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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

USD Preference Shares Stock Code: 4603

EUR Preference Shares Stock Code: 4604

RMB Preference Shares Stock Code: 84602

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

THIRD QUARTERLY REPORT OF 2016

(H SHARE)

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 2016. This announcement is made in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and 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 liability for the authenticity, accuracy and completeness of the information in this report.
- 1.2 The Third Quarterly Report of 2016 has been considered and approved at the meeting of the Board of Directors of the Bank held on 28 October 2016. There were 14 directors eligible for attending the meeting, of whom 12 directors attended the meeting in person and 2 directors by proxy, namely, Mr. Zhang Hongli appointed Mr. Yi Huiman, the Chairman of the board, and Ms. Ge Rongrong appointed Ms. Wang Xiaoya to attend the meeting and exercise the voting right on their behalf.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Yi Huiman, Legal Representative of the Bank, Mr. Gu Shu, President in charge of finance of the Bank, and Mr. Zhang Wenwu, 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

	Stock name	Stock code	Stock exchange on which shares are listed
A share	工商銀行	601398	Shanghai Stock Exchange
H share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Offshore preference shares	ICBC USDPREF1	4603	The Stock Exchange of Hong Kong Limited
	ICBC EURPREF1	4604	
	ICBC CNHPREF1-R	84602	
Domestic preference shares	工行優 1	360011	Shanghai Stock Exchange

Board Secretary, Company Secretary:	
Name	Guan Xueqing
Address	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, People's Republic of China (Postal code:100140)
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2.2 Major accounting data and financial indicators

2.2.1 Major accounting data and financial indicators prepared based on International Financial Reporting Standards (“IFRSs”)

(In RMB millions, unless otherwise specified)

	30 September 2016	31 December 2015	Change (%)
Total assets	23,646,472	22,209,780	6.47
Total loans and advances to customers	12,914,203	11,933,466	8.22
Allowance for impairment losses on loans	284,365	280,654	1.32
Investment	5,469,130	5,009,963	9.17
Total liabilities	21,692,477	20,409,261	6.29
Due to customers	17,754,418	16,281,939	9.04
Due to banks and other financial institutions	1,877,479	2,265,860	(17.14)
Equity attributable to equity holders of the parent company	1,942,287	1,789,474	8.54
Net asset value per share (RMB yuan)	5.21	4.80	8.54

(In RMB millions, unless otherwise specified)

	Nine months ended 30 September 2016	Nine months ended 30 September 2015	Changes as compared to the same period of last year (%, percentage points)
Operating income	484,015	503,833	(3.93)
Net profit	223,468	222,291	0.53
Net profit attributable to equity holders of the parent company	222,792	221,761	0.46
Net cash flows from operating activities	283,803	752,630	(62.29)
Basic earnings per share (<i>RMB yuan</i>)	0.63	0.62	1.61
Diluted earnings per share (<i>RMB yuan</i>)	0.63	0.62	1.61
Return on weighted average equity (%, <i>annualized</i>)	16.53	18.60	A decrease of 2.07 percentage points

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

In respect of the financial statements of the Group prepared based on PRC GAAP and those based on IFRSs, net profit attributable to equity holders of the parent company for the reporting period ended 30 September 2016 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 573,028 ordinary shareholders, including 133,715 holders of H shares and 439,313 holders of A shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK (The following data are based on the register of shareholders as at 30 September 2016)

