

**Industrial and Commercial Bank of China (Asia) Limited**  
**Announces Results for the First Half of 2017**  
**After-tax net profit rises by 2.07% year on year to HK\$3.615 billion**

31 August 2017, Hong Kong – Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)” or the “Bank”) today announces its unaudited operating results for the first six months ended 30 June 2017 (the “Period”). It recorded after-tax net profit of HK\$3.615 billion.

General elections in a number of European countries and the United States were held in the first half of 2017 and the newly elected United States government have exacerbated the uncertainty about the global economic prospect. In the face of the complicated and volatile external environment, the Bank pressed ahead with its strategic business transformation, operation enhancement programme and innovation against all odds. It developed its business further and was working diligently towards the objectives of its business operation and management. The entire staff of the Bank worked wholeheartedly as a cohesive group and succeeded in attaining consistent and steady growth in both the overall operating results and the various businesses.

**Consistently improving profitability and steadily rising operational effectiveness:** Adapting itself to the persistent fluctuations on the global financial markets, the Bank grasped the opportunities in the external markets by carrying out an aggressive market development strategy. Meanwhile, it was actively developing its non-interest businesses to cope with the narrowing net interest margins. The move consistently enhanced its overall profitability and optimized the operating structure. In the first half of 2017, the Bank’s after-tax net profit increased by HK\$73 million year on year, or 2.07% year on year, to HK\$3.615 billion. Its net non-interest income was HK\$1.161 billion, accounting for 20.44% of the total operating income.

**Total assets kept growing while the balance sheet was consistently optimized:** In the first half of 2017, the Bank seized business opportunities by actively developing its two core businesses: deposit and lending. It further developed the local business and expanded steadily the markets in Asia Pacific. The Bank also stepped up the management and control of non-performing assets and, as a result, it controlled the asset quality effectively while its total assets were growing

steadily. As at 30 June 2017, the Bank's total assets increased by HK\$50.5 billion, or by 6.32%, to HK\$849.1 billion compared with that at the end of 2016. In particular, its balance of loans rose by 4.86% to HK\$440.1 billion compared with that at the end of 2016; the balance of securities investment increased by 4.32% to HK\$162.4 billion compared with that at the end of 2016. Total liabilities were HK\$761.4 billion, up by HK\$46.6 billion or 6.52% compared with that at the end of 2016. In particular, customers' deposits (including certificates of deposit) were HK\$531.5 billion, up by 14.26% compared with that at the end of 2016.

Capital adequacy ratio has been compiled according to the Banking (Capital) Rules published by the Hong Kong Monetary Authority. As of 30 June 2017, the Bank had a common equity tier 1 capital ratio of 12.50%, a tier 1 capital ratio of 13.84% and a total capital ratio of 16.51%. In maintaining steady growth in total assets and profitability, the Bank's core financial indices were kept at a healthy level.

In the second half of 2017, it is estimated that the external environment will remain uncertain and competition in the banking industry will still be intense. To cope with the increasingly complicated and volatile operating environment, the Bank will adapt itself proactively to the new global economic and financial situation by fostering new growth drivers, developing new ideas, furthering its development and speeding up both reform and innovation. While working assiduously towards the objectives of its operations, ICBC (Asia) will also seek to make breakthroughs in key areas, reorganization of the operations and enhancement of the asset quality control as it strives for steady and sustainable development.

- 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 is the flagship of overseas banking business of Industrial and Commercial Bank of China Limited ("ICBC") – currently the largest commercial bank in China. It has 58 retail outlets (including 28 "Elite Club" Wealth Management Centres) and 3 commercial business centres in Hong Kong. It is engaged in commercial banking, investment banking and other financial services including securities, insurance and funds, with a focus on commercial and retail banking as well as financial market related businesses. The total assets of ICBC (Asia) amounted to HK\$849.1 billion at the end of June 2017. 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 businesses with a focus on Asia respectively.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2017

(UNAUDITED)

|  | Six months ended        |                         |
|--|-------------------------|-------------------------|
|  | 30 Jun 2017<br>HK\$'000 | 30 Jun 2016<br>HK\$'000 |
| Interest income  | 9,699,112               | 9,131,069               |
| Interest expense   | (5,179,517)             | (4,632,690)             |
| <b>Net interest income</b>   | <b>4,519,595</b>        | <b>4,498,379</b>        |
| Fee and commission income  | 1,280,366               | 1,241,882               |
| Fee and commission expense   | (132,768)               | (139,370)               |
| <b>Net fee and commission income</b>   | <b>1,147,598</b>        | <b>1,102,512</b>        |
| Net trading income   | 27,669                  | 553,138                 |
| Net loss on financial assets and liabilities designated at fair value through profit or loss | (20,590)                | -                       |
| Dividend income from financial investments   | 2,913                   | 2,908                   |
| Other operating income   | 3,472                   | 5,739                   |
| <b>Operating income</b>  | <b>5,680,657</b>        | <b>6,162,676</b>        |
| Operating expenses   | (1,422,527)             | (1,457,473)             |
| <b>Operating profit before impairment losses</b>   | <b>4,258,130</b>        | <b>4,705,203</b>        |
| Charge for impairment losses on placement  | (1,239)                 | -                       |
| Charge for impairment losses on loans and advances   | (56,897)                | (492,666)               |
| Charge for impairment losses on held-to-maturity financial investments                       | (2,318)                 | -                       |
| Write back of impairment losses on available-for-sale financial investments                  | 4,964                   | 21,397                  |
| <b>Operating profit after impairment losses</b>  | <b>4,202,640</b>        | <b>4,233,934</b>        |
| Net loss from property, plant and equipment  | (2,436)                 | (691)                   |
| Net gain on disposal of available-for-sale financial investments                             | 207,004                 | 137,248                 |
| Net gain on disposal of held-to-maturity financial investments                               | 19,793                  | 2,417                   |
| <b>Operating profit</b>  | <b>4,427,001</b>        | <b>4,372,908</b>        |
| Share of (loss)/profit of an associate   | (3,161)                 | 10,906                  |
| <b>Profit before tax</b>   | <b>4,423,840</b>        | <b>4,383,814</b>        |
| Income tax expense   | (808,405)               | (841,861)               |
| <b>Profit for the period and attributable to equity holders</b>                              | <b>3,615,435</b>        | <b>3,541,953</b>        |
| <b>Earnings per share – Basic and diluted</b>  | <b>HK\$1.40</b>         | <b>HK\$1.37</b>         |

