private) Limited	Interest of controlled corporations	7,002,665,393	Long position	8.07	1.99
JPMorgan Chase & Co.	Beneficial owner	645,041,737	Long position	0.74	0.18
	Investment manager	1,017,766,100	Long position	1.17	0.29
	Trustee (excluding passive trustee)	103,820	Long position	0.00	0.00
	Custodian-corporation/ approved lending agent	4,599,843,815	Long position	5.30	1.31
	Total	6,262,755,472		7.22	1.78
	Beneficial owner	290,784,146	Short position	0.34	0.08
Blackrock, Inc.	Interest of controlled corporations	5,290,789,367	Long position	6.10	1.51
		39,000	Short position	0.00	0.00

## 2.5 Particulars of Convertible Corporate Bonds

### Particulars of holding of the top 10 holders of the A share convertible bonds

*Unit: RMB yuan*

<b>Name of bond holder</b>	<b>Nominal value of bonds held</b>
Sunshine Life Insurance Co., Ltd. — Participating insurance products	1,469,726,000
Guotai Junan Investment Management Co., Ltd.	843,264,000
UBS AG	821,264,000
Credit Suisse (Hong Kong) Limited	796,912,000
BNP Paribas — Equity fund	720,730,000
An-Bang Insurance (Group) Company — Traditional insurance products	642,093,000
E Fund Asset Management (Hong Kong) Co., Limited — Customer fund (exchange)	446,140,000
MERRILL LYNCH INTERNATIONAL	404,490,000
Guoyuan Securities (Hong Kong) Co., Ltd. — Guoyuan RMB stable income fund	311,492,000
Guoyuan Securities Co., Ltd.	311,077,000

*Note:* Pursuant to the Notice on Participation of Convertible Corporate Bonds in Collateralized Bond Repurchase Business and relevant rules of the Shanghai Stock Exchange, convertible bonds of the Bank have participated in collateralized bond repurchase since 21 May 2012. The Bank consolidated and summed up relevant data according to the register of holders of A share convertible bonds at the end of the reporting period provided by China Securities Depository and Clearing Corporation Limited and the information on holders of specific accounts for collateralized bond repurchase of settlement participants.

#### 2.5.1 Particulars of Guarantors of Convertible Bonds

The Bank had no guarantor of convertible bonds.

#### 2.5.2 Adjustment of Conversion Price of Convertible Bonds

The conversion price of ICBC Convertible Bonds has been adjusted to RMB3.27 per share from RMB3.53 per share since 20 June 2014. During the reporting period, there was no adjustment in the conversion price of ICBC Convertible Bonds.

#### 2.5.3 Conversion of Convertible Bonds

The conversion period of ICBC Convertible Bonds started on 1 March 2011. As at 30 September 2014, a total of RMB8,980,955,000 ICBC Convertible Bonds were converted into A shares of the Bank, and accumulated converted shares reached 2,493,279,385 shares. As at the end of the reporting period, there were still RMB16,019,045,000 ICBC Convertible Bonds trading in the market, accounting for 64.08% of the total ICBC Convertible Bonds issued by the Bank.

#### **2.5.4 Credit Rating of Convertible Bonds**

China Chengxin Securities Appraisal Co., Ltd. traced and analyzed the credit standing of the ICBC Convertible Bonds and issued a credit rating report (Xin Ping Wei Han Zi [2014] Gen Zong No. 074). The Bank was rated AAA with a stable prospect, and the credit rating for the ICBC Convertible Bonds as at the end of the reporting period was AAA.

### **3. BRIEF ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE THIRD 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 RMB220,855 million, representing an increase of 7.33% over the same period of last year. Annualised return on average total assets and annualised return on weighted average equity were 1.51% and 21.52%, respectively.

Operating income amounted to RMB469,541 million, representing an increase of 8.57% compared with the same period of last year. Net interest income was RMB362,934 million, representing an increase of 10.77% compared with the same period of last year. Net fee and commission income was RMB100,885 million, representing an increase of 5.64% compared with the same period of last year. Cost-to-income ratio was 25.48%.

