



Industrial and Commercial Bank of China Limited

**2008 Annual Results Announcement
(IFRS)**

March 25th 2009



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Financial Highlights

(RMB Bn)	2008	2007	<i>% Change</i>
Operating Income	310.2	257.4	+20.5%
Net Fee and Commission Income	44.0	38.4	+14.7%
Pre-tax Profits (IFRS / PRC GAAP)	145.4 / 145.3	115.4 / 115.1	+26.0% / +26.2%
Profit after Tax (IFRS / PRC GAAP)	111.2 / 111.2	82.3 / 82.0	+35.2% / +35.6%
EPS (RMB)	0.33	0.24	+37.5%

	2008	2007	<i>Change</i>
ROAA (%)	1.21	1.02	+19bps
Weighted ROAE (%)	19.43	16.23	+320bps
Cost / Income Ratio (%) ⁽¹⁾	29.84	35.02	-518bps
Credit Cost (%)	0.80	0.81	-1bps
NPL Ratio (%)	2.29	2.74	-45bps
NPL Coverage Ratio (%)	130.15	103.50	+2665bps
Capital Adequacy Ratio (%)	13.06	13.09	-3bps

Notes

1. Excluding business taxes and surcharges



Agenda



Business Operations



Financial Performance



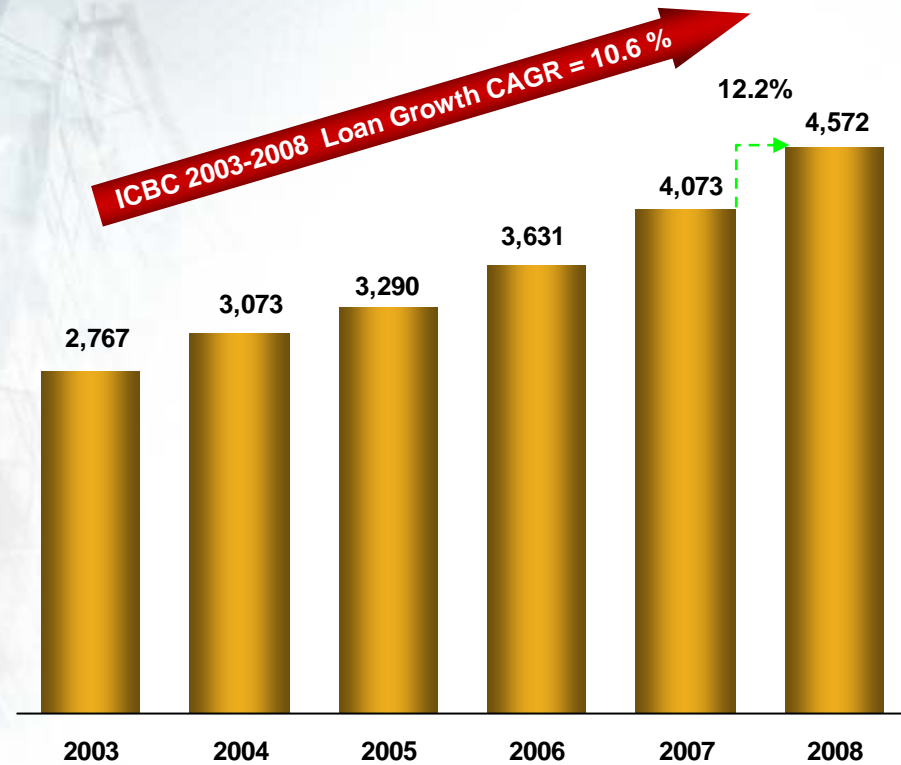
Development Strategy



Sound and Balanced Loan Growth, Resilience in a Challenging Economic Cycle

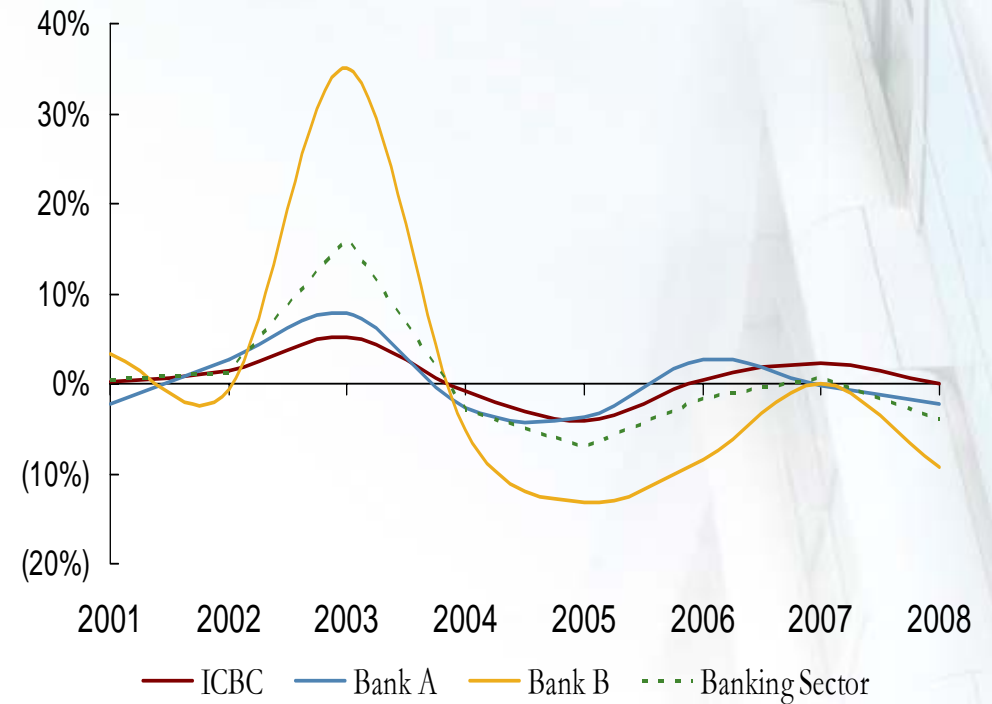
Healthy Loan Growth

(RMB Bn)



Balanced Loan Growth

2001-2008 Loan Growth Fluctuation



Notes

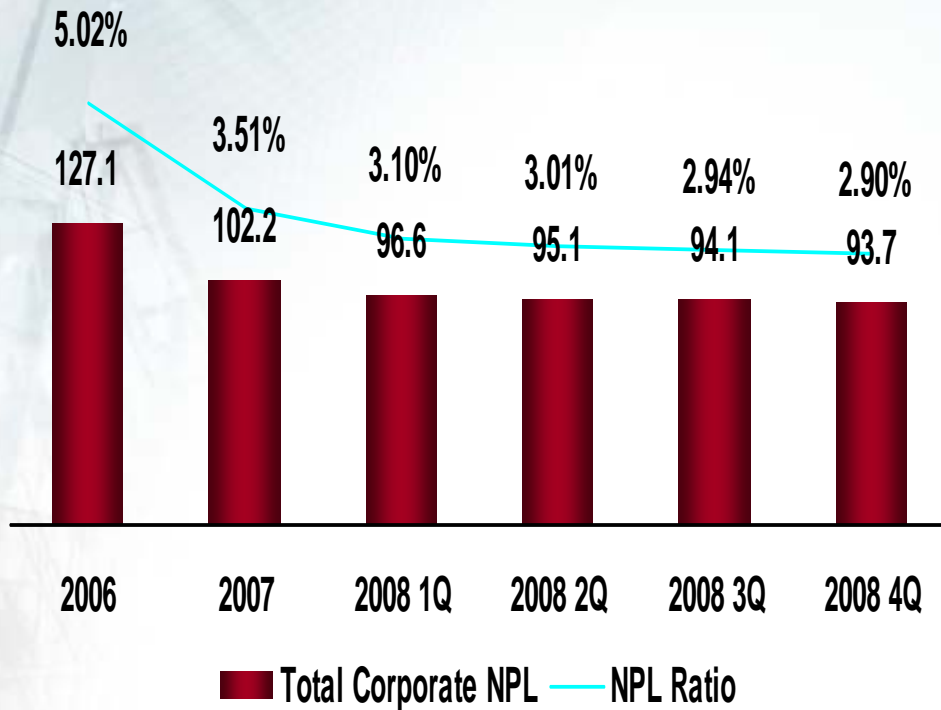
1. Excluding loans disposed in 2003 and 2004



