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ICBC

2018 Corporate Social Responsibility Report

2018 Corporate Social Responsibility Report

Environmental | Social | Governance



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President's Statement



President
Guo Shu

We see glorious flowers in spring and yield solid fruit in autumn. The year of 2018 is fruitful. In the past year, China began to fully implement the requirements of the 19th National Congress of the CPC and also celebrated the 40th anniversary of national reform and opening-up, and ICBC got off to a flying start of carrying out a new round of three-year plan. In spite of profound and complicated changes in the external environment, the Bank stuck to the overall tone of "seeking progress without compromising stability", fulfilled its responsibilities as a major bank, served the real economy, improved service quality, promoted financial innovation, tightened risk prevention and control, enhanced the people-centered concept, and thus created the best business results over the past five years. The Bank reported net profit at RMB 298.7 billion, up 3.9%, ROE at 13.79%, CAR at 15.39%, NPL ratio at 1.52% and social contribution per share at RMB2.53, playing a positive role in promoting sustainable economic development, social advancement and environmental improvement.

The Bank stayed true to the underlying mission of finance serving the real economy in 2018 by keeping on enhancing value-creating ability and value contribution, devoting ourselves to maximizing the comprehensive value of economy, environment and society and realizing our own sustained, healthy development in the course of promoting a well-aligned match between social responsibility and mission statement. The Bank made an overall promotion for green finance development, strengthened the prevention and control of environmental and social risks, and recorded a synchronous improvement in economic, social and ecological benefits. It took the initiative to optimize the credit arrangement, focus on high-end manufacturing, cultivate the happiness industry and promote the Internet of things, and served the shift of the real economy towards high-quality development. The Bank deepened the financing support for private enterprises, innovated in modes of financial targeted poverty alleviation, and improved the inclusive financial system featuring "broad coverage, multi-tier, high-frequency and ability to sustain" so that financial services could really benefit the people's well-being. As of the end of 2018, the Bank registered various loans of RMB15.42 trillion in total, an increase of 8.3% on a yearly basis. The balance of green lending to energy-saving and environmental-friendly projects and services came in at RMB1.24 trillion, up 12.61%. The balance of inclusive loans at the measure of the CBIRC arrived at RMB321.685 billion, up by 18.1%. The balance of loans for financial targeted poverty alleviation reached RMB155,945 million, up 22.76%.

In 2018, the Bank adhered to the business philosophy of "being customer-centric", made sweeping progress in smart bank building, actively constructed a three-dimensional services system of "online and offline, artificial and intelligence, deliver and interaction", and constantly advanced platform development of "ICBC Mobile", "ICBC Mall" and "ICBC Link". As a result, the Bank's Internet-based finance users numbered 429 million, a record high in history. The Bank improved the global network layout and enhanced global service capabilities, and as of the end of 2018, the Bank now has 426 subsidiaries in 47 countries and regions and indirectly covers 20 African countries through equity participation in Standard Bank Group. Following the trend of FinTech and bank development, we actively applied advanced technology into building a comprehensive, intelligent and ecological modern financial products & services system, and strove for providing more new era-defined and intelligent financial services. We set up the Financial Technology Department, aimed at giving full play to the positive role of FinTech in boosting business transformation and development and enabling that traditional and emerging business

can support each other and finance and technology can integrate. Moreover, we prepared to establish the wealth management subsidiary to push forward the business upgrade and development on all fronts under the guidance of the new rules on asset management.

In 2018, the Bank kept in mind that security and prudence are the very foundation for lasting prosperity of a bank, proactively coped with the reforming requirements of the financial regulators and the latest progress in market environment, and always defended the bottom lines of risk and compliance. The Bank further enhanced risk appetite management of the Group, perfected country risk limit management, promoted the Group's consolidated management, reinforced risk penetration to subsidiaries and comprehensively optimized the risk management system. The Bank augmented the Group's stress testing against market risk, implemented whole-process risk management and product control for wealth management, promoted anti-fraud technology to inclusive finance and proposed the whole-process and full-chain dynamic monitoring and early warning plan for cross-financial activities. The Bank optimized and adjusted industrial credit policies by industries, and continued to stabilize asset quality. By using big data and artificial intelligence technology, the Bank improved its anti-money laundering risk monitoring. The Bank continued to perfect the consumer protection mechanism, maintain the stability of economic and financial landscapes and protect the safety of customers' financial assets.

In 2018, upholding the attitudes of "equity, openness, respect and integration", the Bank carried out the people-oriented philosophy thoroughly, earnestly protected the legitimate rights and interests of employees, and established and perfected the career development mode covering multiple lines of posts and broadened the promotion space for employees, promoting the integration of employee progress and corporate development. With a focus on building a bank in which people enjoy learning, the Bank delivered 44,700 training sessions to 5.24 million people, with each person receiving trainings of 10.43 days averagely. The Bank is committed to building an open, inclusive, clean and beautiful world. We launched the "operation-go-green" initiative, advocated paperless office, introduced innovative energy-saving and emission-reducing models, took part in various public welfare activities at home and abroad in diversified ways, strengthened exchanges and cooperation with non-profit organizations and the public, encouraged employees to give back to the society through various means. In 2018, it made outward donations of RMB104 million and launched 4,222 volunteer activities of over 240,000 hours.

With strong impetus and great ambition, we are in a good time to forge ahead bravely. 2019 marks the 70th anniversary of the founding of the People's Republic of China, and it is also a key year for building a moderately prosperous society in an all-around way. The Bank will remain tasked with serving the real economy, highlight the high-quality development of economy, walk unswervingly towards business transformation, keep preventing and controlling risks, forge ahead in spite of difficulties to do a solid work as a fighter and doer, make even bigger contribution to the steady and healthy development of the real economy, so that finance can be truly serve the people and benefit the people.

President Guo Shu
28 March 2019

About Us

Company Profile

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured to a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Through its continuous endeavor and stable development, the Bank has developed into the leading bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to create value through services while providing a comprehensive range of financial products and services to 7,033 thousand corporate customers and 607 million personal customers.

The Bank has been consciously integrating the social responsibilities with its development strategy and operation and management activities, and gaining wide recognition in the aspects of promoting inclusive finance, supporting targeted poverty relief, protecting environment and resources and participating in public welfare undertakings. The Bank always keeps in mind its underlying mission of serving the real economy with its principal business, and along with the real economy it prospers, suffers and grows. Taking a risk-based approach and never overstepping the bottom line, it constantly enhances its capability of controlling and mitigating risks. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a century-old bank. It also stays

committed to seeking progress with innovation while maintaining stability, continuously enhances the strategy of mega retail, mega asset management, mega investment banking as well as international and comprehensive development, and actively embraces the internet. The Bank unswervingly delivers specialized services, and pioneered a specialized business model, thus making it "a craftsman in large banking". The Bank was ranked the 1st place among the Top 1000 World Banks by The Banker, ranked 1st place in the Global 2000 listed by Forbes and topped the sub-list of commercial banks of the Global 500 in Fortune for the sixth consecutive year, and took the 1st place among the Top 500 Banking Brands of Brand Finance for the third consecutive year.

Corporate Culture



Connotation of Responsibility

"Excellence for You — Excellent services to clients, Maximum returns to shareholders, Real success for our people, Great contribution to society" is not only a corporate social responsibility objective of ICBC, but also the solemn commitment made to various stakeholders. The Bank is committed to serving common interests of various stakeholders in economic and social development, promoting sustainable economic development and social progress, developing core values such as "Integrity, Humanity, Prudence, Innovation and Excellence", and maximizing comprehensive value to economy, environment and society.



Responsibility Communication

The Bank paid great attention to communication with stakeholders. By establishing the mechanism for combination of instant and regular communication and coordination of communication on specific topics and international exchange, the Bank ensured constant and good exchanges with key stakeholders and encouraged involvement of related parties by actively tapping into the role of new media platforms.





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Delivering Excellence

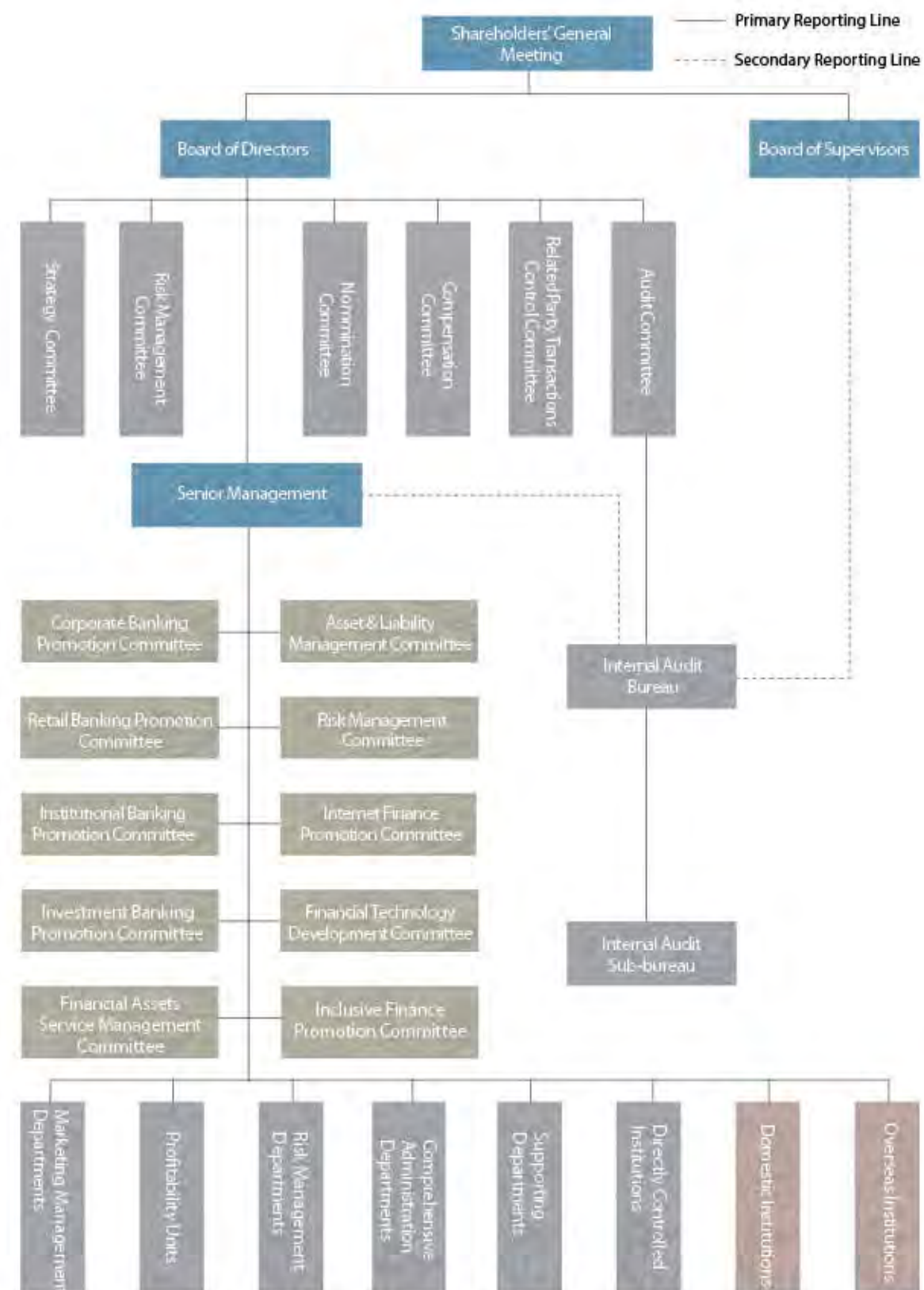
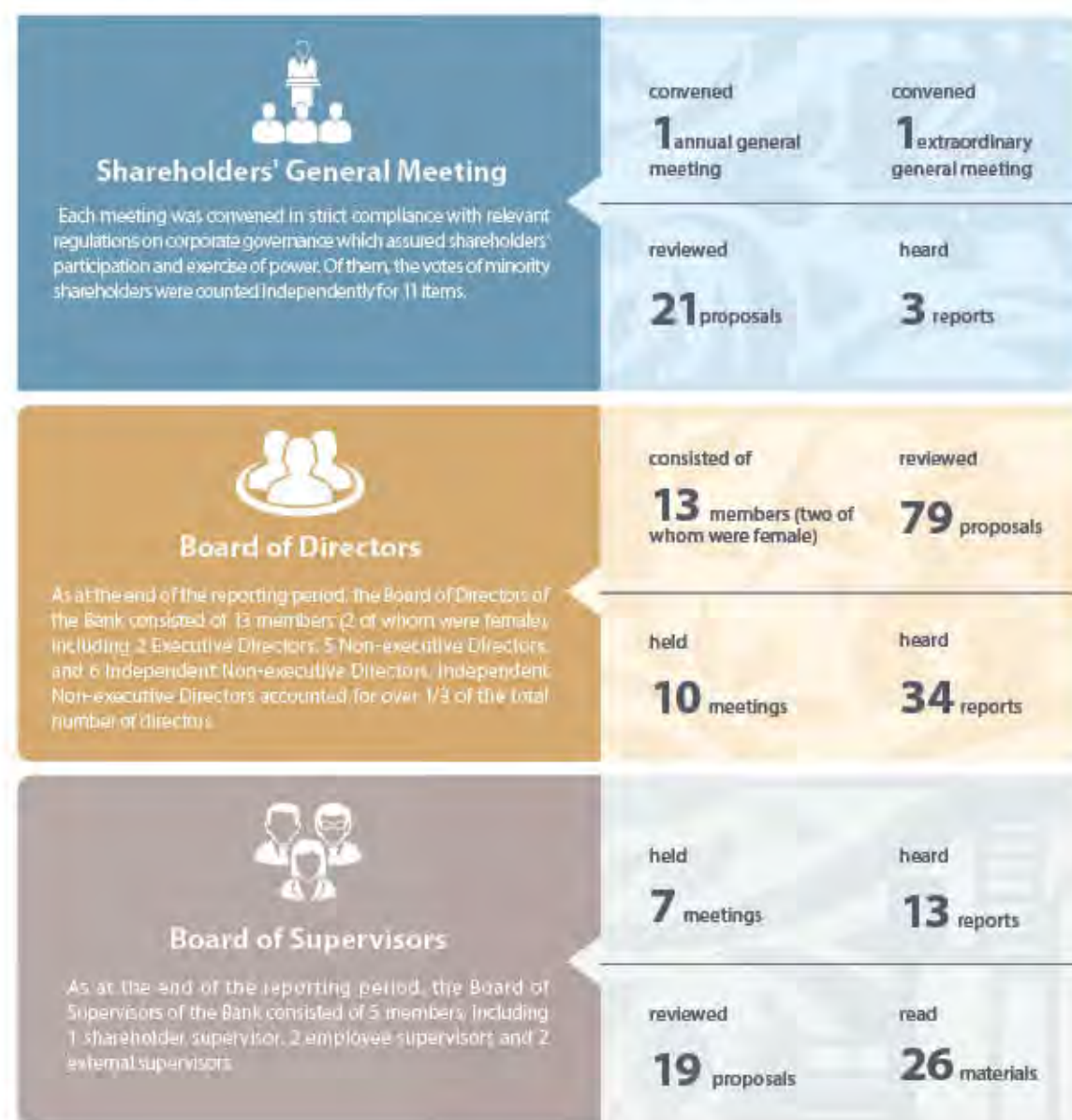
Leveraging a sound corporate governance framework, the Bank promoted the transformation of operation, offered innovative products and services, strove to enhance profitability and risk management, promoted the reasonable distribution of social resources via optimal allocation of financial resources, further stepped up efforts to build a green financial system to improve economic, social and ecological benefits and created superior value for all the stakeholders including shareholders, customers and employees as well as the society.

Corporate Governance and Development Strategy

Corporate Governance Framework

The Bank has made constant efforts to improve the checks and balances mechanism in corporate governance comprising shareholders' general meeting, excellent board of directors, effective board of supervisors and efficient senior management featuring clearly-defined responsibilities and accountability, coordination and effective checks and balances, to improve the organic combination of Party leadership and corporate governance mechanism, and to refine the operation mechanism of the authority organ, decision-making organ, supervisory organ and executive organ targeting

at reasonable decision-making, vigorous implementation, effective supervision and robust operation. During the reporting period, the Bank received a series of corporate governance-related awards from Chinese and foreign authoritative institutions and news media, including the "The Asset Corporate Award — Platinum Award" from the Hong Kong magazine *The Asset*, the "2018 CCTV China's Top 10 Listed Companies Award" from the 2018 CCTV Financial Forum & Chinese Listed Companies Summit, and the "Gold Round Table — Excellent Enterprise in Corporate Governance" from *Directors & Boards* magazine.



Particular Attention to Significant Issues

During the reporting period, the Board of Directors of the Bank attached great importance to significant issues relating to strategic planning, serving the real economy, business development and risk management, as well as the environmental, social and economic (ESG)-related issues, and in this regard launched sound communication and special researches.



In December 2018, the Bank held the Seminar of Board of Directors on the Implementation of Strategic Development Plan for 2018-2020 in Beijing, which was presided over by then Chairman Yi Huiman, and attended by the Beijing-based directors, supervisors and senior management members

Protection of Minority Shareholders' Rights and Interests

The Bank has strictly complied with laws, regulations, regulatory requirements and fundamental regulations of corporate governance, and has taken various measures such as improving information disclosure management, strengthening investor relations management and refining the operations mechanism of the Shareholders' General Meeting, with a view to safeguarding the rights of all shareholders, especially minority investors, and increasing communication and exchange among shareholders. Since it was listed, in order to treat A and H minority shareholders fairly, the Bank has held the Annual General Meeting in Beijing and Hong Kong concurrently by video link and set up registration offices of A and H shareholders both in Beijing and Hong Kong to facilitate the voting of shareholders.



1

2

1. In August 2018, directors of the Bank headed a delegation to investigate target poverty relief work in Nanjiang County of Bazhong, Sichuan Province

2. In December 2018, then Chairman of the Bank Yi Huiman presided over a meeting of the Board of Directors, listening to the Report on Implementation of the Management of Large-value Risk Exposures of Commercial Banks

Strengthening of Information Disclosure

During the reporting period, the Bank continued to strengthen the implementation of information disclosure rules and regulations, kept raising the compliance awareness and responsibility awareness of internal significant information reporting entities, earnestly registered and filed insider information, conducted regular self-inspections of insider transactions, prevented insider trading risks in a down-to-earth way, and actively protected the legitimate rights and interests of the Bank and its shareholders.

The Bank strictly abided by the requirements of Chinese and foreign regulators on information disclosure, actively performed the information disclosure obligation, wrapped up each compulsory information disclosure work, promoted voluntary information disclosure, and continued to enhance the corporate transparency.

ESG Performance

Responsibility Performance Indices

The Bank took the world's best social responsibility practice as benchmark, continued to explore the path of sustainable development, and made unremitting efforts to improve the social responsibility management system integrating policy development, strategic planning, roles & implementation, information disclosure, education & training, index & assessment and international cooperation: The Board of Directors was responsible for finalizing the Bank's basic rules and regular reports on social responsibility; the Strategy Committee of the Board of Directors should review duty performance, basic rules and regular reports and make suggestions to the Board of Directors; the Senior Management was responsible for carrying out all resolutions on social responsibility adopted by the Board of Directors, submitting regular reports, establishing and improving the Group's social responsibility work index & statistical system; the relevant departments of the Head Office and domestic and overseas branches and subsidiaries should actively participate in social responsibility related work within their respective work scope.

