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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 2019

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 2019. This report 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 2019 has been considered and approved at the meeting of the Board of Directors of the Bank held on 25 October 2019. There were 14 directors eligible for attending the meeting, of whom 13 directors attended the meeting in person and 1 director attended the meeting by proxy, namely, Mr. Hu Hao appointed Mr. Gu Shu, Vice Chairman of the Board of Directors, to attend the meeting and exercise the voting right on his behalf.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Chen Siqing, 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
	工行優 2	360036	

Board Secretary and Company Secretary	
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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 2019	31 December 2018	Changes as compared to the end of last year (%)
Total assets	30,426,381	27,699,540	9.84
Total loans and advances to customers	16,660,486	15,419,905	8.05
Allowance for impairment losses on loans ⁽¹⁾	474,985	413,177	14.96
Investment	7,454,996	6,754,692	10.37
Total liabilities	27,755,753	25,354,657	9.47
Due to customers	23,368,159	21,408,934	9.15
Due to banks and other financial institutions	2,148,953	1,814,495	18.43
Equity attributable to equity holders of the parent company	2,654,896	2,330,001	13.94
Net asset value per share (RMB yuan)	6.79	6.30	7.78

Note: (1) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.

	Three months ended 30 September 2019	Changes as compared to the three months ended 30 September 2018 (%)	Nine months ended 30 September 2019	Changes as compared to the nine months ended 30 September 2018 (%)
Operating income	190,481	6.67	584,684	8.30
Net profit	83,998	5.71	252,688	5.23
Net profit attributable to equity holders of the parent company	83,781	5.80	251,712	5.04
Net cash flows from operating activities	N/A	N/A	1,375,207	55.76
Basic earnings per share (<i>RMB yuan</i>)	0.24	9.09	0.71	5.97
Diluted earnings per share (<i>RMB yuan</i>)	0.24	9.09	0.71	5.97
Return on weighted average equity (%, <i>annualised</i>)	14.12	A decrease of 0.70 percentage points	14.30	A decrease of 0.85 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 2019 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 565,553 ordinary shareholders, including 121,124 holders of H shares and 444,429 holders of A shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK

Unit: Share

Name of shareholder	Nature of shareholder	Class 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 ⁽⁴⁾	State-owned	A shares	34.60	123,316,451,864	None	—
HKSCC Nominees Limited/ Hong Kong Securities Clearing Company Limited ⁽⁵⁾	Foreign legal person	H shares	24.17	86,150,241,795	Unknown	-1,422,539
		A shares	0.28	1,005,437,145	None	132,286,907
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A shares	1.03	3,687,330,676	None	—
China Securities Finance Co., Ltd.	State-owned legal person	A shares	0.68	2,416,131,564	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.	State-owned legal person	A shares	0.28	1,013,921,700	None	—
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A shares	0.11	396,269,527	None	-349,445,630
China Life Insurance Company Limited — Dividends Distribution — Dividends Distribution to Individuals — 005L — FH002 Hu	Other entities	A shares	0.09	323,479,098	None	-677,366,154
Taiping Life Insurance Co., Ltd. — Traditional — Ordinary insurance products — 022L — CT001 Hu	Other entities	A shares	0.07	236,724,154	None	236,724,154

Notes: (1) The above data are based on the Bank's register of shareholders as at 30 September 2019.

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

(3) Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. (hereinafter referred to as "Huijin"). Both "China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu" and "China Life Insurance Company Limited — Dividends Distribution — Dividends Distribution to Individuals — 005L — FH002 Hu" are managed by China Life Insurance Company Limited. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned shareholders.

(4) The Bank received a notice from the Ministry of Finance of the People's Republic of China (hereinafter referred to as "MOF") on 25 September 2019 that MOF decided to transfer 10% of the equity held to the National Council for Social Security Fund, and the number of shares involved in the transfer was 12,331,645,186 shares (about 3.46% of the Bank's total share capital). As at 30 September 2019, the relevant regulatory approval and other procedures had not been completed yet. After the transfer, MOF will have a shareholding percentage of 31.14%.