Modifying Loan Mix to Achieve Higher Yield with Desired Loan Quality

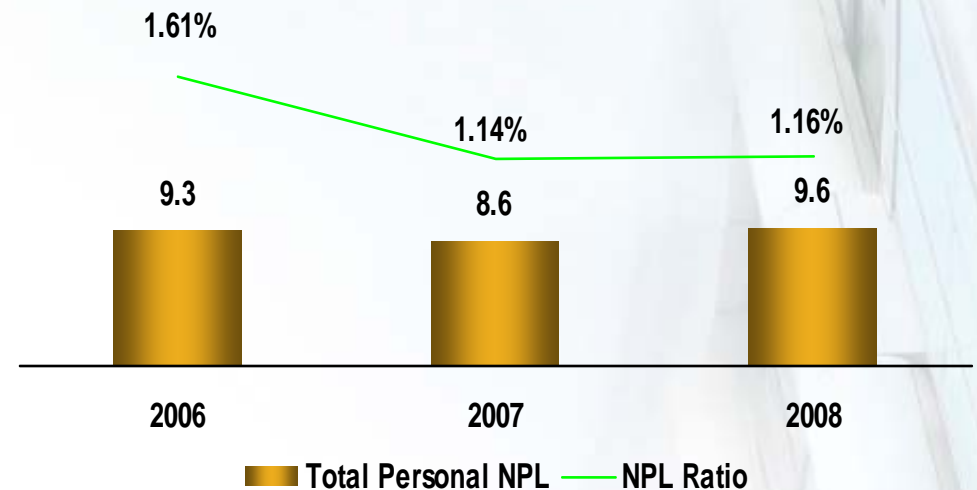
Declining Corporate NPL Balance and NPL Ratio

(RMB Bn)



Sound Retail Loan Quality and Manageable Risks

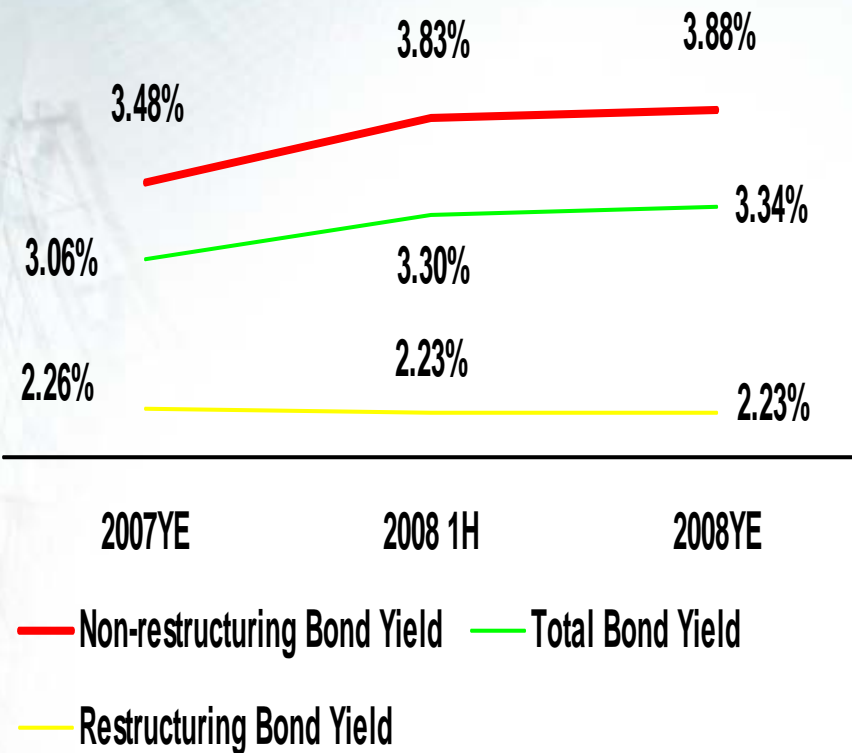
(RMB Bn)