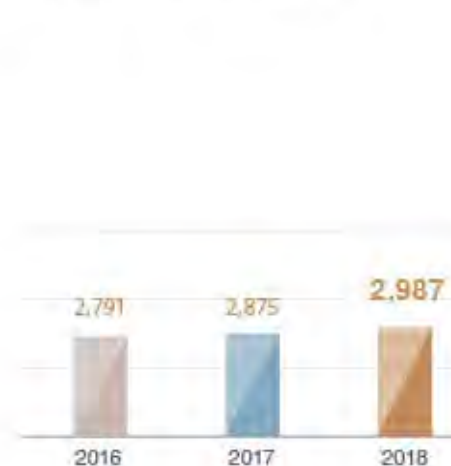
Economic Performance

| Economic Index | Unit | 2018 | 2017 | 2016 |
|---------------------------------------|----------------|---------|---------|---------|
| Total assets | RMB100 million | 276,995 | 260,870 | 241,373 |
| Total loans and advances to customers | RMB100 million | 154,199 | 142,334 | 130,568 |
| Customer deposits | RMB100 million | 214,089 | 195,629 | 181,139 |
| Operating income | RMB100 million | 7,251 | 6,757 | 6,417 |
| Net profit | RMB100 million | 2,987 | 2,875 | 2,791 |
| Basic earnings per share | RMB | 0.82 | 0.79 | 0.77 |
| Cash dividends | RMB100 million | 893 | 858 | 835 |
| Total tax payment | RMB100 million | 1,207 | 1,165 | 1,433 |
| Return on average total assets | % | 1.11 | 1.14 | 1.20 |
| Return on weighted average equity | % | 13.79 | 14.35 | 15.24 |
| NPL ratio | % | 1.52 | 1.55 | 1.62 |
| NPL balance | RMB100 million | 2,351 | 2,210 | 2,118 |
| Allowance to NPL | % | 175.76 | 154.07 | 136.69 |
| Capital adequacy ratio | % | 15.39 | 15.14 | 14.61 |
| Core tier 1 capital adequacy ratio | % | 12.98 | 12.77 | 12.87 |

Note:

Since 2013, the capital adequacy ratio and core tier 1 capital adequacy ratio of the Bank have been calculated according to the Regulation Governing Capital of Commercial Banks (Provisional) released in June 2012 by CBIRC.

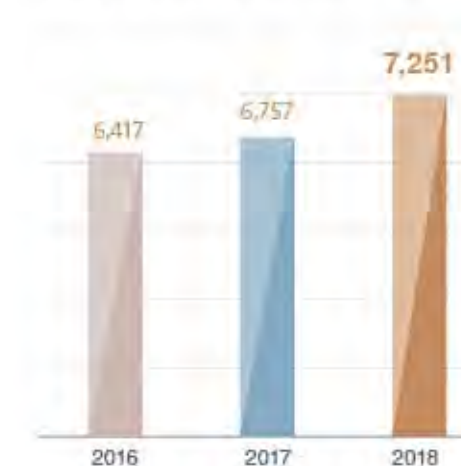
Net profit (in RMB100 million)



Net profit of

2,987 (RMB100 million) in 2018

Operating income (in RMB100 million)



Operating income of

7,251 (RMB100 million) in 2018

Net Profits and Dividends of the Bank since IPO



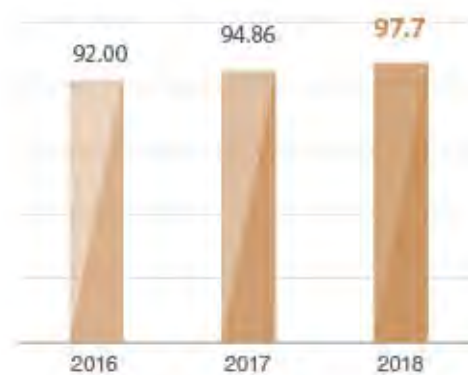
Strengthening Communication and Exchanges with Investors over Multiple Channels

During the reporting period, the Bank disclosed information in the forms of regular reports and temporary announcements on the websites of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, and kept strengthening communication and exchanges with global investors over a variety of channels, e.g. official website, newspapers, roadshows and reverse roadshows, shareholders' meetings, press conferences in relation to business results, meetings with investors and analysts, meetings with media, the online platform of sseinfo.com, investor hotline and investor mailbox, official Weibo and WeChat.

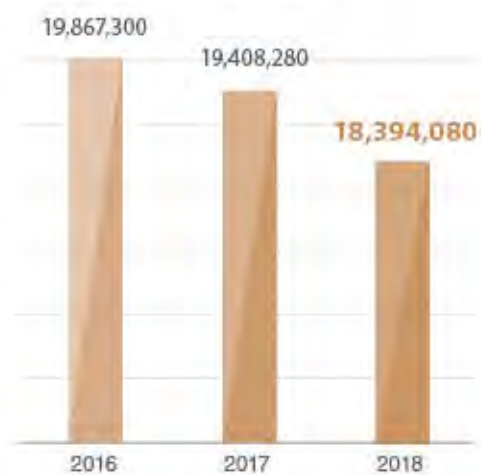
Environmental Performance

| Environmental Index | Unit | 2018 | 2017 | 2016 |
|--|----------------|------------|------------|------------|
| Domestic green credit balance | RMB100 million | 12,377.58 | 10,991.99 | 9,785.60 |
| Proportion of domestic E-banking business volume | % | 97.7 | 94.86 | 92.00 |
| Office paper consumption (Head Office) | Million pieces | 8.72 | 8.73 | 7.71 |
| Office power consumption (Head Office) | Kilowatt-hour | 18,394,080 | 19,408,280 | 19,867,300 |
| Office water consumption (Head Office) | Ton | 172,377 | 170,196 | 156,324 |
| Official vehicle oil consumption (Head Office) | Liter | 76,699 | 86,109 | 86,532 |

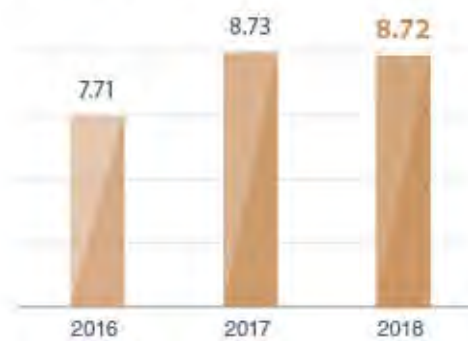
Proportion of domestic E-banking business volume (%)



Office power consumption (Head Office, kilowatt-hour)

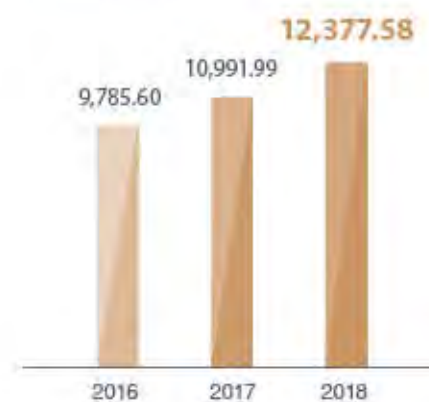


Office paper consumption (Head Office, million pieces)

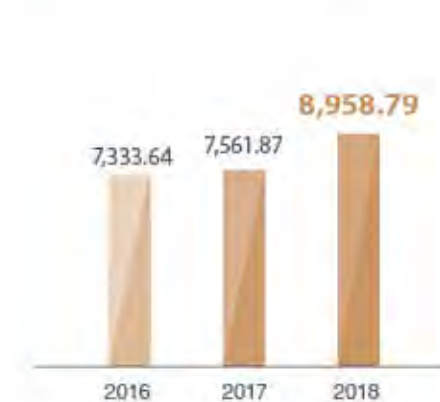


Data on Energy Saving and Environmental Protection under Green Credit

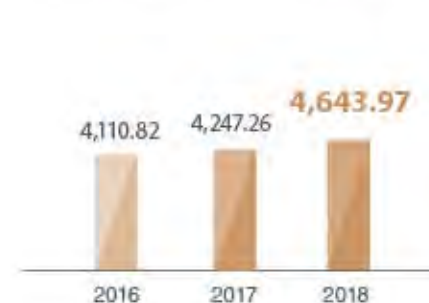
Green credit balance (RMB100 million)



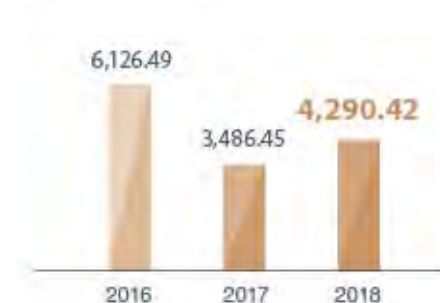
CO₂ equivalence of reductions (10,000t)



Standard coal equivalence of reductions (10,000t)



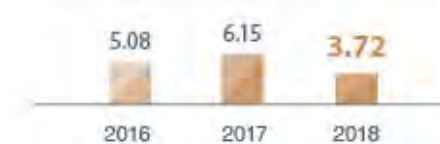
Water saved (10,000t)



Ammonia nitrogen emission reduction (10,000t)



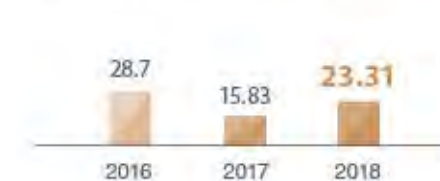
Nitrogen oxides emission reduction (10,000t)



SO₂ emission reduction (10,000t)



COD emission reduction (10,000t)

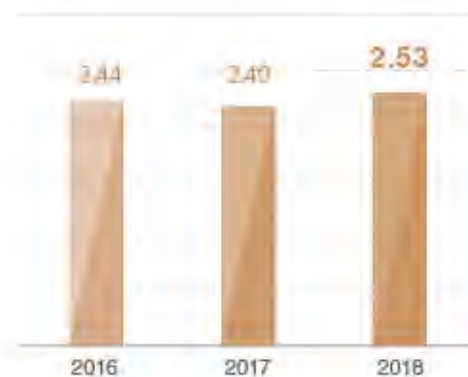


Note:
The above data is converted and calculated from green credit.

Social Performance

| Social Index | Unit | 2018 | 2017 | 2016 |
|---|----------------|----------|----------|---------|
| Domestic Inclusive finance loan balance | RMB100 million | 3,216.85 | 2,724.82 | - |
| Social contribution per share | RMB | 2.53 | 2.40 | 2.44 |
| Total number of employees | Person | 449,296 | 453,048 | 461,749 |
| Proportion of female employees | % | 50.6 | 51.1 | 51.3 |
| Proportion of employees from ethnic minority groups | % | 5.7 | 5.7 | 5.6 |
| Average training days per person | Day | 10.43 | 9.9 | 9.63 |
| Donations by the Group | RMB10 thousand | 10,425 | 7,792 | 6,530 |

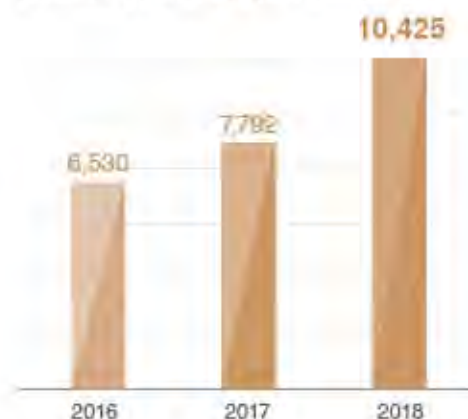
Social contribution per share (RMB)



Social contribution per share of RMB:

2.53 in 2018

Donations by the Group (RMB10 thousand)



Donations by the Group in 2018

10,425 (RMB 10 thousand)

Notes:

1. Social contribution value per share = Basic earnings per share + (Tax payment + employee expense + interest expense + total investment on public interest) / Total equity at the end of period.
2. The scope of total number of employees, and proportion of female employees and employees from minority ethnic groups is the whole group. The ethnic minorities in the Table refer to the remaining 55 legal ethnic groups in addition to the Han nationality in the People's Republic of China.
3. The domestic green credit is counted as the energy saving and environmental protection projects and services of CBIRC.
4. Balance of domestic inclusive finance loans has been calculated based on the statistics of the CBIRC since 2017.

Responsible Procurement

Strict Requirement

The Bank defined clearly on how the suppliers should fulfill their social responsibilities. Suppliers were required to sign the *Fair Competition Commitment* and the *Supplier's Social Responsibility Commitment* and provide information on environmental management certification, occupational health certification, product's environmental label certification, energy conservation certification and social responsibility standard certification.

IT-based Management

The Bank extensively invited potential suppliers into competition through ICBC Mall e-commerce procurement platform, strengthened the organization and management of e-commerce procurement, and improved the centralized procurement efficiency.

The Bank continued to strengthen IT application, improved the refined management of centralized procurement, and effectively exercised hard control of risk systems by automatically verifying factors such as contract suppliers and amounts with the procurement results. For the first time, the centralized procurement projects have realized the linkage and correspondence with the project budgets and payments, contracts and fixed assets, and made it possible to track how the suppliers of the whole bank's centralized procurement projects acted in real time.

Supplier Satisfaction Survey

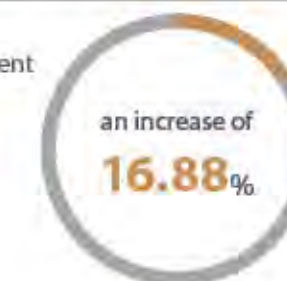
During the reporting period, the Bank completed a survey on satisfaction with the whole bank's centralized procurement suppliers, strengthening the restriction on and supervision of suppliers' services and compliance.

Shared Growth

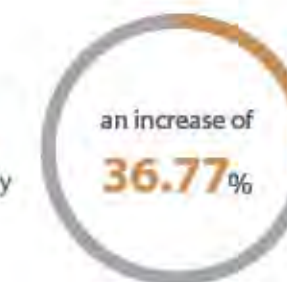
The supplier information database found wider applications throughout the Bank. While strengthening the inspection of suppliers' risk information such as external frauds, the Bank strengthened communication and exchanges with suppliers, and put in place an information interaction mechanism to communicate information on project implementation and give feedbacks. This not only served the business development of the Bank but also boosted the improvement of suppliers' product quality and service level.

During the reporting period

the ICBC procurement zone registered **59,438** officially effective orders



the procurement amount totaled **RMB 5,048** million cumulatively





Awards

"Excellent Banker of the Year"
(Then Chairman Yi Huiman)

2018 China Banking Development Forum
& The Sixth Overall Selection of Banks

Banker of the Year 2018
(President Gu Shu)

The 13rd 21st-Century Asia
Financial Meeting



**Best Social Responsibility Financial
Institution Award of the Year**

China Banking Association

**Bank of the Year in
Poverty Relief**

Financial News



**"2018 CCTV China's Top 10
Listed Companies Award"**

2018 CCTV Financial Forum
& Chinese Listed Companies
Summit

**SGCX ESG50 Index
Enterprise**

Capin Media



**Excellent Corporate Citizen
of China**

China Committee of Corporate Citizenship
of China Association of Social Workers

**Best Companies on Corporate
Social Responsibilities,
Best CSR Report 2018**

Southern Weekly



**Most Responsible Enterprise
of 2018**

China News Service
China Newsweek

**China Excellent Finance Awards -
"Annual Bank with Excellent Social
Contribution"**

The Economic Observer



**Best Practice for
Achieving SDGs**

Global Compact Network China

**Excellent Corporate
Citizen of the Year**

21st Century Media



**International ARC
Awards - Golden Award**

MerComm Inc

**Evergreen Awards - "Sustainability
Green Award"**

Caijing.com



Green Finance

During the reporting period, the Bank earnestly acted in line with the five development concepts of "innovation, coordination, green, opening up and sharing". Regarding green finance strengthening as a key strategy for long-term pursuit, the Bank comprehensively carried forward green finance, actively backed the development of green industries, reinforced the prevention and control of environmental and social risks, and continued to advance low-carbon operations, in order to synchronously improve economic, social and ecological benefits.

five development concepts



innovation



coordination



green



opening up



sharing



Guangxi Branch of the Bank provided financing support for a clean energy project

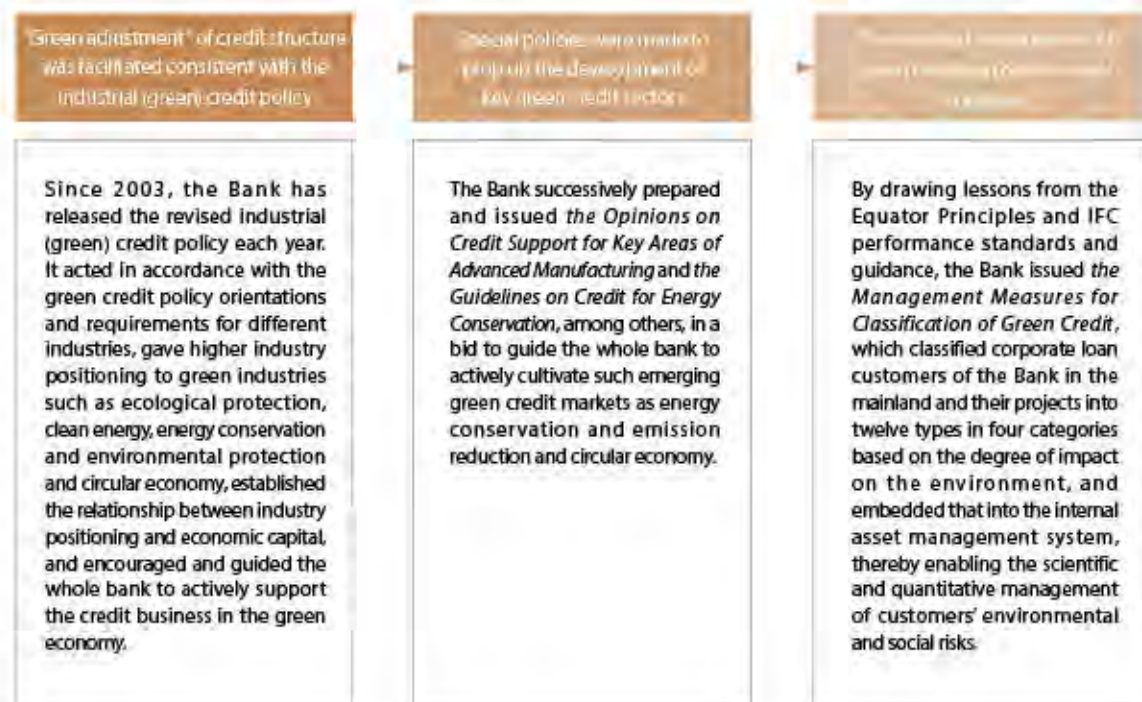
Green Credit

As at the end of the reporting period, the balance of domestic green credit that the Bank extended to energy-conservation and environmental-protection projects and services such as ecological protection, clean energy, and resource recycling reached RMB1,237,758 million.



Improving the Policy System

The Bank issued the *Opinions on Comprehensively Strengthening Green Finance*, which defined the work objectives and basic principles, sorted out and made clear the main lines of work and specific measures for strengthening green finance, including 27 measures in six aspects, e.g. furthering green adjustment of investment and financing structures, comprehensively strengthening environmental and social risk management, actively carrying out green financial innovation, conscientiously implementing regulatory requirements, strengthening the organization of green finance work and ensuring its proper functioning as well as day-to-day management, thus laying a solid foundation for comprehensively strengthening green finance, building a world-class green bank and realizing the sustainable development of investment and financing business.



Strengthening the Management of Environmental and Social Risks

The Bank strictly defended the compliance bottom line of environmental and social risks.

During the reporting period, the Bank further required each branch to heighten the environmental criteria for customers in key industries and localities, strictly implement the "Environmental Protection One-Veto System", safeguard the compliance bottom line of environmental and social risks, and enhance the control of investment & financing risks of high-risk customers.

The Bank strictly enforced the whole-process management of green credit.

It determined the required actions and focal points in each step of green credit, and strengthened the whole-process management of investment and financing-related environmental and social risks in accordance with environmental and social risk compliance requirements and on the basis of the customer/project characteristics.



Providing more Safeguards for Green Credit

The Bank intensified green credit assessment and resource allocation.