(5) HKSCC Nominees Limited held 86,150,241,795 H shares and Hong Kong Securities Clearing Company Limited held 1,005,437,145 A shares.

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 2019, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Percentage of A shares ⁽³⁾ (%)	Percentage of total ordinary shares ⁽³⁾ (%)
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	123,717,852,951	Long position	45.89	34.71
	Interest of controlled corporations	1,013,921,700	Long position	0.38	0.28
	Total	124,731,774,651		46.26	35.00

Notes: (1) According to the register of shareholders of the Bank as at 30 September 2019, MOF held 123,316,451,864 shares in the Bank.

(2) According to the register of shareholders of the Bank as at 30 September 2019, Huijin held 123,717,852,951 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Huijin, held 1,013,921,700 shares in the Bank.

(3) Due to rounding, percentages presented herein are for reference only.

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares ⁽²⁾ (%)	Percentage of total ordinary shares ⁽²⁾ (%)
Ping An Asset Management Co., Ltd. ⁽¹⁾	Investment manager	12,168,809,000	Long position	14.02	3.41
National Council for Social Security Fund	Beneficial owner	8,663,703,234	Long position	9.98	2.43
Temasek Holdings (Private) Limited	Interest of controlled corporations	7,317,475,731	Long position	8.43	2.05
Citigroup Inc.	Interest of controlled corporations	168,422,811	Long position	0.19	0.05
	Approved lending agent	4,269,976,445	Long position	4.92	1.20
	Total	4,438,399,256		5.11	1.25
	Interest of controlled corporations	39,156,970	Short position	0.05	0.01

Notes: (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 30 September 2019 (the date of relevant event being 12 June 2019). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

(2) Due to rounding, percentages presented herein are for reference only.

2.5 Number of preference shareholders and particulars of shareholding

As at the end of the reporting period, the Bank had two offshore preference shareholders (or proxies), 26 domestic preference shareholders of “工行優1” and 32 domestic preference shareholders of “工行優2”. During the reporting period, the Bank did not restore any voting right of the preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES)

Unit: Share

Name of shareholder	Nature of shareholder	Class 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) The above data are based on the Bank’s register of offshore preference shareholders as at 30 September 2019.

(2) As the issuance of the offshore preference shares above 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 among the afore-mentioned preference shareholders and the top 10 ordinary shareholders.

(4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 1”

Unit: Share

Name of shareholder	Nature of shareholder	Class 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 Group Co., Ltd.	State-owned legal person	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
BOCOM Schrodgers Asset 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) Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
China National Tobacco Corporation Heilongjiang Branch	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) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 1” as at 30 September 2019.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. Both “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividends Distribution — Dividends Distribution to Individuals — 005L — FH002 Hu” are managed by China Life Insurance Company Limited. The “Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and among the afore-mentioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優 1”.

PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 2”

Unit: Share

Name of shareholder	Nature of shareholder	Class 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
Bosera Asset Management Co., Limited	State-owned legal person	Domestic preference shares	150,000,000	150,000,000	21.4	—	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	120,000,000	120,000,000	17.1	—	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	100,000,000	100,000,000	14.3	—	None
Shaanxi International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	70,000,000	70,000,000	10.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	70,000,000	70,000,000	10.0	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	50,000,000	50,000,000	7.1	—	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	30,000,000	30,000,000	4.3	—	None
Bank of Beijing Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	20,000,000	20,000,000	2.9	—	None
BOCOM Schrodgers Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	15,000,000	15,000,000	2.1	—	None
Ping An Property & Casualty Insurance Company of China Ltd.	Domestic non-state-owned legal person	Domestic preference shares	15,000,000	15,000,000	2.1	—	None

Notes: (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 2” as at 30 September 2019.

