

Annual Results Announcement 2011 (IFRS)





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Financial Performance

 Business Operations

 Overall Prospects

Key Financials



	2010		2011
Net profit	RMB166.0 bn	+25.6%	RMB 208.4bn
Basic earnings per share	RMB 0.48	+25.0%	RMB 0.60
Return on weighted average equity	22.79%	+65bps	23.44%
Return on average total assets	1.32%	+12bps	1.44%
Non-performing loans ratio	1.08%	-14bps	0.94%
Capital adequacy ratio	12.27%	+90bps	13.17%

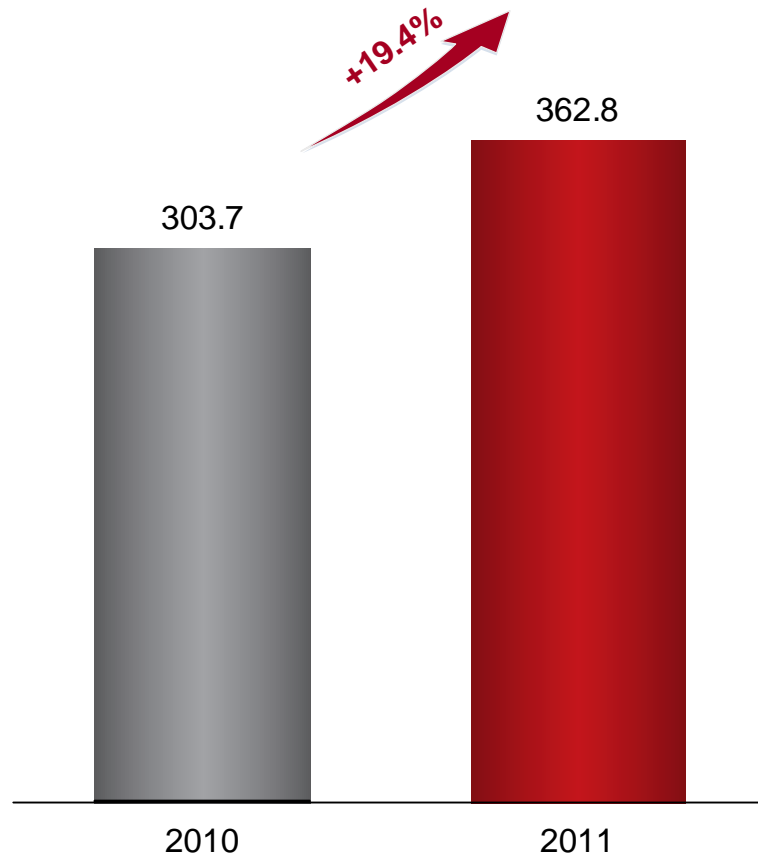


NII grows steadily, and NIM expands remarkably



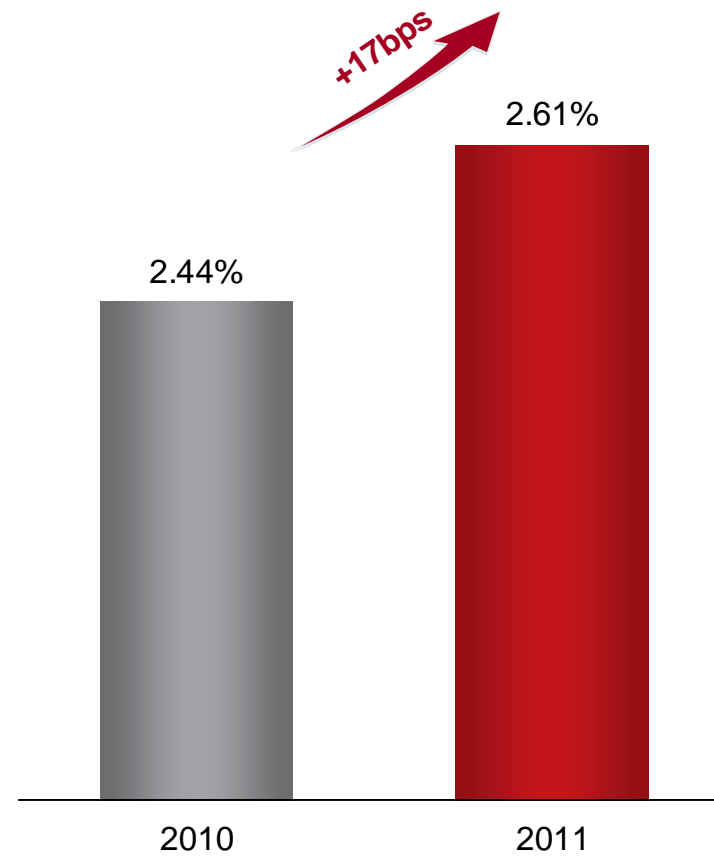
Net interest income grows steadily

(RMB Bn, %)



Net interest margin expands remarkably

(%)

