

2012 Interim Financial Results (IFRS)



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Financial Performance

 Business Operation

 Overall Prospects

Key Financials



	2011 1H		2012 1H
Net profit	RMB 109.6 bn	+12.5%	RMB 123.2 bn
Earnings per share	RMB 0.31	+12.9%	RMB 0.35
Return on weighted average equity	23.44% ⁽²⁾	+87bps	24.31% ⁽¹⁾
Return on average total assets	1.44% ⁽²⁾	+7bps	1.51% ⁽¹⁾
Non-performing loans ratio	0.94% ⁽³⁾	-5bps	0.89%
Capital adequacy ratio	13.17% ⁽³⁾	+ 39bps	13.56%

Notes:

(1) Annualized data.

(2) Annual data for 2011.

(3) 2011 year-end data.

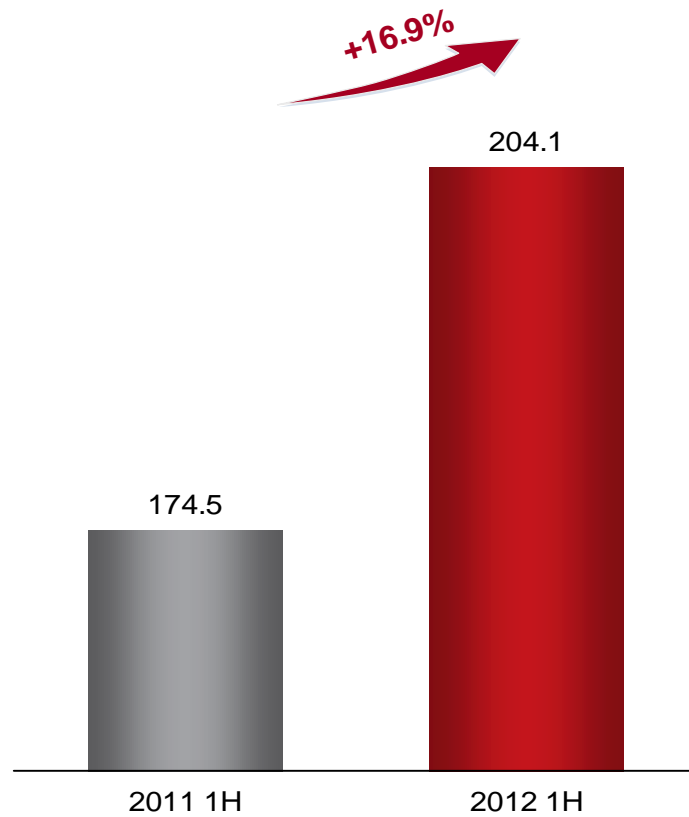


NII and NIM keep on growing



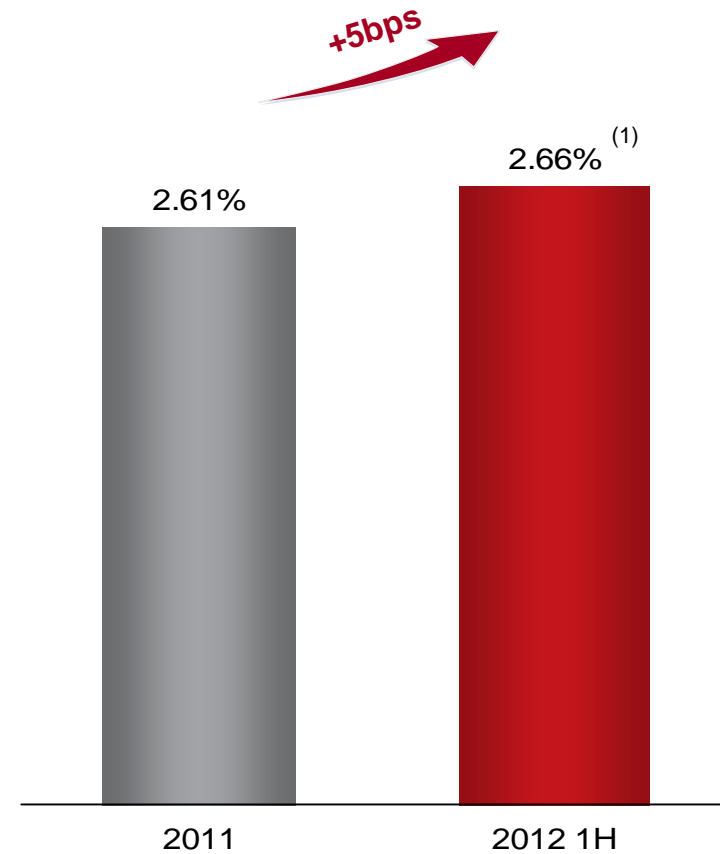
Stronger net interest income

RMB Bn, %



Wider net interest margin

(%)



Note: (1) Annualized Data.