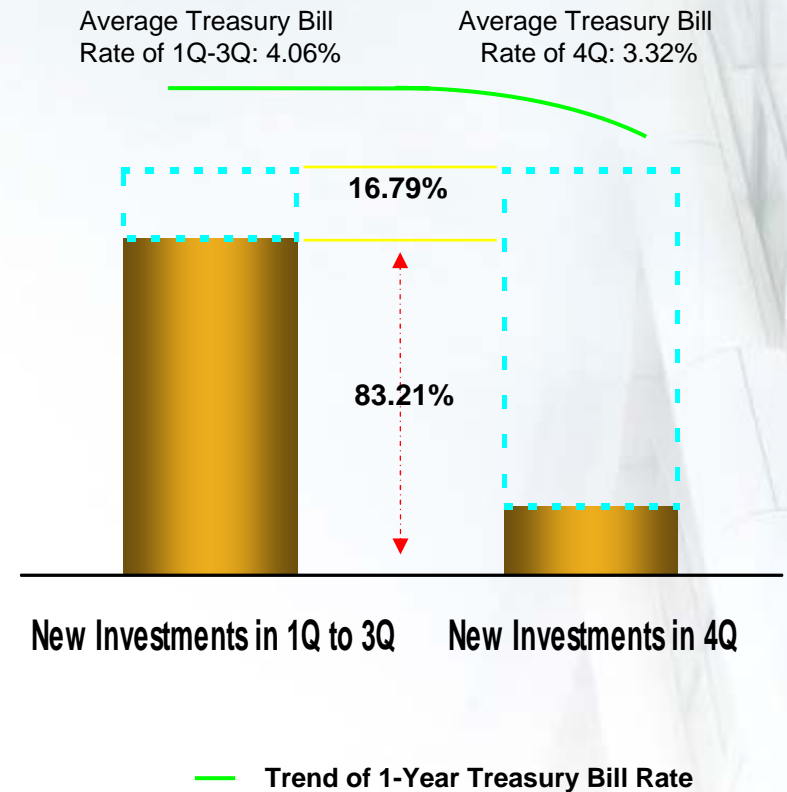


Enhanced Yield through Prudent and Effective Bond Portfolio Management

Increasing Bond Yields



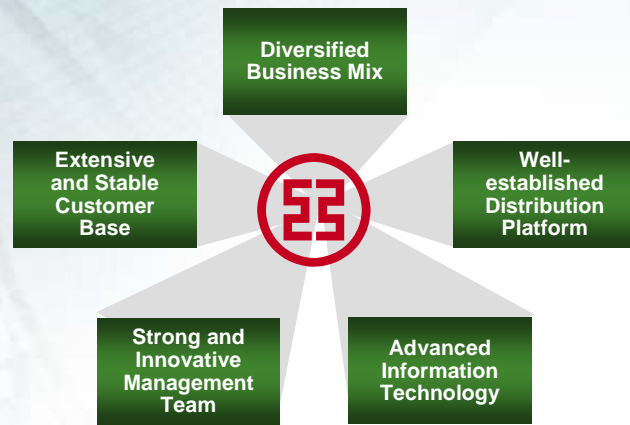
Accurate Timing for Bond Investments



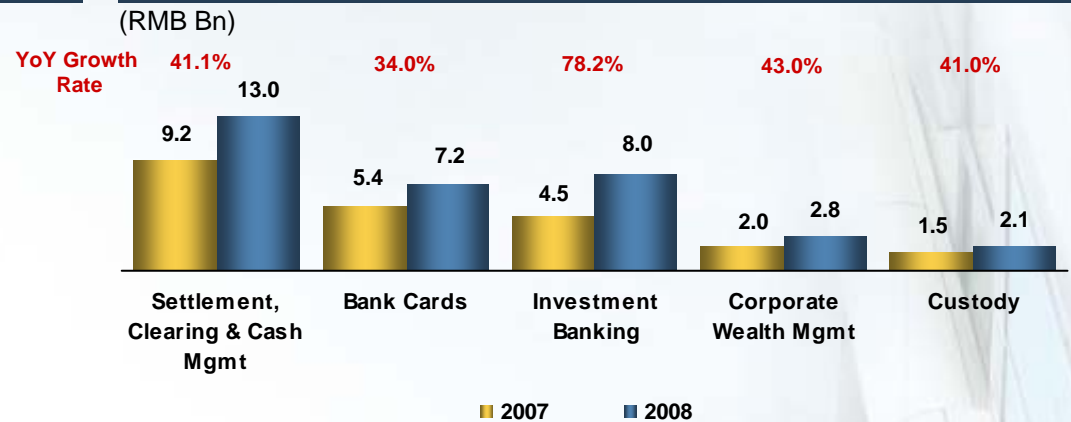


Diversified and Innovative Development of Fee Income

Robust Competitive Advantages



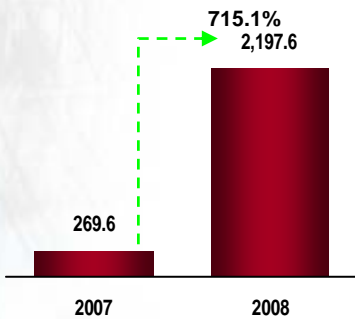
Diversified and Balanced Growth of Intermediary Business



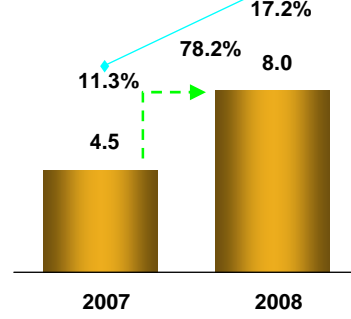
Innovation and Rapid Development of Intermediary Business to Adapt to Market Changes

(RMB Bn)

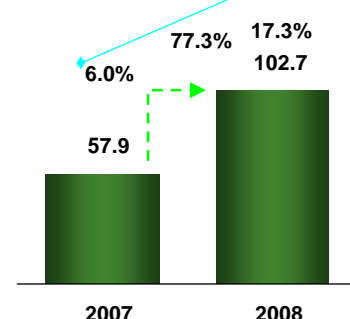
Accelerating Growth in Self-developed Wealth Management Products



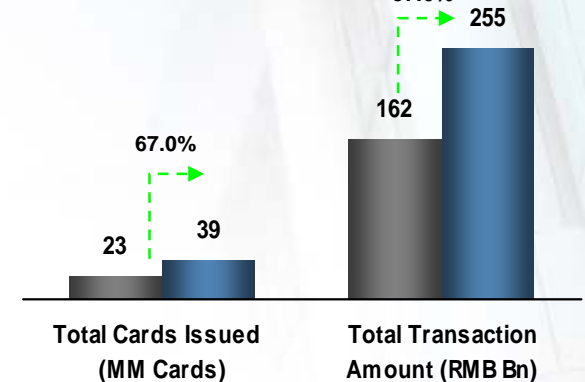
Rapid Expansion in Investment Banking Business



Speedy Increase in Agency Insurance Business Proportion



Rapid Growth in Credit Card Business



■ Income from Investment Banking
 — % of Income from Fees and Commissions

■ Total Sales of Agency Insurance
 — Agency Insurance % of Wealth Mgmt

■ 2007 ■ 2008



Focused on Enhanced Comprehensive Risk Management

Well-Established Risk Management System

Credit Risks

- Establish quantitative approach and step up efforts for loan migration/write-offs through detailed loan classification
- Strengthen stress test mechanism for credit assets; adopt Advanced Measurement Approach ("AMA") to assess credit risks

Market Risks

- Invest in core market risk management system to achieve VAR calculation
- Strengthen market risk monitoring mechanism and implement market risk limit management
- Upgrade interest rate management system to increase measurement accuracy

Operating Risks

- Adopted AMA for measuring operating risks as the pioneer in China; completed phase I gap analysis. Promote the standardized approach of assessing operating risks

Favorable Results from Comprehensive Risk Management System

Comprehensive Risk Management System

Standardization

Centralization

Independence

Accountability

Improved Asset Quality

Low-risk Trading Platform

Low Fraudulence Rate



International Expansion and Universal Banking Model

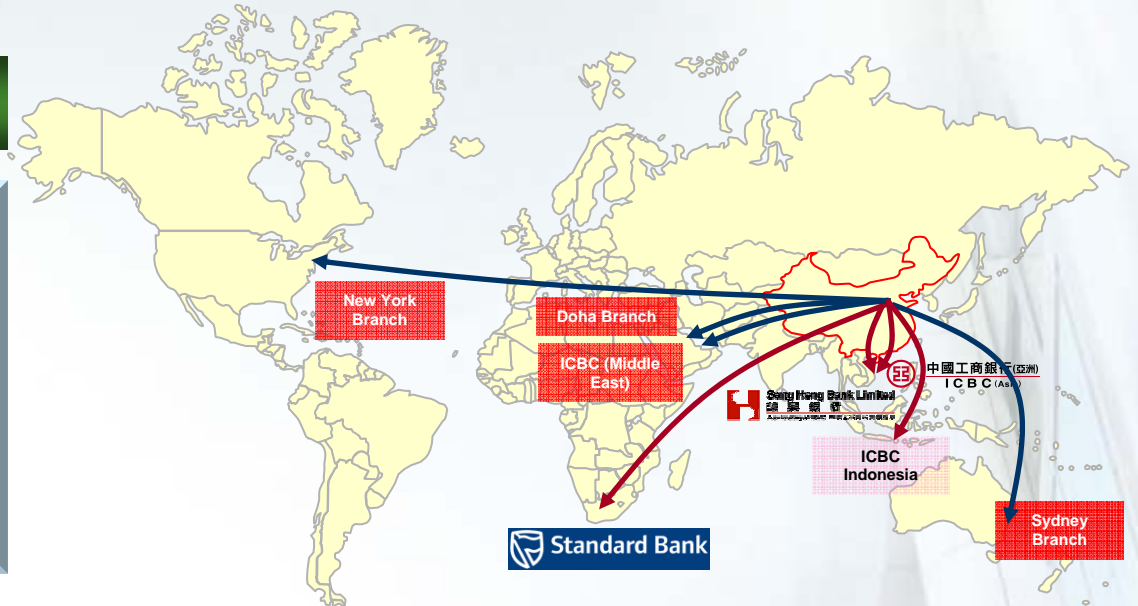
Globalization through Branch Openings and Acquisitions