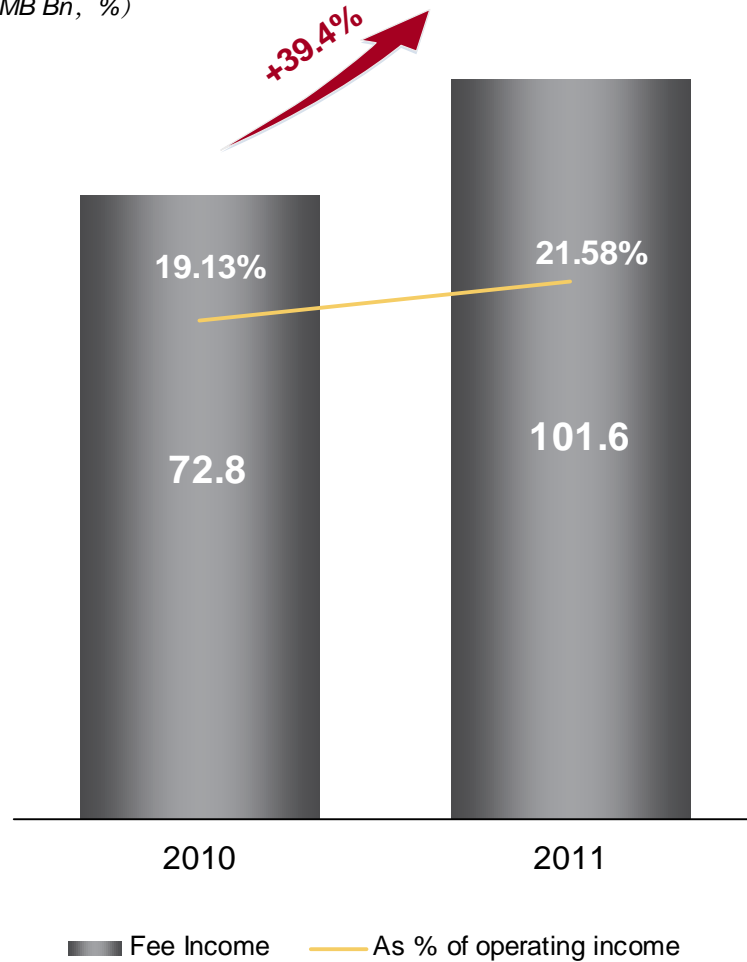


Net fee and commission income grows rapidly, with income structure optimized



Net fee and commission income grows rapidly, contributing more to operating income

(RMB Bn, %)



Four strong drivers

(RMB Bn, %)

	2011 Income (RMB Bn)	As % of fee and commission income
Settlement, clearing and cash management	25.41	23.3%
Investment banking	22.59	20.7%
Personal wealth management and private banking	21.26	19.5%
Bank card	17.27	15.8%
Total	86.53	79.3%