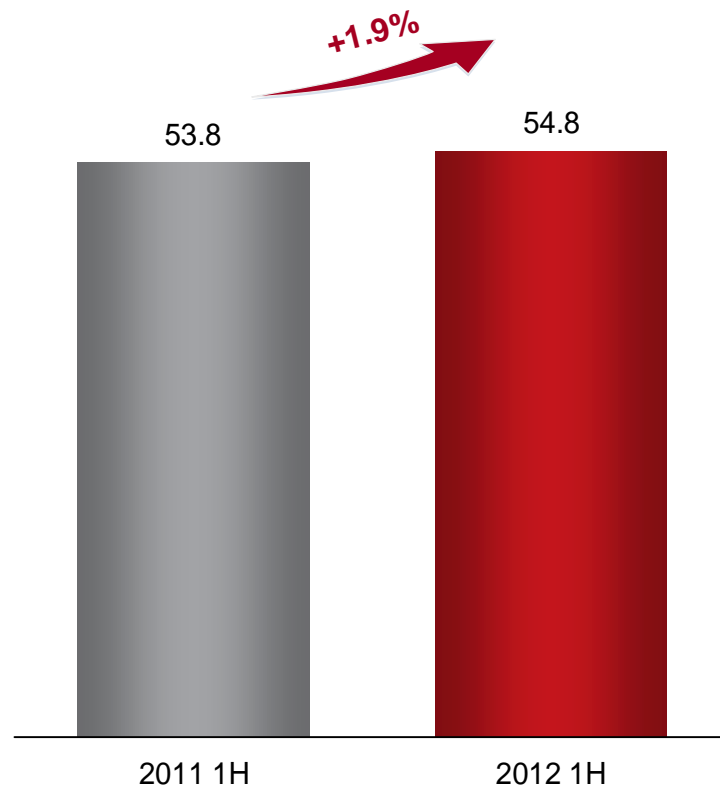


Net fee and commission income continues growing



Net fee and commission income continues growing

RMB Bn, %



Four strong drivers in 1H 2012

RMB Bn, %

	1H 2012 Income	Proportion of Fee and Commission Income
Investment banking business	15.0	25.4%
Settlement, clearing business and cash management	13.8	23.4%
Bank card business	10.5	17.9%
Personal wealth management and private banking services	8.9	15.1%
Total	48.1	81.8%