Accelerated Organic Growth

- Opening of New York Branch, Sydney Branch, Doha Branch and ICBC (Middle East)
- Establishment of Vietnam subsidiary in Hanoi approved by the CBRC

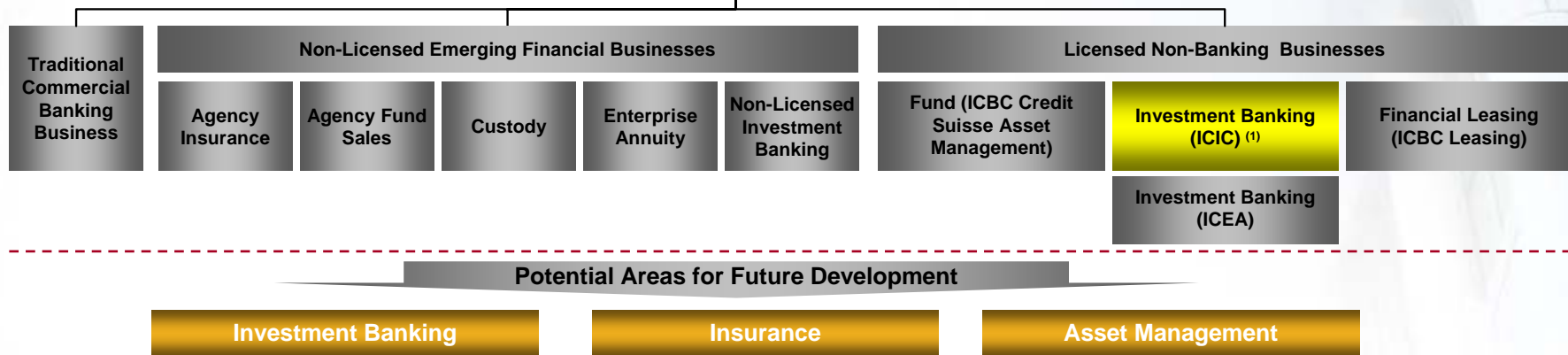
Enhanced Expansion

- Promote post-acquisition integration and management through nomination of directors and participation in corporate governance