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

(UNAUDITED)

|   | <b>Unaudited</b><br><b>30 Jun 2017</b><br><b>HK\$'000</b> | Audited<br>31 Dec 2016<br>HK\$'000 | Unaudited<br>30 Jun 2016<br>HK\$'000 |
|---|---|------------------------------------|--------------------------------------|
| <b>Assets</b>   |   |                                    |                                      |
| Cash and balances with banks and other financial institutions | <b>192,568,331</b>  | 165,606,506                        | 164,841,175                          |
| Placements with banks and other financial institutions        | <b>33,453,572</b>   | 26,593,495                         | 25,593,395                           |
| Financial assets held for trading                             | <b>1,346,231</b>  | 672,251                            | 1,148,335                            |
| Derivative financial instruments                              | <b>9,434,763</b>  | 18,415,757                         | 12,667,426                           |
| Advances and other accounts                                   | <b>440,050,497</b>  | 419,655,275                        | 407,783,808                          |
| Financial investments:  | <b>161,027,718</b>  | 154,974,415                        | 161,027,048                          |
| - Available-for-sale  | <b>87,736,471</b>   | 80,692,819                         | 87,856,091                           |
| - Held-to-maturity  | <b>73,291,247</b>   | 74,281,596                         | 73,170,957                           |
| Interest in an associate                                      | <b>380,090</b>  | 383,199                            | 295,784                              |
| Goodwill and other intangible assets                          | <b>1,019,637</b>  | 1,027,525                          | 1,031,930                            |
| Investment properties   | <b>79,658</b>   | 79,658                             | 80,919                               |
| Property, plant and equipment                                 | <b>937,589</b>  | 944,313                            | 941,129                              |
| Current income tax assets                                     | <b>7,746</b>  | 14,855                             | -                                    |
| Deferred income tax assets                                    | <b>189,431</b>  | 269,650                            | 66,071                               |
| Other assets  | <b>8,645,255</b>  | 10,037,618                         | 12,633,088                           |
| <b>Total assets</b>   | <b>849,140,518</b>  | 798,674,517                        | 788,110,108                          |
| <b>Liabilities</b>  |   |                                    |                                      |
| Deposits from banks and other financial institutions          | <b>197,830,074</b>  | 208,329,544                        | 162,221,012                          |
| Derivative financial instruments                              | <b>9,332,708</b>  | 18,003,999                         | 12,586,462                           |
| Deposits from customers                                       | <b>483,158,305</b>  | 421,579,909                        | 450,507,201                          |
| Certificates of deposit issued                                | <b>48,305,005</b>   | 43,561,378                         | 57,044,521                           |
| Debt securities in issue measured                             | <b>1,096,664</b>  | 1,023,179                          | 3,188,451                            |
| - Designated at fair value through profit or loss             | <b>95,351</b>   | 72,101                             | -                                    |
| - At amortised cost   | <b>1,001,313</b>  | 951,078                            | 3,188,451                            |
| Current income tax liabilities                                | <b>803,406</b>  | 289,289                            | 509,018                              |
| Deferred income tax liabilities                               | <b>-</b>  | -                                  | 178,456                              |
| Subordinated debts measured at amortised cost                 | <b>11,682,539</b>   | 11,603,948                         | 13,353,500                           |
| Other liabilities   | <b>9,202,415</b>  | 10,397,125                         | 14,503,590                           |
| <b>Total liabilities</b>                                      | <b>761,411,116</b>  | 714,788,371                        | 714,092,211                          |
| <b>Equity</b>   |   |                                    |                                      |
| Share capital   | <b>36,379,331</b>   | 36,379,331                         | 36,379,331                           |
| Retained earnings   | <b>40,352,208</b>   | 37,150,962                         | 33,471,889                           |
| Other reserves  | <b>3,259,531</b>  | 2,617,521                          | 4,166,677                            |
| Total equity attributable to shareholders of the Bank         | <b>79,991,070</b>   | 76,147,814                         | 74,017,897                           |
| Additional equity instruments                                 | <b>7,738,332</b>  | 7,738,332                          | -                                    |
| <b>Total equity</b>   | <b>87,729,402</b>   | 83,886,146                         | 74,017,897                           |
| <b>Total equity and liabilities</b>                           | <b>849,140,518</b>  | 798,674,517                        | 788,110,108                          |