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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

EUR Preference Shares Stock Code: 4604

USD Preference Shares Stock Code: 4620

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED THIRD QUARTERLY REPORT OF 2020

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 2020. 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 2020 has been considered and approved at the meeting of the Board of Directors of the Bank held on 30 October 2020. All directors of the Bank attended the meeting.
- 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. Liu Yagan, 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
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange
	工行優 2	360036	
Offshore Preference Share	ICBC EURPREF1	4604	The Stock Exchange of Hong Kong Limited
	ICBC 20USDPREF	4620	

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 2020	31 December 2019	Changes as compared to the end of last year (%)
Total assets	33,471,851	30,109,436	11.17
Total loans and advances to customers	18,443,307	16,761,319	10.03
Allowance for impairment losses on loans ⁽¹⁾	542,916	478,730	13.41
Investment	8,580,136	7,647,117	12.20
Total liabilities	30,649,771	27,417,433	11.79
Due to customers	25,585,348	22,977,655	11.35
Due to banks and other financial institutions	2,626,922	2,266,573	15.90
Equity attributable to equity holders of the parent company	2,806,279	2,676,186	4.86
Net asset value per share (RMB yuan)	7.24	6.93	4.47

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 2020	Changes as compared to the three months ended 30 September 2019 (%)	Nine months ended 30 September 2020	Changes as compared to the nine months ended 30 September 2019 (%)
Operating income	197,901	3.90	600,247	2.66
Net profit	80,377	(4.31)	230,173	(8.91)
Net profit attributable to equity holders of the parent company	79,885	(4.65)	228,675	(9.15)
Net cash flows from operating activities	N/A	N/A	2,020,442	67.22
Basic earnings per share (<i>RMB yuan</i>)	0.22	(8.33)	0.64	(9.86)
Diluted earnings per share (<i>RMB yuan</i>)	0.22	(8.33)	0.64	(9.86)
Return on weighted average equity (%, <i>annualised</i>)	11.50	A decrease of 2.62 percentage points	11.65	A decrease of 2.65 percentage points

2.2.2 Reconciliation of 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 2020 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 719,597 ordinary shareholders, including 117,841 holders of H shares and 601,756 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 Share	34.71	123,717,852,951	None	—
Ministry of Finance of the People's Republic of China	State-owned	A Share	31.14	110,984,806,678	None	—
HKSCC Nominees Limited ⁽²⁾⁽⁴⁾	Foreign legal person	H Share	24.18	86,166,304,283	Unknown	13,155,242
National Council for Social Security Fund ⁽²⁾⁽³⁾	State-owned	A Share	3.46	12,331,645,186	None	—
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A Share	1.03	3,687,330,676	None	—
China Securities Finance Co., Ltd.	State-owned legal person	A Share	0.68	2,416,131,564	None	—
Hong Kong Securities Clearing Company Limited	Foreign legal person	A Share	0.29	1,043,666,606	None	-299,011,210
Central Huijin Asset Management Co., Ltd. ⁽⁴⁾	State-owned legal person	A Share	0.28	1,013,921,700	None	—
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A Share	0.13	470,683,288	None	93,012,961
Taiping Life Insurance Co., Ltd. — Traditional — Ordinary insurance products — 022L — CT001 Hu	Other entities	A Share	0.11	387,807,151	None	24,521,800

Notes: (1) The above data are based on the Bank's register of shareholders as at 30 September 2020.

- (2) Total number of shares held by HKSCC Nominees Limited refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 30 September 2020. According to the information provided by National Council for Social Security Fund to the Bank, these shares included 7,946,049,758 H shares of the Bank held by National Council for Social Security Fund. Total number of shares held by HKSCC Nominees Limited also included H shares of the Bank held by Ping An Asset Management Co., Ltd., Temasek Holdings (Private) Limited and China Life Insurance (Group) Company.
- (3) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), Ministry of Finance of the People's Republic of China transferred 12,331,645,186 shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares.
- (4) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Save as disclosed above, 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 2020, 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 ⁽²⁾ (%)	Percentage of total ordinary shares ⁽²⁾ (%)
Central Huijin Investment Ltd. ⁽¹⁾	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
Ministry of Finance of the People's Republic of China	Beneficial owner	110,984,806,678	Long position	41.16	31.14

Notes: (1) According to the register of shareholders of the Bank as at 30 September 2020, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