Integrated Operating Platform

Universal Banking Framework

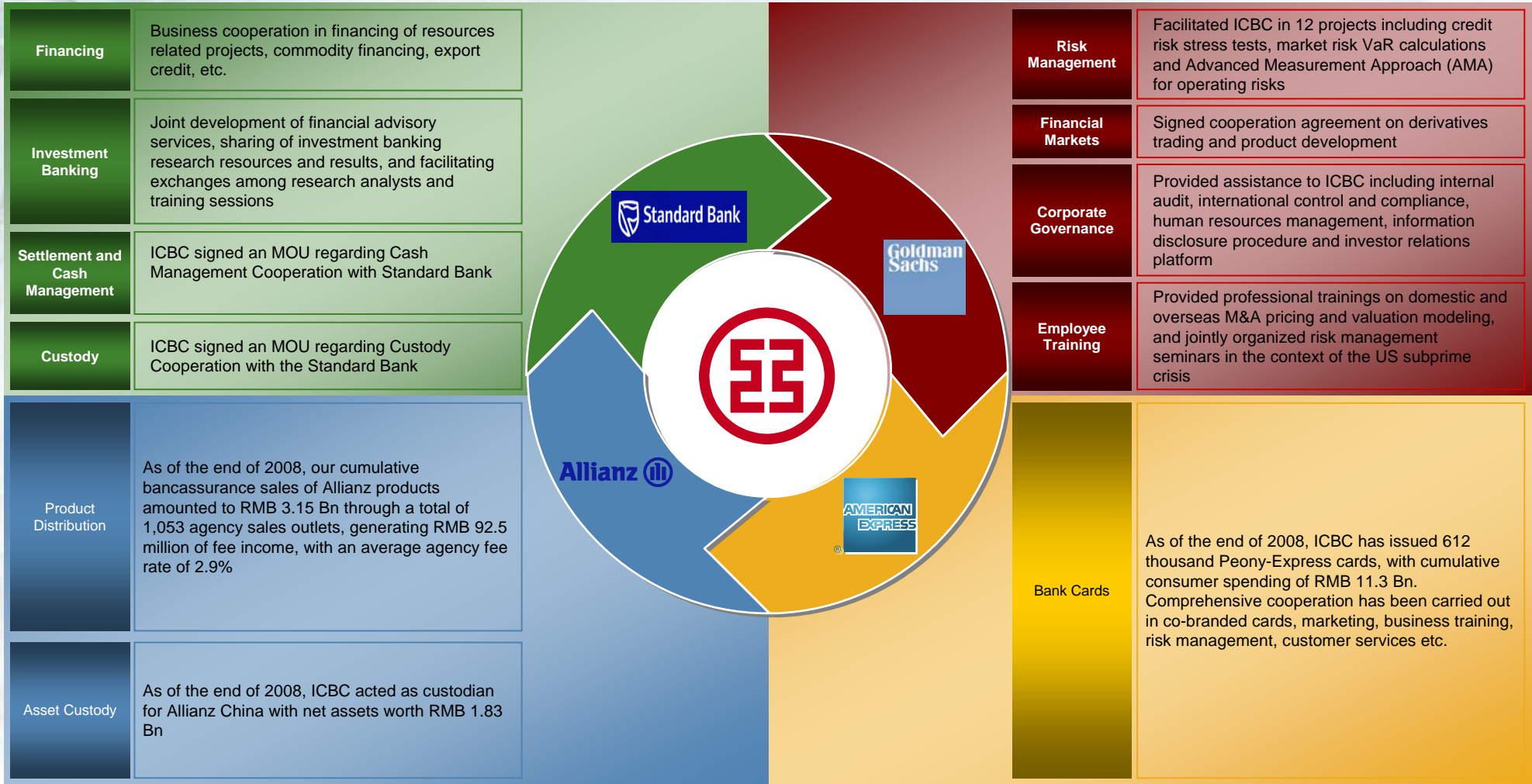


Notes

1. Investment banking license was approved by Hong Kong Monetary Authority in May, 2008



Strengthening Cooperation with Strategic Partners





Agenda



Business Operations



Financial Performance



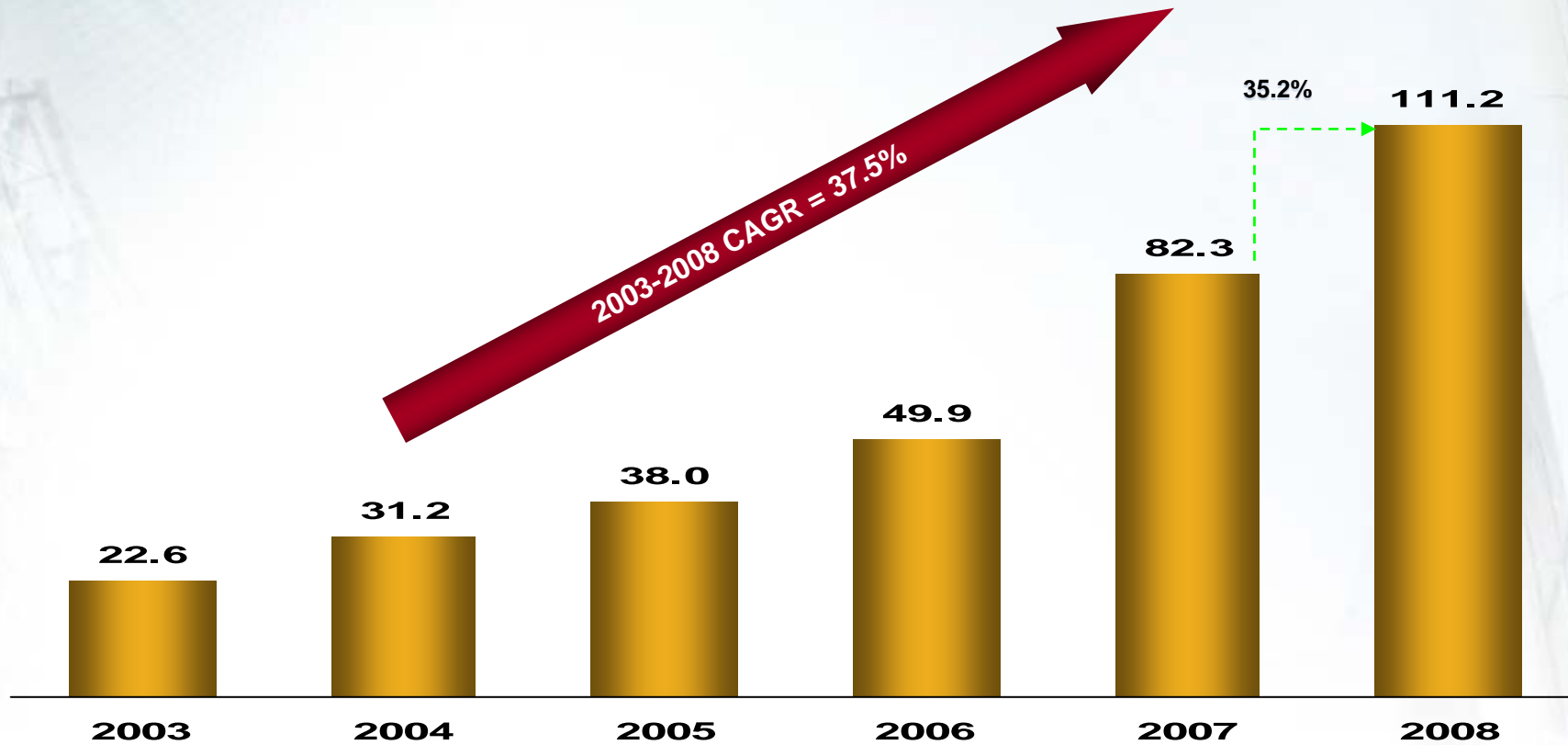
Development Strategy



Efficient and Prudent Operating Model Leading to Steady Profit Growth

Steady Growth in Profit After Tax

(RMB Bn)

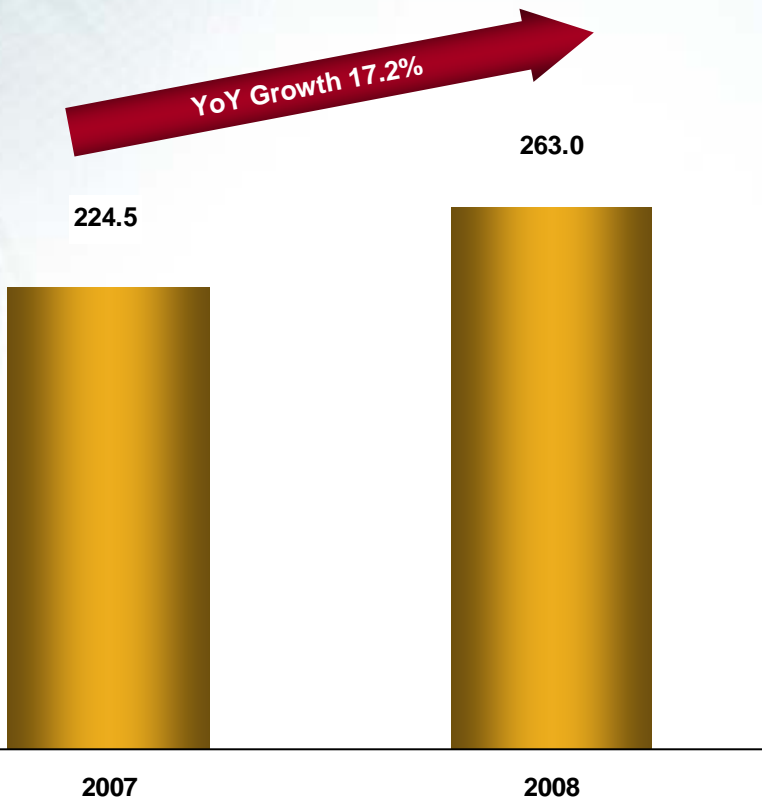




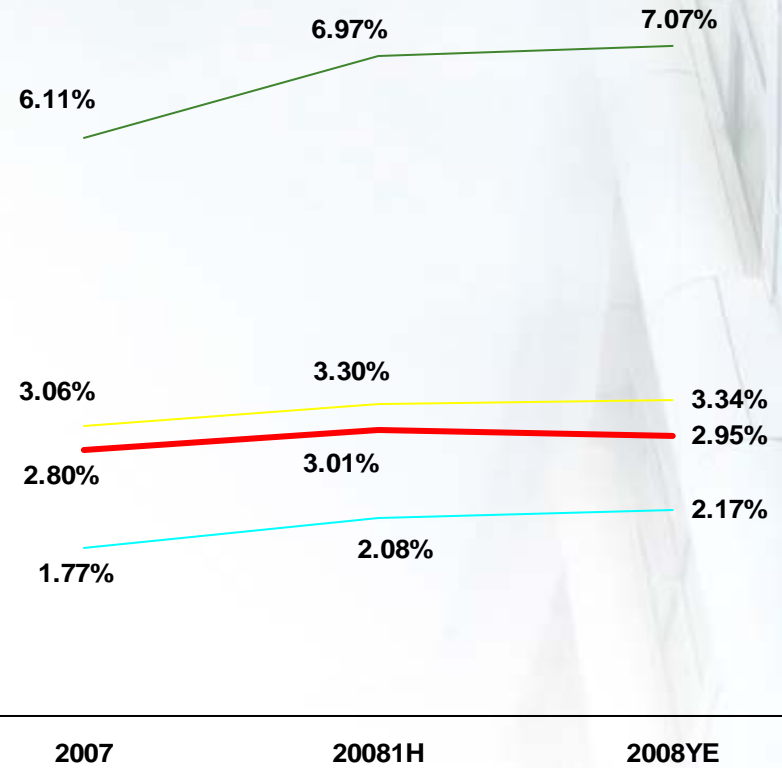
Steady Net Interest Margin Increase

Stable Growth in Net Interest Income

(RMB Bn)