The systems of performance assessment indicators of the Board of Directors over senior management members contained economic benefit indicators, risk & cost control indicators and social responsibility indicators. During the reporting period, the Bank adjusted the quantitative indicators of green credit and put them into the quarterly performance assessment indicators system of branches, thereby further improving the performance assessment and incentive & restrictive mechanism of green credit and put them into the quarterly performance assessment indicators system of branches, thereby further improving the performance assessment and incentive & restrictive mechanism of green credit work.

The Bank improved the IT-based green credit management.

The Bank added the statistical marks for "energy-conserving and environmental-friendly projects and services" (including eight sub-indicators, e.g. classification of energy-conserving and environmental-friendly projects and services and project's energy-conserving and emission-reducing effects) in the credit management system as early as in 2014. During the reporting period, the Bank collated and verified green credit categorization as well as statistical data quality of project loans to corporate customers of the entire Bank. It further improved the quality of basic data and perfected the functions of the green credit statistical system.

Supporting the Construction of Environmental-friendly Projects

During the reporting period, Henan Branch of the Bank issued a loan of RMB1.7 billion to Zhengzhou Metro Group Co., Ltd. to finance its suburb railway project. The rail transit system of this project will adopt electric traction and will not produce harmful pollutants such as carbon oxides, nitrogen oxides and sulfur particles, well poised to address air pollution and beautify the urban environment, while the convenient, fast and comfortable environment will also effectively boost the green travel of the public.

Protecting Ehai for the Benefit of the People

The second phase of the Dali Erhai Pollutant Interception Project, which was built by a company, could effectively control and reduce the pollution load of the lake and improve the environmental sanitation of lakeside villages. During the reporting period, Yunnan Branch of the Bank financed the project with a loan of RMB420 million. The loan promotes a virtuous cycle of the ecological environment of the basin, and is of great significance to the sustainable development of the local economy, society and environment.



The second phase of the Dali Erhai Pollutant Interception Project financed by Yunnan Branch of the Bank contributed to the environmental management of the Erhai Basin

Green Bonds

During the reporting period, the Bank actively carried forward green finance and assisted the development of the green bond market by underwriting 6 green bonds and raising RMB65.51 billion accumulatively, as well as issuing two dual-currency green bonds.

On 5 June 2018, the Bank issued a green bond in US dollar and euro through London Branch, and the final issuance amount was equivalent to USD1.6 billion. The bond was officially listed on the London Stock Exchange, and became the largest green bond among the bonds listed in the Exchange. All the money raised from the bond was used to support the projects of green assets such as clean transportation and renewable energy. The bond continued to follow the green framework established by the Bank in 2017, and was certified by the Climate Bond Initiative (CBI) as a "Climate Bond", which was consistent with domestic and international green finance best practices.

On 13 June 2018, the Bank issued a green bond in US dollar and Hong Kong dollar through ICBC (Asia), and the final issuance amount was equivalent to USD730 million. It was officially listed on the Stock Exchange of Hong Kong Limited. The bond continued to follow the green framework established by the Bank in 2017, met the latest domestic and international green bond standards, and also received the Pre-issuance Stage Certificate from the Hong Kong Quality Assurance Agency (HKQAA).



raised RMB
65.51 billion
accumulatively



The first green bond ever issued by a financial institution that was certified by an agency under the Hong Kong Special Administrative Region Government



first



The first green bond ever issued by a licensed bank in Hong Kong



Completing the First Issuance of Green ABN with Clean Energy Return

During the reporting period, Beijing Branch of the Bank, as the underwriter, successfully issued a tranche of Green Assets-backed Notes (ABN) for a power company. The ABN was the first clean energy ABN issued by a SOE in the interbank. The successful issuance set a good example, drew wide attention from the market, and was well recognized by customers.

Supporting High-quality Private Enterprises in the "Green Economy" Sector in Issue Bonds

A joint stock company is the only company in China and even the whole world that operates across both the agricultural and new energy - photovoltaic industries. With a complete circular economy industrial chain of "chemical-new energy" in place, it can fully utilize waste while saving energy. In recent years, the company has actively promoted the "solar-aquaculture" business model, featuring PV panels installed above the pond, which serve to facilitate fish farming under the water. After learning about the company's direct financing demand, Sichuan Branch of the Bank smoothly completed a multiple of links including due diligence, credit review and investment review. In November 2018, it bought 30% of the company's RMB500 million super-short-term commercial papers, and helped the company issue the papers with a coupon rate at a level significantly (200BPs) lower than that of the last issuance, which effectively reduced the cost of bond issuance.

Propagating Green Concept

The Bank provides annual bank statement service for customers, specially calculating the number of transactions handled via the online channel of ICBC Mobile and estimating the carbon emission saved by giving comprehensive consideration to traveling, human resources in outlets, voucher printing and other costs, so as to spread the concept of energy conservation and environment protection to stakeholders by converting to emission reduction data.



2018年你线上办理 **5989** 笔业务
减少了 **898.35** 千克的碳排放
相当于在地球上种下 **50.19** 棵树

绿色相伴 感恩有你



Green Financial Research

During the reporting period, the Bank kept strengthening research into green finance, and got many research achievements which were groundbreaking in the industry. In December 2018, CSI 180 ESG Index, an outcome of the joint efforts by the Bank and China Securities Co., Ltd., was officially launched. This is the first ESG index published by a Chinese financial institution.

Column: Winning the Tough Battle against Poverty in Sichuan Province

—Social Value



During the reporting period, the Bank invested RMB30.71 million in the four designated poverty relief sites -- Tongjiang, Nanjiang, Wanyuan and Jinyang in Sichuan Province. In the four places, the Bank trained 3,057 persons. The officers the bank dispatched to fight against poverty worked in the villages with local residents to advance the progress of anti-poverty work. Nanjiang County, subject to financial assessment, was successfully lifted out of poverty by the end of 2018. The final assessment procedure commenced.

invested RMB
30.71 million

The Bank addressed poverty relief by enhancing the skills of the impoverished population. Because the people are the biggest asset, the Bank has been well poised to extend support to teachers, students and graduates. The Bank has carried out the Qihang Program of sponsoring excellent poor college students for 15 straight years, and the Candle Program of commending excellent village teachers for 16 straight years. Since launching the targeted recruitment program for poor college graduates in 2016, the Bank has synchronously kicked off special recruitment in more than 20 provinces and municipalities where the government-designated key counties for poverty relief are located. As at the end of the reporting period, the program hired 838 poor college graduates accumulatively.



the program hired
838 poor
college graduates



Poverty Relief
through
Education



Kindling the Light of Hope for Poverty Relief

Hu was born to a registered poor household of Baiyang Township in Wanyuan City. In 2012, she was admitted to a university. But at that time, her mother had just finished breast cancer surgery, and her debt-ridden family could not afford her tuition. The Bank's poor college student funding program helped her to enter the university. Four years later, she joined the Bank through the Special Recruitment Program for Poor College Students. In this way, she lifted her whole family out of poverty and kindled the hope of changing destiny with knowledge for poor households.

The Bank improved the local medical services and public hygiene and reduced the cases of being reduced to poverty or returning to poverty due to illnesses, by offering free medical assistance and providing medical and health facilities. More poverty-stricken people gained access to basic medical services.



In cooperation with the China Women's Development Foundation, the Bank donated RMB **1.5** million



Poverty Relief
through Health
Care



Then Chairman of the Bank Yi Huiman visited the "Lifeline Express" hospital

During the reporting period

1,219 poor cataract patients were given free rehabilitation surgeries

gave safety schoolbags to **6,750** poor students in **4** poverty relief sites and purchased accident insurance for them, and organized safety lectures.

During the reporting period, the Bank invested RMB18.25 million in supporting 15 farming and breeding projects including Meat Rabbits in Tongjiang, Yellow Sheep in Nanjiang, Black Chicken in Wanyuan and High-cold Wetland Greenhouse Vegetables in Jinyang. In the process, the Bank adhered to the anti-poverty model that combines ICBC, the government, the village's Party committee and autonomous committee, enterprises and the poor households together, and benefited 5,060 poor households precisely, with an income increase of RMB2,000 per household in average.



benefited
5,060 poor
households



Poverty Relief
through Industrial
Development



Stimulating the Endogenous Motivation for Poverty Elimination

In terms of industrial support, the Bank focused on disseminating industrial knowledge on the one hand, and fully inspired the poor people to pursue "self-development, independent development" by promoting the ideas and the anti-poverty stories of poor households on the other hand. Zhang of Lijiagou Village in Wanyuan City is a person with a disability, and his family burden is heavy because a family member is sick. After participating in the Black Chicken Breeding Industry Project of the Bank, he increased his annual income to RMB60,000, and became the bellwether on the road of getting rich in just one year. Seeing the vivid cases of shaking off poverty, many poor households had a stronger desire and become more confident to get rid of poverty and get rich with hard work.



President Gu Shu of the Bank visited the computer classroom of Bingdi Middle School in Jinyang County, Liangshan Yi Autonomous Prefecture, Sichuan Province, the construction of which was funded by the Bank

Eternal "Lifeline Express"

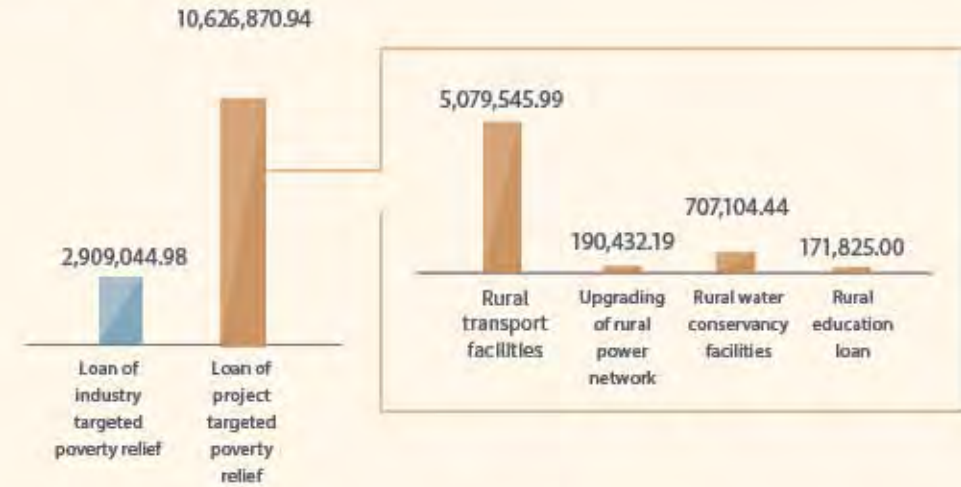
For the first time, the "Lifeline Express" train hospital pulled into Bazhong, an area designated to receive support from the Bank. 1,219 poor cataract patients were given free rehabilitation surgeries. At the same time, a cataract treatment center was built at the Central Hospital of Bazhong in order to improve medical facilities and enhance the level of diagnosis and treatment, thus leaving a "lifeline express that never leave".

Targeted Poverty Relief Plans for the Future:

- In view of the development plan of the poor regions, the Bank will coordinate targeted poverty relief through finance with rural revitalization and create new financial products and services for poverty relief according to local conditions.
- The bank will implement the poverty relief model that features the combination of finance, industry, education and healthcare, and push the poverty relief efforts from being driven by external forces to being driven by internal forces and from individual cases to collective relief.
- The Bank will refine the financial service channels for poor areas and increase the supply of financial services there. It will make full use of ICBC Mall to support poverty relief and expand financial service supply for rural areas to make them more convenient and accessible.
- The Bank will focus on poverty relief in the extremely poor regions, make overall arrangements of resources, and prioritize support to the most urgent problems.

Balance of finance-backed targeted poverty relief loans (RMB10,000)

15,594,543.84

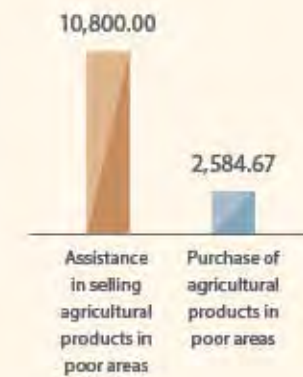


Amount of targeted poverty relief input (RMB10,000)

3,071.00



Consumption-based poverty relief (RMB10,000)



The Group poverty relief donations apart from targeted poverty relief

Amount of donations

2,794.43 (RMB 10,000)

Projects

Including infrastructure construction, industrial development, education, medical care and visit to poor households

Number of beneficiaries

317,932
Including: Number of registered poor people 58,202

Note: The "targeted poverty relief" refers to the poverty relief efforts in Tongjiang County, Nanjiang County, Jinyang County and Wanyuan City in Sichuan Province.

Ten Years Together to Serve Africa —Strategic Value

During the reporting period, as the 10th anniversary of its strategic cooperation with Standard Bank Group, the Bank promoted China-Africa economic, trade and social exchanges, as well as remained rooted in Africa to serve the local community and boost friendship, mutual benefit and common development.

In the year of 2018, the Bank and Standard Bank Group seized the historic opportunity to strengthen strategic cooperation and coordination in every respect and make their contributions to economic and social development in Africa.



In September 2018, a conference was held in Beijing to celebrate the 10th anniversary of strategic cooperation between the Bank and Standard Bank Group



In July 2018, then Chairman Yi Huiman of the Bank answered journalists' questions at the press conference on the 10th anniversary of the strategic partnership between the two banks in Johannesburg, South Africa

During the reporting period, the Bank's African Representative Office and Standard Bank Group jointly organized economic forums in many African countries. Under the themes of bank-enterprise win-win, trade expansion and joint development, these forums exchanged ideas about economic outlook on both sides and development prospects, giving an impetus to deepening China-Africa cooperation and broadening win-win cooperation.



Giving an Impetus to Economic Development and Job Creation in Africa

During the reporting period, Standard Bank Group assisted African customers to complete more than USD15 billion in financing, with focus on agriculture and SMEs. Specifically, the Standard Bank granted USD30 million of financing to Zimbabwe's food processing enterprises to fund their purchases from local farmers, issued USD27 million of financing to small agricultural product manufacturers in cooperation with the Nigerian government and invested more than ZAR30 million to support the development of SMEs and startups. Standard Bank Group invested in more than 150 tech start-ups by setting up business incubators in several African countries such as South Africa, Ghana, Mozambique and Nigeria, providing support for more than 12,000 entrepreneurs and creating a large number of jobs in Africa.



Buildings of Standard Bank Group



Jointly Building a China-Africa Economic and Trade Cooperation Platform at CIIE

The First CIIE was held successfully in Shanghai during 5-10 November 2018. Standard Bank Group partnered with the Bank in organizing the China-Africa Business Matchmaking Meeting to facilitate China-Africa trade. Standard Bank Group as the only financial service provider from Africa at the exhibition also invited to CIIE the representatives of more than 60 enterprises from nine African countries, including South

Africa, Nigeria, Ghana and Botswana. At CIIE where global importers and exporters gathered, the two banks built the booth into a platform that not only showcased the excellent financial services of the Bank and Standard Bank Group, but also displayed the products of African customers, adding a bright African color to the grand event.



Standard Bank Group exhibited at the 2018 China International Import Expo

Supporting African Education Development

During the reporting period, Standard Bank Group provided strong support for education development in Africa, including co-working with governments and government agencies of many countries in launching student grant programs, and financially assisted 389 students in getting their degrees, as well as setting up the Tutuwa Community Foundation jointly with social partners to provide support for children's education and young people's work, reading and writing skills. In 2018, Standard Bank Group and the Tutuwa Community Foundation invested a total of about ZAR11.6 million in the Early Childhood Development (ECD) programs. Standard Bank Group helped local youth enhance their language and work skills in various ways and improved early education infrastructures, such as kindergartens, in rural and underdeveloped areas. The Feenix Trust, an NGO sponsored by Standard Bank Group, raised over ZAR23 million of social donations for more than 800 financially stressed students. In Nigeria, Ghana, Uganda and some other African countries, Standard Bank Group was also dedicated to providing local people with better access to education, from infant education to higher education, by sponsoring special schools, helping females enhance their working skills, donating teaching and medical supplies and renovating school facilities.



Stanbic IBTC Bank PLC Officially Opened Its Africa China Banking Center

During the reporting period, the first Africa China Banking Center in West Africa officially opened in Stanbic IBTC Bank PLC. The center offers full-time agent services in both Chinese and English, greatly enhancing the bank's ability to serve overseas Chinese. Nigeria, as

the largest economy in Africa, has been in closer economic and trade ties with China in recent years. The Africa China Banking Center of Stanbic IBTC Bank PLC will provide more timely and convenient services to customers from every corner of Nigeria.



During the reporting period, the Bank and Standard Bank Group jointly held the "I GO Ghana" transnational promotion campaign



2

Sticking to Our Founding Mission



Sticking to founding mission, the Bank was determined to be rooted in the real economy. It focused on the high-end manufacturing, cultivated happiness industries, promoted the development of Internet and Internet of Things, and supported regional development. Moreover, it further built the inclusive finance system to serve the small and micro enterprises and private economy. It upheld the fundamental policy of targeted poverty relief and elimination, innovatively pushed ahead with poverty relief and kept enhancing its capability in this field, so as to improve the people's livelihood with financial services.

Serving the Real Economy

During the reporting period, the Bank stuck to the founding mission of supporting the real economy with financial services, rationally planned the structure and intensity of credit supply, focused on key areas, important regions and weak links, increased support for emerging industries such as science and technology innovation enterprises, advanced manufacturing, modern logistics, and happiness industries, deepened the financing service for the real economy, private and small and micro enterprises in particular, and worked hard to address the issue of limited credit availability and high credit cost facing some enterprises. As of the end of the reporting period, the Bank registered various loans of RMB15.4199 trillion in total, an increase of 8.3% on a yearly basis.



Shenzhen Branch of the bank provided financing support for the advanced rail traffic product of an enterprise

Focusing on High-end Manufacturing

During the reporting period, the Bank issued policy documents including the *Action Plan for Actively and Steadily Promoting the Manufacturing Financing Business*, with focus on ten fields of high-end manufacturing, to continuously strengthen the financing support for high-end manufacturers. The Bank gave a remarkable impetus to the development of IT sector, high-end numerical control machine tools, high-end equipment manufacturing, advanced rail transport and new energy vehicles.

balance of RMB and foreign-currency loans to manufacturing

RMB **1.39** trillion

"ICBC Science and Technology Innovation Kickoff Plan"

During the reporting period, the Bank actively supported the development of science and technology innovation economy, established two science and technology innovation enterprise financial service centers in Shenzhen and Shanghai, and gradually explored the characteristic business path of serving science and technology innovation enterprises. On the basis of establishing 10 new economy-featured sub-branches, the Bank introduced another 10 into areas with relatively developed innovative economy such as Beijing, Jiangsu, Zhejiang and Shenzhen, and leveraged the professionalism of outside to evaluate the technical risks of enterprises. Based on in-depth study of the full life-cycle financial services needs of science and technology innovation enterprises, the Bank released the "ICBC Science and Technology Innovation Kickoff Plan", a kind of integrated financial services solutions.



Shuifu - Malliwan Expressway Project financed by the Bank invented spiral extended line bridge and tunnel section.



Constructing the Cooperation Circle of Science and Technology Innovation Finance

During the reporting period, the Bank strengthened cooperation with government departments including the National Development and Reform Commission, the Ministry of Science and Technology and the Ministry of Ecological Environment, stock exchanges including the Shanghai Stock Exchange and the Shenzhen Stock Exchange, and scientific research institutions and universities including the Chinese Academy of Sciences and the Tsinghua University, as well as many well-known venture capital firms, and constructed an allied ecological cooperation system from front-end customer marketing to back-end risk control, forming the cooperation circle of science and technology innovation finance.