As at the end of the reporting period, total assets amounted to RMB20,150,956 million, representing an increase of RMB1,233,204 million or 6.52% over the end of the previous year. Total loans and advances to customers amounted to RMB10,853,652 million, representing an increase of RMB931,278 million or 9.39% over the end of last year, of which RMB loans of domestic branches grew by RMB754,757 million or 8.56%. In terms of the structure of loans and advances to customers, corporate loans were RMB7,575,432 million, personal loans were RMB2,995,759 million and discounted bills were RMB282,461 million. Loan-to-deposit ratio was 68.1%.

Total liabilities amounted to RMB18,718,581 million, representing an increase of RMB1,079,292 million or 6.12% over the end of the previous year. Due to customers amounted to RMB15,339,964 million, representing an increase of RMB719,139 million or 4.92% over the end of the previous year. In terms of the structure of deposits, time deposits were RMB8,034,453 million, demand deposits were RMB6,999,691 million and others were RMB305,820 million.

Shareholders' equity amounted to RMB1,432,375 million, representing an increase of RMB153,912 million or 12.04% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans (“NPLs”) amounted to RMB115,471 million, representing an increase of RMB21,782 million over the end of last year. The NPL ratio was 1.06%. The allowance to NPL stood at 216.60%.

The core tier 1 capital adequacy ratio was 11.79%, the tier 1 capital adequacy ratio was 11.80% and the capital adequacy ratio was 14.20%<sup>1</sup>, all 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	30 September 2014	31 December 2013	Increase/Decrease (%)	Main reasons for change
Financial assets held for trading	39,880	28,143	41.70	Bond investment held for trading increased
Derivative financial assets	37,277	25,020	48.99	Exchange rate derivatives resulted in the increase of evaluating assets due to the fluctuation of foreign exchange market and increase of business scale
Reverse repurchase agreements	432,604	331,903	30.34	Bills under reverse repurchase agreements increased
Deferred income tax assets	19,553	28,860	(32.25)	Decrease of deferred income tax assets due to the decrease of deductible temporary difference because of the rising of fair value of available-for-sale assets
Derivative financial liabilities	39,064	19,168	103.80	Exchange rate derivatives resulted in the increase of evaluating liabilities due to the fluctuation of foreign exchange market and increase of business scale
Certificates of deposit	181,401	130,558	38.94	Certificates of deposit issued by overseas institutions increased

<sup>1</sup> Calculated based on the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission.



*In RMB millions, except for percentages*

<b>Item</b>	<b>Nine months ended 30 September 2014</b>	Nine months ended 30 September 2013	<b>Increase/ Decrease (%)</b>	<b>Main reasons for change</b>
Net trading income	<b>1,770</b>	731	142.13	It is mainly due to the increase in yield of trading bond investment and interest rate derivatives
Net loss on financial assets and liabilities designated at fair value through profit or loss	<b>(7,911)</b>	(2,002)	295.15	The expense paid to customers on structured deposits increased due to the increase in issuance scale
Net gain on financial investments	<b>1,211</b>	919	31.77	Gains on available-for-sale financial assets increased
Net profit attributable to non-controlling interests	<b>391</b>	238	64.29	Minority interests of ICBC (Argentina), a non-wholly-owned subsidiary, increased

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

Applicable       Not applicable

### **4.2.1 Acquisition of 20% shares in Bank SinoPac**

On 2 April 2013, the Bank, SinoPac Financial Holdings Co., Ltd. (“SinoPac Holdings”) and Bank SinoPac Co., Ltd. (“Bank SinoPac”) entered into an agreement on the subscription by the Bank of 20% shares of SinoPac Holdings or Bank SinoPac. The transaction will be carried out after the limit of shareholding percentage of a commercial bank from Chinese Mainland is relaxed to 20% by the Taiwan’s financial regulator. At that time, the Bank will subscribe for shares of Bank SinoPac. On 27 February 2014, the Bank, SinoPac Holdings and Bank SinoPac entered into a supplemental agreement. According to the supplemental agreement, the transaction waiting period under the agreement on the subscription will be extended to 1 April 2015. Other clauses of the agreement on the subscription remain unchanged. The final completion of the abovementioned transaction is subject to approval of relevant regulatory authorities. For details, please refer to the 2014 Interim Report of the Bank.