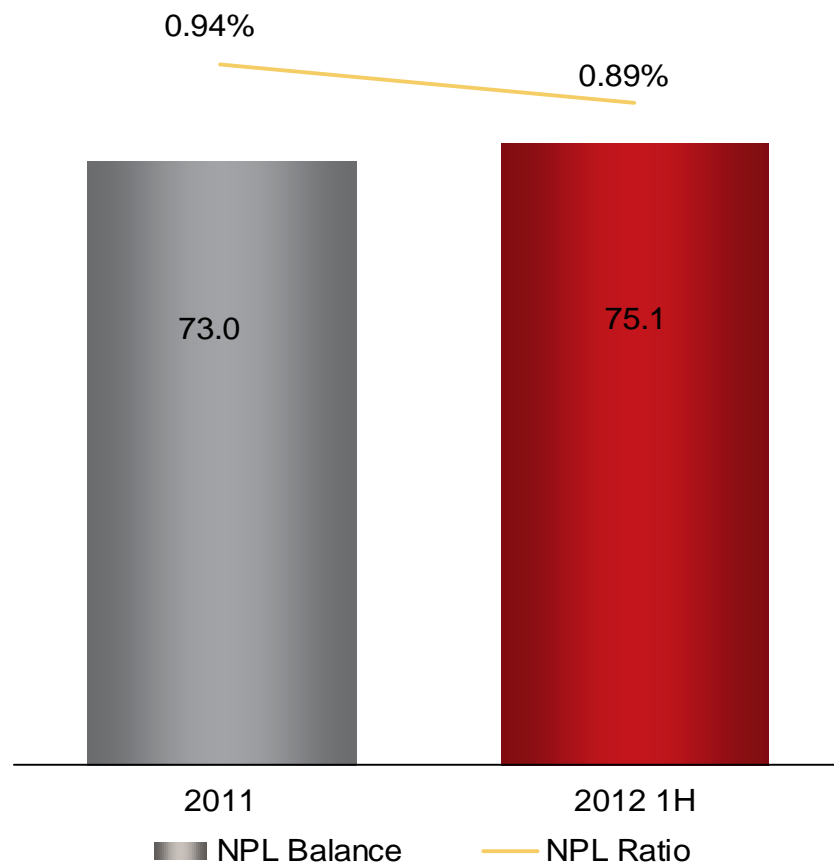


NPL ratio down with balance edging up, but stronger risk coverage



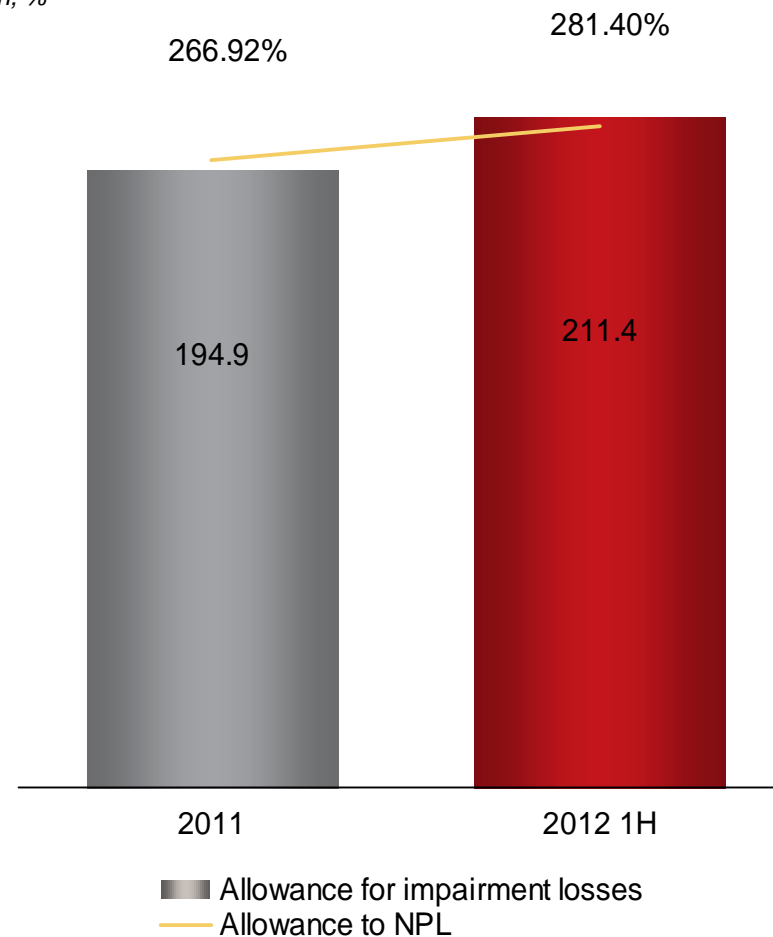
NPL ratio down with balance edging up

RMB Bn, %



Improving allowance for impairment losses and allowance to NPL

RMB Bn, %

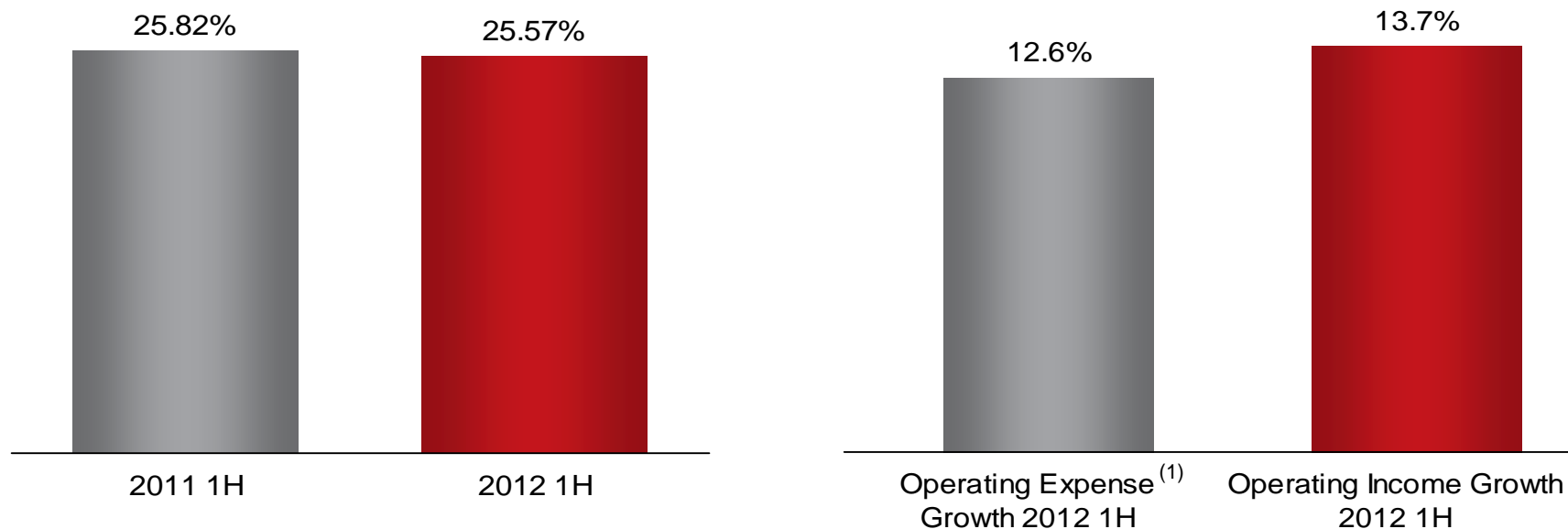


Operating expense well under control with higher cost-efficiency



Cost-to-income ratio at record low

**Growth rate:
operating expense ⁽¹⁾ < operating income**



Note: (1) Excluding business tax and surcharges.