Fostering the happiness industry

During the reporting period, to meet the financial service needs of hospitals, tourism attractions and colleges and universities, the Bank strengthened top-level design and Group-wide implementation, issued a series of in-house policy documents, created a special credit plan for happiness industry development, developed innovative comprehensive financial service products and stepped up efforts to foster the happiness industry.



as at the end of the reporting period, the Bank recorded RMB **283.613** billion in balance of loans to the happiness industry

an increase of **28.97%**



Supporting Tourism Development of Xishuangbanna Prefecture

Xishuangbanna Wild Elephant Valley National Park is a 4A tourist attraction of China. With 1.8 million visitors each year, it is an important part of Xishuangbanna Prefecture's tourism resources. During the reporting period, Yunnan Branch of the Bank successfully lent RMB64 million to the Wild Elephant Valley based on the customer's financing demand, assisting the development of tourism in Xishuangbanna.

Strengthening Support for Primary-level Hospitals

During the reporting period, the Bank stepped up financing support for hospitals in terms of professional team, financing policy, scale of special programs and service solutions, paying extra attention to boosting the service level for county-level hospitals. It issued RMB34.3 billion of loans to hospitals during the reporting period, with RMB48.2 billion remaining outstanding. RMB5.6 billion of loans were extended to county-level hospitals, with a balance of RMB17.8 billion. The Bank maintained bank-hospital service partnership with 454 hospitals nationwide.

Promoting the Development of Internet and Internet of Things (IoT)

During the reporting period, the Bank increased support for strategic emerging industries including new-generation information technology, smart city, integrated circuits, display panels, internet and software. A professional team composed of nearly 100 members was established to provide financial services under a number of IoT scenarios.



As at the end of the reporting period, the Bank recorded an increase of **14.02%** RMB**321.727** billion in balance of corporate loans to the internet and IoT segment



Developing Modern Logistics

During the reporting period, the Bank tried hard to meet the financing demands of key enterprises in key sectors of the modern logistics industry. The Bank maintained rapid growth in lending to modern logistics, with an annual growth rate of 6%. As at the end of the reporting period, the Bank had a loan balance of RMB110.92 billion to the modern logistics industry, representing an increase of RMB11.99 billion over the beginning of the year.



Shenzhen Branch of the Bank financed the development of modern logistics by a leading enterprise in the logistics industry.

Supporting Regional Development

Consistent with the construction of "four regions" and "three supporting belts" and the Belt and Road Initiative, the Bank increased integrated financial service support for Xiongan New Area, Guangdong, Hong Kong and Macau Greater Bay Area, Yangtze River Delta and Asia-Pacific Region.



Xiongan New Area

Xiongan Branch commenced operation officially; the Bank signed the strategic bank-government cooperation agreement in support of Xiongan construction; the Bank unveiled the *General Financing Strategy in Support of Xiongan New Area Construction in 2018*; the Bank granted the first loan to Xiongan Group as well as its upstream suppliers and enterprises on the supply chain for blockchain fund management.



The Greater Bay Area

The Bank released the *Opinion on Provision of Corporate Financial Services for Industrial Upgrade and Technological Innovation of the Guangdong, Hong Kong and Macau Greater Bay Area*, deciding to pool efforts to expand the business in "capital markets, venture loan, cross-border finance and industry-university-research cooperation.



Yangtze River Delta

The Bank held the meeting of the Alliance of Corporate Financial Development for Regional Cooperation of the Yangtze River Delta, deciding to set up flexible teams, establish an information sharing platform and drive the individualized authorization in the region.



Assisting the China-Kazakhstan Economic Cooperation

As the only RMB settlement bank designated by the Kazakhstan Central Bank, ICBC (Almaty) actively supported the construction of major projects of Chinese-funded enterprises in Central Asia. The projects spread across a variety of sectors like petroleum, minerals, processing and manufacturing, trade and infrastructure construction. ICBC (Almaty) was the largest market maker for the direct trading in RMB and Tenge.



In November 2018, then Chairman Yi Huiman of the Bank attended and addressed the opening of the Belt & Road Trade Finance Cooperation and Innovation Forum hosted by the People's Bank of China and organized by the Bank in Shanghai

Holding the Forum for Financial Market Opening and Belt and Road (B&R) Financial Cooperation

The Bank successfully held the Forum for Financial Market Opening and B&R Financial Cooperation in Beijing in September 2018. Nearly 200 representatives from more than 70 commercial banks and non-banking institutions, policy banks and sovereign institutions worldwide and 16 Chinese enterprises were invited to the forum. The forum conducted in-depth discussions on China's financial market opening process and trends and greening investment.

Hold the Belt & Road Trade Finance Cooperation and Innovation Forum during the First China International Import Expo



During the reporting period, the Bank was entrusted by the People's Bank of China to hold the Belt & Road Trade Finance Cooperation and Innovation Forum during the First China International Import Expo. Themed with cooperation in trade finance and innovation of FinTech, the forum probed deeply into the future development trends of cross-border trade and shared the best practices of commercial banks in products and services as well as risk controls supporting cross-border trade, in a bid to deepen the cooperation of banks and enterprises in cross-border financial activities.

Developing Inclusive Finance

During the reporting period, following the guideline of "providing true micro and small finance with concrete actions" and the principle of commercial sustainability, the Bank actively developed inclusive financial business on a whole, reported all-around growth of various loans in the inclusive field and achieved steady improvement in the asset quality. As at the end of the reporting period, the Bank recorded RMB321.685 billion (under CBIRC criteria) in balance of domestic inclusive finance loans, up RMB49.203 billion from the beginning of the year, representing a growth rate of 18.1%.

Premier of the State Council Li Keqiang commended the Bank's slogan that "a bank would have no future without serving small and micro enterprises" during his visit to the Inclusive Finance Department of the Bank, stressing that the small and micro enterprises underpin the lasting success of a bank, and a large bank that does well in serving small and micro enterprises will have a great future.



Strengthening the Development of Inclusive Finance Bodies

During the reporting period, the Bank gave full play to the coordination and deliberation role of the Inclusive Finance Promotion Committee, further reinforced the function of the Inclusive Finance Department as the lead department for inclusive finance and advanced the collaborative development of inclusive finance. In addition to setting up inclusive finance departments at the Head Office and tier-one branches, the Bank further improved the hierarchical management system for inclusive finance at the tier-two branch level.



As of the end of the reporting period, the Bank had established inclusive finance departments at **428** tier-two branches

During the reporting period, the Bank approved the plans for setup of **22** small and micro credit centers, including **10** centers in key cities

As of the end of the reporting period, the Bank had approved **258** small and micro credit centers, of which **250** had started operation

79 of the **80** branches in key cities had established small and micro credit centers

Innovating Online Inclusive Finance Products

During the reporting period, the Bank advanced a strategy of "One Body, Two Wings" for development of inclusive finance. While actively exploring the new models of internet financing, the Bank picked up speed in developing the online inclusive business model by focusing on the existing customer resources and internal data while paying due regards to external scenarios and characteristic scenarios of branches. Relying on the FinTech and following the philosophy of "tapping the value of data, creating economic benefits from credit and enhancing the efficiency of financing", the Bank accelerated the iteration of products, continuously improved the customer experience, and put in place an online micro and small-enterprise financial services system consisting of "One Platform"-- micro and small-enterprise financial services platform and centering on "Three Kinds of Products"-- Quick Lending for Operation, Online Revolving Loan and Online Supply Chain Finance.



1
2

1&2. In September 2018, the Bank held a grand gathering to kick off the initiative of "ICBC Inclusive Finance", and successfully released the comprehensive services system of inclusive finance featuring "One Platform" and "Three Kinds of Products"

Launching the "Quick Lending for Operation"

The "Quick Lending for Operation", by integrating the industry & commerce, tax, credit reference, assets and settlement information and adopting internet and big data technologies, offered online unsecured loan for small and micro enterprise owners, and thus met their frequent and urgent demand for short-term financing.

Launching "E-commerce Dream Plan"

During the reporting period, the Bank launched "e-commerce dream plan" to provide merchants with a full package of financial solutions, e.g. fund collection & payment, deposit & wealth management, loan & financing, private banking services and customization of precious metals. This became the first large-scale comprehensive financial services project for merchants in the Chinese banking industry. As at the end of the reporting period, e-payment has found entry into 210 specialized markets and 608 shopping streets, helping micro, small and medium merchants' dream of seeking further development in the era of "consumption economy" come true.



Extending Offline Service Models

During the reporting period, the Bank pursued "Centralized Operation" of standard and batch businesses, boosted operational efficiency through specialization and assembly-line processing, broke the bottleneck on customer managers' capacity due to small values of individual financing facilities and provided strong support for large-scale business development. It intensified the "operation" function of small and micro credit centers in line with the objective of building four centers, namely "Marketing Organization Center", "Business Processing Center", "Risk Control Center" and "O2O Implementation Service Center". With the center of operation lowered, the Bank adopted a combination of "branches' small and micro credit centers + sub-branches' sub-centers" to extend operation further to key sub-branches with abundant small and micro business resources as well as strong operation and management capabilities.

Innovative Model of Tightly Chain Finance Developed by Shenzhen Branch

During the reporting period, Shenzhen Branch of the Bank designed a tailor-made, efficient and convenient revolving supply chain financing facility without pledge of goods for the downstream dealers of a leading manufacturer in the office supplies. The Bank effectively acquired authentic information on transactions between small and micro businesses and the core enterprise by electronic means, provided quick access to financing for corporate customers in the financing chain.

Resorts Loans of Zhejiang Branch for Homestay Development

Zhejiang Huzhou Branch of the Bank practiced the ecological philosophy that "clear waters and green mountains are as good as mountains of gold and silver". It developed and launched the "Deqing Mogan Mountain Resorts Homestay Loan" after a thorough field survey of resorts in the Deqing Mogan Mountain Scenic Area. The loan facility provided homestay operators with startup and operation funds, supported local tourism development and created jobs for local people.

Deepening Poverty Relief through Finance

The Bank took poverty relief as an important part of fulfilling its social responsibilities, established the Leading Group for Poverty Relief, and improved the poverty relief mechanism. In 2018, the first year for the three-year action plan of winning the tough battle of targeted poverty relief and elimination, the Bank insisted on the basic principle of targeted poverty relief and elimination, took innovative measures to make progress in the fight against poverty, kept enhancing the financial support and poverty relief efforts well targeted at the needs of poverty-stricken areas and made endeavors to play its due role in anti-poverty. As at the end of the reporting period, the outstanding loans for targeted poverty relief reached RMB155.945 billion, representing an increase of 22.76% over the beginning of the year.

the outstanding loans for targeted poverty relief RMB

155.945 billion



The Bank fully leveraged financial services to lift people in poor areas out of poverty, increased credit support to poor areas and provided good financial services for poor areas. It concentrated efforts on supporting areas of extreme poverty, helped targeted areas of poverty relief to integrate resources and pooled resources from all sides to assist the poor in improving production and living conditions, supported local people to meet poverty relief objectives to schedule and contributed financial wisdom to poverty relief.



The Head Office's Leading Group for Poverty Relief through Finance held a meeting to strengthen the leadership and coordination of poverty relief work. *The ICBC Work Plan for Targeted Poverty Relief through Finance (Version 2018)*, *the Opinions on Effective Work on Targeted Poverty Relief* and *the Work Plan for Supervision and Inspection of Targeted Poverty Relief* were formulated. *The Measures for Assessment of Effectiveness of Targeted Poverty Relief through Finance* was issued bank-wide to provide a solid policy basis for poverty relief work.

Innovating Mode of Targeted Poverty Relief

The Bank made breakthroughs in credit granting, product innovation and service supply in line with financial needs of poor areas, deepened the work on poverty relief, enabled finance to play a greater leverage role in poverty relief and spared no effort to advance poverty relief through finance.

Building an Ecosphere of Fighting against Poverty through Industrial Development

The Bank teamed up with multiple institutions to found the Alliance of Targeted Poverty Relief for a Beautiful Life, aimed at providing a series of caring services, e.g. opening a shop online, product promotion, integrated finance, cheap logistics and personnel training, and putting in place an ecological chain of reducing poverty through industrial development that integrates large banks, central media, logistical channels, operations and direct selling for poor households.



Directors of the Bank visited designated poverty relief sites

Promoting E-commerce Support for Poverty Relief

The Bank leveraged on its strong IT capacity and its influential E-commerce platform "ICBC Mall" to consolidate logistics, fund flows and information flows and help farmers and agricultural enterprises in poor areas to sell agricultural supplies and agricultural products. Towards the goal of building "No. 1 E-commerce Platform for Poverty Relief", the Bank created a chain-like aid mode including "One Channel, Five Supports". Specifically, the Bank opened an expedited channel to help the merchants go live quickly in two weeks and provided five support measures (E-commerce operation training, brand building, exemption of fee and margin, marketing subsidy and financing support), achieving good results in E-commerce-based poverty relief.



As of the end of the reporting period, the Bank opened 22 "Poverty Relief Shops" on ICBC Mall, where over 7,600 products of 574 enterprises from 281 poor counties were sold. During the reporting period, ICBC Mall helped sell nearly RMB110 million of agricultural products from poor areas.



Establishing an Online Platform for Selling Characteristic Products of Inner Mongolia

On 22 November 2018, Inner Mongolia Branch of the Bank signed the *Framework Agreement on Poverty Relief and Support Cooperation between Industrial and Commercial Bank of China and the Enterprises of ICBC Mall* with the merchants of ICBC Mall selling products with the characteristics of Inner Mongolia, putting in place a new online channel of selling characteristic products like high-quality mutton and cashmere in poverty-stricken areas.

"Xuefeng Mountains Model": a Role Model of Finance Lifting the Poor out of Poverty

Hunan Huaihua Branch of the Bank actively engaged in cooperation with Hunan Xuefeng Mountains Ecological & Cultural Tourism Co., Ltd. The Branch signed agreements with local registered poor households who were voluntary to join in the initiative, and granted an anti-poverty petty loan of RMB50,000 to each household. The loan, with a term of three years, had its interest subsidized by the government and guaranteed by Hunan Xuefeng Mountains Ecological & Cultural Tourism Co., Ltd.

Poverty Relief through Spending

During the reporting period, the Bank took purchase of agricultural products in poor regions and help in selling agricultural products as important approaches of finance-based poverty relief, and encouraged the branches to firstly buy agricultural products in poor regions. As of the end of the reporting period, the whole bank reported such purchases at RMB25,846,700.



"ICBC Easy Farm Loan - Apple Link"

In November 2018, the Bank signed the Agreement on Cooperation in Poverty Relief for the Apple Sector of Yanchang County with a number of parties, including the Yanchang County Government of Shaanxi Province, futures companies, insurance companies, apple enterprises and apple farmers, and launched the "ICBC Easy Farm Loan - Apple Link" financing product on a pilot scale. In the pilot business, the Bank provided financing support for farmers and agricultural enterprises/cooperatives that have purchased the agricultural product price insurance in terms of agricultural production, spot sales, storage of goods and processing trade, thus effectively easing customers' financial stress in agricultural production.

Jilin Branch

On the basis of innovatively launching the "Farmer-benefiting Loan" series products, Jilin Branch continuously refined its business model. As at the end of the reporting period, the Branch financed 148 rural enterprises with accumulatively RMB1,497 million.

Gansu Branch

Made debut a series of innovative financing products, e.g. "Gobi Agricultural Facility Loan", "Gobi Agricultural Turnover Loan", "Farmer-benefiting Guarantee Loan" and "Characteristic Product Guarantee Loan".

Heilongjiang Branch

Developed "Farmer Entrepreneurship Loan" to solve the growers' funding shortage of purchasing agricultural materials and organizing production, and provided financial services to farmers in the reclamation areas.

Anhui Branch

Adopted the models of "bank, industrial bases plus poor households", "bank, cooperative unions plus poor households" and "bank, new-typed agricultural operators plus poor households" to pool the efforts of different sides and effectively co-advance the work of poverty relief.



Focusing on Financial Services for "Agriculture, Farmers and Rural Areas"

The Bank earnestly implemented PBOC's and CBIRC's work requirements on the financial services for "agriculture, farmers and rural areas" and targeted poverty relief through finance and provided comprehensive support for the production and operation financing needs of leading agricultural enterprises, emerging agricultural business entities and farmers. As at the end of the reporting period, the Bank recorded RMB1,887.814 billion in balance of agro-related loans, including RMB106.022 billion of outstanding loans to farmers.



Opening the Door to Wealth

During the reporting period, Chongqing Branch of the Bank launched the "Agricultural Guarantee Loan" in cooperation with Chongqing Agricultural Guarantee Company. Wang, a major orange farmer in Guocun Town, Wanzhou District, was in urgent need of a loan to fund his farm expansion. Previously the bank loan had been available through a complex application process and conditional upon provision of collateral. After Wang filed his application for an RMB500,000 "Agricultural Guarantee Loan", the Small and Micro Credit Center of Wanzhou Branch provided door-to-door service and disbursed the loan in less than one day.



Guizhou Branch of the bank provided lending support for the integrated planting and processing project of roxburgh rose industry.

Supporting Private Economy

During the reporting period, the Bank treated all market players with equality under the principle of "merit-based lending regardless of ownership, industry and size" and continuously increased the financial support for private enterprises.

In-depth Surveys

During the reporting period, the Bank's five survey groups conducted field surveys of 24 private enterprises, providing a basis for decision making on the support for private-sector economic development.



Guangzhou Branch's "Nine Measures" to Address Development Difficulties of Private Enterprises

On 1 November 2018, Guangzhou Branch of the Bank held a signing ceremony of strategic cooperation agreement with the Guangzhou Federation of Industry and Commerce and key private enterprises, and promised to further improve the financial service level for private enterprises with "Nine Measures":



Establishing a Long-lasting Mechanism

During the reporting period, the Bank issued the *Opinions on Strengthening Comprehensive Financial Services for Private Enterprises* and completed the contract signing for "Head Office & HQ" cooperation with 100 major private enterprises, giving priority to high-quality private enterprises that focused on their principal business and demonstrated sound financial management.

completed the contract signing for "Head Office & HQ" cooperation with **100** major private enterprises



"Head Office & HQ" Agreement Signing to Support 100 Private Enterprises

On 16 October 2018, the Bank held the signing ceremony of the "Industrial and Commercial Bank of China - Backbone Private Enterprises' Head Office & HQ Cooperation Agreement" in Beijing. The Bank signed cooperation agreements with 100 backbone private enterprises to further deepen the partnership. The then Chairman Yi Huiman, President Gu Shu and Senior Executive Vice President Hu Hao attended the ceremony, and held talks with the heads of participating private enterprises. They also granted the "ICBC Head Office-level Cooperation Customer" plaques for 20 enterprises and the "ICBC Debt-for-equity Swap Cooperation Customer" plaques for five enterprises.



Acting as a "Leading Goose"

During the reporting period, the Bank completed the creation and investment of the first batch of four credit risk mitigation warrants (CRMW) as a bond financing instrument for private enterprises in the market and introduced wealth management funds to provide private enterprises with financial assistance through debt or equity investment. It held key branches' meeting on private enterprises, guiding branches to focus on high-quality private enterprises and priority projects that represent key areas of people's livelihood and have good cash flow expectations.



Beijing Branch's Initiative of Supporting the Development of Private Medical Enterprises

Over the years, a medical enterprise has become the largest cardiovascular medical platform in China. During the reporting period, Beijing Branch of the Bank actively provided financing support for the development of high-quality private medical enterprises, and granted an M&A loan of RMB520 million to help the medical enterprise acquire an equity stake of 45% in a pharmaceutical enterprise with the qualification to produce atorvastatin tablets, a hit lipid-lowering drug. The move helped further improve the layout of the medical enterprise in the pharmaceutical segment.

granted an M&A loan of RMB **520** million

Hebei Branch Backing the Development of Agri-related Private Enterprises

A private flour product company is a modern large-scale integrated food enterprise group in the convenient food industry. During the reporting period, Hebei Branch of the Bank granted an M&A loan of RMB900 million to the company for its acquisition of a 47.83% equity stake in a beverage company, supporting its diversified development, and also issued a working capital loan of RMB300 million to it for purchase and storage of wheat in the peak season, backing its expanded production.