Unit: Share

Name of shareholder	Nature of shareholder	Type of shares	Shareholding percentage (%)	Total number of shares held	Number of pledged or locked-up shares	Changes of shares during the reporting period
Central Huijin Investment Ltd.	State-owned	A shares	34.71	123,717,852,951	None	—
Ministry of Finance of the People's Republic of China	State-owned	A shares	34.60	123,316,451,864	None	—
HKSCC Nominees Limited/ Hong Kong Securities Clearing Company Limited ⁽³⁾	Foreign legal person	H shares	24.14	86,051,702,233	Unknown	-7,855,380
		A shares	0.14	493,761,677	None	185,437,500
China Securities Finance Corporation Limited	State-owned legal person	A shares	1.32	4,697,561,618	None	323,301,532
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A shares	1.21	4,322,828,137	None	—
Wutongshu Investment Platform Co., Ltd.	State-owned legal person	A shares	0.40	1,420,781,042	None	—
Central Huijin Asset Management Co., Ltd. ⁽⁴⁾	State-owned legal person	A shares	0.28	1,013,921,700	None	—
Anbang Life Insurance Co., Ltd. — Conservative investment portfolio	Other entities	A shares	0.11	390,487,231	None	—
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A shares	0.09	317,038,927	None	100
Guotai Junan Securities Co., Ltd.	State-owned legal person	A shares	0.06	209,342,769	None	-40,443,100

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) The Bank had no shares subject to restrictions on sales.

(3) HKSCC Nominees Limited held 86,051,702,233 H shares and Hong Kong Securities Clearing Company Limited held 493,761,677 A shares.

(4) Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Apart from this, the Bank is not aware of any connected relations or concert party 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 2016, the Bank had received notices from the following persons stating that they had interests or short positions in the shares or relevant 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	Percentage of A shares (%)	Percentage of total ordinary shares (%)
Ministry of Finance of the People's Republic of China ⁽¹⁾	Beneficial owner	118,006,174,032	Long position	43.77	33.11
Central Huijin Investment Ltd. ⁽²⁾	Beneficial owner	124,731,774,651	Long position	46.26	35.00

Notes: (1) According to the register of shareholders of the Bank as at 30 September 2016, the Ministry of Finance of the 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 2016, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank. Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd. held 1,013,921,700 shares in the Bank.

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares (%)	Percentage of total ordinary shares (%)
Temasek Holdings (Private) Limited	Interest of controlled corporations	8,682,954,081	Long position	10.00	2.44
National Council for Social Security Fund	Beneficial owner	8,663,703,234	Long position	9.98	2.43
JPMorgan Chase & Co.	Beneficial owner	1,409,722,416	Long position	1.62	0.40
	Investment manager	97,841,975	Long position	0.11	0.03
	Trustee (excluding bare trustee)	75,620	Long position	0.00	0.00
	Custodian/ approved lending agent	2,857,679,138	Shares available for lending	3.29	0.80
	Total	4,365,319,149		5.02	1.23
	Beneficial owner	157,848,359	Short position	0.18	0.04
BlackRock, Inc.	Interest of controlled corporations	5,239,437,085	Long position	6.04	1.47
		1,440,000	Short position	0.00	0.00

2.5 Number of preference shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had 28 preference shareholders (or proxies), including 2 offshore preference shareholders (or proxies) and 26 domestic preference shareholders.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES) OF THE BANK (The following data are based on the register of offshore preference shareholders as at 30 September 2016)

Unit: Share

Name of shareholder	Nature of shareholder	Type of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
Cede & Co.	Foreign legal person	USD offshore preference shares	—	147,000,000	47.9	—	Unknown
The Bank of New York Depository (Nominees) Limited	Foreign legal person	RMB offshore preference shares	—	120,000,000	39.1	—	Unknown
		EUR offshore preference shares	—	40,000,000	13.0	—	Unknown

- Notes:* (1) Particulars of shareholding of preference shareholders were based on the number of shares set out in the Bank's register of preference shareholders maintained.
- (2) As the issuance was private offering, the register of preference shareholders presented the information on proxies of places.
- (3) The Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and between the afore-mentioned preference shareholders and the top 10 ordinary shareholders.
- (4) "Shareholding percentage" refers to the percentage of the number of offshore preference shares held by preference shareholders to the total number of offshore preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF THE BANK (The following data are based on the register of domestic preference shareholders as at 30 September 2016)