(2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. Both “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” and “China Life Insurance Company Limited — Dividends Distribution — Dividends Distribution to Individuals — 005L — FH002 Hu” are managed by China Life Insurance Company Limited. The “Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優 2”.

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 RMB252,688 million, representing an increase of 5.23% compared with the same period of last year. Annualised return on average total assets was 1.16%. Annualised return on weighted average equity was 14.30%.

Operating income amounted to RMB584,684 million, representing an increase of 8.30% compared with the same period of last year. Net interest income was RMB453,146 million, representing an increase of 6.97% compared with the same period of last year. Annualised net interest margin stood at 2.26%. Non-interest income reported RMB131,538 million, representing an increase of 13.15% compared with the same period of last year, of which net fee and commission income was RMB124,635 million, representing an increase of 9.58% compared with the same period of last year. Operating expenses (excluding taxes and surcharges) were RMB130,019 million, representing an increase of 6.11% compared with the same period of last year. Cost-to-income ratio was 22.24%.

As at the end of the reporting period, total assets amounted to RMB30,426,381 million, representing an increase of RMB2,726,841 million or 9.84% over the end of the previous year. Total loans and advances to customers (excluding accrued interest) amounted to RMB16,660,486 million, representing an increase of RMB1,240,581 million or 8.05% over the end of last year, of which RMB loans of domestic branches grew by RMB1,152,644 million or 8.48%. In terms of the structure, corporate loans were RMB10,040,360 million, personal loans were RMB6,231,251 million and discounted bills were RMB388,875 million. Investments reached RMB7,454,996 million, representing an increase of RMB700,304 million or 10.37% over the end of last year.

Total liabilities amounted to RMB27,755,753 million, representing an increase of RMB2,401,096 million or 9.47% over the end of the previous year. Due to customers amounted to RMB23,368,159 million, representing an increase of RMB1,959,225 million or 9.15% over the end of the previous year. In terms of the structure, time deposits were RMB11,964,405 million, demand deposits were RMB10,943,680 million, other deposits were RMB225,851 million and accrued interest was RMB234,223 million.

Shareholders' equity amounted to RMB2,670,628 million, representing an increase of RMB325,745 million or 13.89% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB239,785 million, representing an increase of RMB4,701 million over the end of the previous year. The NPL ratio was 1.44%, representing a decrease of 0.08 percentage points over the end of the previous year. The allowance to NPL ratio stood at 198.09%, representing an increase of 22.33 percentage points over the end of the previous year.

The core tier 1 capital adequacy ratio was 12.93%, the tier 1 capital adequacy ratio was 14.16% and the capital adequacy ratio was 16.65%¹, all meeting regulatory requirements.

¹ Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional).

4. SIGNIFICANT EVENTS

4.1 Significant changes in major financial data and financial indicators and the reasons thereof

√ Applicable

Not applicable

In RMB millions, except for percentages

Item	30 September 2019	31 December 2018	Increase/Decrease (%)	Main reasons for change
Derivative financial assets	117,828	71,335	65.18	As affected by factors such as increasing market price fluctuation, changes in the valuation of derivative contracts increased, resulting in the large increase in both derivative financial assets and liabilities
Reverse repurchase agreements	1,116,924	734,049	52.16	The lending from reverse repurchase agreements increased
Other assets	565,639	380,404	48.69	Precious metals leased and clearing amount of receivables increased
Derivative financial liabilities	140,156	73,573	90.50	As affected by factors such as increasing market price fluctuation, changes in the valuation of derivative contracts increased, resulting in the large increase in both derivative financial assets and liabilities
Repurchase agreements	270,975	514,801	(47.36)	The balance of deposits from bond pledge decreased
Deferred income tax liabilities	2,145	1,217	76.25	The increase in fair value of financial instruments measured at fair value through profit or loss resulted in the increase in deferred income tax liabilities recognised accordingly
Other equity instruments	236,018	86,051	174.28	Due to the issuance of preference shares and perpetual bonds