### **4.2.2 Acquisition of 60% shares in Standard Bank PLC**

On 29 January 2014, the Bank entered into a share purchase agreement to acquire 60% of the existing issued shares in Standard Bank PLC (“Target Bank”) from Standard Bank London Holdings Limited (“SBLH”). In addition, the Bank also has a five-year option to acquire additional 20% of the existing issued shares of Target Bank exercisable from the second anniversary of the date that the transaction is completed (the “Call Option”). SBLH will have a put option, exercisable six months following the date on which the Bank’s Call Option is exercised, to require the Bank to purchase all of the shares held by SBLH and its related parties. The final completion of the abovementioned transaction is subject to approval of relevant regulatory authorities. For details, please refer to the 2014 Interim Report of the Bank.

#### **4.2.3 Acquisition of 75.5% shares of Tekstil Bankası A.Ş. (“Tekstilbank”)**

On 29 April 2014, the Bank entered into a share purchase agreement to acquire 75.5% of the existing issued shares in Tekstilbank from GSD Holding A.Ş. of Turkey. According to the capital markets law of Turkey, this transaction will trigger the provision that a mandatory tender offer shall be issued to purchase all the remaining shares of Tekstilbank that are presently traded on the Istanbul Stock Exchange. The Board of Directors of the Bank has authorized the Bank to issue a mandatory tender offer for the remaining shares at a proper time. The final completion of the abovementioned transaction is subject to approval of relevant regulatory authorities. For details, please refer to the 2014 Interim Report of the Bank.

#### **4.3 Fulfillment of commitments made by the Bank or its shareholders holding 5% shares or above**

Applicable       Not applicable

During the reporting period, the Bank and the shareholders holding 5% shares or above did not make any new commitments. As at 30 September 2014, all of the continuing commitments made by the shareholders were properly fulfilled. For relevant commitments, please refer to the 2014 Interim Report of the Bank.

#### **4.4 Implementation of cash dividend policy during the reporting period**

Applicable       Not applicable

Upon the approval at the Annual General Meeting for the Year 2013 held on 6 June 2014, the Bank has distributed cash dividends of RMB91,960 million, or RMB2.617 per ten shares (pre-tax), for the period from 1 January 2013 to 31 December 2013 to the shareholders whose names appeared on the share register after the close of market on 19 June 2014.

#### **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

#### **4.6 The issuance of preference shares**

The meeting of the Board of Directors of the Bank held on 25 July 2014 and the Second Extraordinary General Meeting of 2014 of the Bank held on 19 September 2014 reviewed and approved the *Proposal in Respect of Issuance of Offshore Preference Shares by Industrial and Commercial Bank of China Limited* and the *Proposal in Respect of Issuance of Domestic Preference Shares by Industrial and Commercial Bank of China Limited* in relation to the proposed issuance of domestic and offshore preference shares with an aggregate amount of not more than RMB80 billion or its equivalent by the Bank. The Bank proposed to issue offshore preference shares with an aggregate amount of not more than RMB35 billion or its equivalent

and domestic preference shares with an aggregate amount of not more than RMB45 billion. The proceeds from the proposed issuance of the domestic and offshore preference shares, after deduction of the expenses relating to the issuance, will all be used for replenishment of the Bank's capital. The plan for such issuance is subject to the approval of relevant regulatory authorities.

For details on the proposed issuance of domestic and offshore preference shares, please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the "HKExnews" website ([www.hkexnews.hk](http://www.hkexnews.hk)) of The Stock Exchange of Hong Kong Limited.

## **5. APPENDIX: FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRSs**

- 5.1 Financial statements prepared in accordance with IFRSs are attached in Appendix I to this announcement**
- 5.2 Capital adequacy ratios disclosed as per the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by the China Banking Regulatory Commission are attached in Appendix II to this announcement**

## **6. RELEASE OF QUARTERLY REPORT**

The report 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 websites of the Bank ([www.icbc.com.cn](http://www.icbc.com.cn), [www.icbc-ltd.com](http://www.icbc-ltd.com)). The quarterly report prepared in accordance with PRC GAAP will also be published simultaneously on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the websites 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**

29 October 2014

*As at the date of this announcement, the Board of Directors comprises Mr. Jiang Jianqing, Mr. Yi Huiman and Mr. Liu Lixian as executive directors, Ms. Wang Xiaoya, Ms. Ge Rongrong, Mr. Li Jun, Mr. Wang Xiaolan, Mr. Yao Zhongli and Mr. Fu Zhongjun as non-executive directors, Mr. Wong Kwong Shing, Frank, Sir Malcolm Christopher McCarthy, Mr. Kenneth Patrick Chung, Mr. Or Ching Fai, Mr. Hong Yongmiao and Mr. Yi Xiqun as independent non-executive directors.*