Unit: Share

Name of shareholder	Nature of shareholder	Type of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged or locked-up shares
China Mobile Communications Corporation	Other entities	Domestic preference shares	—	200,000,000	44.4	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	11.1	—	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	35,000,000	7.8	—	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	30,000,000	6.7	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
Bank of Communications Schroder Fund Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
China Resources SZITIC Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOC International (China) Limited	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
Shandong Branch of China National Tobacco Corporation	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
Heilongjiang Branch of China National Tobacco Corporation	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	10,000,000	2.2	—	None

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

(2) Shandong Branch of China National Tobacco Corporation and Heilongjiang Branch of China National Tobacco Corporation are wholly-owned subsidiaries of China National Tobacco Corporation. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. Apart from this, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and between the afore-mentioned preference shareholders and the top 10 ordinary shareholders.

(3) "Shareholding percentage" refers to the percentage of the number of domestic preference shares held by preference shareholders to the total number of domestic preference shares.

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 RMB223,468 million, representing an increase of 0.53% over the same period of last year. Specifically, net profit attributable to equity holders of the parent company was RMB222,792 million, representing an increase of 0.46% over the same period of last year. Annualised return on average total assets and annualised return on weighted average equity were 1.30% and 16.53%, respectively.

Operating income amounted to RMB484,015 million, representing a decrease of 3.93% compared with the same period of last year. Net interest income was RMB351,358 million, representing a decrease of 7.52% compared with the same period of last year. Annualised net interest margin dropped by 0.31 percentage points to 2.18% compared to the same period of last year. Non-interest income amounted to RMB132,657 million, representing an increase of 7.08% over the same period of last year. Specifically, net fee and commission income was RMB113,748 million, representing an increase of 2.31% compared with the same period of last year. Operating expenses were RMB132,199 million, representing a decrease of 13.88% compared with the same period of last year. Cost-to-income ratio was 24.30%.

As at the end of the reporting period, total assets amounted to RMB23,646,472 million, representing an increase of RMB1,436,692 million or 6.47% over the end of the previous year. Total loans and advances to customers amounted to RMB12,914,203 million, representing an increase of RMB980,737 million or 8.22% over the end of last year, of which RMB loans of domestic branches grew by RMB762,296 million or 7.19%. In terms of the structure of loans and advances to customers, corporate loans were RMB8,074,586 million, personal loans were RMB4,027,782 million and discounted bills were RMB811,835 million. Investment was RMB5,469,130 million, representing an increase of RMB459,167 million or 9.17% over the end of last year.

Total liabilities amounted to RMB21,692,477 million, representing an increase of RMB1,283,216 million or 6.29% over the end of the previous year. Due to customers amounted to RMB17,754,418 million, representing an increase of RMB1,472,479 million or 9.04% over the end of the previous year. In terms of the structure of deposits, time deposits were RMB8,532,863 million, demand deposits were RMB8,972,611 million and others were RMB248,944 million.

Shareholders' equity amounted to RMB1,953,995 million, representing an increase of RMB153,476 million or 8.52% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans (“NPLs”) amounted to RMB208,880 million. The NPL ratio was 1.62%. The allowance to NPL stood at 136.14%.

The core tier 1 capital adequacy ratio was 12.58%, the tier 1 capital adequacy ratio was 13.13% and the capital adequacy ratio was 14.18%¹, 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 2016	31 December 2015	Increase/Decrease (%)	Main reasons for change
Financial assets held for trading	235,134	132,838	77.01	Investment in trading financial assets increased
Reverse repurchase agreements	554,690	996,333	(44.33)	The balance of placements by bond pledge decreased
Other assets	620,036	458,699	35.17	Precious metals leasing increased
Repurchase agreements	446,604	337,191	32.45	The balance of deposits from bond pledge increased
Income tax payable	40,126	63,266	(36.58)	Income tax for 2015 was settled and paid