(2) 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 ⁽⁴⁾ (%)	Percentage of total ordinary shares ⁽⁴⁾ (%)
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 ⁽²⁾	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
China Life Insurance (Group) Company ⁽³⁾	Beneficial owner	205,750,000	Long position	0.24	0.06
	Interest of controlled corporations	4,134,077,000	Long position	4.76	1.16
	Total	4,339,827,000	Long position	5.00	1.22

- 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 2020 (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) According to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund held 7,946,049,758 H shares of the Bank as at the end of the reporting period.
- (3) As at 30 September 2020, the disclosure date for interests declared finally by China Life Insurance (Group) Company was 3 June 2020. According to the interest disclosure by China Life Insurance Company Limited dated 21 September 2020, China Life Insurance Company Limited is the controlled corporation of China Life Insurance (Group) Company, and it held the long position of 4,358,749,000 H shares as beneficial owner, accounting for 5.02% and 1.22% of H shares and all ordinary shares of the Bank respectively.
- (4) 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 one offshore preference shareholder (or proxy), 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
The Bank of New York Depository (Nominees) Limited	Foreign legal person	USD offshore preference shares	145,000,000	145,000,000	78.4	—	Unknown
		EUR offshore preference shares	—	40,000,000	21.6	—	Unknown

- Notes: (1) The above data are based on the Bank’s register of offshore preference shareholders as at 30 September 2020.
- (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 between the afore-mentioned preference shareholder 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
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	3,000,000	18,000,000	4.0	—	None
CCB Trust Co., Ltd.	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 2020.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is managed by China Life Insurance Company Limited. “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	21.4	—	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	120,000,000	17.1	—	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	100,000,000	14.3	—	None
BOC International (China) Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	70,000,000	10.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	70,000,000	10.0	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	7.1	—	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	—	30,000,000	4.3	—	None
Bank of Beijing Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	20,000,000	2.9	—	None
BOCOM Schrodgers Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	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	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 2020.

(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. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is managed by China Life Insurance Company Limited. “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 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 RMB230,173 million, representing a decrease of 8.91% compared with the same period of last year. Annualised return on average total assets was 0.97%. Annualised return on weighted average equity was 11.65%.

Operating income amounted to RMB600,247 million, representing an increase of 2.66% compared with the same period of last year. Net interest income was RMB462,818 million, representing an increase of 2.13%. Annualised net interest margin stood at 2.10%. Non-interest income reported RMB137,429 million, representing an increase of 4.48%, of which net fee and commission income was RMB124,970 million, representing an increase of 0.27%. Operating expenses (excluding taxes and surcharges) were RMB130,935 million, representing an increase of 0.70%. Cost-to-income ratio was 21.81%.

As at the end of the reporting period, total assets amounted to RMB33,471,851 million, representing an increase of RMB3,362,415 million or 11.17% over the end of the previous year. Total loans and advances to customers (excluding accrued interest) amounted to RMB18,443,307 million, representing an increase of RMB1,681,988 million or 10.03%, of which RMB loans of domestic branches grew by RMB1,581,803 million or 10.60%. In terms of the structure, corporate loans were RMB11,057,904 million, personal loans were RMB6,965,707 million and discounted bills were RMB419,696 million. Investments reached RMB8,580,136 million, representing an increase of RMB933,019 million or 12.20%.

Total liabilities amounted to RMB30,649,771 million, representing an increase of RMB3,232,338 million or 11.79% over the end of the previous year. Due to customers amounted to RMB25,585,348 million, representing an increase of RMB2,607,693 million or 11.35%. In terms of the structure, time deposits were RMB12,767,470 million, demand deposits were RMB12,288,136 million, other deposits were RMB280,315 million and accrued interest was RMB249,427 million.

Shareholders' equity amounted to RMB2,822,080 million, representing an increase of RMB130,077 million or 4.83% over the end of last year.

According to the five-category classification of loans, the balance of non-performing loans ("NPLs") amounted to RMB285,461 million, representing an increase of RMB45,274 million over the end of the previous year. The NPL ratio was 1.55%, representing an increase of 0.12 percentage points. The allowance to NPL ratio stood at 190.19%, representing a decrease of 9.13 percentage points.

The core tier 1 capital adequacy ratio was 12.84%, the tier 1 capital adequacy ratio was 13.94% and the capital adequacy ratio was 16.47%, all meeting regulatory requirements.