Increasing Net Interest Margin



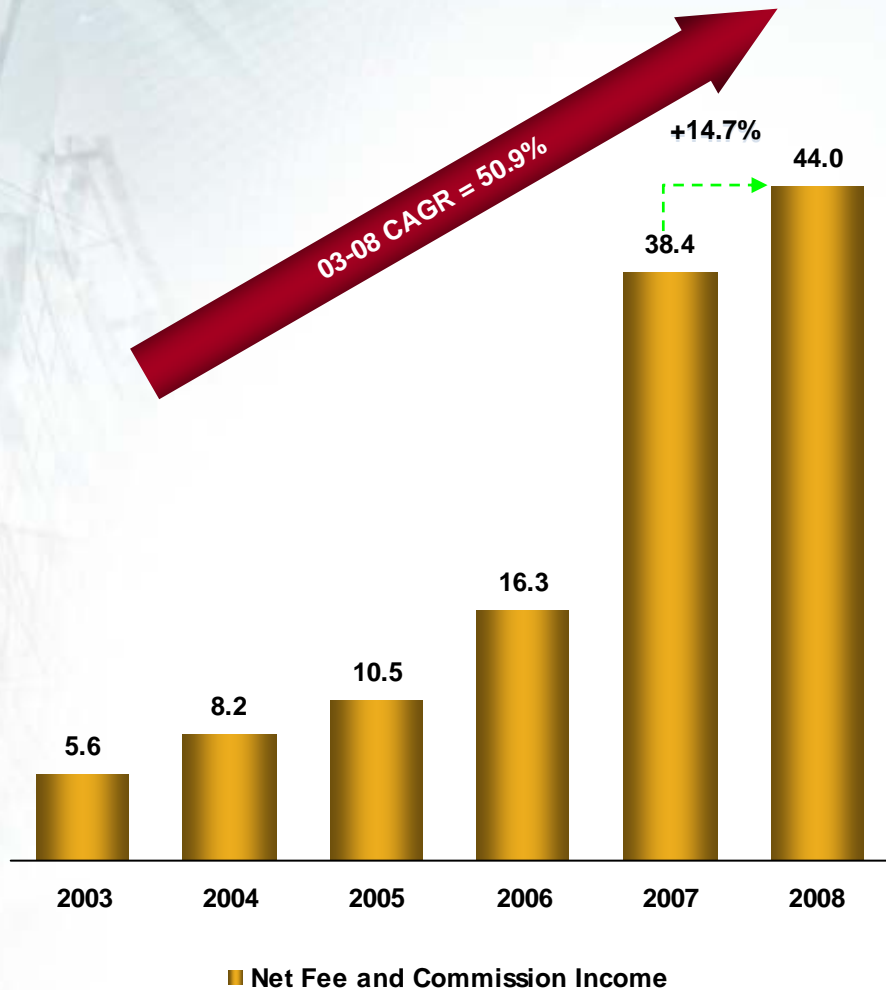
— Loan Yield
— Investment Yield
— Net Interest Margin
— Deposit Funding Cost



Steady Net Fee and Commission Income Growth

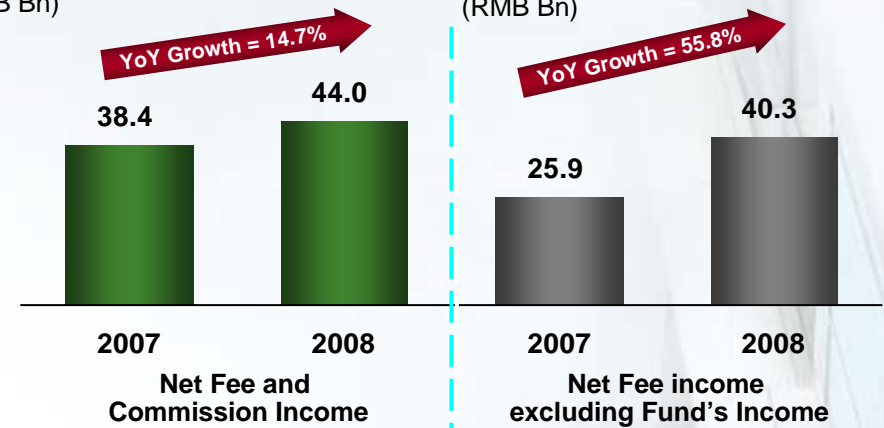
Healthy Growth in Net Fee and Commission Income

(RMB Bn)

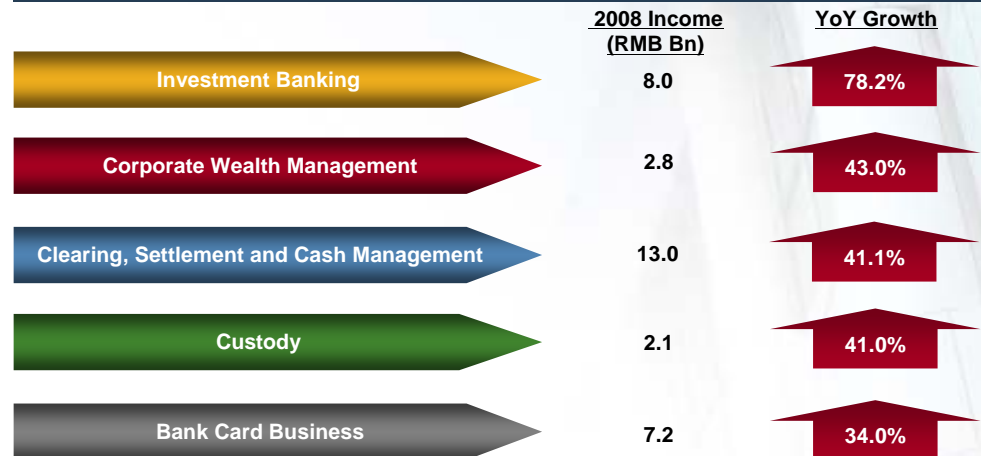


Stable Growth in Fee Income Excluding Income from Funds

(RMB Bn)



Sustained Rapid Growth in Various Fee Business Segments

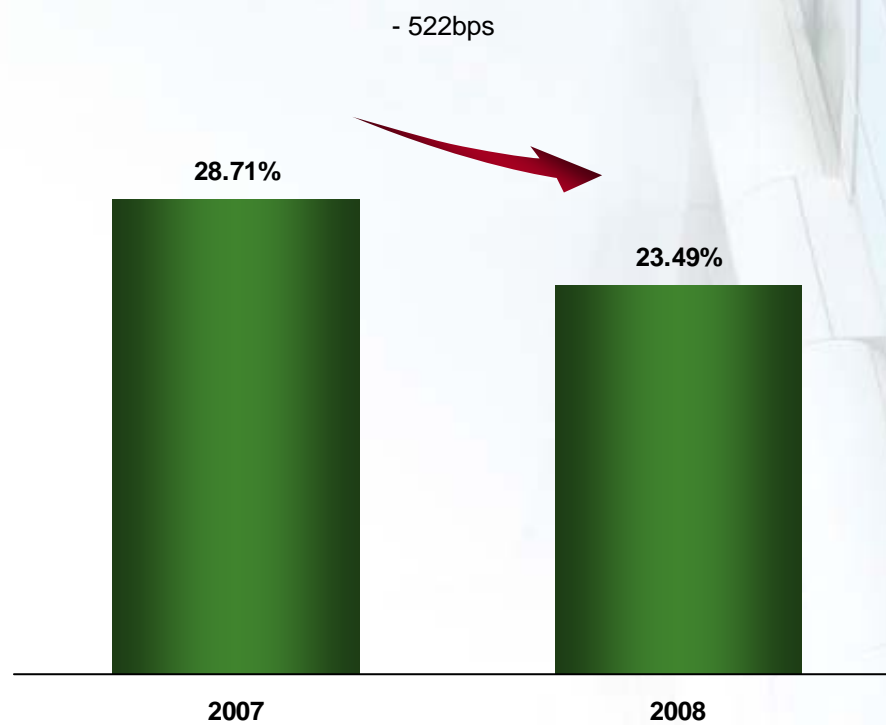
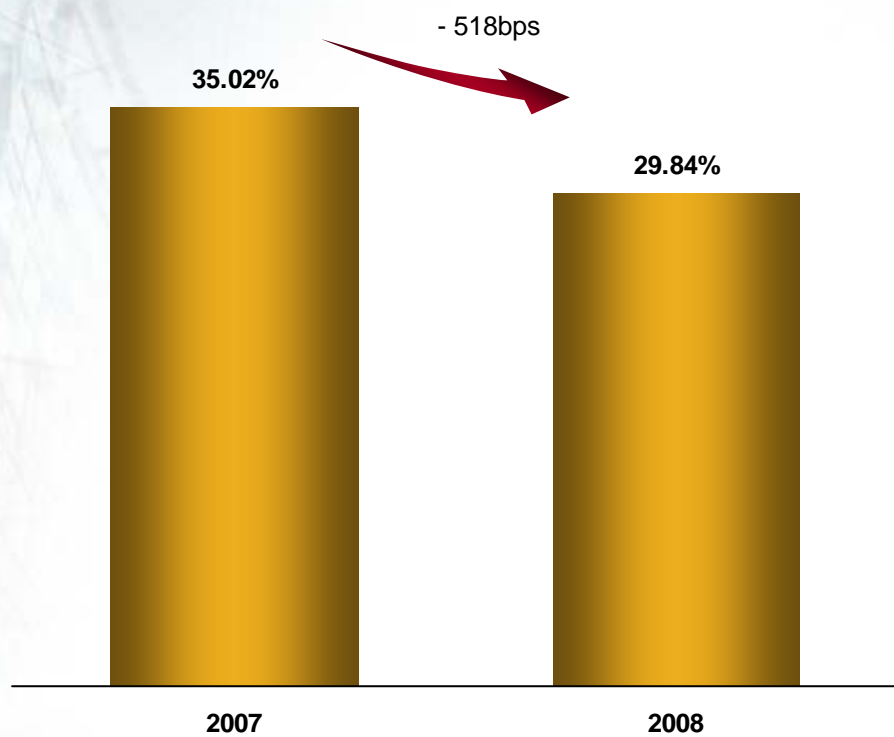