In RMB millions, except for percentages

Item	Nine months ended 30 September 2016	Nine months ended 30 September 2015	Increase/Decrease (%)	Main reasons for change
Net trading income	5,259	3,830	37.31	Trading investment interest income and income from financial derivative contracts increased
Net loss on financial assets and liabilities designated at fair value through profit or loss	(345)	(5,931)	N/A	The size and average cost of liabilities measured at fair value decreased

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

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

Applicable Not applicable

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 2016, all of the continuing commitments made by the shareholders were properly fulfilled. For relevant commitments, please refer to the 2016 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 2015 held on 24 June 2016, the Bank has distributed cash dividends of about RMB83,150 million, or RMB2.333 per ten shares (pre-tax), for the period from 1 January 2015 to 31 December 2015 to the ordinary shareholders whose names appeared on the register of shareholders upon the close of market on 7 July 2016.

During the reporting period, the Bank did not distribute any dividend on the preference shares. The Bank considered and approved the implementation of dividend distribution for preference shares at the meeting of the Board of Directors convened on 28 October 2016, and decided to distribute total dividends of RMB2,025 million for domestic preference shares on 23 November 2016 at a dividend rate of 4.5% (pre-tax, and tax payable arising from dividend income gained by domestic preference shareholders shall be borne by them in accordance with relevant laws and regulations); and to distribute total dividends equivalent to about RMB2,406 million for offshore preference shares on 12 December 2016 at a dividend rate of 6% (post-tax, i.e., actual dividend rate received by offshore preference shareholders).

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. APPENDICES: FINANCIAL STATEMENTS PREPARED BASED ON IFRSs

- 5.1 Financial statements prepared based on 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 China Banking Regulatory Commission, leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) promulgated by China Banking Regulatory Commission and liquidity coverage ratio disclosed as per the Regulation Governing Disclosure of Liquidity Coverage Ratio of Commercial Banks 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) and the website of the Bank (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) and the website of the Bank (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.

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

Beijing, PRC
28 October 2016

As at the date of this announcement, the Board of Directors comprises Mr. YI Huiman and Mr. ZHANG Hongli as executive directors, Ms. WANG Xiaoya, Ms. GE Rongrong, Mr. FU Zhongjun, Mr. ZHENG Fuqing, Mr. FEI Zhoulin and Mr. CHENG Fengchao as non-executive directors, Sir Malcolm Christopher McCARTHY, Mr. Kenneth Patrick CHUNG, Mr. OR Ching Fai, Mr. HONG Yongmiao, Mr. Anthony Francis NEOH and Mr. YANG Siu Shun as independent non-executive directors.

Appendix I
Industrial and Commercial Bank of China Limited
Consolidated Statement of Income — Based on IFRS
For the nine months ended 30 September 2016
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2016 (unaudited)	Three months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Interest income	195,466	590,694	219,693	656,988
Interest expense	(78,388)	(239,336)	(91,835)	(277,043)
NET INTEREST INCOME	117,078	351,358	127,858	379,945
Fee and commission income	36,981	127,797	38,431	123,761
Fee and commission expense	(4,948)	(14,049)	(4,368)	(12,578)
NET FEE AND COMMISSION INCOME	32,033	113,748	34,063	111,183
Net trading income	1,925	5,259	1,665	3,830
Net loss on financial assets and liabilities designated at fair value through profit or loss	(92)	(345)	(849)	(5,931)
Net gain on financial investments	1,088	3,653	980	3,593
Other operating income, net	3,002	10,342	3,379	11,213
OPERATING INCOME	155,034	484,015	167,096	503,833
Operating expenses	(41,605)	(132,199)	(52,012)	(153,511)
Impairment losses on:				
— Loans and advances to customers	(19,354)	(63,245)	(19,301)	(61,253)
— Others	(119)	(661)	(317)	(316)
OPERATING PROFIT	93,956	287,910	95,466	288,753
Share of profits of associates and joint ventures	835	1,956	377	1,768
PROFIT BEFORE TAXATION	94,791	289,866	95,843	290,521
Income tax expense	(21,979)	(66,398)	(22,978)	(68,230)
PROFIT FOR THE PERIOD	72,812	223,468	72,865	222,291

