

**Industrial and Commercial Bank of China (Asia) Limited**  
**2015 Annual Results Announcement**

**Steady Growth In Profitability And Operating Results**  
**Performance Hits New Height to Net Profit After Tax HKD 6.784 Billion**

19 April 2016, Hong Kong – Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)” or the “Bank”) announced its annual results today for the year 2015.

In 2015, the stagnant global economy and fluctuations in the capital and money markets, as well as the increasingly stringent regulations, ICBC (Asia) planned ahead with clear strategies and defined goals to counter the complicated operating environment, successfully overcame the barriers of reduced corporate financing and problem loans caused by the economic slowdown in Mainland China. Against all odds, the Bank reached new heights in its overall operating results, with multiple businesses seeing an ideal, steady rate of growth.

**Steady growth of assets and profitability.** In 2015, the Bank continued its steady growth with further reinforcement of its asset management business and optimization of asset liability structure. As at the end of 2015, total assets of the Bank amounted to HKD 733.6 billion, growing HKD 53 billion, while total liabilities were HKD 663.2 billion, an increase of HKD 34.1 billion as compared to the position at the end of 2014. Loans and customers’ deposits were HKD 385.7 billion and HKD 398.5 billion respectively, representing a growth of 5.88% and a decrease of 5.31% as compared to the position at the end of 2014. The balance of debt securities investment stood at HKD 126.2 billion, a growth of HKD 42.9 billion or 51.38% from 2014 yearend.

The Bank reached new heights in terms of operating results for 2015, with a net profit after tax of HKD 6.784 billion, a year-on-year growth of HKD 413 million. The annualized return on average assets for the year maintained 1.02% as year 2014, while the annualized return on average common equity for the year decreased by 1.44 percentage points year-on-year to 11.83%. In the year ending 31 December 2015, the Bank had a capital adequacy ratio of 16.74%, and a core capital adequacy ratio of 13.02%, maintaining a healthy structure of capital balance.

**Multiple core businesses continued to grow with a steady and positive growth momentum.**

With respect to Corporate Business, the Bank progressively increased its clientele of large companies, mainland “going-out” corporations, cross-border clients and local clients. In addition to raising the bar for liquidity management standards, the Bank continued to increase the quality of its assets and improved its business structure in order to strike a healthy balance and maintain growth for client savings and loan businesses. In terms of Retail Banking, through consistent improvement of its management and sales system, the Bank continued to push its “mega retail” business strategy. With new and innovative products, the Bank further established its brand image to become an outstanding cross-border financial service provider, with vast growth in retail deposits and loans, credit cards, and securities businesses. As at the end of 2015, the Bank had established a total of 57 branches, 25 “Elite Club” Wealth Management Centres, 3 commercial business centres and 169 ATMs.

In respect of the development of Global Market and Trading Business, ICBC (Asia) maximized the potential of the ICBC Group’s offshore Renminbi trading centre and its centralized trading abilities, and through dynamic management of its bond portfolio, the Bank expanded its financial market trading business, as well as its proprietary trading business, resulting in the steady growth of its global market business overall. In 2015, the Bank achieved an income from treasury activities of HKD1.072 billion, a growth of approximately 60%. With respect to Custody Business, the Bank has been strengthening the co-ordination and integration with the Group’s resources to provide global custody services, focusing on supporting the overseas investments of our clients. As at the end of 2015, the assets under the Bank’s custody amounted to HKD125.1 billion (including QDII, local and overseas clients), an increase of approximately 120% as compared to the position at the end of 2014; the custody related revenue for 2015 has exceeded HKD 100 million, an increase of approximately 80% as compared to the position at the end of 2014.

It is anticipated that further disintegration of the global economy in 2016; with the US currency going into a slow interest rate hike cycle, and Mainland China facing a restructure with pressure from currency devaluation. The Bank looks forward to proactively taking measures to cope with the ever-changing market environment, customer demands and changes in related regulations. The Bank continues to seek new strategies to align and leverage with the “Belt and Road” initiative, the internationalization of RMB and the US interest hike. As effectively expanding our Asia-Pacific region business, the Bank will seize new opportunities that come with market changes and maintain our goal of business transformational development and steady profit growth.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015