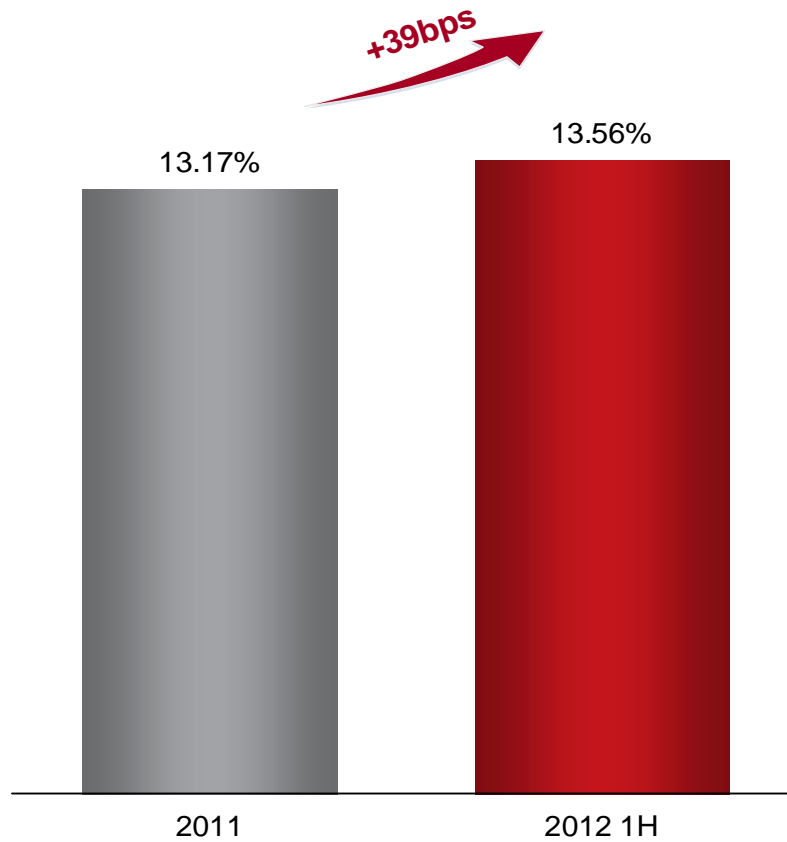


Stronger CAR, higher RORWA



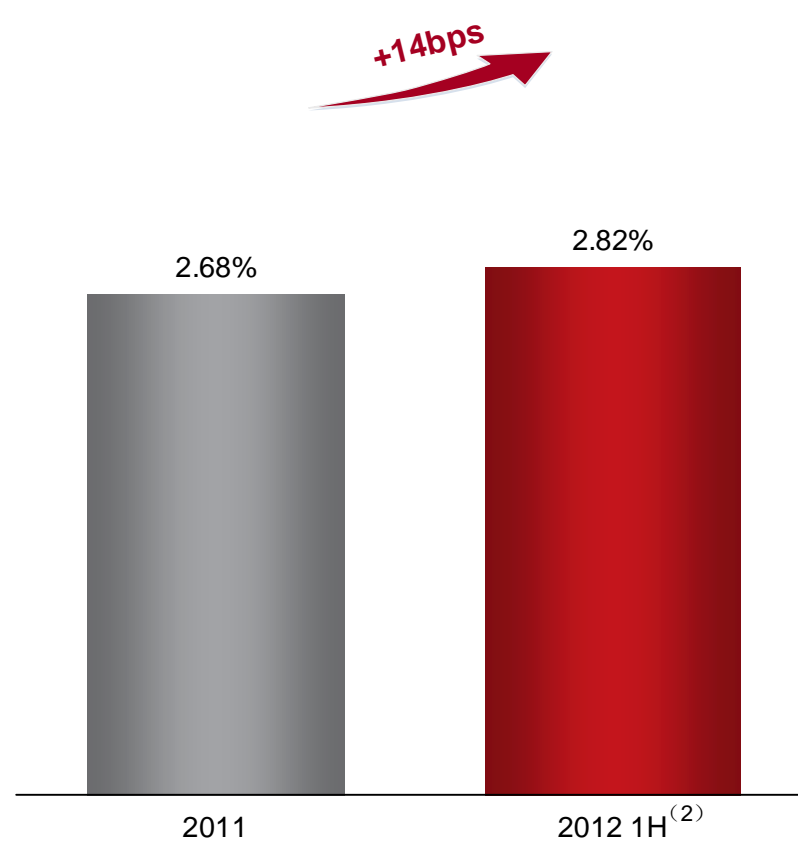
Stronger CAR

(%)



Higher RORWA (1)

(%)



Notes: (1) RORWA= net profit/ the average balance of risk-weighted assets and market risk capital adjustment at the beginning and at the end of the reporting period.