**Appendix I**  
**Industrial and Commercial Bank of China Limited**  
**Consolidated Statement of Income — Prepared in accordance with IFRSs**  
**For the nine months ended 30 September 2014**  
*(In RMB millions, unless otherwise stated)*

	Three months ended 30 September 2014 (unaudited)	Nine months ended 30 September 2014 (unaudited)	Three months ended 30 September 2013 (unaudited)	Nine months ended 30 September 2013 (unaudited)
Interest income	215,038	627,651	194,262	566,769
Interest expense	(89,711)	(264,717)	(82,515)	(239,133)
<b>NET INTEREST INCOME</b>	<b>125,327</b>	<b>362,934</b>	111,747	327,636
Fee and commission income	31,212	110,598	31,186	103,698
Fee and commission expense	(3,555)	(9,713)	(3,065)	(8,195)
<b>NET FEE AND COMMISSION INCOME</b>	<b>27,657</b>	<b>100,885</b>	28,121	95,503
Net trading income	144	1,770	1,069	731
Net loss on financial assets and liabilities designated at fair value through profit or loss	(2,934)	(7,911)	(2,092)	(2,002)
Net gain on financial investments	175	1,211	311	919
Other operating income, net	2,319	10,652	1,842	9,687
<b>OPERATING INCOME</b>	<b>152,688</b>	<b>469,541</b>	140,998	432,474
Operating expenses	(50,766)	(150,378)	(48,979)	(140,728)
Impairment losses on:				
— Loans and advances to customers	(8,238)	(32,226)	(6,337)	(28,264)
— Others	(51)	(230)	(342)	(356)
<b>OPERATING PROFIT</b>	<b>93,633</b>	<b>286,707</b>	85,340	263,126
Share of profits of associates and joint ventures	508	1,524	468	1,523
<b>PROFIT BEFORE TAXATION</b>	<b>94,141</b>	<b>288,231</b>	85,808	264,649
Income tax expense	(21,667)	(67,376)	(18,514)	(58,878)
<b>PROFIT FOR THE PERIOD</b>	<b>72,474</b>	<b>220,855</b>	67,294	205,771

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Income — Prepared in accordance with IFRSs (continued)

For the nine months ended 30 September 2014

(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2014 (unaudited)	Nine months ended 30 September 2014 (unaudited)	Three months ended 30 September 2013 (unaudited)	Nine months ended 30 September 2013 (unaudited)
Attributable to:				
Equity holders of the parent company	72,364	220,464	67,186	205,533
Non-controlling interests	110	391	108	238
	<u>72,474</u>	<u>220,855</u>	<u>67,294</u>	<u>205,771</u>
<b>EARNINGS PER SHARE</b>				
— Basic (RMB yuan)	0.21	0.63	0.19	0.59
— Diluted (RMB yuan)	<u>0.20</u>	<u>0.62</u>	<u>0.19</u>	<u>0.58</u>

**Jiang Jianqing**  
Chairman

**Yi Huiman**  
Vice Chairman, President

**Liu Yagan**  
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 nine months ended 30 September 2014**  
*(In RMB millions, unless otherwise stated)*

	<b>Three months ended 30 September 2014 (unaudited)</b>	<b>Nine months ended 30 September 2014 (unaudited)</b>	<b>Three months ended 30 September 2013 (unaudited)</b>	<b>Nine months ended 30 September 2013 (unaudited)</b>
Net profit for the period	<u>72,474</u>	<u>220,855</u>	<u>67,294</u>	<u>205,771</u>
Other comprehensive income (after tax, net)				
Items that may be reclassified subsequently to profit or loss				
Net gain/(loss) from change in fair value of available-for-sale financial assets	3,514	26,111	(9,198)	(10,420)
Effective hedging portion of gains or losses arising from cash flow hedging instruments	1	54	(3)	(177)
Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	110	99	161	985
Foreign currency translation differences	(3,569)	(1,667)	(1,115)	(9,042)
Others	(18)	6	—	21
Subtotal of other comprehensive income for the period	<u>38</u>	<u>24,603</u>	<u>(10,155)</u>	<u>(18,633)</u>
Total comprehensive income for the period	<u>72,512</u>	<u>245,458</u>	<u>57,139</u>	<u>187,138</u>
Total comprehensive income attributable to:				
Equity holders of the parent company	72,378	245,007	57,096	187,064
Non-controlling interests	134	451	43	74
	<u>72,512</u>	<u>245,458</u>	<u>57,139</u>	<u>187,138</u>