Industrial and Commercial Bank of China Limited
Consolidated Statement of Income — Based on IFRS (continued)
For the nine months ended 30 September 2016
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2016 (unaudited)	Three months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Attributable to:				
Equity holders of the parent company	72,575	222,792	72,740	221,761
Non-controlling interests	237	676	125	530
	<u>72,812</u>	<u>223,468</u>	<u>72,865</u>	<u>222,291</u>
EARNINGS PER SHARE				
— Basic (<i>RMB yuan</i>)	0.20	0.63	0.20	0.62
— Diluted (<i>RMB yuan</i>)	<u>0.20</u>	<u>0.63</u>	<u>0.20</u>	<u>0.62</u>

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
*General Manager of
the Finance and
Accounting Department*

Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income — Based on IFRS
For the nine months ended 30 September 2016
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2016 (unaudited)	Three months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Net profit for the period	<u>72,812</u>	<u>223,468</u>	<u>72,865</u>	<u>222,291</u>
Other comprehensive income (after tax, net)				
Items that will not be reclassified to profit or loss				
Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit or loss	—	(5)	—	—
Others	<u>(2)</u>	<u>(12)</u>	<u>—</u>	<u>—</u>
Items that may be reclassified subsequently to profit or loss				
Net gain/(loss) from change in fair value of available-for-sale financial assets	5,085	(50)	5,207	12,879
Effective hedging portion of gains or losses arising from cash flow hedging instruments	30	(206)	(26)	(60)
Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	(317)	(918)	226	(71)
Foreign currency translation differences	<u>1,935</u>	<u>7,708</u>	<u>(1,148)</u>	<u>(4,274)</u>
Subtotal of other comprehensive income for the period	<u>6,731</u>	<u>6,517</u>	<u>4,259</u>	<u>8,474</u>
Total comprehensive income for the period	<u>79,543</u>	<u>229,985</u>	<u>77,124</u>	<u>230,765</u>
Total comprehensive income attributable to:				
Equity holders of the parent company	79,019	229,264	77,167	230,128
Non-controlling interests	<u>524</u>	<u>721</u>	<u>(43)</u>	<u>637</u>

Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
General Manager of
the Finance and
Accounting Department

Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS

30 September 2016

(In RMB millions, unless otherwise stated)

	30 September 2016 (unaudited)	31 December 2015 (audited)
ASSETS		
Cash and balances with central banks	3,302,564	3,059,633
Due from banks and other financial institutions	724,055	683,793
Financial assets held for trading	235,134	132,838
Financial assets designated at fair value through profit or loss	257,858	210,434
Derivative financial assets	69,860	78,870
Reverse repurchase agreements	554,690	996,333
Loans and advances to customers	12,629,838	11,652,812
Financial investments	4,976,138	4,666,691
Investments in associates and joint ventures	28,101	24,185
Property and equipment	233,040	224,426
Deferred income tax assets	15,158	21,066
Other assets	620,036	458,699
	<hr/>	<hr/>
TOTAL ASSETS	23,646,472	22,209,780
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Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS (continued)
30 September 2016

(In RMB millions, unless otherwise stated)