(2) Annualized data.





 Financial Performance

 **Business Operation**

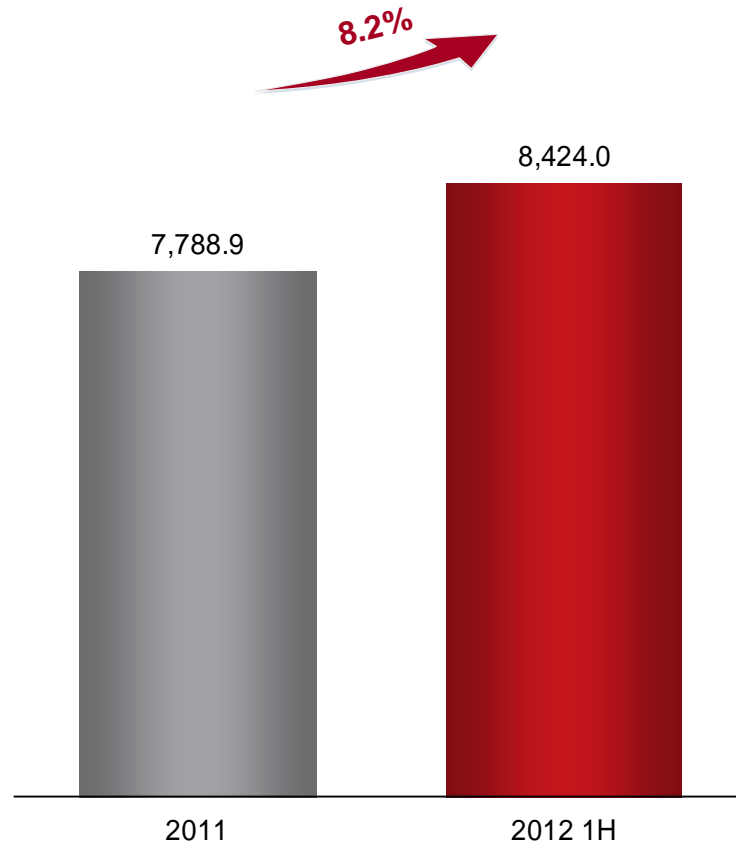
 Overall Prospects

Prudent loan growth and boosted return



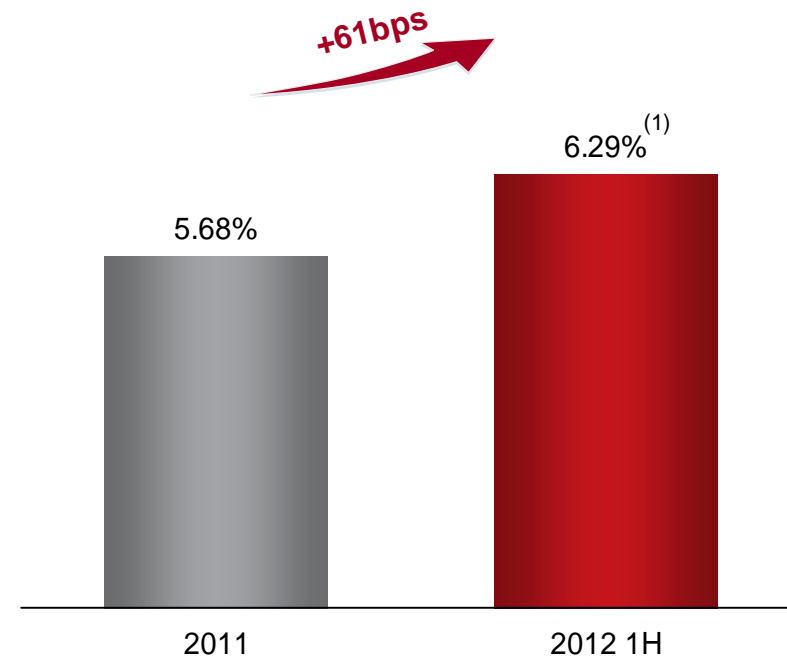
Steady & moderate loan growth

RMB Bn



Boosted return on loans

(%)



Note: (1) Annualized data.