**Jiang Jianqing**  
*Chairman*

**Yi Huiman**  
*Vice Chairman, President*

**Liu Yagan**  
*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

30 September 2014

(In RMB millions, unless otherwise stated)

	30 September 2014 (unaudited)	31 December 2013 (audited)
<b>ASSETS</b>		
Cash and balances with central banks	3,472,425	3,294,007
Due from banks and other financial institutions	582,741	717,984
Financial assets held for trading	39,880	28,143
Financial assets designated at fair value through profit or loss	307,068	344,413
Derivative financial assets	37,277	25,020
Reverse repurchase agreements	432,604	331,903
Loans and advances to customers	10,603,544	9,681,415
Financial investments	4,094,612	3,949,688
Investments in associates and joint ventures	28,860	28,515
Property and equipment	179,128	164,347
Deferred income tax assets	19,553	28,860
Other assets	353,264	323,457
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>20,150,956</b>	<b>18,917,752</b>
	<hr/> <hr/>	<hr/> <hr/>

# Industrial and Commercial Bank of China Limited

Consolidated Statement of Financial Position — Prepared in accordance with IFRSs (continued)

30 September 2014

(In RMB millions, unless otherwise stated)

	30 September 2014 (unaudited)	31 December 2013 (audited)
<b>LIABILITIES</b>		
Due to central banks	699	724
Financial liabilities designated at fair value through profit or loss	615,708	553,607
Derivative financial liabilities	39,064	19,168
Due to banks and other financial institutions	1,429,869	1,269,255
Repurchase agreements	310,136	299,304
Certificates of deposit	181,401	130,558
Due to customers	15,339,964	14,620,825
Income tax payable	49,319	55,674
Deferred income tax liabilities	543	420
Debt securities issued	268,726	253,018
Other liabilities	483,152	436,736
<b>TOTAL LIABILITIES</b>	<b>18,718,581</b>	<b>17,639,289</b>
<b>EQUITY</b>		
Equity attributable to equity holders of the parent company		
Share capital	351,513	351,390
Equity component of convertible bonds	1,912	1,960
Reserves	434,620	408,835
Retained profits	639,536	511,949
	1,427,581	1,274,134
Non-controlling interests	4,794	4,329
<b>TOTAL EQUITY</b>	<b>1,432,375</b>	<b>1,278,463</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,150,956</b>	<b>18,917,752</b>

**Jiang Jianqing**  
Chairman

**Yi Huiman**  
Vice Chairman, President

**Liu Yagan**  
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 nine months ended 30 September 2014

(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2014 (unaudited)	Nine months ended 30 September 2013 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	288,231	264,649
Adjustments for:		
Share of profits of associates and joint ventures	(1,524)	(1,523)
Depreciation	11,124	10,691
Amortisation	4,479	1,477
Amortisation of financial investments	(108)	(215)
Impairment losses on loans and advances to customers	32,226	28,264
Impairment losses on assets other than loans and advances to customers	230	356
Unrealised foreign exchange loss	4,104	4,729
Interest expense on debt securities issued	8,572	8,138
Accreted interest on impaired loans	(2,010)	(1,479)
Gain on disposal of available-for-sale financial assets, net	(1,046)	(820)
Net trading (gain)/loss on equity investments	(11)	83
Net loss on financial assets and liabilities designated at fair value through profit or loss	7,911	2,002
Net gain on disposal of property and equipment and other assets (other than repossessed assets)	(506)	(493)
Dividend income	(165)	(99)
	<u>351,507</u>	<u>315,760</u>
Net decrease/(increase) in operating assets:		
Due from central banks	(148,821)	(342,618)
Due from banks and other financial institutions	15,766	82,152
Financial assets held for trading	(11,588)	(23,564)
Financial assets designated at fair value through profit or loss	41,054	(126,788)
Reverse repurchase agreements	(145,861)	13,473
Loans and advances to customers	(948,934)	(867,484)
Other assets	(79,461)	(16,955)
	<u>(1,277,845)</u>	<u>(1,281,784)</u>