	30 September 2016 (unaudited)	31 December 2015 (audited)
LIABILITIES		
Due to central banks	178	210
Financial liabilities designated at fair value through profit or loss	339,693	303,927
Derivative financial liabilities	74,278	76,826
Due to banks and other financial institutions	1,877,479	2,265,860
Repurchase agreements	446,604	337,191
Certificates of deposit	198,881	183,352
Due to customers	17,754,418	16,281,939
Income tax payable	40,126	63,266
Deferred income tax liabilities	1,033	995
Debt securities issued	338,651	306,622
Other liabilities	621,136	589,073
	<hr/>	<hr/>
TOTAL LIABILITIES	21,692,477	20,409,261
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instrument	86,056	79,375
Including: preference shares	79,375	79,375
perpetual bond	6,681	—
Reserves	578,776	571,704
Retained profits	921,048	781,988
	<hr/>	<hr/>
	1,942,287	1,789,474
Non-controlling interests	11,708	11,045
	<hr/>	<hr/>
TOTAL EQUITY	1,953,995	1,800,519
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	23,646,472	22,209,780
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Yi Huiman
Chairman

Gu Shu
President

Zhang Wenwu
*General Manager of
the Finance and
Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Statement of Cash Flows — Based on IFRS

For the nine months ended 30 September 2016

(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Cash flows from operating activities		
Profit before taxation	289,866	290,521
Adjustments for:		
Share of profits of associates and joint ventures	(1,956)	(1,768)
Depreciation	10,244	12,247
Amortisation	4,614	4,742
Amortisation of financial investments	(2,922)	(2,666)
Impairment losses on loans and advances to customers	63,245	61,253
Impairment losses on assets other than loans and advances to customers	661	316
Gain on unrealised foreign exchange	(18,373)	(1,917)
Interest expense on debt securities issued	10,427	9,751
Accreted interest on impaired loans	(3,900)	(3,087)
Gain on disposal of available-for-sale financial assets, net	(3,462)	(3,443)
Net trading gain on equity investments	(208)	(36)
Net loss on financial assets and liabilities designated at fair value through profit or loss	345	5,931
Net gain on disposal of property and equipment and other assets (other than repossessed assets)	(101)	(598)
Dividend income	(191)	(150)
	<u>348,289</u>	<u>371,096</u>
Net (increase)/decrease in operating assets:		
Due from central banks	(212,231)	283,165
Due from banks and other financial institutions	219,536	(224,304)
Financial assets held for trading	(101,359)	(130,279)
Financial assets designated at fair value through profit or loss	(44,523)	13,623
Reverse repurchase agreements	72,986	142,098
Loans and advances to customers	(997,888)	(866,897)
Other assets	(401,801)	(174,975)
	<u>(1,465,280)</u>	<u>(957,569)</u>

Industrial and Commercial Bank of China Limited
Consolidated Statement of Cash Flows — Based on IFRS (continued)
For the nine months ended 30 September 2016
(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated at fair value through profit or loss	36,147	(123,973)
Due to central banks	(32)	(293)
Due to banks and other financial institutions	(406,107)	506,295
Repurchase agreements	109,413	(62,726)
Certificates of deposit	11,304	(29,557)
Due to customers	1,447,843	944,961
Other liabilities	285,398	176,194
	<u>1,483,966</u>	<u>1,410,901</u>
Net cash flows from operating activities before tax	366,975	824,428
Income tax paid	(83,172)	(71,798)
Net cash flows from operating activities	<u><u>283,803</u></u>	<u><u>752,630</u></u>
Cash flows from investing activities		
Purchases of property and equipment and other assets	(12,663)	(29,037)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	973	1,393
Purchases of financial investments	(1,917,733)	(1,455,087)
Proceeds from sale and redemption of financial investments	1,605,275	936,493
Investments in associates and joint ventures	(1,186)	—
Proceeds from disposal of associates and joint ventures	17	—
Dividends received	553	1,094
	<u>553</u>	<u>1,094</u>
Net cash flows from investing activities	<u>(324,764)</u>	<u>(545,144)</u>