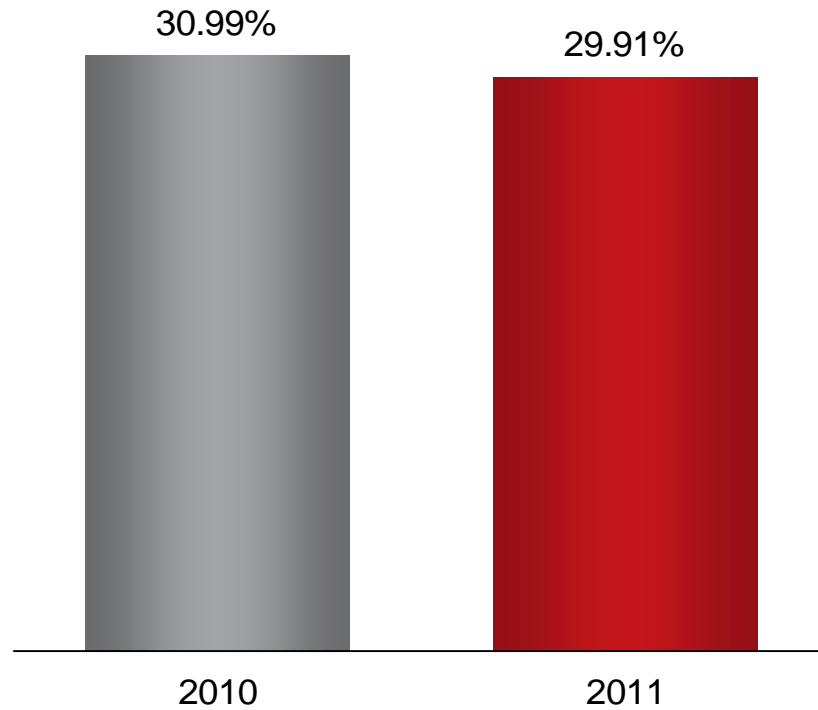


Operating expense under control with higher cost-efficiency



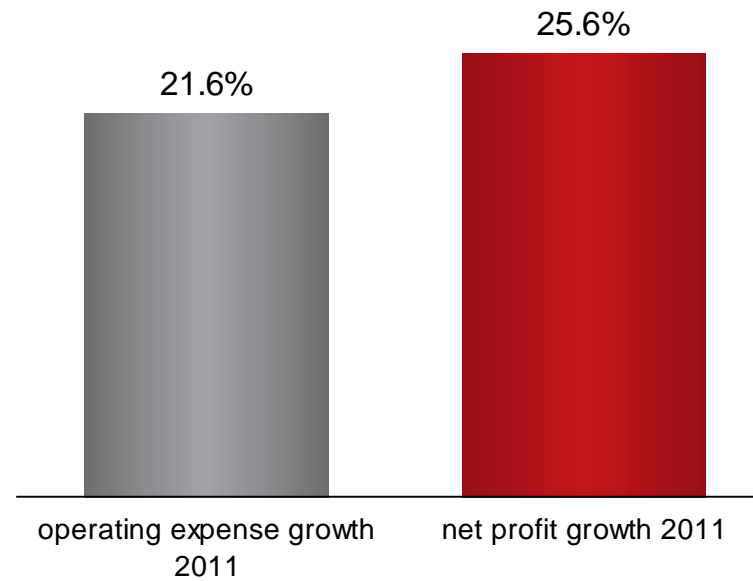
Cost-to-income ratio declines

(%)



Growth rate: operating expense < net profit

(%)

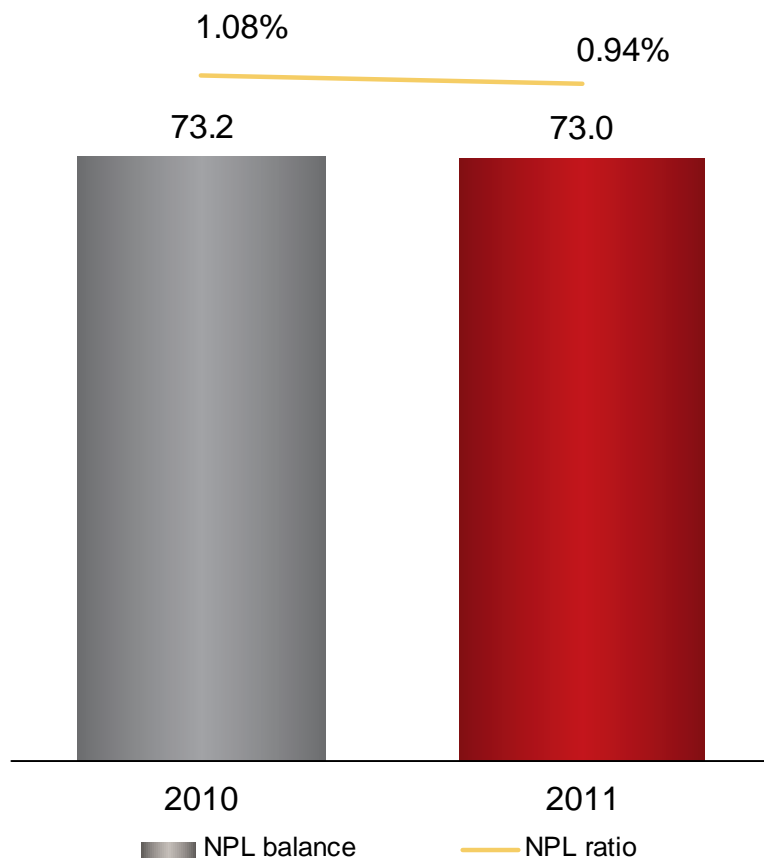


Asset quality continues to optimize, showing stronger risk coverage



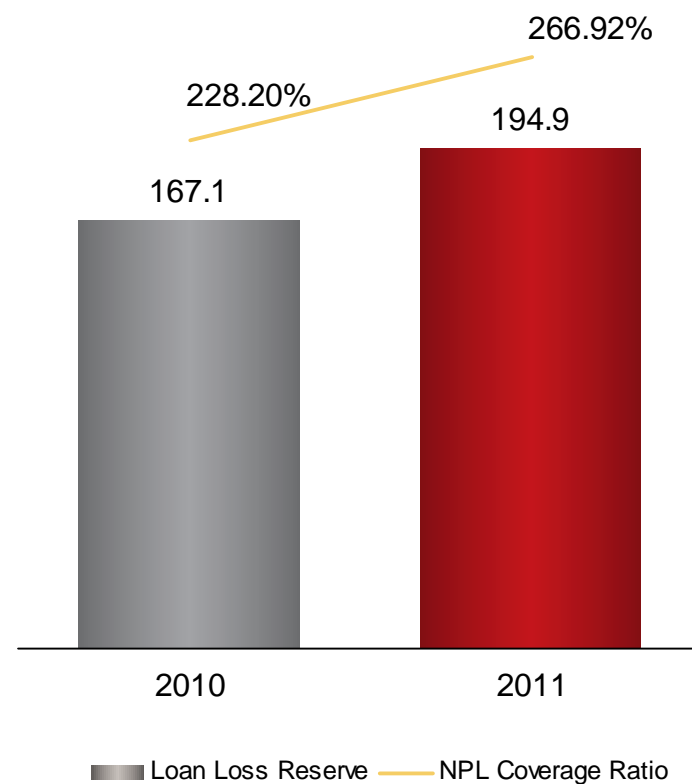
Declining NPL balance & ratio

(RMB Bn, %)



Improving loan loss reserve & NPL coverage ratio

(RMB Bn, %)