|  | 31 Dec 2015<br>HK\$'000 | 31 Dec 2014<br>HK\$'000 |
|--|-------------------------|-------------------------|
| Interest income  | 17,739,246              | 16,672,142              |
| Interest expense   | (9,222,004)             | (8,600,125)             |
| <b>Net interest income</b>   | <b>8,517,242</b>        | <b>8,072,017</b>        |
| Fee and commission income  | 2,181,059               | 1,995,918               |
| Fee and commission expense   | (345,397)               | (302,244)               |
| <b>Net fee and commission income</b>   | <b>1,835,662</b>        | <b>1,693,674</b>        |
| Net trading income   | 1,070,538               | 653,231                 |
| Net gain on financial assets designated at fair value through profit or loss | 1,372                   | 6,012                   |
| Dividend income from financial investments                                   | 8,950                   | 11,813                  |
| Other operating income   | 42,471                  | 16,170                  |
| <b>Operating income</b>  | <b>11,476,235</b>       | <b>10,452,917</b>       |
| Operating expenses   | (2,700,084)             | (2,550,511)             |
| <b>Operating profit before impairment losses</b>                             | <b>8,776,151</b>        | <b>7,902,406</b>        |
| Charge for impairment losses on loans and advances                           | (1,311,942)             | (41,704)                |
| Charge for impairment losses on held-to-maturity financial investments       | -                       | (51,765)                |
| Write back of impairment losses on available-for-sale financial investments  | 137,298                 | 11,159                  |
| <b>Operating profit after impairment losses</b>                              | <b>7,601,507</b>        | <b>7,820,096</b>        |
| Revaluation gain on investment properties                                    | 13,002                  | 11,453                  |
| Net loss from property, plant and equipment                                  | (1,803)                 | (3,085)                 |
| Gain on disposal of loans and advances                                       | -                       | 477                     |
| Net gain on disposal of available-for-sale financial investments             | 760,079                 | 141,424                 |
| <b>Operating profit</b>  | <b>8,372,785</b>        | <b>7,970,365</b>        |
| Share of profit of an associate  | 19,262                  | 21,889                  |
| <b>Profit before tax</b>   | <b>8,392,047</b>        | <b>7,992,254</b>        |
| Income tax expense   | (1,608,383)             | (1,622,009)             |
| <b>Profit for the period and attributable to equity holders of the Bank</b>  | <b>6,783,664</b>        | <b>6,370,245</b>        |

# INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

|  | 31 Dec 2015<br>HK\$'000 | 31 Dec 2014<br>HK\$'000 |
|--|-------------------------|-------------------------|
| <b>Assets</b>  |                         |                         |
| Cash and balances with banks and other financial institutions    | 138,070,069             | 154,000,336             |
| Placements with banks and other financial institutions           | 27,005,813              | 53,105,030              |
| Financial assets held for trading                                | 165,717                 | 323,257                 |
| Financial assets designated at fair value through profit or loss | -                       | 211,429                 |
| Derivative financial instruments                                 | 11,384,264              | 6,120,758               |
| Advances and other accounts                                      | 385,734,115             | 364,297,815             |
| Financial investments:   | 159,278,210             | 88,214,346              |
| - Available-for-sale   | 80,580,998              | 58,681,195              |
| - Held-to-maturity   | 78,697,212              | 29,533,151              |
| Interest in associates   | 284,878                 | 265,617                 |
| Goodwill and other intangible assets                             | 1,045,213               | 1,060,528               |
| Investment properties  | 80,919                  | 69,977                  |
| Property, plant and equipment                                    | 946,278                 | 912,860                 |
| Current income tax assets  | 182,757                 | 24,913                  |
| Deferred income tax assets                                       | 58,011                  | -                       |
| Other assets   | 9,314,781               | 12,011,761              |
| <b>Total assets</b>  | <b>733,551,025</b>      | <b>680,618,627</b>      |
| <b>Liabilities</b>   |                         |                         |
| Deposits from banks and other financial institutions             | 155,829,954             | 114,896,270             |
| Derivative financial instruments                                 | 11,015,476              | 5,766,196               |
| Deposits from customers  | 398,531,211             | 420,892,240             |
| Certificates of deposit issued                                   | 68,144,882              | 42,661,120              |
| Debt securities in issue measured at amortised cost              | 6,930,191               | 11,880,937              |
| Current income tax liabilities                                   | 206,491                 | 113,090                 |
| Deferred income tax liabilities                                  | 9,107                   | 81,011                  |
| Subordinated debts measured at amortised cost                    | 13,375,445              | 22,250,748              |
| Other liabilities  | 9,170,810               | 10,552,439              |
| <b>Total liabilities</b>   | <b>663,213,567</b>      | <b>629,094,051</b>      |
| <b>Equity</b>  |                         |                         |
| Share capital  | 36,379,331              | 23,591,832              |
| Retained earnings  | 30,002,738              | 24,277,846              |
| Other reserves   | 3,955,389               | 3,654,898               |
| <b>Total equity</b>  | <b>70,337,458</b>       | <b>51,524,576</b>       |
| <b>Total equity and liabilities</b>                              | <b>733,551,025</b>      | <b>680,618,627</b>      |

- End -

### **Industrial and Commercial Bank of China (Asia) Limited**

Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)”) is a licensed bank incorporated in Hong Kong. It has 59 branches, 27 “Elite Club” Wealth Management Centres and 3 commercial business centres in Hong Kong. It is principally engaged in banking, financial and other finance-related services with a focus on retail and commercial banking as well as corporate banking business. The total assets of ICBC (Asia) amounted to HK\$733.6 billion at the end of 2015, and its after-tax net profit reached HK\$6.784 billion in 2015. Chinese Mercantile Bank and ICBC (Asia) Investment Management Company Limited, two wholly-owned subsidiaries of ICBC (Asia), are specialized in RMB services in Mainland China and the investment management business with a focus on Asia respectively. ICBC (Asia) is the flagship of overseas banking business of Industrial and Commercial Bank of China Limited (“ICBC”) – currently the largest commercial bank in China.