Industrial and Commercial Bank of China Limited
Consolidated Statement of Cash Flows — Based on IFRS (continued)
For the nine months ended 30 September 2016
(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2015 (unaudited)
Cash flows from financing activities		
Proceeds from issuance of perpetual bond	6,691	—
Capital injection by non-controlling shareholders	1,520	323
Proceeds from issuance of other debt securities	705,468	76,155
Interest paid on debt securities	(9,344)	(7,428)
Repayment of debt securities	(681,011)	(75,607)
Dividends paid on ordinary shares	(83,150)	(91,026)
	<hr/>	<hr/>
Net cash flows from financing activities	(59,826)	(97,583)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(100,787)	109,903
Cash and cash equivalents at beginning of the period	1,441,298	994,264
Effect of exchange rate changes on cash and cash equivalents	22,506	9,873
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	1,363,017	1,114,040
	<hr/> <hr/>	<hr/> <hr/>
Net cash flows from operating activities include:		
Interest received	600,138	649,268
Interest paid	(232,616)	(254,074)
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Yi Huiman
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*General Manager of
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Accounting Department*

Appendix II Capital Adequacy Ratio, Leverage Ratio and Liquidity Coverage Ratio

I. Capital Adequacy Ratio

In RMB millions, except for percentages

Item	30 September 2016		31 December 2015	
	Group	Parent Company	Group	Parent Company
Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) promulgated by China Banking Regulatory Commission:				
Net core tier 1 capital	1,839,989	1,693,455	1,701,495	1,571,403
Net tier 1 capital	1,919,729	1,772,830	1,781,062	1,650,778
Net capital base	2,073,340	1,918,269	2,012,103	1,869,237
Core tier 1 capital adequacy ratio	12.58%	12.57%	12.87%	12.88%
Tier 1 capital adequacy ratio	13.13%	13.16%	13.48%	13.53%
Capital adequacy ratio	14.18%	14.24%	15.22%	15.32%
Calculated in accordance with the Regulation Governing Capital Adequacy of Commercial Banks and related regulations promulgated by China Banking Regulatory Commission:				
Core capital adequacy ratio	11.78%	12.12%	11.83%	12.09%
Capital adequacy ratio	14.55%	14.62%	14.75%	14.67%

II. Leverage Ratio

In RMB millions, except for percentages

Item	30 September 2016	30 June 2016	31 March 2016	31 December 2015
Net tier 1 capital	1,919,729	1,847,634	1,854,320	1,781,062
Balance of adjusted on- and off-balance sheet assets	25,357,448	25,309,554	24,599,374	23,813,992
Leverage ratio	7.57%	7.30%	7.54%	7.48%

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

		Third quarter 2016	
No.		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		4,662,765
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	8,947,696	884,769
3	Stable deposits	155,603	5,560
4	Less stable deposits	8,792,093	879,209
5	Unsecured wholesale funding, of which:	10,184,878	3,414,848
6	Operational deposits (excluding those generated from correspondent banking activities)	5,966,195	1,447,832
7	Non-operational deposits (all counterparties)	4,050,201	1,798,534
8	Unsecured debt	168,482	168,482
9	Secured funding		42,815
10	Additional requirements, of which:	2,894,787	1,079,217
11	Outflows related to derivative exposures and other collateral requirements	914,820	914,820
12	Outflows related to loss of funding on debt products	—	—
13	Credit and liquidity facilities	1,979,967	164,397
14	Other contractual funding obligations	35,168	35,147
15	Other contingent funding obligations	710,800	16,309
16	TOTAL CASH OUTFLOWS		5,473,105
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	937,810	262,389
18	Inflows from fully performing exposures	1,255,000	789,902
19	Other cash inflows	922,749	918,400
20	TOTAL CASH INFLOWS	3,115,559	1,970,691
			Total adjusted value
21	TOTAL HQLA		4,662,765
22	TOTAL NET CASH OUTFLOWS		3,502,414
23	LIQUIDITY COVERAGE RATIO (%)		133.14

Note: Data of the above table are all the simple arithmetic means of the month-end figures of the recent quarter.