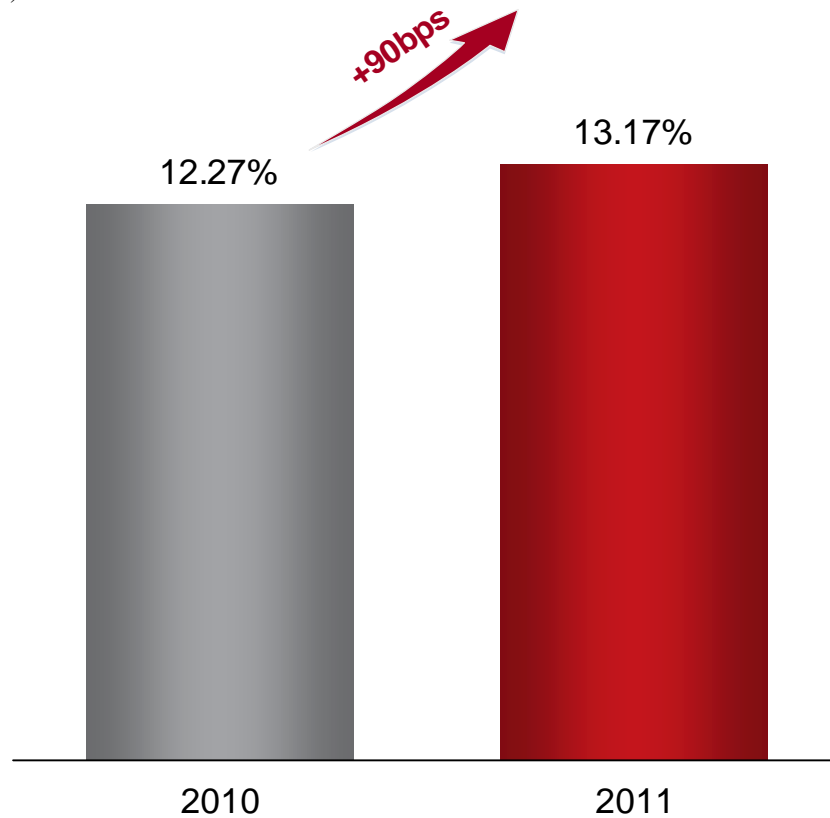


Stronger CAR, higher risk-weighted return



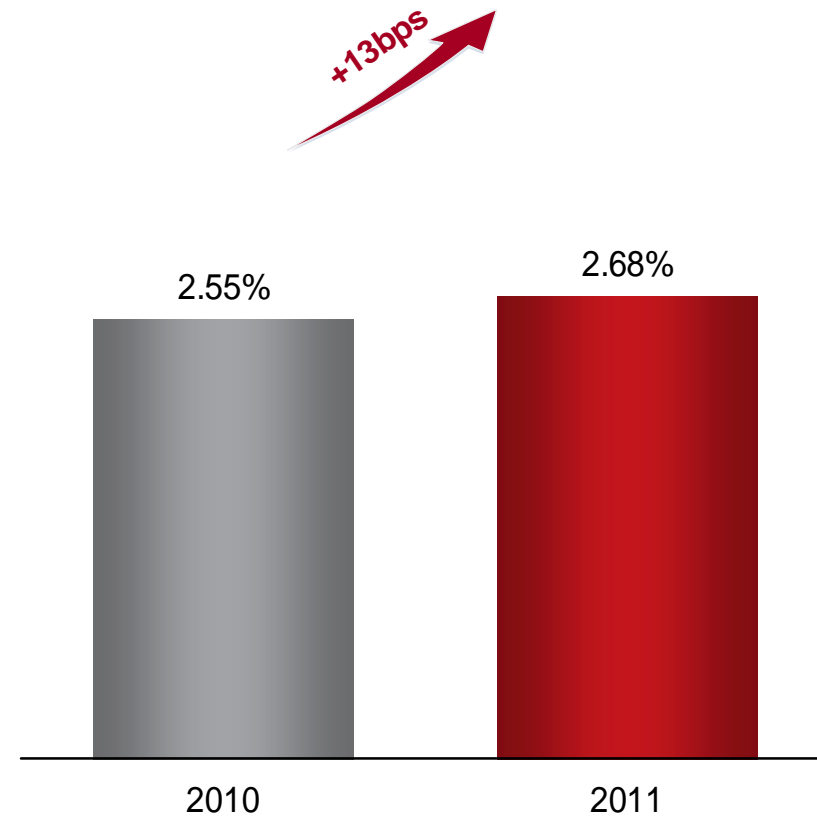
Stronger CAR

(%)



Higher RORWA (1)

(%)



Note: (1) Calculated by dividing net profit by the average balance of risk-weighted assets and adjustment to market risk capital at the beginning and at the end of the reporting period