In RMB millions, except for percentages

Item	Nine months ended 30 September 2019	Nine months ended 30 September 2018	Increase/Decrease (%)	Main reasons for change
Net trading income	8,157	4,869	67.53	Income from derivative financial instruments increased
Net loss on financial investments	(5,174)	(1,382)	274.38	The increase in the size of structured deposits resulted in the increase in payments to customers
Net profit attributable to non-controlling interests	976	493	97.97	Net profit of non-wholly-owned subsidiaries increased

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

Applicable Not applicable

4.2.1 Issuance of Undated Additional Tier 1 Capital Bonds

As approved by the China Banking and Insurance Regulatory Commission and the People's Bank of China, the Bank made a public issuance of RMB80.0 billion undated additional tier 1 capital bonds in China's national inter-bank bond market in July 2019. Please refer to the announcements published by the Bank on the "HKEXnews" website of Hong Kong Exchanges and Clearing Limited (hereinafter referred to as "HKEX") and website of Shanghai Stock Exchange for details.

4.2.2 Issuance of Preference Shares

As approved by the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission, the Bank made a non-public issuance of RMB70.0 billion domestic preference shares in September 2019. With the approval of the Shanghai Stock Exchange, the domestic preference shares were listed on the integrated trading platform of the Shanghai Stock Exchange for transfer as of 16 October 2019. Please refer to the announcements published by the Bank on the "HKEXnews" website of HKEX and website of Shanghai Stock Exchange for details.

4.2.3 Progress of the Redemption of Offshore Preference Shares

In 2014, the Bank issued USD2.94 billion USD Preference Shares and RMB12.0 billion RMB Preference Shares in the offshore market. On 29 August 2019, the Board of Directors of the Bank considered and approved the Proposal on Exercising the Redemption Right of the Offshore Preference Shares. The Bank proposes to exercise the redemption right of all of the aforesaid offshore preference shares on 10 December 2019, under the condition that the approval from the China Banking and Insurance Regulatory Commission is obtained. In October 2019, the Bank received a reply letter from the China Banking and Insurance Regulatory Commission, pursuant to which, no objections were raised to the Bank's redeeming USD2.94 billion USD Preference Shares and RMB12.0 billion RMB Preference Shares. Please refer to the announcements published by the Bank on the "HKEXnews" website of HKEX and website of Shanghai Stock Exchange for details.

4.3 Implementation of cash dividend policy during the reporting period

Applicable Not applicable

Upon the approval at the Annual General Meeting for the Year 2018 held on 20 June 2019, the Bank has distributed cash dividends of about RMB89,315 million, or RMB2.506 per ten shares (pre-tax), for the period from 1 January 2018 to 31 December 2018 to the ordinary shareholders whose names appeared on the register of shareholders upon the close of market on 2 July 2019.

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 25 October 2019, and decided to distribute total dividends of RMB2,025 million for domestic preference shares on 25 November 2019 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 RMB2,512 million (estimated based on the exchange rate at the end of September, and the actual sum will depend on the exchange rate on the day of announcement) for offshore preference shares on 10 December 2019 at a dividend rate of 6% (post-tax, i.e., actual dividend rate received by offshore preference shareholders).

4.4 Unfulfilled commitments during the reporting period

Applicable Not applicable

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

5.1 Financial statements prepared based on IFRSs are attached in Appendix I to this report

5.2 Capital adequacy ratios disclosed as per the Regulation Governing Capital of Commercial Banks (Provisional), leverage ratio disclosed as per the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) and liquidity coverage ratio disclosed as per the Administrative Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks are attached in Appendix II to this report

6. RELEASE OF QUARTERLY REPORT

The report will be published simultaneously on the “HKEXnews” website of HKEX (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, China
25 October 2019

As at the date of this announcement, the Board of Directors comprises Mr. CHEN Siqing, Mr. GU Shu and Mr. HU Hao as executive directors, Mr. YE Donghai, Mr. ZHENG Fuqing, Ms. MEI Yingchun, Mr. DONG Shi and Mr. LU Yongzhen as non-executive directors, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Ms. Sheila Colleen BAIR, Mr. SHEN Si, Mr. Nout WELLINK and Mr. Fred Zulu HU as independent non-executive directors.