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Cash Flows — Prepared in accordance with IFRSs (continued)

For the nine months ended 30 September 2014

(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2014 (unaudited)	Nine months ended 30 September 2013 (unaudited)
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	58,616	131,603
Due to central banks	(25)	(341)
Due to banks and other financial institutions	155,662	(261,286)
Repurchase agreements	10,832	97,307
Certificates of deposit	49,338	51,138
Due to customers	711,262	1,060,148
Other liabilities	89,123	26,912
	<u>1,074,808</u>	<u>1,105,481</u>
Net cash flows from operating activities before tax	148,470	139,457
Income tax paid	(71,781)	(69,626)
Net cash flows from operating activities	<u>76,689</u>	<u>69,831</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment and other assets	(28,641)	(26,814)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	1,760	493
Purchases of financial investments	(834,063)	(1,176,389)
Proceeds from sale and redemption of financial investments	727,322	1,012,866
Investments in associates and joint ventures	(284)	—
Proceeds from disposal of associates and joint ventures	—	487
Dividends received	1,074	645
Net cash flows from investing activities	<u>(132,832)</u>	<u>(188,712)</u>

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Cash Flows — Prepared in accordance with IFRSs (continued)

For the nine months ended 30 September 2014

(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2014 (unaudited)	Nine months ended 30 September 2013 (unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital injection by non-controlling shareholders	22	155
Proceeds from issuance of debt securities	59,661	31,114
Interest paid on debt securities	(6,593)	(6,878)
Repayments of debt securities	(43,956)	(12,893)
Dividends paid on ordinary shares	(91,960)	(83,565)
Dividends paid to non-controlling shareholders	(8)	(40)
	<u>(82,834)</u>	<u>(72,107)</u>
Net cash flows from financing activities	<u>(82,834)</u>	<u>(72,107)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of the period	957,402	1,201,647
Effect of exchange rate changes on cash and cash equivalents	3,894	(8,002)
	<u>822,319</u>	<u>1,002,657</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
	<u>822,319</u>	<u>1,002,657</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>		
Interest received	617,298	555,843
Interest paid	(229,316)	(192,559)
	<u>617,298</u>	<u>555,843</u>

**Jiang Jianqing**  
Chairman

**Yi Huiman**  
Vice Chairman, President

**Liu Yagan**  
General Manager of  
the Finance and  
Accounting Department

## Appendix II Capital Adequacy Ratio

*In RMB millions, except for percentages*

Item	30 September 2014		31 December 2013	
	Group	Parent Company	Group	Parent Company
<b>Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission<sup>1</sup>:</b>				
Net core tier 1 capital	1,419,953	1,333,466	1,266,841	1,190,490
Net tier 1 capital	1,420,020	1,333,466	1,266,859	1,190,490
Net capital base	1,709,757	1,613,103	1,572,265	1,478,863
Core tier 1 capital adequacy ratio	11.79%	11.91%	10.57%	10.58%
Tier 1 capital adequacy ratio	11.80%	11.91%	10.57%	10.58%
Capital adequacy ratio	14.20%	14.40%	13.12%	13.14%
<b>Calculated in accordance with the Regulations Governing Capital Adequacy of Commercial Banks and related regulations promulgated by China Banking Regulatory Commission:</b>				
Core capital adequacy ratio	11.27%	11.61%	10.62%	10.86%
Capital adequacy ratio	13.87%	13.92%	13.31%	13.25%

*Note 1:* In April 2014, China Banking Regulatory Commission officially approved the Bank to implement the advanced capital management approach, which allowed the Bank to use the internal rating-based foundation approach to measure eligible corporate credit risk exposure, the internal rating-based approach to retail risk exposure, the internal model approach to market risk, the standardized approach to operational risk, the weighted approach to credit risk uncovered by internal rating-based approach and the standardized approach to market risk uncovered by internal model approach. As at the end of 2013, the weighted approach, standardized approach and basic indicator approach were applied to the measurement of credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets, respectively.