 Financial Performance

 Business Operations

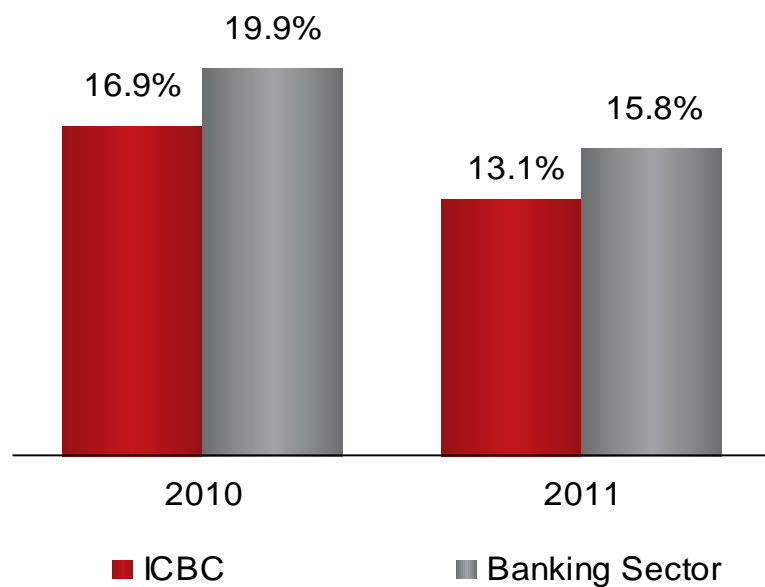
 Overall Prospects



Prudent loan growth

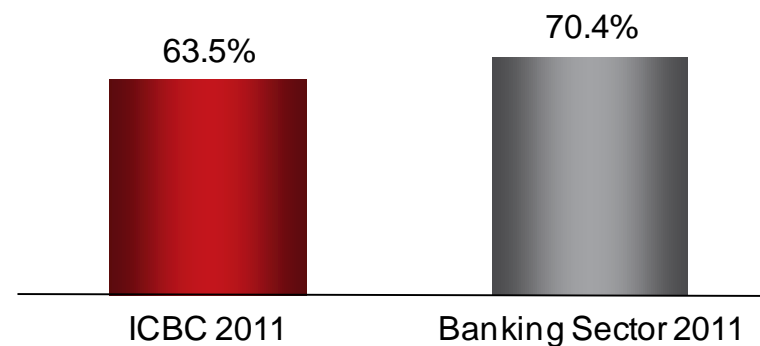
Credit growth slows down, with a rate lower than the sector average

(%)



L/D Ratio lower than the sector average

(%)



Notes:

(1) Domestic RMB loan

(2) Source: PBOC





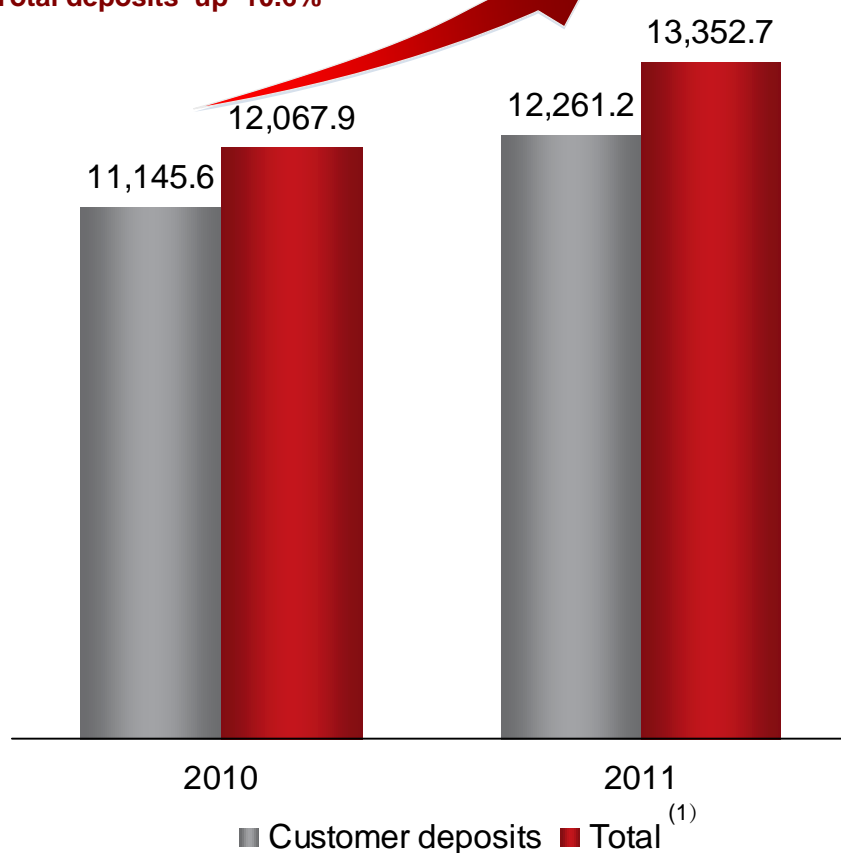
Deposits advantage consolidated with optimized structure

Deposits grow steadily

(RMB Bn, %)