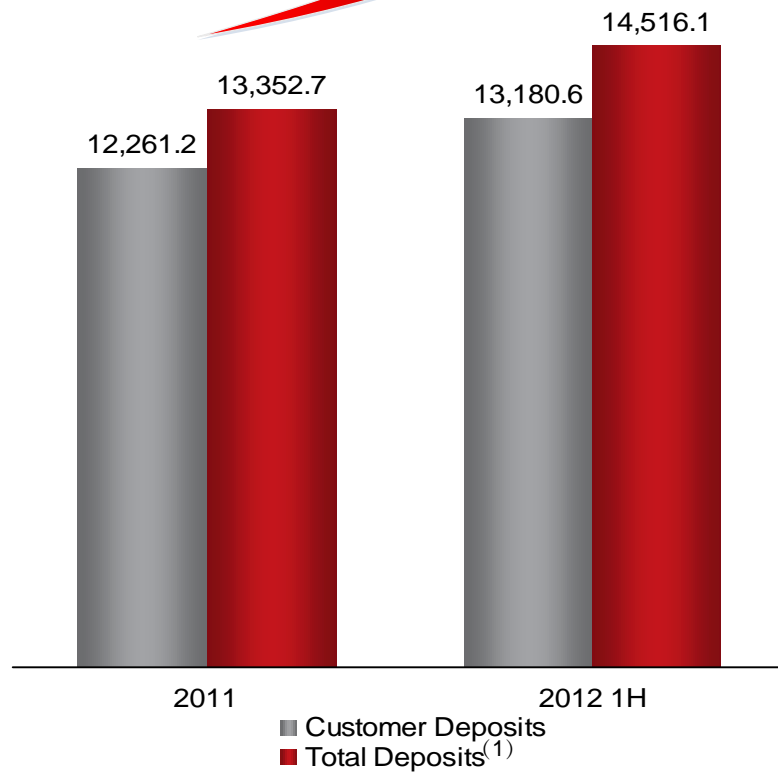
Front-runner in deposits, with Loan-to-Deposit ratio steadily dropping



Steady deposit growth

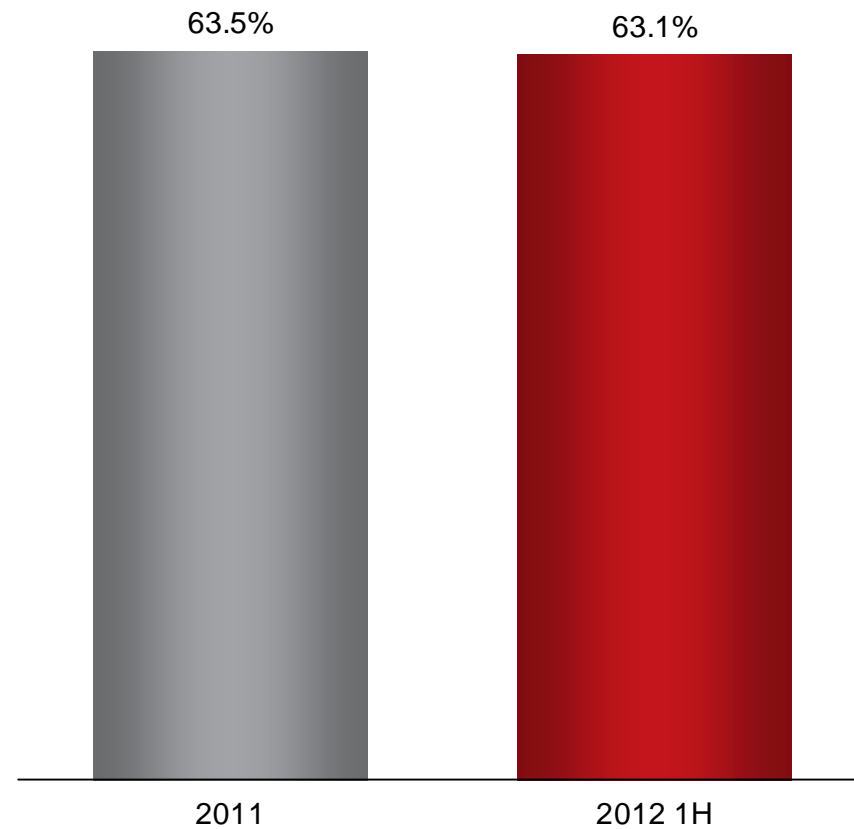
RMB Bn, %

Customer deposits up 7.5%;
Total deposits up 8.7%



Optimized loan-to-deposit ratio

(%)



Note: (1) Including customer deposits and deposits from other financial institutions