3

Customers' Favorite

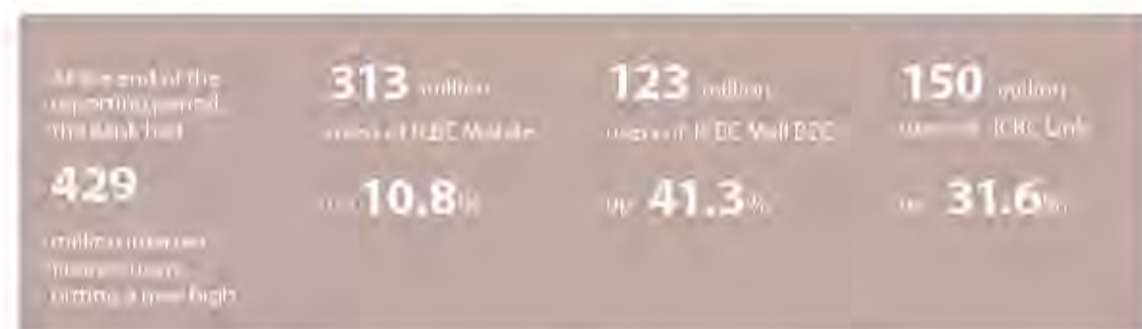
Customers are the business foundation of a bank. The Bank upheld and fulfilled the "customer-oriented" operating philosophy and took persistent efforts to build an efficient, reputed bank that provides good customer experience. It was dedicated to structuring a service hierarchy that combines online and offline operations, manual work and artificial intelligence as well as notification and interaction, and committed to promote economic and social development, as well as benefit the people's livelihood with its superior quality financial services featuring higher efficiency, safety and convenience, to achieve "By Your Side and As Your Trust" in practice.

Developing Smart Service

During the reporting period, seizing the opportunities of consumption structure transformation and upgrade and furthered application of FinTech, the Bank opened a new chapter in the transformation towards smart retail, and developed smarter new online + offline retail finance models, services and channels through in-depth integration of retail finance and FinTech.

Improving Online Financial Services

During the reporting period, the Bank simplified operating procedures on a customer-oriented basis to lower access thresholds, and provided more convenient, quicker online financial services through financial innovation.



The transformation and innovation in ICBC Mobile, ICBC Mall and ICBC Link were further deepened.



The Bank tried to build ICBC Mobile with a stronger focus on the core functions of finance

ICBC Mobile was the first in the industry to launch the eye-catching services such as "Inquiry as You Wish under Mobile Banking" and "One-Click Transfer" and take "Five Lower Thresholds" actions, including separation of self-registration and card-linking and login-free inquiry of account balance, thereby further simplifying business processes and lowering the thresholds for customer entry.



ICBC Mall further focused on high-quality e-commerce

The Bank endeavored to advance the distinctive brands program and strove for a one-stop commercial and financial services platform with e-commerce as the core and finance as the foundation. The ICBC e Travel system went live successfully. The Bank launched a new version of enterprise mall, focused on development of the five distinctive brands, namely ICBC e Procurement, ICBC e Travel, ICBC e Assets, ICBC e Cross-border and ICBC e Charity, and also pressed forward with the customer attraction platform, open platform and Cross-border e Chain projects.



ICBC Link focused more on main scenario carriers and main user portals

It was comprehensively upgraded to build a new messenger center, user center and sharing center. The WeChat Public Account homepage and recommendation mechanism was launched innovatively. The sharing service has covered four categories of shared items of 10 branches.

Upgrading Offline Services

During the reporting period, the Bank launched the facial recognition-based ATM withdrawal service in addition to the existing cardless cash withdrawal functions such as mobile reservation for ATM withdrawal, QR code-based withdrawal and Mobile Pay contactless cash withdrawal. Based on diversified demands of customers, the Bank promoted self-service smart facilities such as ATM for passbooks, portable intelligent terminal and intelligent terminal (Card Warehouse Version) to flexibly accommodate various service scenarios in outlets, provide customers with one-stop, efficient services and boost the efficiency of work and ability to prevent risks.

Continuously Promoting Smart Services and Improving Process

As at the end of the reporting period, the Bank's intelligent facilities fully supported Class I, Class II and Class III account services and management and such functions as physical precious metal purchase and private banking's wealth management service. The Bank furthered the integration of online and offline services by launching a WeChat mini program for online card application, QR code-based printing of personal account statements, QR code-based view of electronic receipts and QR code-based corporate deposit placement. It provided 58 non-local service items regarding deposit, wealth management, fund, insurance, loss reporting, account closing, transfer and e-banking, allowing customers to receive service from non-local institutions. The facial recognition technology was fully applied to high-frequency, high-risk businesses requiring authentication, so as to effectively prevent identity thefts and simplifying the business process. FinTech was employed to accurately identify visiting customers and accurately profile customers based on big data, so as to provide customers with better personalized services.

Building Integrated Online and Offline Service Channels of Outlets

The Bank fully unleashed the value of FinTech in customer service and marketing. It developed an innovative service channel integrating WeChat public account, mini programs, QR codes and WIFI, broke the time and space limitations of traditional outlet services to build a new marketing model featuring online-offline integration. During the reporting period, the Bank's "QR Win", a service enabling transactions by scanning QR codes, successfully served over 36.25 million transactions. ICBC WeChat Public Account for Customer Service provided transaction inquiry, account inquiry and utility bill payment services to over 2.9 million customers. "ICBC Service" mini program received 17.377 million hits. Outlets had a total of 12.475 million WIFI users and customer traffic of 46.814 million person-times.

Optimizing Channel Distribution

During the reporting period, the Bank completed outlet network improvement for 383 outlets principally through relocations, and finished outlet service model refinement for 377 outlets. In county areas, 125 outlets were relocated and 161 had their service models refined. In poverty-stricken areas, 19 outlets were relocated and 17 had their service models refined. 1,775 outlets completed decoration with uniform standards and commenced operation, remarkably improving their service capability and customer experience. After continuous channel improvement, the Bank's outlet network has become more reasonably structured to provide a broader range of business functions in a more comfortable service environment with more advanced facilities.



domestic outlets

16,004



self-service banking facilities

26,786



ATMs

89,646



online service

7x24



county-area outlets served "agriculture, rural areas, and rural residents"

5,188

outlets dedicated to targeted poverty relief in national poor counties

1,062

Extending Cloud Banking Smart Services

During the reporting period, the Bank set up a cloud banking center by integrating six customer service centers, and promoted customer service improvement, system integration and upgrade, and establishment of a smart customer service system. The cloud banking center has provided services in Chinese, English and Cantonese for 2.7 billion person-times to customers in more than 20 countries and regions worldwide.



Setting up Cloud Maintenance Teams

As at the end of the reporting period, the Bank had established cloud maintenance teams at 37 branches and had over 1,000 cloud customer managers providing services for nearly 20 million customers through outgoing phone call, SMS messages and ICBC Link notifications.



established cloud maintenance teams at **37** branches

"GINO" Intelligent Customer Service

The Bank managed to flexibly deploy the intelligent customer service GINO on mobile terminals and online channels, which has expanded the reach of ICBC customer services. As of the end of the reporting period, the intelligence customer service covered 35 service channels of the Bank, including ICBC's official account at WeChat and ICBC Mobile, and connected third-party platforms. Daily intelligent service volume reached over one million. The Bank innovatively launched the intelligent voice service of telephone banking, which got piloted in 10 places. The customer service efficiency and customer satisfaction have been improved.



Daily intelligent service volume reached over **1** million



Working scene of ICBC Cloud Banking Center

Improving Customer Experience

During the reporting period, the Bank listened carefully to customer opinions, continued to improve customer services, and coordinated outlet distribution optimization and standardized decoration. The Bank worked hard to establish a multi-dimensional service system (online + offline, manual + AI, notification + interaction), and endeavored to provide customer services with identification, response and connectivity through all channels, as well as more efficient, safer and more convenient financial services of better quality, and become a trusted, reliable, user friendly and first-choice bank that provides excellent financial services.

Improving Service Quality

The Bank always upholds the "customer-oriented" philosophy, takes customers' opinions and suggestions as a crucial guide and keeps pushing forward product innovation and process optimization to improve customer experience. During the reporting period, the Bank refined business management rules including debit card replacement without changing card number and non-local card replacement, in a bid to improve the personal banking management, make service processes more convenient and user-friendly and continuously enhance customer satisfaction.

According to third-party survey data, the Bank's customer satisfaction score increased by

4.5%

from last year.



Building Star-rated Outlets

The Bank endeavored to enhance and give full play to the guiding role of good examples in service improvements, in an effort to spur positive energy and push forward the harmonious bank drive. As of the end of the reporting period, the Bank identified 649 five-star service outlets, playing a model role in improving customer services in the new era.



Xiamen Branch of the Bank carried out the observation and learning campaign, sending representatives of its sub-branches to Lujiang Sub-branch, one of the "Top 100 Outlets", to learn its good practices



Door-to-door Financial Services for Enterprises

During the reporting period, Qingdao Branch of the Bank took the initiative to visit micro and small enterprise customers for in-depth communication to learn about their financial service needs and solicit their opinions and suggestions on the Bank's financial services while paying close attention to difficulties faced by customers. As a result, the Branch received high praise from customers.

Warm Services, 100-City Relay

2018 is the year of the Bank's "Warm Services, 100-City Relay" campaign. Focusing on the service issues that the masses are most concerned about, Henan Luoyang Branch of the Bank improved service efficiency and service experience by properly setting number calling strategy, dynamically adjusting cash and non-cash business counter settings, improving business processes, and strengthening self-service equipment promotion and application. During the reporting period, Luoyang Branch

completed the decoration and renovation of seven smart outlets, and configured more than 20 kinds of service marks for the outlets within the jurisdiction. At the same time, it intensified efforts in developing service innovation capability and launched the "Learn from Lei Feng" service campaign, PAD hall service activity, etc., bringing more convenient financial services to customers through these new forms and new channels.



Shandong Branch Served Flood-stricken Farmers

During the reporting period, the Shouguang area of Weifang City, Shandong Province was hit hard by a flood. The Bank's Shandong Weifang Branch set up mobile service stations in flooded area and provided financial services and onsite advisory service to flood-stricken farmers, assisting in their restoration of production activity.



Guangdong Branch Improved the Service Environment of Outlets

During the reporting period, Guangdong Branch of the Bank stepped up the remodeling and upgrading of over 140 outlets. The upgraded outlets are divided into such functional zones as intelligent service, self-service banking, cash, non-cash, wealth management and VIP service, with sufficient parking spaces available to customers. Customer experience has been dramatically improved.



Special Events Tailored for Private Banking Customers

During the reporting period, the Private Banking Department of the Bank partnered with Shanghai Bank Museum to hold a joint exhibition of financial culture in ten cities, namely, Shanghai, Beijing, Guangzhou, Hangzhou, Nanjing, Jinan, Taiyuan, Shenyang, Chongqing and Wuhan. The event showcased the financial history and wealth stories in modern China to tens of thousands visitors.



Bank ICBC (JSC) Provided Financial Services for the 2018 FIFA World Cup

During the reporting period, Bank ICBC (JSC) established an accessible environment at all its outlets for customers with physical disabilities, including special doorbells, hearing aids and special keyboards, so as to better serve tourists visiting Russia during

the 2018 FIFA World Cup. The IT department of the subsidiary also developed a special website version for visually impaired users, providing them with an effective channel for accessing financial services.

Boosting Service Efficiency

The Bank regularly collected and analyzed customer focuses, promoted the functional improvement and process optimization of related products and services, and formed a closed-loop mechanism for customer opinions, service improvement and process innovation, and continuously improved service efficiency.



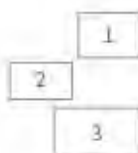
Improving Intelligent Equipment Services

During the reporting period, the Bank re-designed the service interface of smart devices for more reasonable layout and zoning and clearer menu functions. Service navigation was added and the business process alerts and interactive directions were improved, making customer interaction more friendly and operations smoother.



Improving the Corporate Mobile Banking Product System

The Bank developed the Enterprise Link, QR code-based cheque loading and ICBC e-Security to address the pain points of small and micro businesses, which has substantially boosted the efficiency of account opening, payment and high-value-added information inquiry by newly established enterprises. Online and offline marketing was strengthened for inclusive finance development. Corporate mobile banking and corporate online banking have grown together with shared customer bases and business synergies.



1. Smart Outlets of the Bank
2&3. Smart Devices of the Bank

Building a Global Brand

Steady Internationalization Progress

The Bank continued to improve its global network. Currently it operates 426 institutions in 47 countries and regions and indirectly covers 20 African countries as a shareholder of Standard Bank Group. During the reporting period, Zurich Branch, Ho Chi Minh City Representative Office and Manila Branch successfully started business. Approval of European Central Bank was obtained for the setup of ICBC (Austria).

Providing Global Financial Products, Deepening Financial Cooperation



Cross-border RMB Business Development

The Bank actively served the real economy. Based on its technological leadership, global network and international experience, it provided premium service to China's "Going Global" and "Bringing in" programs and gave a boost to RMB internationalization in all respects. By building a business push and innovation model featuring

collaboration between cross-border RMB settlement, clearing, investment and financing, global markets, asset management and asset custody, the Bank facilitated cross-border RMB fund flows and helped conduct a number of ground-breaking cross-border RMB deals.



Serving CIIE with Cross-border Financial Strengths

Before the commencement of the First China International Import Expo (CIIE), the Bank held a press release and pre-exhibition customer engagement meeting. At the meeting the Bank launched a dedicated financial service package under the theme of "Go Global with ICBC". It rolled out online account application and account opening witness service to address overseas traders' "last mile" issue by providing quick service access. Based on innovative elements of the China (Shanghai) Pilot Free Trade Zone reform, the "Customs Link" service went live to enable one-click foreign trade payments. The Bank leveraged its global clearing network to provide customers with "borderless" experience of cross-border financial services.

The Bank fully leveraged the Group's strengths in internationalization and diversification to increase the global awareness of CIIE. In Africa and the Middle East, the Bank set up task forces to approach local large financial institutions and help local companies participate in CIIE using its own and partners' regional network, market influence and customer resources. Standard Bank Group, in which the Bank has an interest, joined CIIE as an exhibitor in the "Trade in Services" section. ICBC Leasing participated as a buyer and signed purchase agreements at CIIE.

Driving Local Economic Development

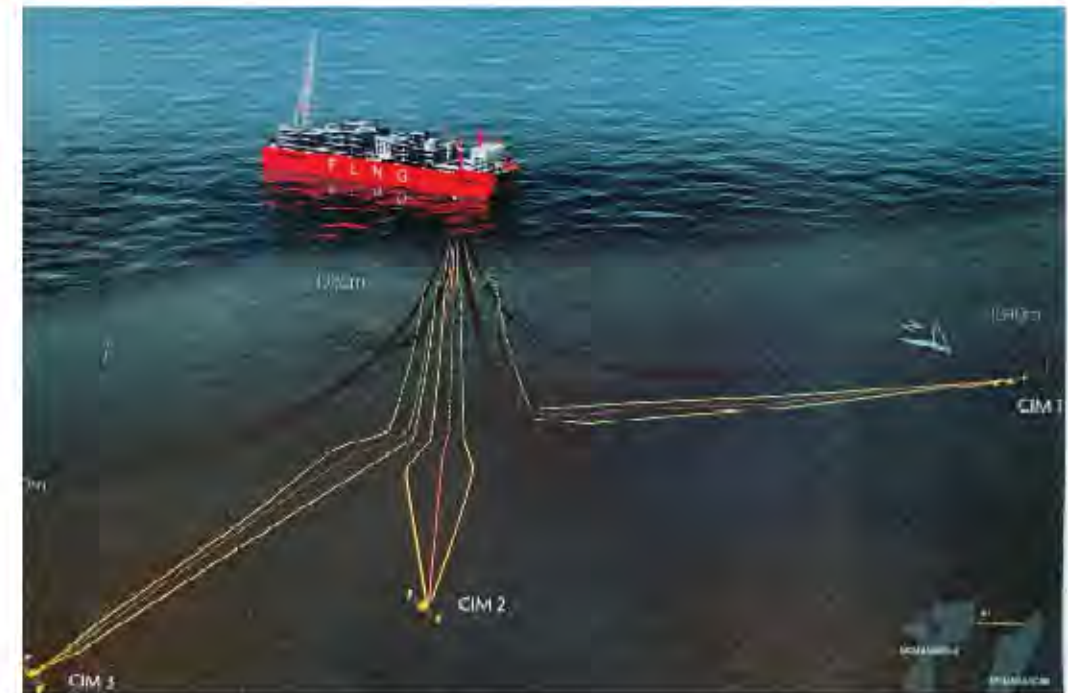
In serving the Chinese companies "Going Global", the Bank took an active part in international exchanges and cooperation, boosted the economic and social development of destination countries, gave full consideration to the effects of financing to local residents, environment and society and strove for mutual benefit, win-win results and sustainable development.



Supporting the Development of Local SMEs

To support local small and medium-sized enterprises (SMEs) development and economic growth, ICBC (Argentina) issued low-rate loans to qualified enterprises as required by the Central Bank of Argentina. These loans were focused on SMEs' demand for renting and renewal of machinery, purchase of buses/trucks and new project investments, giving a boost to local economic development.

As the sole Chinese banking institution in Myanmar, Yangon Branch of the Bank established a Burmese financial service platform for Chinese companies "Going Global" while rendering direct or indirect financing to local SMEs in partnership with local correspondent banks. As of the end of the reporting period, Yangon Branch successfully signed financing agreements with two local small financial institutions and issued USD2.8 million of loans in total.



In the 2018 Syndicated Loan Business Evaluation Campaign sponsored by China Banking, the Bank won the "Best Project Award" by virtue of its supported Floating LNG Project in Area 4, Mozambique.



4

Leading in Innovation

The Bank vigorously fostered innovation culture, adhered to indigenous innovation, and strengthened protection of intellectual property rights. It innovated products and services and continuously strengthened innovation in management in a bid to become a leader and driver of the smart finance ecosystem. During the reporting period, the bank set up the Financial Technology Department, aimed at giving full play to the positive role of FinTech in boosting business transformation and development. Moreover, it prepared to establish the wealth management subsidiary to push forward the business upgrade and development on all fronts under the guidance of the new rules on asset management.

Focus on FinTech

During the reporting period, the Bank insisted on the bank reengineering led by IT reform, employed advanced FinTech to build a comprehensive, intelligent and ecosphere-based system of financial products and services suitable for future development, actively explored and deepened the support for inclusive finance and green finance services through in-depth FinTech exploration and practices, and built more up-to-date and intelligent financial services, thereby enabling transformation of the development model and taking a lead in innovation.

Setup of Financial Technology Department

The Bank always attaches great importance to FinTech, regarding technology as the very foundation to seek further development. It has made vigorous efforts on IT and product innovation from the strategic perspective of building core competitiveness. Through unremitting efforts of generations, the Bank has embarked on a distinctive path of technological innovation and development.

During the reporting period, the Bank consolidated the IT Department and the Product Innovation Management Department to establish a new Financial Technology Department. It sought to address such issues as the quality of business requirements and efficiency of technological R&D using new ideas, new models and new technologies, in a bid to truly establish an efficient and convenient technology management system and product R&D model, accelerate the inter-generation IT strides through improvement of internal mechanisms and processes, and give full play to the role of FinTech in boosting business transformation and development.

e-ICBC 3.0 Strategy



The Bank pursues smart transformation of traditional financial services under the principle of inheritance and innovation. Specifically, it is dedicated to transforming to "smart banking" featuring ubiquitous services, inclusive innovation and versatile applications by building an open, cooperative and win-win financial service ecosphere, creating smart systems of marketing, products, services and risk control, reshaping banks' central role as information and credit intermediary, developing an integrated online and offline development model and building an innovative customer relationship management system characterized by integrated online and offline attraction, activation and retention of customers.