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 2020	31 December 2019	Increase/Decrease (%)	Main reasons for change
Derivative financial assets	113,466	68,311	66.10	As affected by increased business scale and market price fluctuation, both derivative financial assets and liabilities increased largely
Reverse repurchase agreements	1,220,055	845,186	44.35	The lending from reverse repurchase agreements increased
Other assets	650,103	480,399	35.33	Precious metals and clearing amount of receivables increased
Due to central banks	56,680	1,017	5,473.25	The balance of relending from central banks increased
Derivative financial liabilities	131,875	85,180	54.82	As affected by increased business scale and market price fluctuation, both derivative financial assets and liabilities increased largely
Deferred income tax liabilities	2,582	1,873	37.85	Due to changes in the fair value of financial instruments

In RMB millions, except for percentages

Item	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Increase/Decrease (%)	Main reasons for change
Net trading (expense)/income	(1,402)	8,157	(117.19)	Due to fluctuations in commodity trading prices
Net gain/(loss) on financial investments	10,562	(5,174)	N/A	Due to the increase in income from financial commodity trading
Impairment losses on assets	179,730	137,756	30.47	Due to the increase in the corresponding allowance for impairment losses on loans based on changes in the quality of credit assets
Share of profits of associates and joint ventures	764	1,846	(58.61)	Investment income of associates recognised under equity method decreased
Net profit attributable to non-controlling interests	1,498	976	53.48	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 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 USD2.9 billion non-cumulative perpetual offshore preference shares in September 2020. The listing of the offshore preference shares on The Stock Exchange of Hong Kong Limited became effective on 24 September 2020. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited and the website of the Bank for details.

4.2.2 Issuance of Domestic Undated Additional Tier 1 Capital Bonds

The Board of Directors of the Bank reviewed and approved the Proposal on the Issuance of Undated Additional Tier 1 Capital Bonds on 28 August 2020. The Bank planned to issue undated additional tier 1 capital bonds of no more than RMB100.0 billion in domestic market, which will be used to replenish additional tier 1 capital of the Bank. The issuance plan for the undated additional tier 1 capital bonds is still subject to the approval of the Shareholders’ General Meeting of the Bank, after which, it is still subject to the approval of the relevant regulatory authorities. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited and the website of the Bank for details.

4.2.3 Issuance of Offshore Undated Additional Tier 1 Capital Bonds

The Bank received a reply from the China Banking and Insurance Regulatory Commission in September 2020, pursuant to which, approval was granted to the Bank by the China Banking and Insurance Regulatory Commission to issue undated additional tier 1 capital bonds in foreign currency of an amount no more than RMB40.0 billion equivalent in the offshore market, which will be counted as the additional tier 1 capital of the Bank in accordance with relevant regulatory requirements. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited and the website of the Bank for details.

4.2.4 Issuance of Eligible Tier 2 Capital Instruments

As approved by the China Banking and Insurance Regulatory Commission and the People’s Bank of China, the Bank made a public issuance of RMB60.0 billion tier 2 capital bonds in China’s national inter-bank bond market in September 2020, which will be used to replenish tier 2 capital of the Bank in accordance with the applicable laws and the approvals by the regulatory authorities. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited and the website of the Bank for details.

4.2.5 Participation in Investment in the National Green Development Fund Co., Ltd.

The Bank has signed the Promoter's Agreement of the National Green Development Fund Co., Ltd. in July 2020 to invest RMB8.0 billion in the National Green Development Fund Co., Ltd. (the "NGDF"). The capital injection shall be paid by instalments in five years commencing from 2020, with the subscription amounting to about 9.04% of the NGDF's capital. On 14 July 2020, the NGDF was registered and established in Shanghai. The investment is still subject to relevant procedures of the regulatory authorities. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the "HKEXnews" website of Hong Kong Exchanges and Clearing Limited and the website of the Bank for details.

4.2.6 Approval of the Qualification of Senior Executive Vice President

The Board of Directors of the Bank appointed Mr. Xu Shouben as Senior Executive Vice President of the Bank on 28 August 2020, and his qualification was approved by the China Banking and Insurance Regulatory Commission in October 2020. Please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the "HKEXnews" website of Hong Kong Exchanges and Clearing Limited and the website of the Bank 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 2019 held on 12 June 2020, the Bank has distributed cash dividends of about RMB93,664 million, or RMB2.628 per ten shares (pre-tax), for the period from 1 January 2019 to 31 December 2019 to the ordinary shareholders whose names appeared on the register of shareholders upon the close of market on 29 June 2020.

The Bank considered and approved the implementation of dividend distribution for "工行優 2" at the meeting of the Board of Directors convened on 28 August 2020, and distributed total dividends of RMB2,940 million for "工行優 2" on 24 September 2020 at a dividend rate of 4.2% (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).

