

**Industrial and Commercial Bank of China (Asia) Limited
2018 Annual Results Announcement**

**Gains Ground with Transformation and Innovation
Achieves Sustained and Stable Development
Net Profit after Tax Increases to HK\$ 8.278 Billion**

16 April 2019, Hong Kong – Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)” or the “Bank”) announced its annual results today for the year 2018.

In 2018, the softening of global economic growth and successive United States Federal Reserve interest rate hikes complicated the operating environment. Ongoing trade frictions and disputes and financial market volatility exerted additional pressure on the market. In the face of these challenges, ICBC (Asia) navigated the headwinds by focusing on development, transformation, and risk control. It applied the strategic guiding principles laid down by its parent bank, Industrial and Commercial Bank of China Limited (“Parent Bank”), across the board and followed the Bank’s three-year development roadmap to seize opportunities on the market. Through persistent efforts in transformation, the Bank continually improved its risk control and operational capabilities, thereby enabling it to maintain solid operational performance and achieve steady growth momentum in its performance.

Gained ground with transformation and innovation, continued optimization of business portfolio. The Bank employed a customer-centric approach throughout its operation. It deployed additional resources to develop target market segments and to improve service experience that created added value for customers, further strengthening its customer base. At the same time, it gained ground with transformation and innovation and identified new business growth drivers. While effectively managing its asset growth, the Bank continued to optimize its business portfolio. As at December 31, 2018, total assets of the Bank amounted to HK\$893.6 billion. Notably, the percentage of retail assets in the Bank’s asset portfolio rose continually. Total liabilities of the Bank amounted to HK\$776.3 billion. Loans amounted to HK\$475.8 billion, marking an increase of 3%, while customers’ deposits grew by 7% to HK\$533.5 billion.

In 2018, the Bank’s profitability steadily improved, with its operating results reaching a record high. Net profit after tax increased by HK\$511 million to HK\$8.278 billion compared with that of 2017.

The annualized return on average assets was 0.90% and annualized return on average common equity was 9.56% for the year 2018. As at 31 December 2018, the Bank had a capital adequacy ratio of 19.75%, and a Tier 1 capital ratio of 17.94%, preserving a sufficient size of total asset and a sound capital structure.

Seized favorable policy opportunities to gain growth momentum in multiple key businesses. In its **Corporate Banking Business**, the Bank capitalized on its strength in cross-border finance to seize the opportunities arising from policies such as the Belt and Road Initiative, the Greater Bay Area, and the establishment of the corporate treasury centers in Hong Kong to reinforce the support for Chinese enterprises making outbound investments. The Bank scaled up its exposure to high quality assets through syndicated loans. It completed multiple significant projects including underwriting the issuance of major preferred stocks and overseas green bonds in the capacity of a lead manager for the first time. Moving forward its strategy of transaction banking, the Bank offered comprehensive financial services to customers. In its **Retail Banking Business**, the Bank stepped up business reform to refine the retail business regime and devoted resources to develop such mainstay businesses as mortgage, personal consumption loans, and wealth management. Special innovative products such as various themed credit cards, and “Flexi Plus” / “Interest Plus” were launched to enrich its product offerings. In doing so, the Bank registered steady growth in the number of retail customers and scale in assets. Improvement in the setup of the Bank’s network and strengthened the image of its branches resulted in a significant increase in the average branch profitability.

With respect to the **Global Market Business**: the Bank leveraged its functional advantage as the Asia time-zone transaction center for the ICBC Group to boost its trading and market-making capabilities, achieving substantial growth in the volume of offshore Renminbi transactions. The global market trading system was strengthened through the introduction of 37 types of currencies of the countries under the Belt and Road Initiative. The implementation of these business strategies effectively elevated the stability of the operating system and offered added support to the business. As for the **Asset Management Business**, the Bank continued to establish its subsidiary ICBC Asset Management (Global) as ICBC Group’s unified operation platform for global asset management, which contributed to a thorough improvement in its asset management product offerings as well as related sales channels. Multiple products were recognized as market frontrunners. In addition, the Bank rolled out a world-leading custodian system, which achieved a number of market firsts with the custody products it debuted. The business segment witnessed significant growth in the size and revenue of its assets under management. With these accomplishments, the Bank was awarded the title of “Bond Connect Best Custodian”.

For its **Internet-based finance business**, the Bank rode on relevant policies to embrace the emerging fintech movement. Among the many key launches were Faster Payment System (“FPS”),

intelligent customer service, intelligent terminal, and “ICBC Securities” mobile application. In recognition of its market standing, the Bank was named a winner of the "Capital Excellent Mobile Banking" Award. In addition, the Bank scaled up the operation of this business through investments in research and introduced functions including upgrades in account opening procedures, account opening witness system and account opening appointment registration system to further improve customer experience. Following active online marketing and commercial collaboration arrangements, the market penetration and awareness of the Bank’s e-Banking increased considerably. On its **path of regional expansion**, the Bank capitalized on opportunities related to the development of the Greater Bay Area. Discharging the Bank’s function as ICBC Group’s leading overseas institution in the Greater Bay Area, the Bank, through the platform of its subsidiary, Chinese Mercantile Bank, accelerated its expansion in the Greater Bay Area. At the same time, seizing the opportunities arising from the Belt and Road Initiative and the establishment of “Asia Pacific Syndicated Loan Centre”, the Bank strengthened the coordination and interaction with various sister institutions across the region in the ICBC Group. The Bank’s integrated marketing footprint was expanded to cover 16 countries and regions. For these efforts, the Bank was honored to be named the “Best Chinese bank in the region for Belt and Road Initiative ” by Asiamoney last year.

Going forward in 2019, the seemingly stable global economy is expected to progress with undercurrents of change. The banking industry is facing a more complicated environment with increasing uncertainties. However, opportunities comes with change. A series of economic stimulus policies announced by the Hong Kong SAR government, the unveiling of the “Outline Development Plan for the Greater Bay Area”, and the promising prospects of the markets along Belt and Road are bringing impetus to the development of the banking industry. The Bank will actively respond to the changing conditions, embrace strategic opportunities, and forge further ahead with transformation and innovation. The vast market on the mainland, coupled with the strong backing from the ICBC Group, will give the Bank an edge in its development. While deepening its penetration in the local market, the Bank will extend its foothold in the Greater Bay Area and the Asia-Pacific market. Putting customers first, the Bank will offer diversified and integrated financial services to propel the development of ICBC (Asia) to a new level. Last but not least, the Bank will reaffirm its commitment to continued growth while maintaining stable performance and achieving sustainable development.

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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 business of Industrial and Commercial Bank of China Limited (“ICBC”) – currently the largest commercial bank in China. It has 56 retail outlets (including 29 “Elite Club” Wealth Management Centres) in Hong Kong. It is engaged in commercial banking, investment banking and other financial services, including those of securities, insurance and funds, with a focus on commercial and retail banking as well as global market business. As at 31 December 2018, the total assets of ICBC (Asia) amounted to HK\$893.6 billion. Chinese Mercantile Bank and ICBC Asset Management (Global) Company Limited, two wholly-owned subsidiaries of ICBC (Asia), specialize in Renminbi services in mainland China and ICBC’s global asset management business respectively.