During the reporting period, the Bank officially released the API open platform portal to the public to provide 610 API services under 9 categories, connect more than 940 partners and realize standard packaging and exporting of advantageous products and services such as account, payment, investment and wealth management, covering 100 million individual customers. The Bank innovatively built a financial ecological cloud platform, providing corporate customers with industrial SaaS services that integrate the Bank's financial services and facilitating the development of the Internet-based financial ecosphere. The Bank upgraded "ICBC Mobile", "ICBC Mall" and "ICBC Link" to make them smarter, so as to effectively improve the customer service capabilities of the three internet-based finance platforms.



Protecting Intellectual Property Rights, Adhering to Indigenous Innovation

During the reporting period, the Bank was granted **43** patents

The total number of patents owned by the Bank has increased to **549**

including **270** patents for invention for inventions

279 patents for utility model and product design granted by the State Intellectual Property Office



The "Smart Future Bank" project won a major award

In September 2018, Shanghai Branch of the Bank participated in the 2018 World Artificial Intelligence Conference showcasing the innovative FinTech applications in the field of artificial intelligence, such as smart robots, VR Panoramic Bank, smart cash operations, smart

site selection of outlets and virtual commodity purchase. During the conference, the Bank's "Smart Future Bank" project won the top SAIL award at the 2018 World Artificial Intelligence Innovation Competition.

ICBC Credit Card FinTech Innovation Platform Jointly Developed by ICBC Institute and College

During the reporting period, Guizhou Branch of the bank signed a strategic cooperation agreement with Guizhou University to jointly establish the ICBC Credit Card FinTech Innovation Platform to promote digital management of the campus.




- 2018 marks the fifth consecutive year for the Bank to **rank first in the banking industry** in the information technology supervisory rating of CBIRC.
- The Bank won **The Banker's Best Financial Innovation Award** for the third consecutive year.
- The Bank has six scientific and technological achievements that won **the Technological Development Award of PRC**, of which the "Innovative Global Financial Market Intensive Operation Management and Preventive Control System" won the **first prize**.
- The Bank has four research findings that won the **IT Risk Management Research Project Award** from CBIRC.

Bank-university Partnership Boosted FinTech Innovation

During the reporting period, the Nanjing University-ICBC Financial Innovation Laboratory Project, an open innovation platform jointly implemented by Jiangsu Branch of the Bank and Nanjing University, officially started operation. The project aimed to create an open platform for financial innovation research and practice and promote innovative FinTech applications regarding the world's cutting-edge financial issues, based on the best academic and practical resources.

The First National College Students Competition on FinTech Innovation

During the reporting period, the Bank and IBM jointly held the "2018 ICBC-IBM National College Students Competition on FinTech Innovation", attracting more than 400 contestants from 55 universities. The Bank integrated the latest FinTech ideas from the campus with ICBC's financial ecosphere and injected vitality into financial business in an intelligent and efficient way, sparking the enthusiasm of college students for FinTech innovation and fostering more technological innovation talents for the larger society.

attracted more than **400** contestants

ECOS System Development

During the reporting period, the Bank launched the intelligent banking information system (ECOS) project in pursuit of the intelligent banking strategy. The integration and construction of business architectures were completed in 28 fields, including personal accounts, personal deposits, credit cards and corporate payment and settlement. The Bank established a new, open system of account services that cover all regions and all medium forms. The system enables flexible and rapid configuration of deposit products, effectively addresses more than 400 hot issues and "pain points", such as personal account opening/closing and loss reporting, and provides customers with the best products and quality services.

effectively addresses more than **400** hot issues and "pain points"

| | | |
|--|--|--|
|  <p>The ECOS is named after the ecosystem</p> <ul style="list-style-type: none"> E: Enterprise-level C: Customer-centric O: Open S: Smart |  <p>Innovative ability in three aspects</p> <ul style="list-style-type: none"> flexible innovation Smart application Open & Integrated |  <p>Five objectives of the Project</p> <ul style="list-style-type: none"> Smart and inclusive customer services Open and linked financial ecosystems Shared and interactive business operations Efficient and flexible innovation research and development Integrated and co-developed business technologies |
|--|--|--|

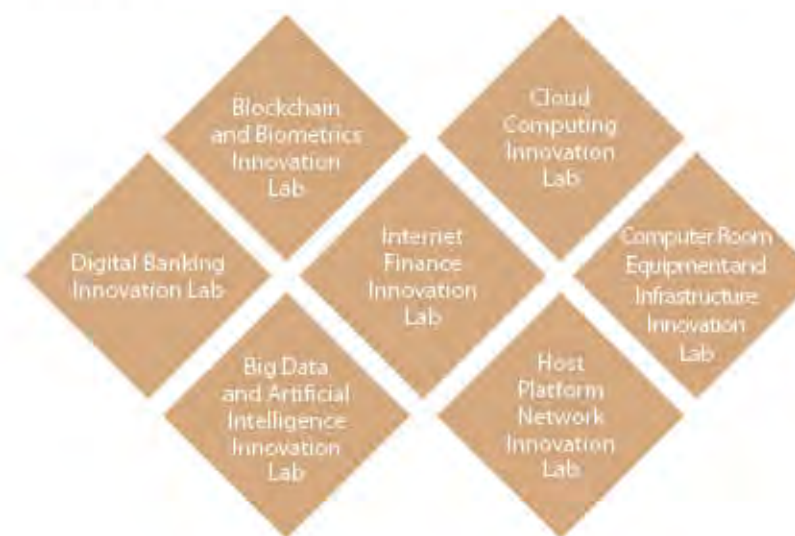


FinTech Infrastructure Development Gains Pace



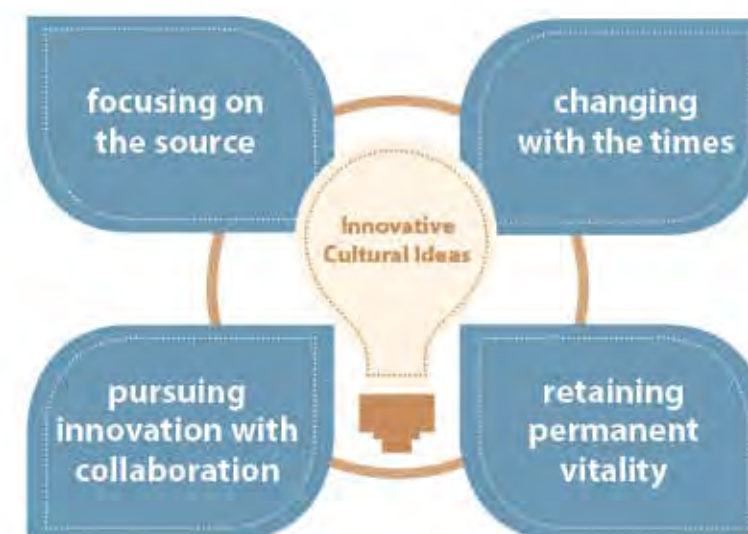
Seven Innovation Laboratories

The Bank seized the opportunity of the times and took the lead in the industry to set up "Seven Innovative Laboratories", made active explorations in cutting-edge technology fields such as artificial intelligence, biometrics, blockchain and Internet of Things. It has fostered a talent pool, developed a series of FinTech platforms with core intellectual property rights and built an technological edge over peers.



Push for Financial Innovation

During the reporting period, the Bank held a press conference on innovation culture, and officially released the concept of "focusing on the source, changing with the times, pursuing innovation with collaboration and retaining permanent vitality" for innovation culture, for the purpose of leading financial innovation with cultural development and providing more solid support for the Bank's innovation and development in the new era.





Shanxi Branch of the Bank held the finals of "ICBC Shanxi 2018 Innovation and Startup Competition"



The 9th "ICBC Cup" Financial Creative Design Contest of National College Students

During the reporting period, the Bank held the 9th "ICBC Cup" Financial Creative Design Contest of National College Students, encouraging college students to come up with valuable, practical creative ideas for hot financial areas, FinTech and financial scenarios. After launch and promotion, collection and review of works and five regional finals, the contest attracted more than 100,000 college students from over 1,000 colleges across the country, receiving a total of 5,095 creative works and building a new platform for bank-university partnership.

"Mega Retail" Drive

During the reporting period, the Bank had a good grip on the rules underlying retail banking in the new era, actively explored the FinTech-based transformation towards smart retail and took products, processes, channels, risk control and accounts as the main drivers for sound and sustainable development of retail banking.



Innovating the Financial Service Model in Partnership with the Palace Museum

The Bank entered into a comprehensive strategic partnership agreement with the Palace Museum on 12 October 2018. The two sides will work together to build a new financial, cultural and creative ecosystem based on the new positioning of "culture + financial + technology".



New Progress Made in Smart Retail

During the reporting period, the Bank completed the upgrading of non-integrated accounts to integrated accounts to enable the integrated processing of RMB and foreign-currency personal settlement accounts across the Bank. A nationwide consistent account service system without discrimination between local and non-local accounts was established to provide customers with intelligent and convenient financial services. The Bank improved the "ICBC Easy Loan" product line by launching "ICBC e Installment" and personal "Online Revolving Loan" to meet customers' diverse financing and consumption needs.



Chongqing Branch of the Bank participated in the First Smart China Expo



Launching Innovative Installment Products to Meet the Diverse Demand for Consumer Finance

During the reporting period, the Bank rolled out "Happy Installment", a single brand for all credit card installment services including ICBC e Installment, auto Installments, customized installment, bill installment, SMS installment and spending installment. It aimed to establish an installment product family with a full spectrum of features and varieties, build a new installment model benefiting the broadest customer base and integrating online and offline channels and improve the standard of living and level of happiness with smarter, more convenient and more scenario-based consumer finance products and services.



Diversifying the Application Scenarios of ICBC Easy Loan

ICBC Easy Loan is an unsecured retail consumer loan product of the Bank that is available online only. It is characterized by low financing cost, revolving credit line, flexible term, various repayment methods and convenient channels. The whitelist of ICBC Easy Loan customers is growing longer and showing greater diversity of customers. During the reporting period, a total of RMB124.1 billion of loans were issued, showing a good momentum of growth.

Upgrading the Features and Customer Experience of ICBC e Life

The Bank was dedicated to building the "ICBC e Life" APP that integrates everyday life, shopping and financial services by launching new modules, refining contents concerning user rights and benefits and expanding daily life scenarios. ICBC e Life had over 27 million registered users as at the end of the reporting period and completed RMB1.2 billion of transactions in the year. It became the Bank's fourth largest APP, named the most popular digital application in 2018 by Analysisys.

Launching New Credit Card Products

During the reporting period, the Bank launched a series of well-designed new products with rich benefits, such as ICBC Zodiac Credit Card, WeChat Co-branded Credit Card, Overseas Student Card and ICBC Global Travel Plus Credit Card. These products have won the Bank new advantages and reputation in an era flooded with homogeneous products. Cosmos Constellation Credit Card has won the "ELAN" award from International Card Manufacturers Association.

At the end of the reporting period



Establishing an All-channel Service System with Connectivity

The Bank built an ecosphere of intelligent POS payment scenarios and took the lead in starting setup of PetroChina's "gas station" payment application scenarios. It accelerated the transformation of ATM channels and expanded the service portfolio of ATM channels to include non-cash services, such as time deposit service. Smart customer service scenarios were developed to provide customers with diverse and smart financial services.

Innovation in "Smart Hospital" Scenario

A healthcare group is a state-owned health conglomerate founded by the Huangshi City Development Group with the approval of Huangshi Municipal Government. It is a provider of integrated services including medical treatment, teaching, research, rehabilitation and elderly care. Hubei Huangshi Branch of the Bank is a partner of three member hospitals of the group. To address the inconvenience in hospital bill payment, Hubei Huangshi Branch launched the ICBC e Payment service at the bill payment counters and self-service bill payment machines of the three hospitals, and caused the three hospitals to take the lead in implementing various payment methods in Hubei Province, such as bank card payment, QR code scanning and Mobile Pay service. These services have effectively eased the hospitals' heavy workload and patients' inconvenience in bill payment, fully recognized by both hospitals and patients.

Stepping up Innovation in Internet Finance Scenario

The Bank rolled out online aggregation payment and other open payment services. Aggregation payment-related open services went live for APPs, H5, WeChat, mini programs and other scenarios successively. The Bank launched ICBC e-wallet, which provides a package of financial services based on personal electronic accounts, covering account management, payment and settlement, financing and credit and achieves integrated connection with partners' scenarios.

"Mega Investment Banking" Drive

During the reporting period, the Bank strengthened group-wide top-level design for coordinated development of investment banking, focused efforts and resources on key regions, key customers, key products and key institutions and worked hard to foster the investment banking culture, increase business turnover, upgrade business systems and boost cross-border linkage.

Actively Promoting the Internationalization of the "Mega Investment Banking" Strategy

During the reporting period, the Bank pursued the internationalization of the "mega investment banking" strategy. Major product lines of overseas investment banking remained market leaders, and ranked third in the IPO underwriting on the HKEX Main Board. The Group ranked third in the Chinese offshore bond market. The Bank extended its M&A business to high value-added areas such as advisory service. A number of overseas institutions including New York Branch accomplished the first M&A financial advisory deal. The portfolio of overseas investment banking licenses has been continuously improved. The continuous improvements in the cross-regional investment banking service capabilities have laid a stronger foundation for more Chinese and foreign companies to break away from regional restrictions and for the Chinese market to further open up.

Building the ICBC Investment Banking Research Brand



ICBC International's Research Team Pursued Sustainable Investments

During the reporting period, the research team of ICBC International, a subsidiary of the Bank, conducted in-depth researches on wind power, photovoltaic and environmental protection sectors. Based on its surveys on industries and companies, the subsidiary issued in-depth analysis reports reviewing and analyzing major developments in the new energy field in China and worldwide, so as to deepen the understanding and knowledge of the company and its customers in this field and further encourage investment in green finance in the capital market.

Building the ICBC Investment Banking M&A Brand

According to the rankings of financial advisers for Chinese companies' overseas M&As published by Refinitiv (formerly known as Thomson Reuters) in 2018, during the reporting period, the Bank maintained the largest number of M&A financial advisory deals and continued to maintain its market position and brand influence as one of the leading banks in M&A.



maintained the **largest** number of M&A financial advisory deals

"2017-2018 Best M&A Service Award" from CLPA

"2018 (11th) China M&A Awards - Best M&A Deal" from China Mergers & Acquisitions Association

"2018 Top Ten M&A Bank Partners" from Dealogic

maintained the largest number of M&A financial advisory deals

"Top 10 Financial Products (Corporate Banking)" award in 2018

Well-organized Drive for Equity Investment

During the reporting period, the Bank implemented the equity investment fund to provide better-targeted support for rapid development of related industries, as part of its vigorous, well-organized push for equity investment. The Bank completed a number of influential industrial fund investments and a number of major direct investment projects in China, giving an impetus to fund operation and project implementation.



Jiangsu Branch of the Bank supported advanced manufacturing enterprises to launch M&A projects

Explorations for "Mega Asset Management"

During the reporting period, the Bank upheld the investment philosophies of integrity, value, professionalism and innovation, steadily pushed forward the transformation of the asset management business model and made solid efforts on a series of work such as net asset value-based transformation of fund products, investment and research capacity building, compliant sales, risk control and quality. Oriented to "NAV-based products, standardized assets", the Bank endeavored to build six systems, namely, a strong qualified investors system, an innovative and robust product system, an investment research system focused on allocations among broad asset categories, a comprehensive risk control system, a strong and effective operation and valuation system, and an efficient and sound organizational structure system, and prepared for establishing a wealth management subsidiary. The Bank advanced business upgrades and growth under the new regulations on asset management and worked hard to create safe, steady and sustained return for customers' wealth management funds.



Beijing Branch of the Bank provided all-dimensional financial services for the building of the new airport in Daxing District

- Integrated management was strengthened**

The Bank incorporated the pre-investment examination, real-time investment control and post-investment monitoring of regional wealth management services into its integrated management process, issued the Management Rules for Regional Wealth Management Business, set up a dynamic scoring mechanism for regional wealth management services and established a system of regional wealth management assessment indicators under three dimensions, namely operation, risk and management.
- The development of overseas platforms was boosted**

ICBC Asset Management (Global) has established a fairly sound global product system and customized solutions. The eight product lines cover five asset categories: cash management, fixed income, equity, multi-asset and alternative investment.
- Preparation work for the setup of a wealth management subsidiary**

The Bank officially announced to establish a wealth management subsidiary. A preparatory group for setup of the wealth management subsidiary was established to coordinate and facilitate the preparatory work for the wealth management subsidiary.
- Policies and procedures were improved**

According to the new regulations on asset management and the business transformation needs, the Internal Control Manual for Asset Management was compiled to effectively improve the capability of internal risk prevention and control. The Bank researched the rigid system control solutions for risk control indicators pursuant to new regulations and launched the independent risk control middle-office system to realize flexible risk management before, during and after wealth management investments.

Remaining as the Largest Custodian Bank in China for 20 Consecutive Years

At the end of the reporting period, the Bank held RMB16.3 trillion of assets in its custody, an increase of RMB744.04 billion or 4.8% year-on-year. It took the top spot by either stock or increment of assets in custody, ranking first among custodian banks in China for 20 consecutive years. The Bank remained the market leader in main custody products such as mutual funds, insurance, bank wealth management, enterprise annuities and dedicated fund accounts.

5

Security and Prudence

Security and prudence underpin the sustainable prosperity of a bank. The Bank upheld the corporate culture that "Integrity Leads to Prosperity", responded actively to the latest changes in financial regulatory requirements and market conditions, defended the bottom line of risks, fortified the lines of defense for compliance, pursued safe operation and sound development based on well-established policies and risk control and prevention, effectively protected the rights and interests of consumers and safeguarded financial security and stability.



Preventing Financial Risks

During the reporting period, the Bank strictly defended the bottom line of risks and upheld the "prudent attitude to development" and "conservative to risks". It continued to improve its risk management capability by performing the responsibilities for risk prevention and control while making timely adjustments to the risk policy according to circumstances.

Improving Enterprise Risk Management

Strengthening the Group's Risk Appetite Management

The Bank unified the Group's risk appetite management requirements, improved the hierarchy of risk appetite indicators, formulated the statement of risk appetite and incorporated non-bank institutions and business lines into the Group's risk appetite system. During the reporting period, the Bank issued the Risk Management Plan 2018-2020 and formulated the Administrative Measures for Comprehensive Risk Stress Testing of the Group. Group-wide special stress tests were conducted.

Improving Country risk Limit Management

The Bank improved the country risk limit management mechanism for total limit and net limit. It refined the statistical rules for country exposures of transactions involving multiple parties within the Group, such as book-building and loan participation, and prudently managed the Group's country exposures.

Strengthening Consolidated Management of the Group

The Bank formulated and urged non-bank subsidiaries to implement the subsidiary-specific enhancement plan. Concrete rules for consolidated management of tier-two subsidiaries were formulated to clarify tier-by-tier consolidation duties in terms of risk, governance, capital and finance.

Strengthening Risk Penetration of Subsidiaries

During the reporting period, the Bank strengthened the risk penetration of subsidiaries, systematically strengthened the corporate governance mechanism of 26 tier-one subsidiaries, organized the first assessment of the comprehensive governance capability of tier-one subsidiaries, developed subsidiary-specific plans for governance capability enhancement and strengthened the pillar role of the corporate governance mechanism.



During the reporting period, the Bank held the Corporate Governance Forum attended by more than 100 directors and supervisors of the Group and its domestic and overseas subsidiaries. The event communicated the "One ICBC, One Family" values under multiple dimensions, deepening the understanding of the Bank's shared values and vision and common standards for corporate governance in all aspects.