The Bank considered and approved the implementation of dividend distribution for "工行優 1" and Offshore EUR Preference Shares at the meeting of the Board of Directors convened on 30 October 2020, and decided to distribute total dividends of RMB2,025 million for "工行優 1" on 23 November 2020 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 RMB319 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 EUR Preference Shares on 10 December 2020 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 Hong Kong Exchanges and Clearing 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, China
30 October 2020

As at the date of this announcement, the Board of Directors comprises Mr. CHEN Siqing, Mr. GU Shu and Mr. LIAO Lin as executive directors, Mr. LU Yongzhen, Mr. ZHENG Fuqing, Ms. MEI Yingchun, Mr. FENG Weidong and Ms. CAO Liqun as non-executive directors, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Mr. SHEN Si, Mr. Nout WELLINK and Mr. Fred Zuliou 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 2020
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2020 (Unaudited)	Nine months ended 30 September 2020 (Unaudited)	Three months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)
Interest income	267,202	796,992	266,983	775,140
Interest expense	(110,933)	(334,174)	(113,138)	(321,994)
NET INTEREST INCOME	156,269	462,818	153,845	453,146
Fee and commission income	40,548	136,164	40,358	135,606
Fee and commission expense	(4,478)	(11,194)	(4,224)	(10,971)
NET FEE AND COMMISSION INCOME	36,070	124,970	36,134	124,635
Net trading income/(expense)	233	(1,402)	2,284	8,157
Net gain/(loss) on financial investments	2,575	10,562	(1,750)	(5,174)
Other operating income/(expense), net	2,754	3,299	(32)	3,920
OPERATING INCOME	197,901	600,247	190,481	584,684
Operating expenses	(49,230)	(137,155)	(48,466)	(135,620)
Impairment losses on assets	(54,274)	(179,730)	(38,576)	(137,756)
OPERATING PROFIT	94,397	283,362	103,439	311,308
Share of profits of associates and joint ventures	378	764	506	1,846
PROFIT BEFORE TAXATION	94,775	284,126	103,945	313,154
Income tax expense	(14,398)	(53,953)	(19,947)	(60,466)
PROFIT FOR THE PERIOD	80,377	230,173	83,998	252,688

Industrial and Commercial Bank of China Limited
Consolidated Statement of Profit or Loss — Based on IFRS (continued)
For the nine months ended 30 September 2020
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2020 (Unaudited)	Nine months ended 30 September 2020 (Unaudited)	Three months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)
Attributable to:				
Equity holders of the parent company	79,885	228,675	83,781	251,712
Non-controlling interests	492	1,498	217	976
	<u>80,377</u>	<u>230,173</u>	<u>83,998</u>	<u>252,688</u>
Profit for the period	<u>80,377</u>	<u>230,173</u>	<u>83,998</u>	<u>252,688</u>
EARNINGS PER SHARE				
— Basic (<i>RMB yuan</i>)	0.22	0.64	0.24	0.71
— Diluted (<i>RMB yuan</i>)	<u>0.22</u>	<u>0.64</u>	<u>0.24</u>	<u>0.71</u>

Chen Siqing
Chairman

Gu Shu
*Vice Chairman
and President*

Liu Yagan
*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 2020
(In RMB millions, unless otherwise stated)

	Three months ended 30 September 2020 (Unaudited)	Nine months ended 30 September 2020 (Unaudited)	Three months ended 30 September 2019 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)
Profit for the period	<u>80,377</u>	<u>230,173</u>	<u>83,998</u>	<u>252,688</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	(722)	(944)	(915)	(132)
Other comprehensive income recognised under equity method	—	(13)	—	5
Others	(3)	0	1	1
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	(8,126)	(6,083)	3,413	7,407
Credit losses of debt instruments measured at fair value through other comprehensive income	(385)	654	227	186
Reserve from cash flow hedging instruments	222	(647)	119	(524)
Other comprehensive income recognised under equity method	(311)	764	262	(94)
Foreign currency translation differences	(9,625)	(12,160)	5,714	6,725
Others	<u>858</u>	<u>430</u>	<u>(871)</u>	<u>(880)</u>
Subtotal of other comprehensive income for the period	<u>(18,092)</u>	<u>(17,999)</u>	<u>7,950</u>	<u>12,694</u>
Total comprehensive income for the period	<u><u>62,285</u></u>	<u><u>212,174</u></u>	<u><u>91,948</u></u>	<u><u>265,382</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent company	<u>62,226</u>	<u>211,076</u>	91,554	264,243
Non-controlling interests	<u>59</u>	<u>1,098</u>	<u>394</u>	<u>1,139</u>