Customer deposits up 10.0%

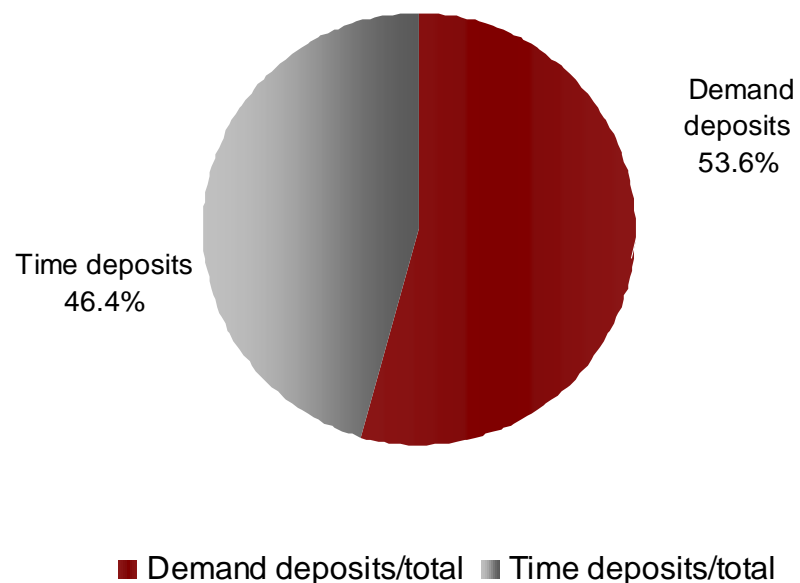
Total deposits up 10.6%



Demand deposits ⁽²⁾ account for over 50% of total

(%)

Demand deposits / time deposits



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

(2) Domestic only, including corporate and personal deposits



Steady progress in international expansion



Established institutions in numerous targeted markets

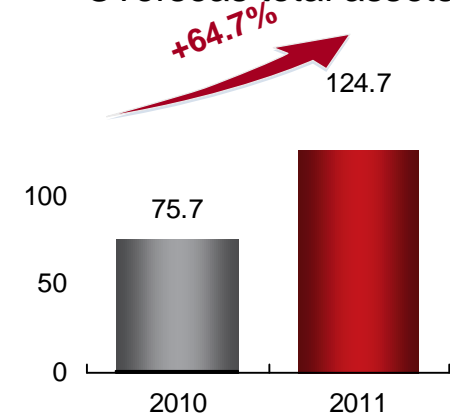
As of end of 2011, 239 overseas institutions in 33 economies.



Total assets > USD100 bn

(USD Bn, %)

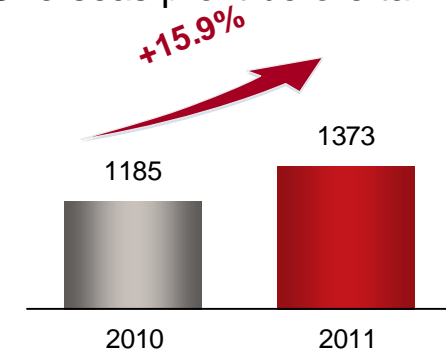
Overseas total assets



Profit before tax steadily climbs

(USD Mn, %)

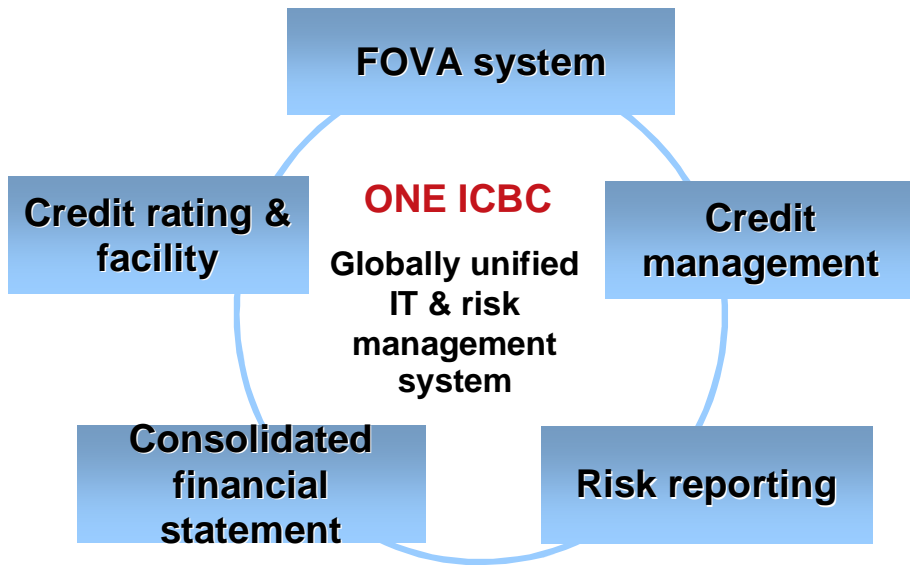
Overseas profit before tax



Stronger global service capacity



Globally unified IT & risk management system



Stronger global service capacity



Remarkable progress in diversified operation



ICBC-Credit Suisse AM

- n As of the end of 2011, assets under management amounted to RMB 69 bn.
- n Actively expanded international business by setting a subsidiary in HK

ICBC International

- n Wholly-owned full license investment bank in HK
- n Key roles in important IPOs globally

ICBC Leasing

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

ICBC-AXA Life

- n Intending to develop insurance business through ICBC's customer base and sales network
- n To further strengthen diversified operation