Appendix I
Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss — Based on IFRS
For the nine months ended 30 September 2019
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)	Three months ended 30 September 2018 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)
Interest income	266,983	775,140	243,243	700,050
Interest expense	(113,138)	(321,994)	(97,229)	(276,420)
NET INTEREST INCOME	153,845	453,146	146,014	423,630
Fee and commission income	40,358	135,606	38,227	125,930
Fee and commission expense	(4,224)	(10,971)	(3,748)	(12,191)
NET FEE AND COMMISSION INCOME	36,134	124,635	34,479	113,739
Net trading income	2,284	8,157	1,825	4,869
Net loss on financial investments	(1,750)	(5,174)	(3,311)	(1,382)
Other operating (expense)/income, net	(32)	3,920	(429)	(976)
OPERATING INCOME	190,481	584,684	178,578	539,880
Operating expenses	(48,466)	(135,620)	(46,508)	(128,466)
Impairment losses on assets	(38,576)	(137,756)	(33,475)	(116,933)
OPERATING PROFIT	103,439	311,308	98,595	294,481
Share of profits of associates and joint ventures	506	1,846	712	2,042
PROFIT BEFORE TAXATION	103,945	313,154	99,307	296,523
Income tax expense	(19,947)	(60,466)	(19,844)	(56,403)
PROFIT FOR THE PERIOD	83,998	252,688	79,463	240,120

Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss — Based on IFRS (continued)
For the nine months ended 30 September 2019
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)	Three months ended 30 September 2018 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)
Attributable to:				
Equity holders of the parent company	83,781	251,712	79,185	239,627
Non-controlling interests	<u>217</u>	<u>976</u>	<u>278</u>	<u>493</u>
Profit for the period	<u><u>83,998</u></u>	<u><u>252,688</u></u>	<u><u>79,463</u></u>	<u><u>240,120</u></u>
EARNINGS PER SHARE				
— Basic (<i>RMB yuan</i>)	0.24	0.71	0.22	0.67
— Diluted (<i>RMB yuan</i>)	<u><u>0.24</u></u>	<u><u>0.71</u></u>	<u><u>0.22</u></u>	<u><u>0.67</u></u>

Chen Siqing
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 2019
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)	Three months ended 30 September 2018 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)
Profit for the period	<u>83,998</u>	<u>252,688</u>	<u>79,463</u>	<u>240,120</u>
Other comprehensive income (after tax, net):				
Items that will not be reclassified to profit or loss:				
Changes in fair value of equity instruments designated as at fair value through other comprehensive income	(915)	(132)	1,066	1,395
Other comprehensive income recognised under equity method	—	5	—	6
Others	1	1	(3)	(6)
Items that may be reclassified subsequently to profit or loss:				
Changes in fair value of debt instruments measured at fair value through other comprehensive income	3,413	7,407	2,501	14,445
Credit losses of debt instruments measured at fair value through other comprehensive income	227	186	138	(1,296)
Reserve from cash flow hedging instruments	119	(524)	(258)	(298)
Other comprehensive income recognised under equity method	262	(94)	(69)	326
Foreign currency translation differences	5,714	6,725	6,687	4,328
Others	(871)	(880)	(723)	(953)
Subtotal of other comprehensive income for the period	<u>7,950</u>	<u>12,694</u>	<u>9,339</u>	<u>17,947</u>
Total comprehensive income for the period	<u><u>91,948</u></u>	<u><u>265,382</u></u>	<u><u>88,802</u></u>	<u><u>258,067</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent company	91,554	264,243	88,368	257,451
Non-controlling interests	<u>394</u>	<u>1,139</u>	<u>434</u>	<u>616</u>