Competitive Cost Management

Competitive Cost / Income Ratio

Decreasing Effective Tax Rate



Notes

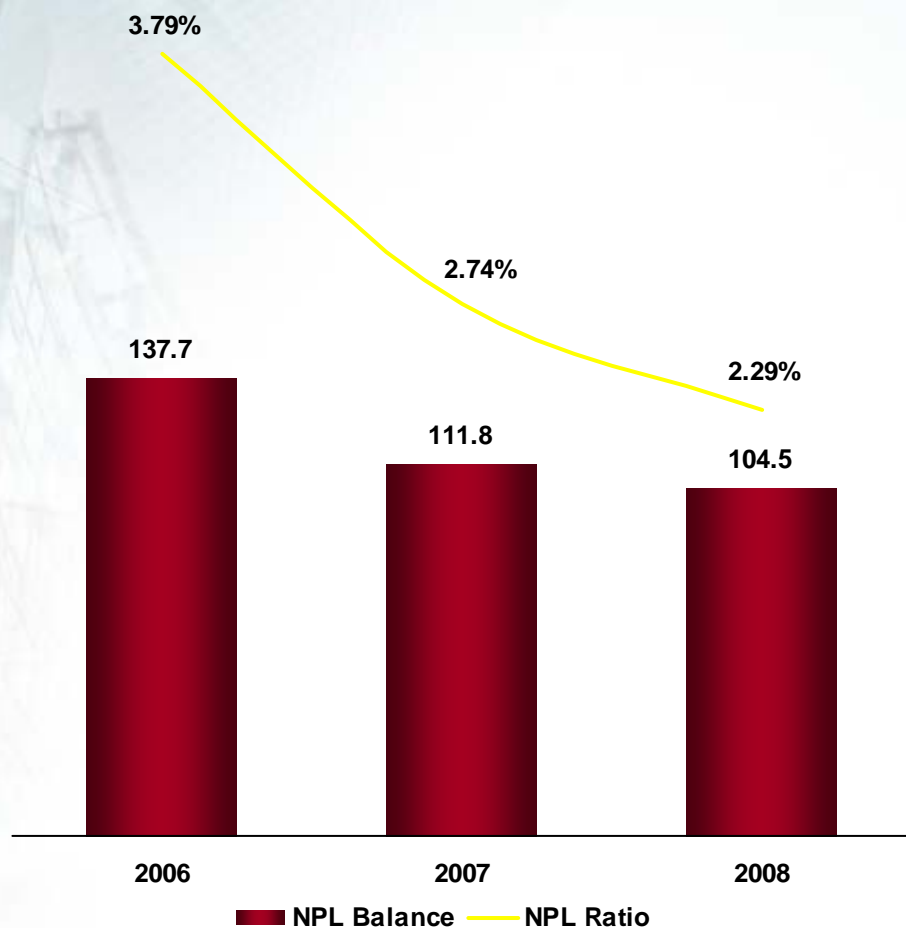
1. Other domestic banks financial data as of September 2008



Improved Asset Quality as Evidenced by Declining NPL Balance and NPL Ratio

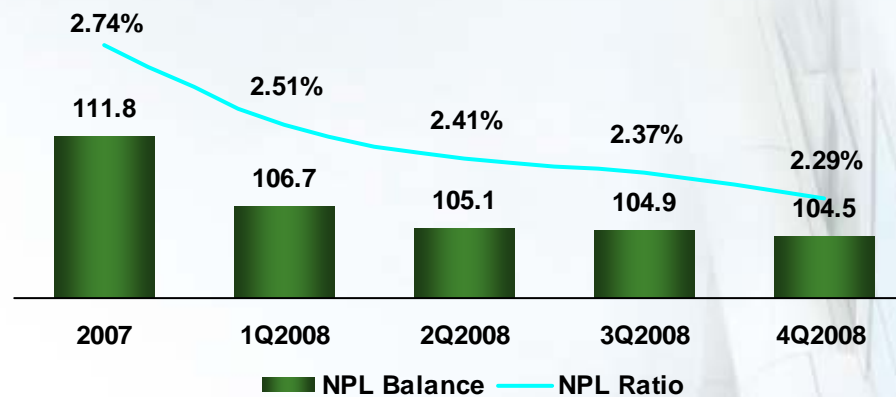
Declining NPL Balance and NPL Ratio

(RMB Bn, %)



Consistently Declining NPL; Leading Asset Quality Among Peers

(RMB Bn, %)