 Financial Performance

 Business Operations

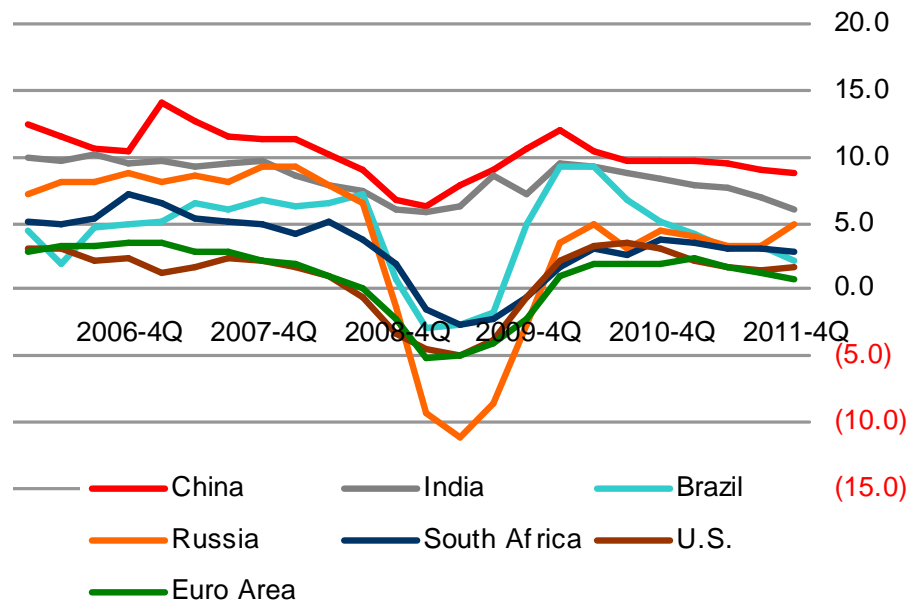
 Overall Prospects

World economic outlook



GDP growth in major economies (y-o-y)

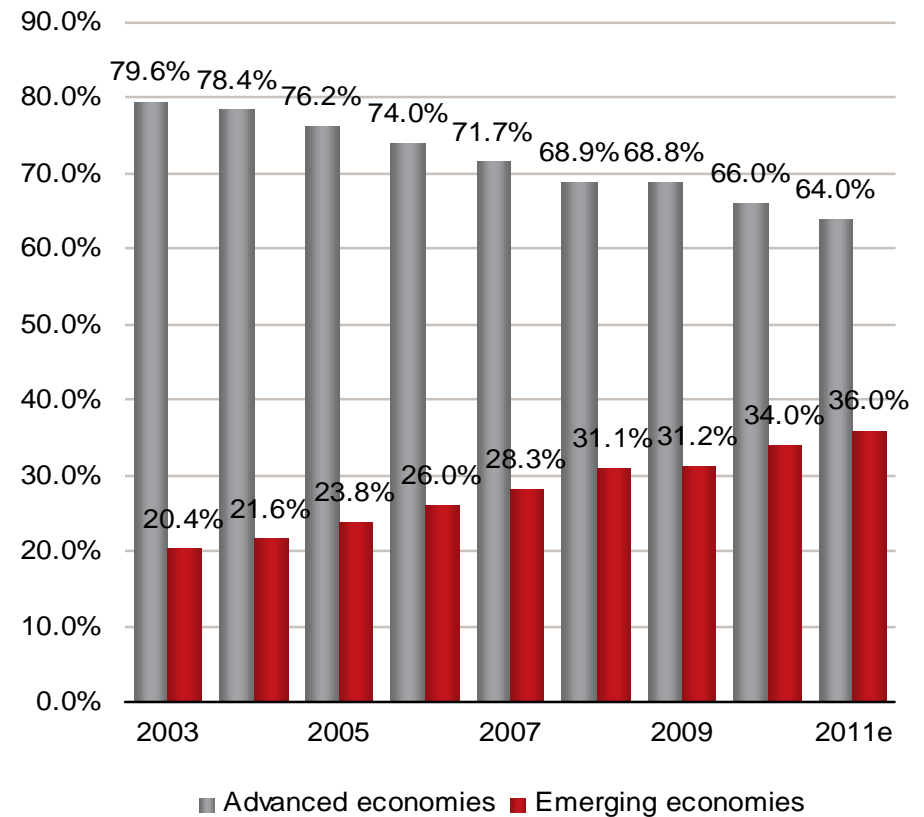
(%)



Source: Bloomberg

Advanced economies vs. Emerging economies

(%)