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and Accounting Department

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

30 September 2019

(In RMB millions, unless otherwise stated)

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
ASSETS		
Cash and balances with central banks	3,386,317	3,372,576
Due from banks and other financial institutions	1,172,341	962,449
Derivative financial assets	117,828	71,335
Reverse repurchase agreements	1,116,924	734,049
Loans and advances to customers	16,234,535	15,046,132
Financial investments	7,454,996	6,754,692
— Financial investments measured at fair value through profit or loss	946,711	805,347
— Financial investments measured at fair value through other comprehensive income	1,512,792	1,430,163
— Financial investments measured at amortised cost	4,995,493	4,519,182
Investments in associates and joint ventures	29,821	29,124
Property and equipment	289,345	290,404
Deferred income tax assets	58,635	58,375
Other assets	565,639	380,404
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TOTAL ASSETS	30,426,381	27,699,540
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Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS (continued)
30 September 2019
(In RMB millions, unless otherwise stated)

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
LIABILITIES		
Due to central banks	552	481
Financial liabilities designated as at fair value through profit or loss	111,967	87,400
Derivative financial liabilities	140,156	73,573
Due to banks and other financial institutions	2,148,953	1,814,495
Repurchase agreements	270,975	514,801
Certificates of deposit	355,953	341,354
Due to customers	23,368,159	21,408,934
Income tax payable	74,780	84,741
Deferred income tax liabilities	2,145	1,217
Debt securities issued	749,661	617,842
Other liabilities	532,452	409,819
	<u>27,755,753</u>	<u>25,354,657</u>
TOTAL LIABILITIES		
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	236,018	86,051
Reserves	694,224	680,877
Retained profits	1,368,247	1,206,666
	<u>2,654,896</u>	<u>2,330,001</u>
Non-controlling interests	15,732	14,882
	<u>2,670,628</u>	<u>2,344,883</u>
TOTAL EQUITY		
	<u>2,670,628</u>	<u>2,344,883</u>
TOTAL EQUITY AND LIABILITIES	<u><u>30,426,381</u></u>	<u><u>27,699,540</u></u>

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Industrial and Commercial Bank of China Limited

Consolidated Cash Flow Statement — Based on IFRS

For the nine months ended 30 September 2019

(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	313,154	296,524
Adjustments for:		
Share of profits of associates and joint ventures	(1,846)	(2,042)
Depreciation	14,227	9,376
Amortisation	2,342	4,474
Amortisation of financial investments	(2,439)	(115)
Impairment losses on assets	137,756	116,933
Unrealised loss on foreign exchange	14,421	24,637
Interest expense on debt securities issued	21,393	17,213
Accreted interest on impaired loans	(1,757)	(2,019)
Net loss on disposal of financial investments	5,676	1,577
Net trading gain on equity investments	(1,850)	(455)
Net (gain)/loss on changes in fair value	(10,970)	5,727
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)	(933)	(1,361)
Dividend income	(502)	(195)
	<u>488,672</u>	<u>470,274</u>

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the nine months ended 30 September 2019
(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)
Net decrease/(increase) in operating assets:		
Due from central banks	112,115	127,341
Due from banks and other financial institutions	174,636	(171,499)
Financial investments measured at fair value through profit or loss	(119,965)	(285,657)
Reverse repurchase agreements	37,115	185,600
Loans and advances to customers	(1,246,351)	(879,358)
Other assets	(172,909)	(98,279)
	<u>(1,215,359)</u>	<u>(1,121,852)</u>
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated as at fair value through profit or loss	20,690	3,309
Due to central banks	70	(19)
Due to banks and other financial institutions	308,317	284,165
Repurchase agreements	(243,744)	(481,855)
Certificates of deposit	2,041	41,845
Due to customers	1,892,284	1,675,361
Other liabilities	194,526	77,048
	<u>2,174,184</u>	<u>1,599,854</u>
Net cash flows from operating activities before tax	1,447,497	948,276
Income tax paid	(72,290)	(65,374)
Net cash flows from operating activities	<u>1,375,207</u>	<u>882,902</u>