Safeguarding Financial Assets

Improving the Industry Mix

The Bank adjusted and improved industry-specific credit policies continuously in line with macro-economic policies, industrial policy orientation and industry characteristics, strengthened the industrial investment layout, highlighted strategies of key areas and quality customers, continuously improved the industrial credit structure, further stressed the strategic functions of credit policy and promoted the guidance, practicality and operability of industrial credit policy.

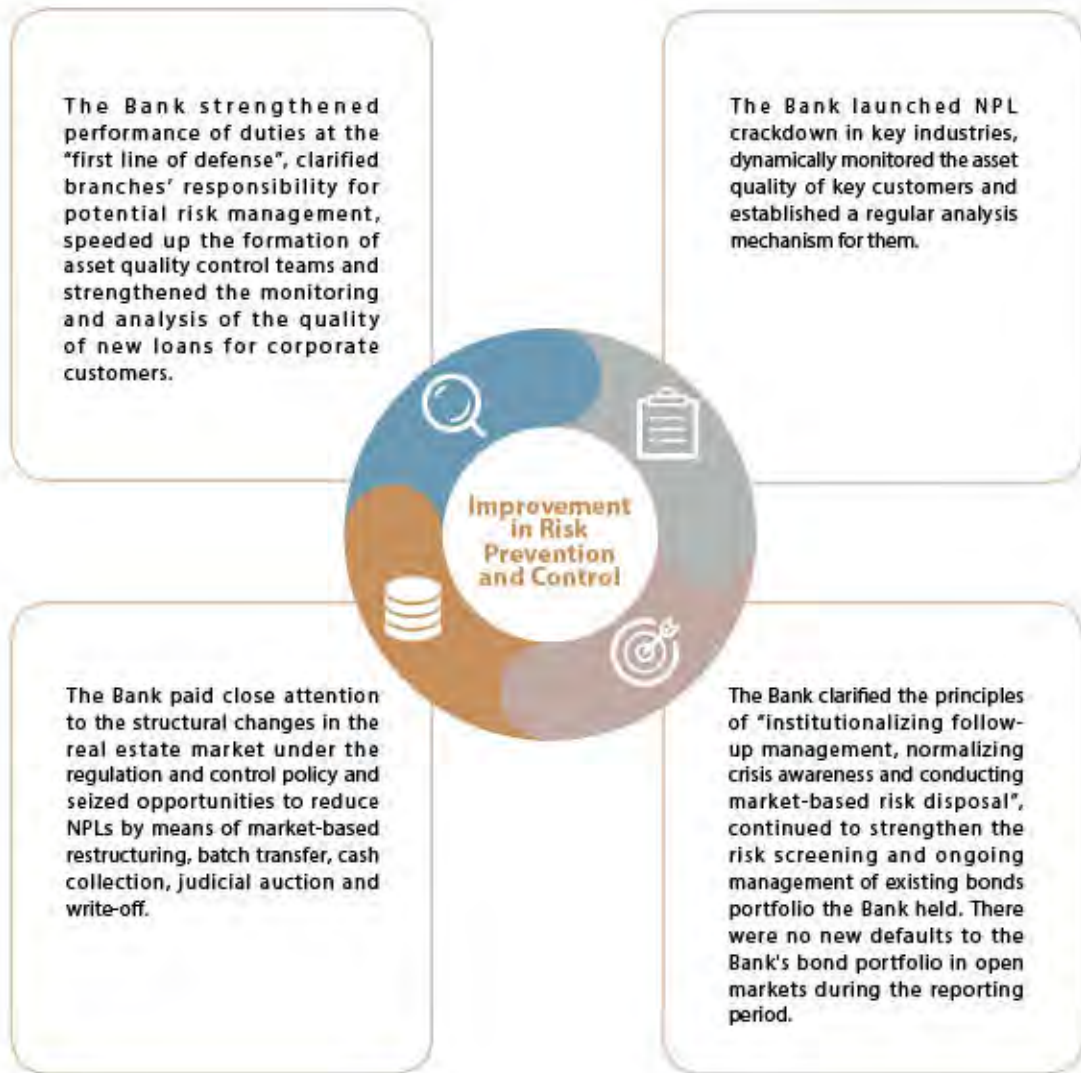
Improve Industrial Credit Policies*



Solid Improvements in Risk Prevention and Control

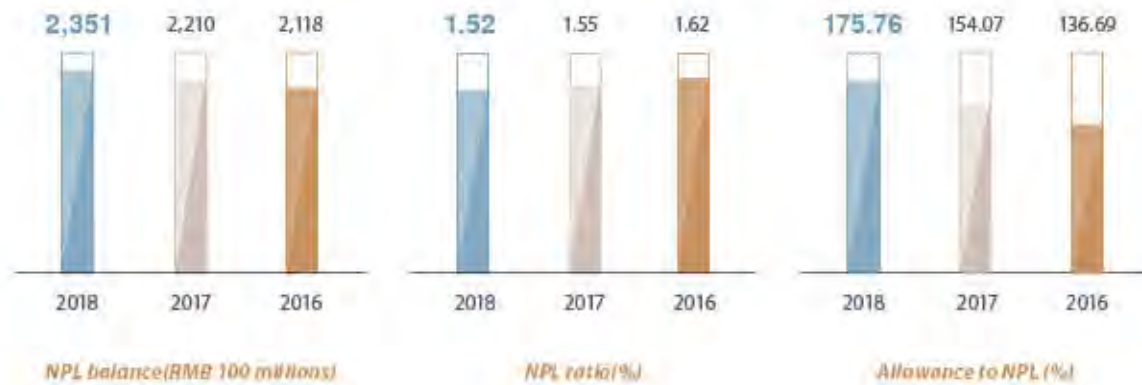
During the reporting period, the Bank remained steadfast in taking forward-looking measures to prevent risks and strictly controlled the "three gates" for acceptance of new applications, control of existing credit and disposal of non-performing loans. With focus on potential risks, the Bank took a variety of measures (e.g. reallocating recovered credit funds to key industries) in line with the industry-specific credit policies to support the elimination of industrial overcapacities by financial means and increasingly enhanced the quality of assets. The efforts on industry transformation and upgrading made remarkable achievements.





Quantitative Asset Quality Indicators

In the reporting period, the Bank maintained the momentum of asset quality improvements and saw continuous improvements in key indicators.

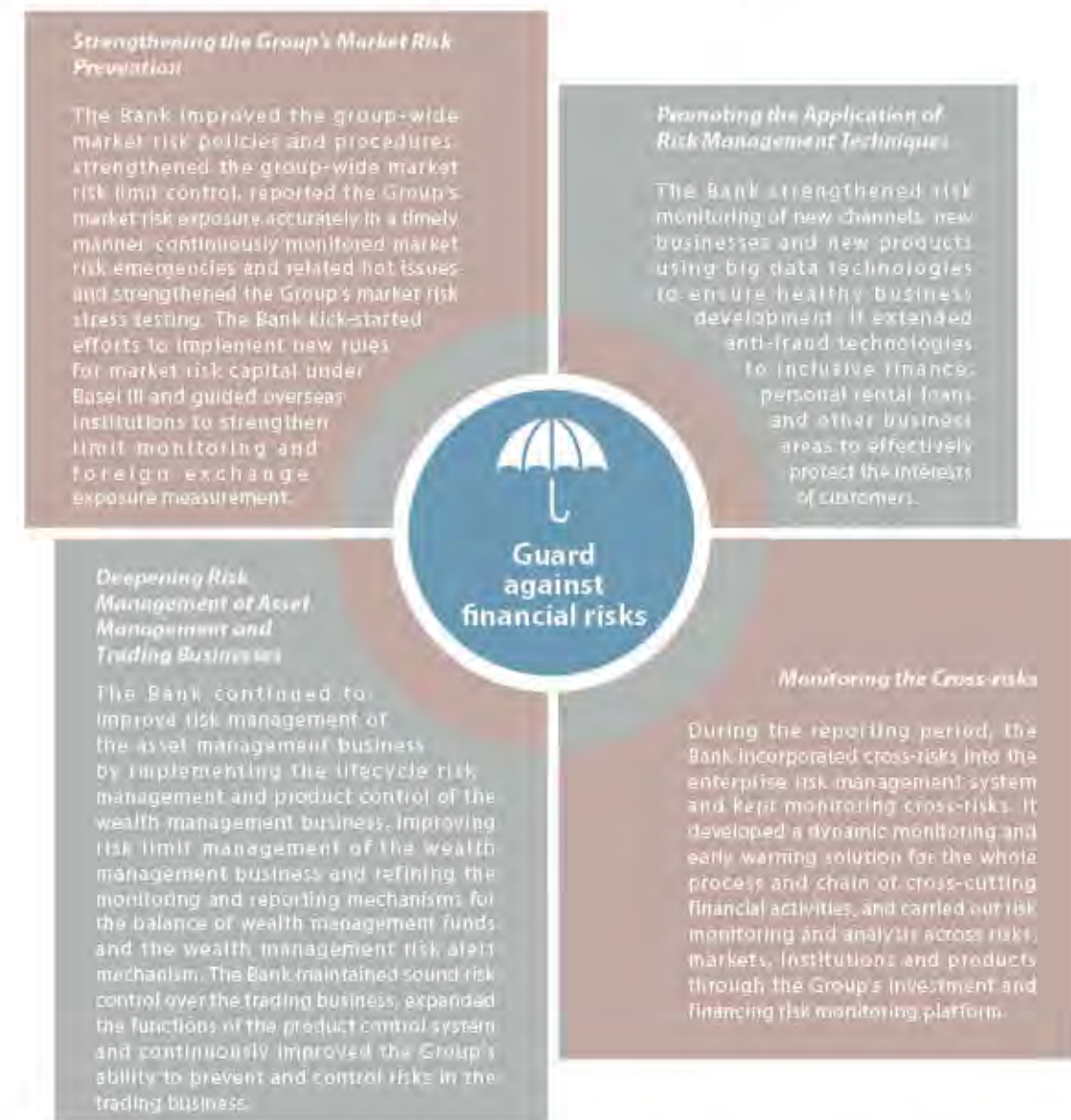


Strengthening Risk Resilience

During the reporting period, the Bank maintained a sound capital adequacy level and adhered to a long-term capital replenishment mechanism that is based on internal capital replenishment, supplemented by external issuance of capital instruments and supported by credit asset securitization and risk-weighted asset

constraints. With a stronger capital base to shore up business development, the Bank has significantly enhanced its resilience to external risks and played the role of financial "stabilizer" and "ballast" as a large state-owned bank.

Capital adequacy ratio in the past three years



Strengthening Compliance Building

Cementing Management

During the reporting period, the Bank improved its system building, formulated long-term mechanisms, strengthened staff training, intensified supervision and inspection, actively performed AML responsibilities as a commercial bank, further fortified the foundation for internal control management and demonstrated integrity as a big bank.

Compliance Culture

The Bank carried out the "Year of Internal Control and Compliance Enhancement" campaign in 2018. It organized a total of 1,197 "compliance pacesetter" roadshow sessions at all levels, held 7,172 general discussion sessions in the form of seminars, lectures, debates and competitions and held the online knowledge contest on internal control and compliance attended by 219,700 employees. These events have further enhanced the integration of compliance culture-themed activities and professional tasks.



IT Development

The Bank kick-started the Group's intelligent internal control and compliance project and developed the timetable and road map for application of AI technologies. It employed the machine learning platform, graph calculation and community network analysis algorithms to improve the effectiveness of system warning, risk prediction, supervision and inspection.

Internal Audit

The Bank implemented risk-oriented audit activities around its development strategy and central tasks, continuously improved audit services and professional capabilities, improved audit functions and working mechanisms, innovated in audit models and technology applications, expanded audit coverage and audit value, strengthened team building and vocational education and kept improving the internal audit system.



In November 2018, the Bank holds the 2018 Overseas Compliance Work Meeting

Anti-money Laundering

During the reporting period, the Bank strictly implemented anti-money laundering (AML) and counter-terrorist financing (CTF) laws and regulations and actively performed its social responsibilities for AML as a commercial bank.

The Bank improved the AML monitoring capability

Backed by technical supports such as big data and artificial intelligence, the Bank continued to refine the IT system for AML in line with the trends in money laundering risks and the characteristics of business development.

A counter-based enhanced customer identification mechanism featuring "online check + facial recognition + teller verification" was established. The customer identity documents were strictly checked for authenticity and validity. As a result, the Bank successfully detected potential risk events, including account opening with stolen identity and organized unusual opening of accounts multiple times.

Customer identification measures were improved

The Bank actively cooperated in AML investigations

During the reporting period, it cooperated with competent authorities in AML/CTF investigations.

AML training programs were launched in various forms across the Group. A total of more than 300,000 people attended such training, covering 100% of AML personnel and laying a solid foundation for the fulfillment of AML obligations by all employees.

The Bank strengthened the ability of all personnel to perform their AML duties

Total number of participants: more than
300,000
person-times

AML staff training coverage reached
100%

AML publicity events were carried out effectively

The Group issued AML publicity texts, video clips and animations through various channels to disseminate AML knowledge. It launched AML publicity campaigns with distinctive features in various forms.

During the reporting period, the Bank carried out

106

AML publicity events

distributed

3.0562 million

copies of publicity materials

involving

29.6113 million

people from the public



- 1
- 2

1. AML poster of ICBC Jiangxi Branch
2. ICBC Beijing Branch launched the AML Awareness Month campaign to further enhance the AML awareness of the general public

Adhering to "Strict Bank Governance"

During the reporting period, the Bank applied the requirement of "strict bank governance in every respect" to all aspects, all systems and all processes of operation and management, thereby enhancing supervision, discipline and accountability continuously.



The Bank pressed forward with the integrity culture campaign, and speeded up the preparation for building an integrity culture education base, so as to enhance employees' sense of discipline, compliance, risk, safety and responsibility at all levels.

The Bank revised and issued relevant regulations to provide enforceable and operable top-level policies and draw an insurmountable red line.



During the reporting period, the Bank conducted on-site inspections on 24 institutions.

During the reporting period, the Bank organized 24,397 case-based education events (namely "discipline by case, rules by case") by category and tier, and distributed 8,481 issues of update briefings.

Improving the Consumer Protection System

During the reporting period, the Bank fully performed its obligation of consumer protection as a corporate citizen, took consumer protection as an important part of its corporate culture and strategic plan for business development, ran consumer protection through the whole process of management and operation and strived for integration and mutual promotion of consumer protection and business development.

A Better Consumer Protection Mechanism

The Bank further improved the working mechanism for consumer protection and conducted all-dimensional assessment of consumer protection work. It kept enhancing all employees' awareness and capability of consumer protection. It continued to consolidate the achievements in standardization of service charges and improve the quality and efficiency of serving the real economy.

More Fine-grained Complaint Management

The Bank further deepened the "customer-oriented" philosophy in operation and management, focused on key professional issues and endeavored to address the root causes of customer complaints. It attached greater importance to improving products and services from the perspective of consumers, thereby achieving the harmony of economic benefits and social value.

The Bank won an award from CBIRC for

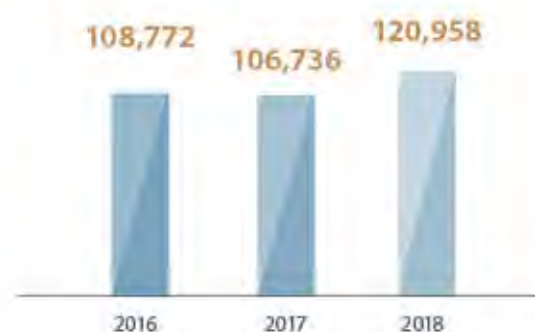
"Excellent Performance in the 2018 National Financial Education Campaign & Financial Literacy Popularizing Month" and "Good Online Financial Service Users with Stronger Financial Qualities" Campaign"



The Bank won

the 2018 Best Effect Award for "Popularizing Financial Knowledge" Series in Chinese Banking Industry from the China Banking Association

Annual number of public education events (Times)



Internal Training

The Bank established a multi-level, systematic and professional consumer protection training system, organized online consumer protection knowledge contest attended by 180,400 employees. On-site and video training on consumer protection was held to improve the consumer protection capability of all employees across the Bank.



Employees participating in the knowledge contest reached

180,400
person-times

Consumer Education

The Bank organized intensive public education events, such as "National Financial Education Campaign & Financial Literacy Popularizing Month and Good Online Financial Service Users with Stronger Financial Qualities" and "Popularizing Financial Knowledge" Series, and themed events including "3·15 Theme Education" and "Preventing Illegal Fundraising", to effectively expand the coverage and influence of consumer education events.



| | |
|---|---|
| 1 | 2 |
| 3 | 4 |

1. Dalian Branch of the Bank disseminated anti-telecom fraud knowledge among the local community
2. Liaoning Dandong Jinshan Sub-branch of the Bank gave a special lecture on anti-telecom fraud to the local community
3. The Bank's Qinghai Xining Chengdong Sub-branch popularized financial knowledge at Xining Beixiaojie Primary School in the "Financial Knowledge Into Campus" campaign
4. Ningbo Dongmen Sub-branch of the Bank launched the "Secure your Wallets" campaign in the local community, guiding investors to rationally select financial products with matched risk and return according to their risk appetite

In the reporting period, the external fraud risk information system developed in-house by the Bank, namely ICBC e-Security

| | | |
|--|---|---------------|
| accumulatively identified and blocked telecom frauds | protecting customers from a total loss of RMB | up |
| 77,200 | 2,401 million | 36.81% |
| | | year-on-year |

Ensuring Security and Stability of IT Systems

During the reporting period, the Bank maintained secure and stable operation of its IT systems, providing secure and stable financial services for customers. The Bank continued to improve the group-wide management of production and operation, completed the annual business-level remote disaster recovery drill and substantially improved the continuity of information systems.



6

People-oriented

Adhering to the people-oriented philosophy, the Bank took "equal, open, respectful and integrated" attitudes to proactively optimize the employment environment, substantially protect the legitimate rights and interests of employees and care about their growth. At the same time, the Bank actively supported charity work, encouraged the employees to participate in volunteer activities, and gave back to the society and fulfilled its corporate social responsibilities in multiple ways, such as helping the poor, the elderly, people with disabilities, and providing financial support for education.

Safeguarding Employees' Legal

Regulating Labor Employment

During the reporting period, the Bank carefully implemented the Labor Contract Law and other relevant national laws and regulations, continuously established and improved various labor systems, discussed and signed labor contracts according to laws, specified the Bank's and the employees' rights and obligations in written form, and kept improving the "paid leave" system. It signed labor contracts or agreements with the employees hired by overseas institutions in the host countries/regions according to the local laws and policies.

Promoting Democratic Management

During the reporting period, the Bank held an interim session of its first employee representative's congress of domestic institutions, at which all employee representatives across the Bank elected employee supervisors through casting secret ballots in person or via video-conferencing. Meanwhile, it kept refining its employee representative systems, guided more than 30 outlets to prepare for the employee representative's congress and host the congress as scheduled according to law, and made sure that all tier-2 branches and higher-level institutions could convene such congress on a regular basis.



Guangdong Branch of the Bank held its employee representative's congress

Perfecting the Guarantee Mechanism

During the reporting period, the Bank worked harder to help the employees in difficulty. Assistance for such employees was offered in a centralized way, and a caring mutual aid mechanism was established to help the children of the above employees receive education.

The Bank continued to improve the right protection mechanism for domestic female employees, created a good atmosphere for female employees in terms of culture, work, and life, and made important contributions to promoting the harmonious development of the Bank.

The ratio of female employees in recent three years reached



Female employees of Hubei Branch of the Bank participated in "Fly Lover, Rainbow & Music Running" campaign

Supporting the Employees' Growth

During the reporting period, the Bank set up many stages and created various conditions for the employees' growth. It established scientific mechanisms for their growth, provided diverse paths for career development, set great store by trainings, and promoted cultural exchange and integration, in the endeavor to achieve employee progress and corporate development at the same time.