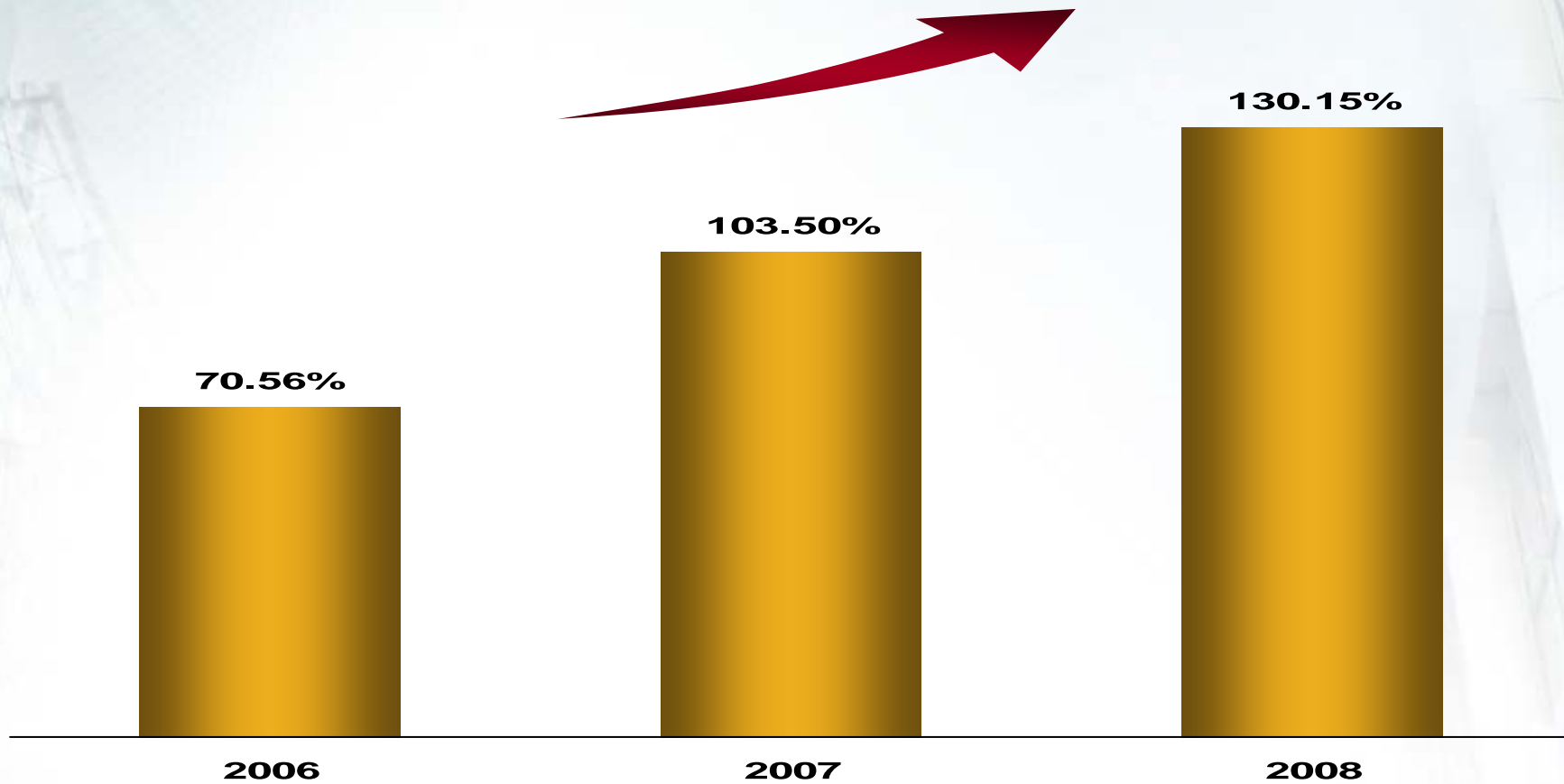
Steady Reduction in Credit Cost





Favorable Risk Coverage as Evidenced by Prudent Provisioning and High Collateral

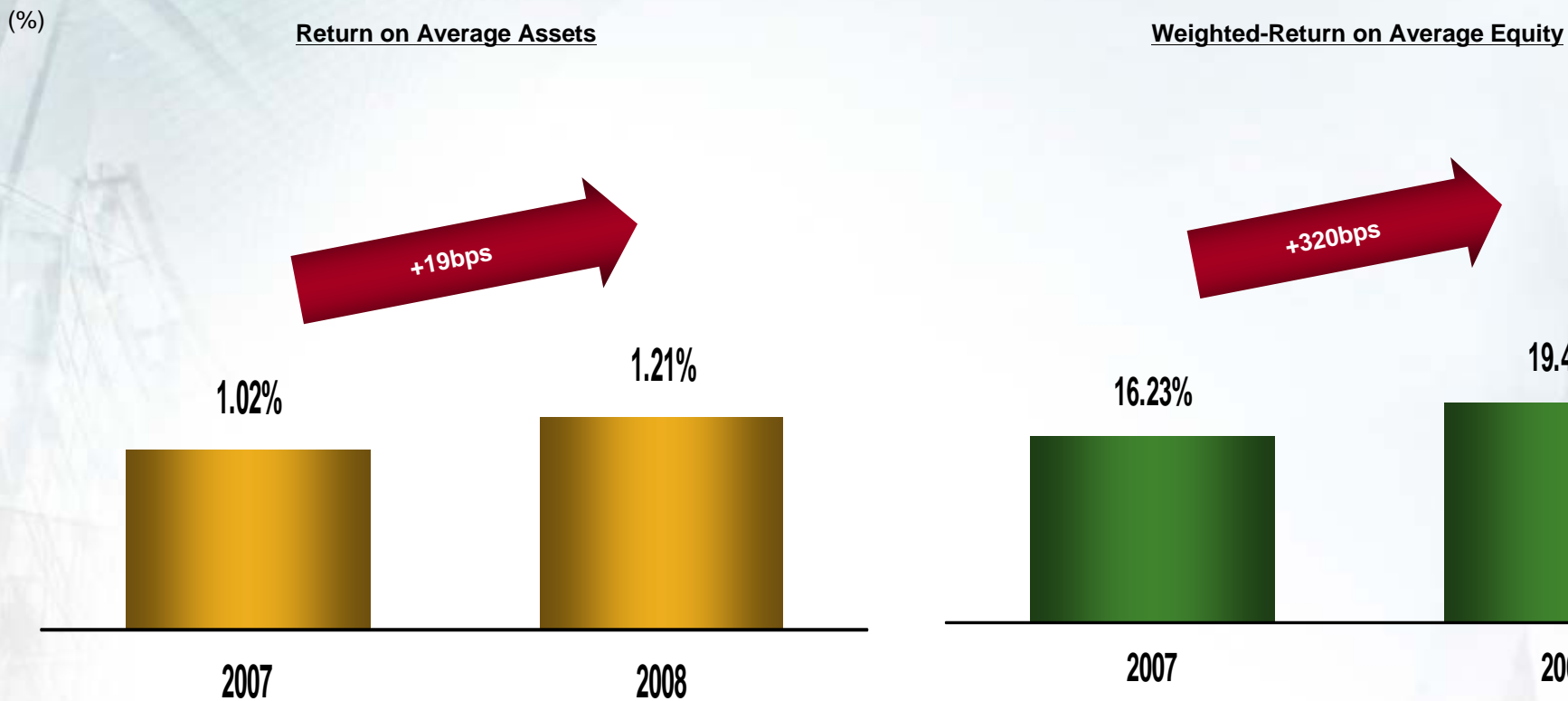
Improving Loan Loss Reserve and NPL Coverage Ratio





High Shareholder Return

Consistently Rising ROAA / ROAE



Notes

1. 2008 dividend payout ratio still maintained between 45%-60%



Agenda



Business Operations



Financial Performance



Development Strategy



Our Development Strategy

Strategic Mission:

- **To be the most profitable, pre-eminent, respectable and first-class international commercial bank**

Strategic Initiatives:

- Continue to adjust business operating structure and earnings mix; establish the most pre-eminent retail bank and credit bank; accelerate advancement of treasury and intermediary businesses, establish first-class trading platform; facilitate business innovation to enhance core competitiveness in less traditional intermediary businesses, and maintain fast and sustainable growth of intermediary business income
- Comprehensively enhance competitiveness and development ability. Promote product innovation, improve service standards, optimize distribution network, further enhance corporate image and branding, and strengthen corporate culture development
- Explore more comprehensive universal banking channels where permissible by relevant laws, regulations and policy framework
- Gradually promote international expansion, enhance cross-sector and cross-geography service capabilities
- Perfect corporate governance, enhance buildup of comprehensive risk management system and internal control mechanism, establish human resources management system adapted to modern commercial banking requirements, and fulfill our social responsibilities