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the nine months ended 30 September 2019
(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2018 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(30,944)	(37,761)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	1,793	1,385
Purchases of financial investments	(1,894,434)	(1,644,217)
Proceeds from sale and redemption of financial investments	1,277,473	1,162,575
Investments in associates and joint ventures	(820)	(1,660)
Dividends received	2,044	1,698
	<hr/>	<hr/>
Net cash flows from investing activities	(644,888)	(517,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of other equity instruments	150,000	—
Capital injection by non-controlling shareholders	57	76
Proceeds from issuance of debt securities	930,202	802,249
Interest paid on debt securities	(15,147)	(13,197)
Repayment of debt securities	(806,665)	(739,451)
Acquisition of non-controlling interests	(11)	—
Dividends paid on ordinary shares	(89,315)	(85,823)
Dividends paid to non-controlling shareholders	(338)	(327)
	<hr/>	<hr/>
Net cash flows from financing activities	168,783	(36,473)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	1,509,524	1,520,330
Effect of exchange rate changes on cash and cash equivalents	30,277	35,744
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>2,438,903</u>	<u>1,884,523</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	800,472	717,986
Interest paid	(293,796)	(265,605)
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Appendix II Capital Adequacy Ratio, Leverage Ratio and Liquidity Coverage Ratio

I. Capital Adequacy Ratio

In RMB millions, except for percentages

Item	30 September 2019		31 December 2018	
	Group	Parent Company	Group	Parent Company
Net core tier 1 capital	2,406,627	2,170,451	2,232,033	2,040,396
Net tier 1 capital	2,636,734	2,381,687	2,312,143	2,102,348
Net capital base	3,099,440	2,831,689	2,644,885	2,419,120
Core tier 1 capital adequacy ratio	12.93%	12.84%	12.98%	13.23%
Tier 1 capital adequacy ratio	14.16%	14.09%	13.45%	13.63%
Capital adequacy ratio	16.65%	16.76%	15.39%	15.68%

II. Leverage Ratio

In RMB millions, except for percentages

Item	30 September 2019	30 June 2019	31 March 2019	31 December 2018
Net tier 1 capital	2,636,734	2,395,570	2,395,508	2,312,143
Balance of adjusted on- and off-balance sheet assets	32,402,109	32,093,349	31,442,163	29,679,878
Leverage ratio	8.14%	7.46%	7.62%	7.79%

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

No.		Third quarter 2019	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		4,986,360
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	10,990,820	1,095,045
3	<i>Stable deposits</i>	62,122	2,175
4	<i>Less stable deposits</i>	10,928,698	1,092,870
5	Unsecured wholesale funding, of which:	12,880,037	4,290,560
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	7,331,602	1,779,172
7	<i>Non-operational deposits (all counterparties)</i>	5,461,268	2,424,221
8	<i>Unsecured debt</i>	87,167	87,167
9	Secured funding		18,291
10	Additional requirements, of which:	3,424,206	1,217,514
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,028,791	1,028,786
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	2,395,415	188,728
14	Other contractual funding obligations	57,535	57,008
15	Other contingent funding obligations	3,589,331	116,291
16	TOTAL CASH OUTFLOWS		6,794,709
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	1,018,439	539,828
18	Inflows from fully performing exposures	1,508,784	1,111,680
19	Other cash inflows	1,033,318	1,026,455
20	TOTAL CASH INFLOWS	3,560,541	2,677,963
			Total adjusted value
21	TOTAL HQLA		4,986,360
22	TOTAL NET CASH OUTFLOWS		4,116,746
23	LIQUIDITY COVERAGE RATIO (%)		121.18%

Note: Data of the above table are all the simple arithmetic means of the 92 natural days' figures of the recent quarter.