Chen Siqing
Chairman

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and President

Liu Yagan
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 2020

(In RMB millions, unless otherwise stated)

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
ASSETS		
Cash and balances with central banks	3,210,111	3,317,916
Due from banks and other financial institutions	1,354,031	1,042,368
Derivative financial assets	113,466	68,311
Reverse repurchase agreements	1,220,055	845,186
Loans and advances to customers	17,958,633	16,326,552
Financial investments	8,580,136	7,647,117
— Financial investments measured at fair value through profit or loss	893,375	962,078
— Financial investments measured at fair value through other comprehensive income	1,541,831	1,476,872
— Financial investments measured at amortised cost	6,144,930	5,208,167
Investments in associates and joint ventures	39,524	32,490
Property and equipment	279,639	286,561
Deferred income tax assets	66,153	62,536
Other assets	650,103	480,399
	<hr/>	<hr/>
TOTAL ASSETS	33,471,851	30,109,436
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Industrial and Commercial Bank of China Limited
Consolidated Statement of Financial Position — Based on IFRS (continued)
30 September 2020
(In RMB millions, unless otherwise stated)

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
LIABILITIES		
Due to central banks	56,680	1,017
Financial liabilities designated as at fair value through profit or loss	108,148	102,242
Derivative financial liabilities	131,875	85,180
Due to banks and other financial institutions	2,626,922	2,266,573
Repurchase agreements	280,970	263,273
Certificates of deposit	369,489	355,428
Due to customers	25,585,348	22,977,655
Income tax payable	68,325	96,192
Deferred income tax liabilities	2,582	1,873
Debt securities issued	804,442	742,875
Other liabilities	614,990	525,125
	<hr/>	<hr/>
TOTAL LIABILITIES	30,649,771	27,417,433
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	225,819	206,132
Reserves	727,684	745,111
Retained profits	1,496,369	1,368,536
	<hr/>	<hr/>
	2,806,279	2,676,186
Non-controlling interests	15,801	15,817
	<hr/>	<hr/>
TOTAL EQUITY	2,822,080	2,692,003
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	33,471,851	30,109,436
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Chen Siqing
Chairman

Gu Shu
*Vice Chairman
and President*

Liu Yagan
*General Manager of the Finance
and Accounting Department*

Industrial and Commercial Bank of China Limited

Consolidated Cash Flow Statement— Based on IFRS

For the nine months ended 30 September 2020

(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2020 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	284,126	313,154
Adjustments for:		
Share of profits of associates and joint ventures	(764)	(1,846)
Depreciation	15,444	14,227
Amortisation	2,458	2,342
Amortisation of financial investments	(3,044)	(2,439)
Impairment losses on assets	179,730	137,756
Unrealised (gain)/loss on foreign exchange	(8,188)	14,421
Interest expense on debt securities issued	19,197	21,393
Accreted interest on impaired loans	(1,382)	(1,757)
Net (gain)/loss on financial investments	(7,495)	3,826
Interest income on financial investments	(179,996)	(166,986)
Net gain on changes at fair value	(8,469)	(10,970)
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)	(1,165)	(933)
Dividend income	(3,095)	(502)
	<u>287,357</u>	<u>321,686</u>

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the nine months ended 30 September 2020
(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2020 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)
Net decrease/(increase) in operating assets:		
Due from central banks	15,406	112,115
Due from banks and other financial institutions	135,492	174,636
Financial assets measured at fair value through profit or loss	151,347	(119,965)
Reverse repurchase agreements	232,330	37,115
Loans and advances to customers	(1,811,398)	(1,246,351)
Other assets	(215,692)	(172,909)
	<u>(1,492,515)</u>	<u>(1,215,359)</u>
Net increase/(decrease) in operating liabilities:		
Financial liabilities designated as at fair value through profit or loss	9,453	20,690
Due to central banks	55,665	70
Due to banks and other financial institutions	382,927	308,317
Repurchase agreements	17,676	(243,744)
Certificates of deposit	21,692	2,041
Due to customers	2,626,535	1,892,284
Other liabilities	195,169	194,526
	<u>3,309,117</u>	<u>2,174,184</u>
Net cash flows from operating activities before tax	2,103,959	1,280,511
Income tax paid	(83,517)	(72,290)
Net cash flows from operating activities	<u>2,020,442</u>	<u>1,208,221</u>