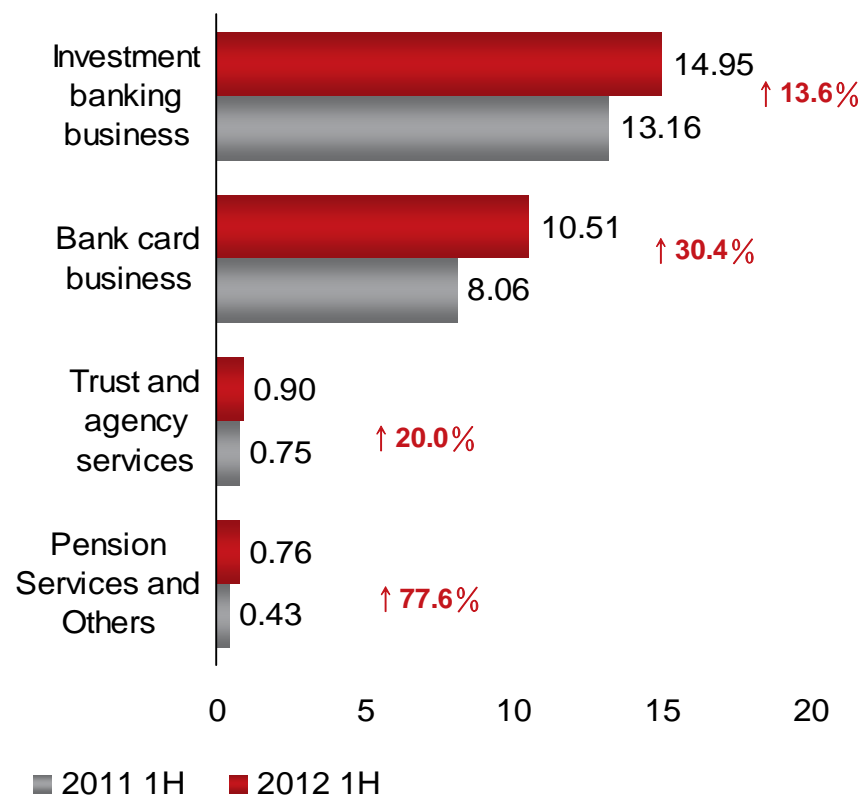


Strong fee income drivers to strengthen market leadership



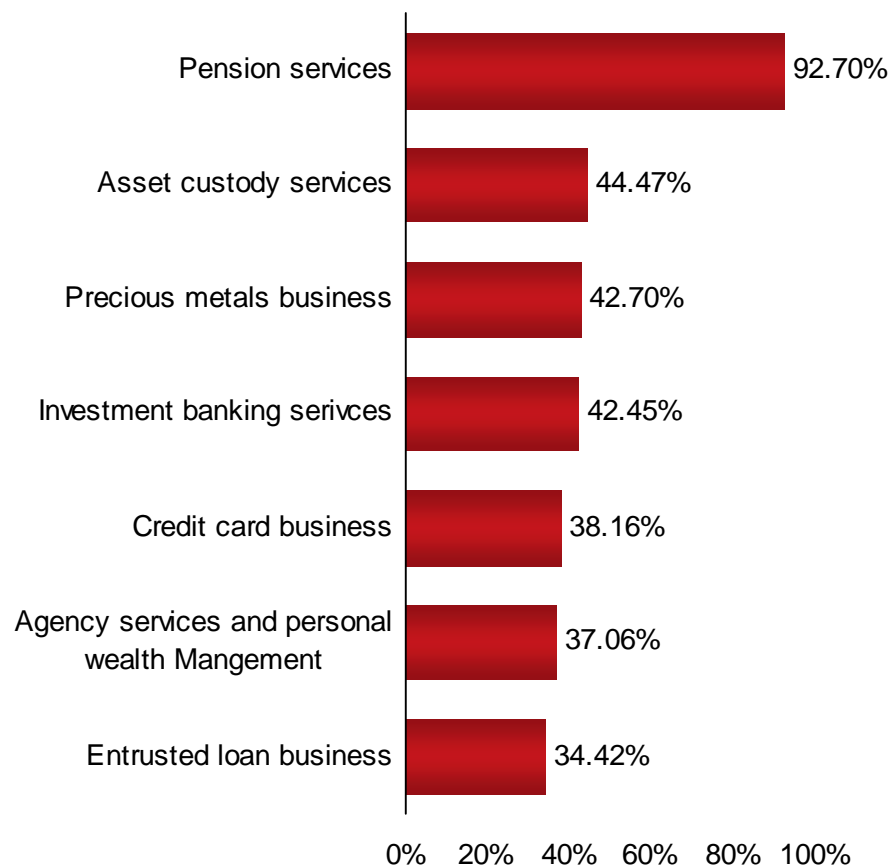
Momentum in key segments

RMB Bn, %



Market leader in Several Segments

(%)



Note: Market share among the Big Four banks in 2012, management data



Steady progress in international practice, overseas profit growth paces up



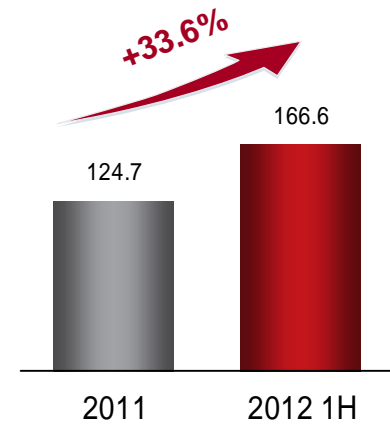
New institutions in numerous targeted markets

As of the end of June 2012, 252 overseas institutions had been set up in 34 economies.