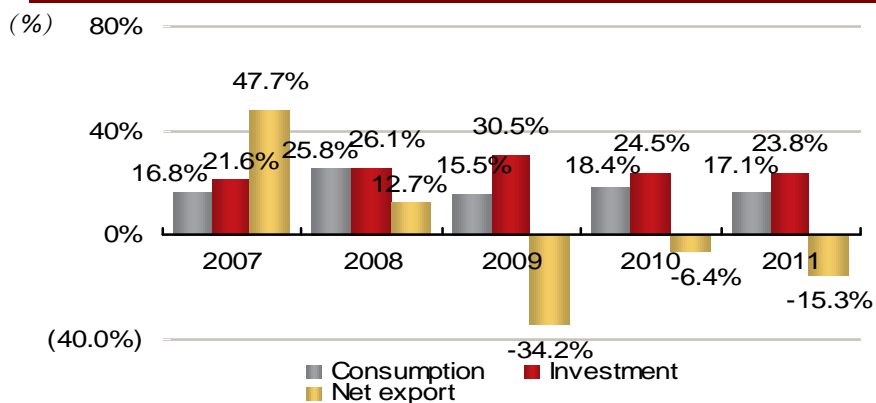
Source: IMF, data of 2011 is estimated



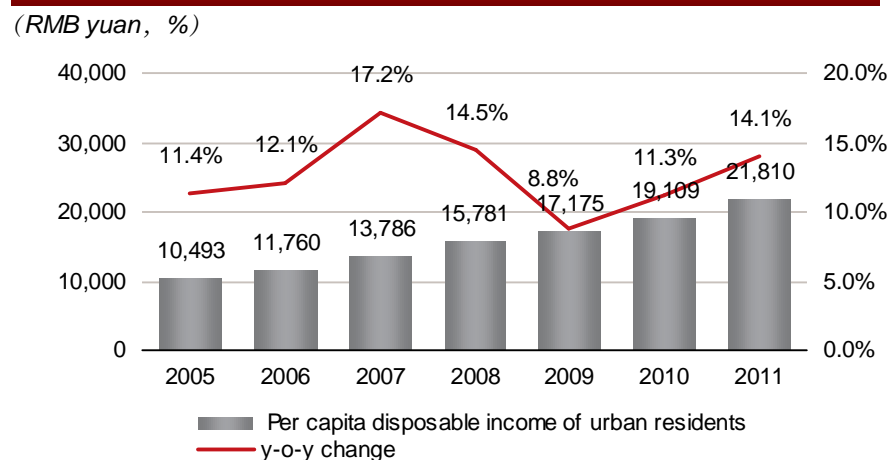
China economic outlook



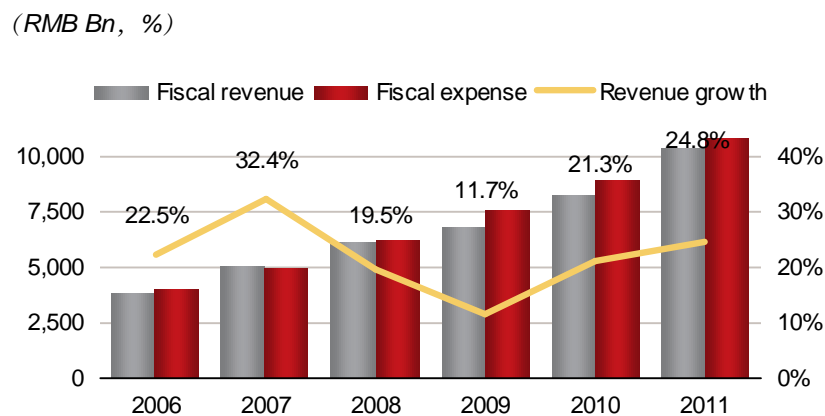
More balanced growth



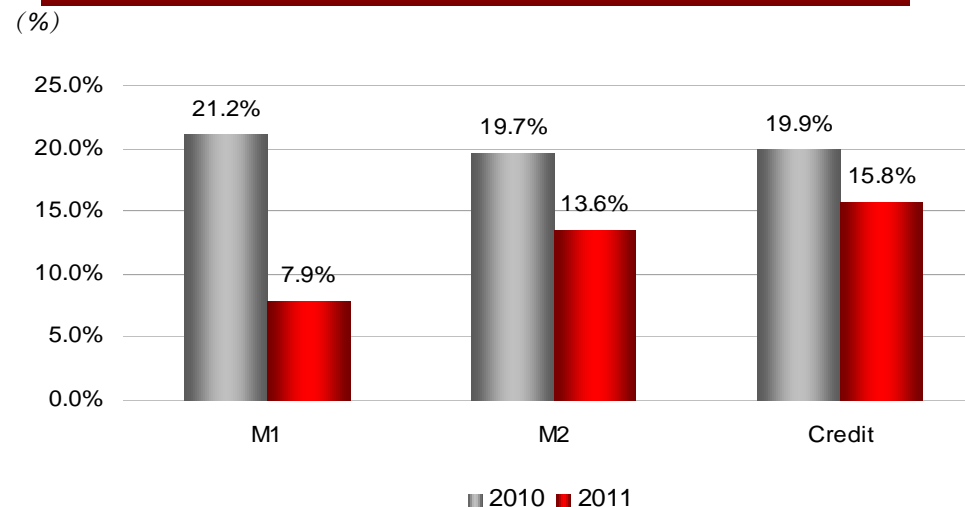
Increasing disposable income of residents



Rapid growing fiscal revenue



Cooling credit boom



Source: NBS, MOF, PBOC





Accelerating transformation of development pattern

- n More sustainable, capital-efficient and profitable loan portfolio
- n Expanding asset management & service business
- n Further diversification of income structure
- n Reinforcing customer coverage and optimizing customer structure

Developing capabilities of innovation

- n “Strengthening personal banking”, “expanding corporate banking” and “developing all-inclusive institutional banking” strategy
- n Building a globally leading IT system
- n Enhancing products strengths

Coordinated development of domestic branches, profit centers and overseas institutions

- n Diversified management strategy for domestic branches
- n Advancing reform of profit centers
- n Furthering global expansion, improving overseas risk management and profitability

Delivering best financial services

- n Establishing first-class service channels
- n Building a standard, comprehensive and advanced service system
- n Improving customer satisfaction and market reputation