Industrial and Commercial Bank of China Limited
Consolidated Cash Flow Statement — Based on IFRS (continued)
For the nine months ended 30 September 2020
(In RMB millions, unless otherwise stated)

	Nine months ended 30 September 2020 (Unaudited)	Nine months ended 30 September 2019 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and other assets	(15,424)	(30,944)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	1,903	1,793
Purchases of financial investments	(2,586,457)	(1,894,434)
Proceeds from sale and redemption of financial investments	1,410,648	1,277,473
Investments in associates and joint ventures	(11,697)	(820)
Proceeds from disposal of associates and joint ventures	179	—
Investment returns received	194,533	169,030
Net cash flows from investing activities	<u>(1,006,315)</u>	<u>(477,902)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of other equity instruments	19,716	150,000
Capital injection by non-controlling shareholders	—	57
Proceeds from issuance of debt securities	726,031	930,202
Interest paid on debt securities	(16,246)	(15,147)
Repayment of debt securities	(658,337)	(806,665)
Acquisition of non-controlling interests	(1,279)	(11)
Dividends paid on ordinary shares	(93,664)	(89,315)
Dividends or interest paid to other equity instrument holders	(6,500)	—
Dividends paid to non-controlling shareholders	(337)	(338)
Cash payment for other financing activities	(4,372)	—
Net cash flows from financing activities	<u>(34,988)</u>	<u>168,783</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	979,139	899,102
Cash and cash equivalents at beginning of the period	1,450,413	1,509,524
Effect of exchange rate changes on cash and cash equivalents	(13,882)	30,277
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>2,415,670</u></u>	<u><u>2,438,903</u></u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	638,222	633,486
Interest paid	<u>(306,157)</u>	<u>(293,796)</u>

Chen Siqing
Chairman

Gu Shu
*Vice Chairman
and President*

Liu Yagan
*General Manager of the Finance
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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 2020		31 December 2019	
	Group	Parent Company	Group	Parent Company
Net core tier 1 capital	2,566,707	2,328,338	2,457,274	2,222,316
Net tier 1 capital	2,786,578	2,529,113	2,657,523	2,403,000
Net capital base	3,293,010	3,021,564	3,121,479	2,852,663
Core tier 1 capital adequacy ratio	12.84%	12.84%	13.20%	13.29%
Tier 1 capital adequacy ratio	13.94%	13.94%	14.27%	14.37%
Capital adequacy ratio	16.47%	16.66%	16.77%	17.06%

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

II. Leverage Ratio

In RMB millions, except for percentages

Item	30 September 2020	30 June 2020	31 March 2020	31 December 2019
Net tier 1 capital	2,786,578	2,711,433	2,744,542	2,657,523
Balance of adjusted on- and off-balance sheet assets	35,490,453	35,239,614	34,044,105	31,982,214
Leverage ratio	7.85%	7.69%	8.06%	8.31%

III. Quantitative Information Disclosure of Liquidity Coverage Ratio

In RMB millions, except for percentages

No.		Third quarter 2020	
		Total un-weighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		5,496,598
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	12,190,310	1,213,404
3	<i>Stable deposits</i>	86,217	2,995
4	<i>Less stable deposits</i>	12,104,093	1,210,409
5	Unsecured wholesale funding, of which:	14,452,687	4,842,653
6	<i>Operational deposits (excluding those generated from correspondent banking activities)</i>	8,532,696	2,077,623
7	<i>Non-operational deposits (all counterparties)</i>	5,839,003	2,684,042
8	<i>Unsecured debt</i>	80,988	80,988
9	Secured funding		12,301
10	Additional requirements, of which:	3,322,216	1,469,917
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,314,437	1,314,437
12	<i>Outflows related to loss of funding on debt products</i>	—	—
13	<i>Credit and liquidity facilities</i>	2,007,779	155,480
14	Other contractual funding obligations	65,372	65,372
15	Other contingent funding obligations	4,702,310	126,323
16	TOTAL CASH OUTFLOWS		7,729,970
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	1,081,072	716,586
18	Inflows from fully performing exposures	1,736,527	1,303,365
19	Other cash inflows	1,313,105	1,309,058
20	TOTAL CASH INFLOWS	4,130,704	3,329,009
			Total adjusted value
21	TOTAL HQLA		5,496,598
22	TOTAL NET CASH OUTFLOWS		4,400,961
23	LIQUIDITY COVERAGE RATIO (%)		125.16%

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