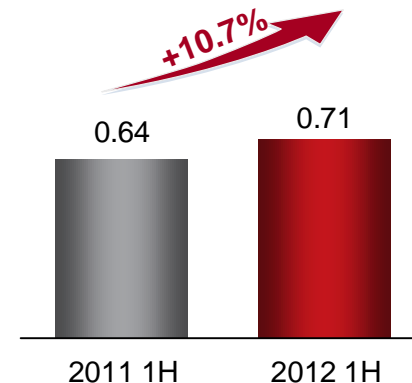
Fast-growing overseas assets

USD Bn. Overseas assets



Robust growth in net profit overseas

USD Bn. Net profit from overseas institutions



Remarkable progress in diversified operation



ICBC-AXA Life

- n AXA deal closed on July 6, 2012 and ICBC-AXA Life inaugurated on July 19, 2012
- n ICBC's extensive customer base and sales network will considerably enhance the company's insurance business
- n Strengthen the financial service capability of ICBC as a group

ICBC-Credit Suisse AM

- n China's largest bank-invested fund management firm
- n Licensed market participant in mutual funds, QDII, pension services, special asset management & global investment management for Social Security Fund.

ICBC International

- n Wholly-owned full-license investment bank in HK
- n Key roles in global share offering projects like Haitong Securities, AIA , Petrobras, and GM.

ICBC Leasing

- n One of the best capitalized domestic financial leasing firm
- n Focusing on financial leasing in fields of aviation, shipping and large equipment

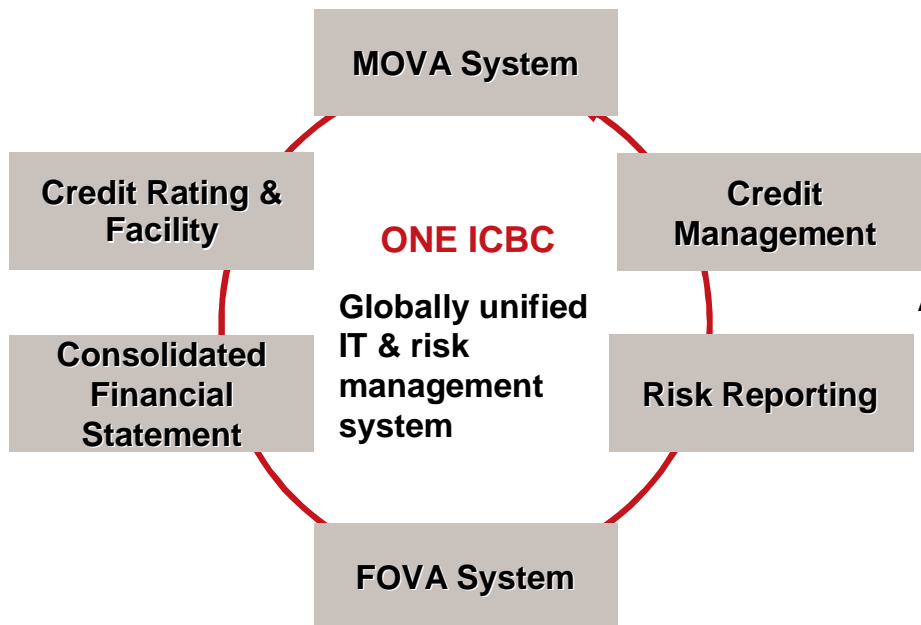


ONE ICBC for stronger global service



Globally unified IT & risk management system

Stronger global service capacity





 Financial Performance

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Dynamics of financial overhaul

- n New capital management rules
- n Breakthrough in interest rate liberalization
- n Tightened financial regulation
- n Development of capital market, esp. bond market
- n Finance for real economy, esp. SMEs
- n Further RMB internationalization

Challenges & opportunities for banks

- n How to restructure the bank's asset, liability, income & geographical network
- n How to strengthen pricing power in a more liberalized market
- n How to keep momentum of the fee income growth
- n How to be a good financial service provider, in face of diversified customer needs
- n How to capture the economic dynamics and improve the efficiency in supporting the real economy
- n How to explore potentials from overseas practice





Transformation

- n More balanced loan structure with higher risk return and better capital efficiency
- n More diversified income structure with solid fee income growth; change the role from large assets bank to large assets management bank
- n Optimized customer structure with extensive SMEs and individual business opportunities

Innovation

- n Design a sophisticated, flexible interest rate management mechanism for stronger pricing & marketing capacity
- n Build a globally leading IT system of product innovation, risk management and business operation
- n Innovate new products and "hit products" in different niche markets

Synergy

- n Flexible and region-specific management
- n Synergy among profit centers and reform of revenue tracing and distribution
- n Explore the potentials of international practice for new profit sources
- n Synergy among ICBC's insurance, leasing, fund management and investment banking arms for higher profitability

Service

- n Establish diversified service channels
- n Build standardized, comprehensive and advanced service processes
- n Improve customer experience and promote brand name
- n Protect





Thank you!