Providing More Paths of Career Development

During the reporting period, the Bank continuously reinforced and improved the position and rank management system, created more room for employees to get promoted, and established a career development model covering multiple positions and types. Additionally, it carried out targeted career design and capability cultivation according to employees' different positions, teams, capabilities, and ages, thus underpinning their growth greatly and enabling them to realize long-term career development in the light of what the Bank needed and their personal interest.



Respecting the Laws that Underlie the Employees' Growth and Bringing Employee Careers under the Full-process Management

The Bank formulated the opinions on strengthening the management of new employees. It established a quality training system that aimed to turn out talented personnel from source, with follow-up trainings, and throughout the whole process. Besides, the system was closely integrated with the subsequent employee training, selection and development programs so as to put employees' careers under full-process management.

Emphasizing Trainings on Professional Skills

The Bank focused its attention on building itself into a bank of learners. Mindful of its operational transformation, business development, and employee demand, it coordinated the optimization of trainings for management personnel, professionals and front-line staff in outlets, and exerted its platform advantages in strategic transmission, discussion and exchange, problem solving, and learning and sharing. During the reporting period, the Bank delivered 44,700 training sessions of various kinds to 5.24 million person-times, with each person receiving trainings of around 10.43 days averagely. All of these trainings proved to be necessary for the employees to shore up their duty performance ability.



the Bank delivered **44.7** thousand training sessions of various kinds



5.24 million person-times



each person received trainings of around **10.43** days averagely

Deepening Employee's Recognition of the Bank

Perfecting the Employee Incentive Mechanism

The Bank believes in incentivizing the employees with honors, and gives reasonable and suitable rewards to honor-winning employees. It integrates the honors with incentives such as bonus, training, vacation, and promotion, and strives to achieve the optimal results.

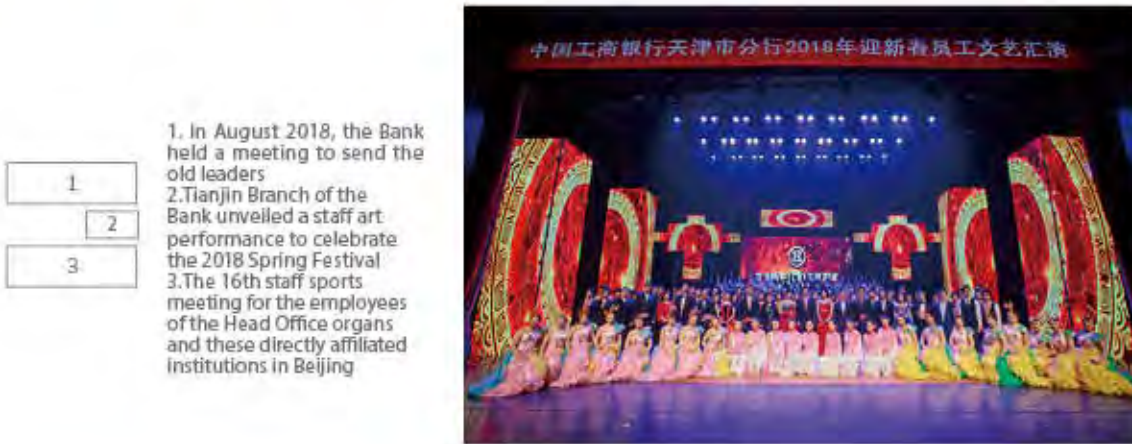
Caring for Employees' Physical and Mental Health

The Bank organized domestic employees to receive health checkups every year. At the same time, the Bank worked harder to build a diversity of cultural and sports associations, and carried out various sports and fitness activities such as basketball, table tennis, Tai Chi, and brisk walking, to enhance the physical and mental health of employees. Additionally, it actively encouraged employees to participate in the Go, photography, calligraphy, drama and other competitions on the level of the Chinese financial industry. Its employees won a first prize and a third prize in the first cursive script competition of the Chinese financial industry. The comedy shows of Beijing Branch and Tianjin Branch were granted with the silver award in the fifth drama competition hosted by the Association of the Chinese Dramatists in the Financial Circle. The Bank strengthened the management of services provided to domestic retired personnel and strived to create conditions for them to improve their physical and mental health and experience a better life.



Suzhou Branch of the Bank launched a "Healthy Public Welfare Run" campaign

During the reporting period, the Bank held events such as the fourth all-employee badminton competition, the first five-a-side football match attended by all employees, and the 16th staff sports meeting where the employees of the Head Office organs and these directly affiliated institutions in Beijing competed with each other. All of these events lifted the popularity of the mass sports activities among the employees and helped them deliver a better performance in competitive sports.



1. In August 2018, the Bank held a meeting to send the old leaders
2. Tianjin Branch of the Bank unveiled a staff art performance to celebrate the 2018 Spring Festival
3. The 16th staff sports meeting for the employees of the Head Office organs and these directly affiliated institutions in Beijing

Promoting Cultural Exchange

Upholding the concept of equity, openness, respect and integration, the Bank is dedicated to encouraging employees from different countries to share their culture with each other. It has established a mechanism through which overseas institutions select native employees with excellent performance and send them to institutions in China for exchange and learning, kept training overseas employees, and provided them with more opportunities to learn about the business, ICBC, and China, in a bid to increase cultural integrity. As at the end of the reporting period, there were in total 15,687 people working in overseas institutions, including 225 senior managers, 91.95% and 18.22% of whom were locals respectively.

here were in total **15,687** people working in overseas institutions

ICBC (Canada) Actively Recruited Native Talents

While complying with the personnel development plan, ICBC (Canada) tries its best to attract as many as native talents onboard. At the end of the reporting period, the ratio of native employees to its headcount was 94.4%, which not just paved the way for the subsidiary's localized operation, but also created more job opportunities for the local community.

the ratio of native employees to ICBC (Canada)'s headcount was **94.4%**



An employee of ICBC Warsaw Branch is reading before a "that's China, that's ICBC" bookshelf

An Exchange Event Attended by Youth Representatives from Asia-Pacific Institutions

During the reporting period, the Bank hosted an exchange event titled "young people forge ahead hand in hand" for youth representatives from Asia-Pacific-based institutions. During the four-day event, 41 young staff representatives from Singapore Branch, Tokyo Branch, ICBC (Thai), and ICBC (Indonesia) held dialogues with their Chinese colleagues, creating a united, enterprising atmosphere.

Following the common practice of local enterprises, the US-based institutions of the Bank hosted a holiday party in New York where nearly 400 employees got together to celebrate the upcoming Christmas and New Year. This kind of events effectively helped all employees to increase their cultural integration, exchanges and cohesion.



Dedicated to Environmental Protection and Public Welfare Undertakings

Green Operation

Advocating Green Office

The Bank advocated green office, by constantly enriching the functions of the office automation system, actively promoting the paperless office operation, and having meetings go paperless. In the meantime, it took a further step to tighten the car use system, and continued to develop the diversified official car use system where self-owned cars made the bulk and commercial car services such as online car hailing served as a supplement.



The Head Office cut down its paper use by **0.11%** year on year



The Head Office cut down its petroleum consumption by **10.93%** on the same basis

Paperless Meetings



Paperless Meetings

With the office automation platform and iPad devices, the Head Office is able to present meeting materials to readers through mobile terminals securely, and put them under convenient control and unified documentation. Compared with the traditional printing mode, the system is "more secure, convenient, and eco-friendly".

Advocating the Idea of Water-saving

Reinforcing the Control over Energy Consumption

Advocating the Idea of Water-saving

During the reporting period, the Head Office optimized the stop-value control of main water pipes to adjust the water supply volume, established the residual water recovery and cleaning water recycling mechanism, and enabled the recycling of direct drinking water-filtered waste after being delivered to the air-condition cooling tower. Thanks to these efforts, it managed to save water in 2,181 tons every year.

Reinforcing the Control over Energy Consumption

During the reporting period, the Head Office improved the ventilation efficiency by taking such measures as ventilation window dedusting and air filter replacement. The introduction of fresh air technology helped to balance the heat distribution in the office building, and to adjust its blast pressure and outlet water temperature in the light of outdoor environment. Besides, the adoption of intelligent building control, time controllers, energy-saving light sources, and other measures managed to improve energy efficiency continuously.



Yangon Branch distributed the Detailed Rules for Training and Managing Native Employees, which set out clear-cut requirements for rank-specific trainings and routine business trainings offered to new hires, in the hopes of helping them know well the banking business knowledge and skills. Besides, management members paid door-to-door visits to some of native employees and their families, in a move to gain a better understanding of these employees and enhance communication with them.

ICBC (Macau) did a lot to develop employees' sense of belonging, responsibility, and mission as well as their love for the motherland, Macau and the Bank. By hosting a variety of cultural and sports activities, it aimed to promote the integration of different cultures, create a harmonious and amicable atmosphere for development.



Voluntary Tree Planting

The Bank carries out the voluntary tree planting initiatives constantly. During the reporting period, the Head Office spent RMB66,000 on planting 3,312 trees. With these endeavors, it managed to raise the awareness of environmental protection, and the sense of responsibility for planting, protecting and tendering trees among its employees.



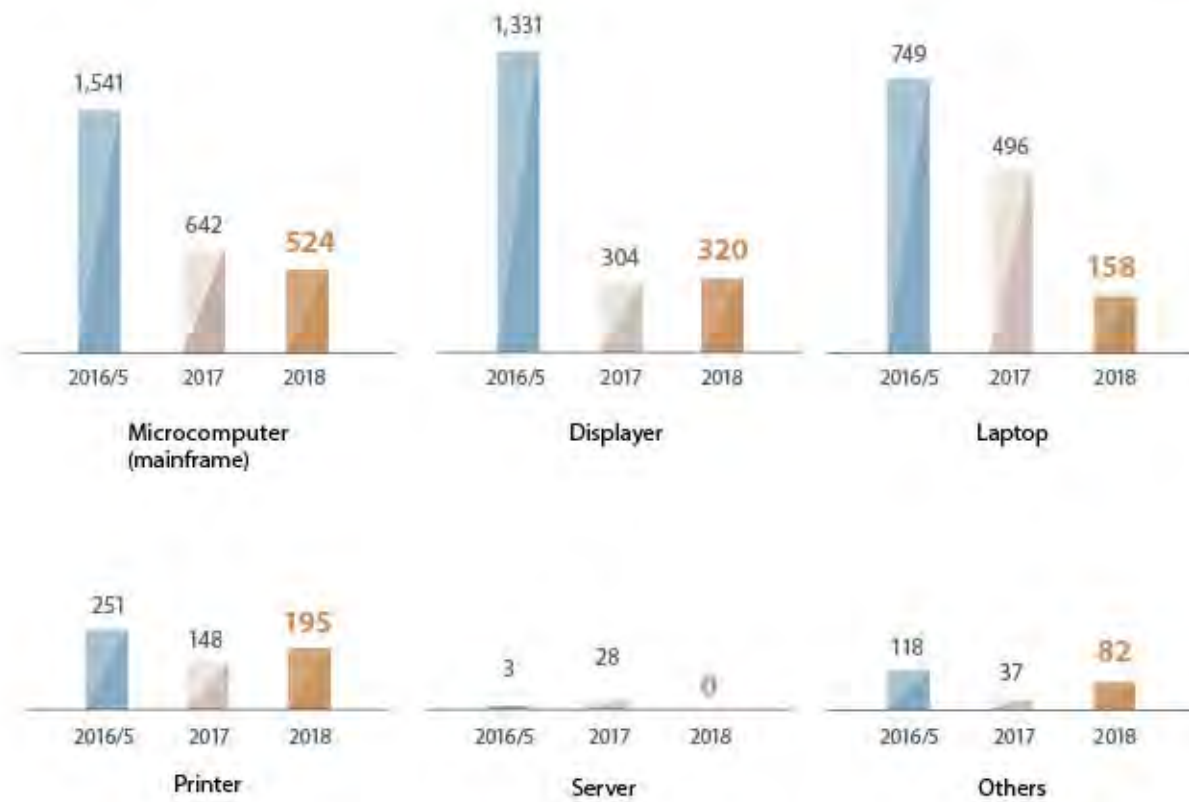
the Head Office spent RMB **66,000**



trees planted **3,312**

Waste statistics

Type (unit: pcs)



GHG (greenhouse gas) emission at Beijing-based institutions of the Head Office

According to the carbon emission management requirements of Beijing, information of institutions headquartered in Beijing includes that of the Head Office, the Data Center (Beijing) and the Beijing Branch of the Software Development Center. The Data Center (Beijing) provides uninterrupted operation services for the business information system of the whole bank, and therefore consumes more energy. Relevant energy consumption was calculated according to the *Guidelines for Carbon Dioxide Emissions Accounting and Reporting of Beijing Enterprises (Units)*.

Direct GHG emissions

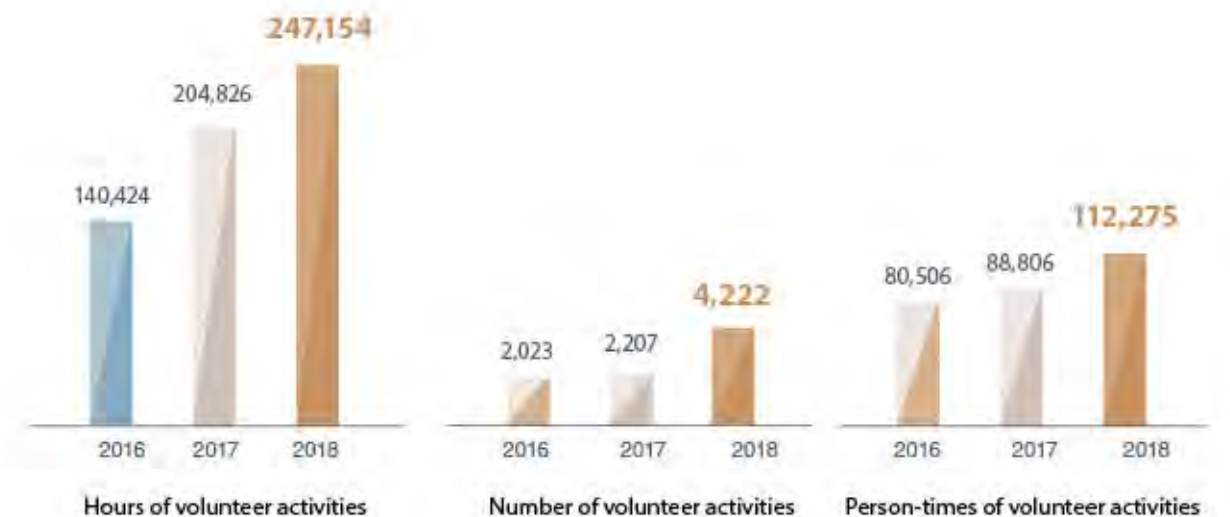


Other indirect GHG emissions



Public-spirited Engagement

During the reporting period, the Bank took an active part in various public-spirited activities on such themes as care for the disabled, environmental protection, donation to schools, and public welfare publicity. At the same time, it supported and encouraged its employees to give back to the society through whatever means. The donations made by the Bank and its employees totaled RMB104.25 million in the year.





A Warm Rest Stop for Outdoor Workers

To make sure such outdoor workers as sanitation workers, deliverymen, traffic police assistants, auxiliary traffic police officers, and volunteers can have an easy access to rest places, drinking water, charging devices, and toilet facilities, ICBC Shanghai Branch has set up an "ICBC Home" at

each of its nearly 450 outlets in the municipality. Installed with the air-conditioner, refrigerator, water dispenser, sofa, reading corner, and other equipment, these facilities enable outdoor workers to have a rest, drink some water, or take shelter from cold or hot weather.



"Love Cubic" Reading Rooms

To provide the left-behind children of rural households with extracurricular books as many as their peers in cities, ICBC—AXA Assurance has kept building the "Love Cubic" reading rooms in poverty-stricken areas. Each of these facilities is installed with brand new bookshelves, desks and chairs, alongside 3,000 volumes of children's books. So far, the "Love Cubic" reading rooms have found their way to 13 Chinese provinces and autonomous regions, and brought over 30,000 books to them for free. The initiative was named one of the most influential public welfare programs of 2018 selected by China Insurance Charity Ranking.



Small Anti-poverty Square in Southern Xinjiang

During the reporting period, Xinjiang Branch of the Bank donated money to build a small anti-poverty square at Taga'erqi Village, Taga'erqi Township, Shule County of Kashgar, a city in the south of Xinjiang, which marked the end of the village's status for having no shops.

It is said that there were no shops available in the vicinity of the village. Villagers had to travel over 10 kilometers to buy living supplies, which was extremely inconvenient. Informed of this situation, Xinjiang Branch donated RMB560,000 to build a small anti-poverty square with an area of more than 600 square meters. The 11 front rooms were allocated to the poverty-stricken households to open up shops. In this way, villages could buy necessities of life without leaving their village.



Ecological Development Goes First in the Construction of Xiongan New Area



During the reporting period, Hebei Branch of the Bank and Xiongan Branch launched an eco-friendly public service activity, as part of the World Environment Day. During the activity, young volunteers were organized to jog around Baiyang Lake and collect scraps scattered there, in a move to protect the environment of the lake.

The Most Heart-warming College Entrance Examination Service Stations

During the 2018 college entrance examination, Gansu Branch of the Bank erected service stations at its outlets which were located in the vicinity of examination centers. At these service stations, there were bottled waters, Wifi connection, cellphone chargers, paper sheets and pens, printers and copiers, and emergency drugs. These service stations were well received among the examinees.



Column: Fulfilling CSRs Worldwide as a Big Bank

During the reporting period, overseas institutions of the Bank strengthened the communication and integration with local communities, tightened the cooperation with charity organizations, and participated in local charity programs in various ways.

Singapore Creative Awards



During the reporting period, ICBC Singapore Branch teamed up with SPH (Singapore Press Holdings) Chinese Media Group to launch the first Singapore Creative Awards themed on "Our Culture". The purposes of the event were set to develop more creatively cultural products unique to Singapore, and promote the development of the local cultural and creative industry. Some 100 works of graphic design and product design were solicited in total.

Love across Hong Kong

During the reporting period, ICBC (Asia) had been appointed as the chair of Caritas Hong Kong Fund Raising for the 20th consecutive year, and held and participated in 13 charitable activities of the organization. Some examples of these activities were hosting the charity golf tournament (for ten years in a row), financing the fundraising evening party and Cantonese song evening party, funding the scholarship programs available at Caritas Institute of Higher Education, having employees sell charitable lottery tickets on behalf of Caritas, selling cookies for charity, and sponsoring CSSA-receiving or low-income families to hold Christmas parties, watch movies and do other things, through which HKD2.8 million was raised in the name of Caritas in total.



The Public-spirited Vientiane Branch

Vientiane Branch of the Bank is actively dedicated to fulfilling CSRs, and spreading philanthropic ideas. Primarily helping the elderly, orphans, students, the poor, and the disaster-stricken people, it successively made donations to the frozen disaster-affected persons living in the mountains of North Laos, the orphans and old people in Sekong and Suvannakhet Provinces in the southern part, the impoverished rural households in the remote mountains of Bolikhamxai Province in the central part, the flood-stricken people of Attapu Province in the southern part, and a local primary school located in Vientiane Province.

Making Those Living in the SOS Children's Village Smile

During the reporting period, all staff members of Prague Branch of the Bank donated some pieces of furniture to and worked as volunteers at the Czech-based SOS Children's Village. Established in 2014, the facility is a renowned charity located in Prague. The employees helped the residents in the village paint their room walls and assemble furniture together. What they had done was welcomed by the organization, and highly recognized by the local community.



"Save Three Persons by Donating a Pint of Blood"



During the reporting period, ICBC (Malaysia) partnered with Pusat Darah Negara Malaysia to host a public-spirited blood donation activity at Avenue K Shopping Mall in Kuala Lumpur. More than 110 persons attended the activity, donating 52,000 milliliters of blood in total.

donating
52,000
milliliters of
blood in total



Actions Taken by ICBC (Mexico)

During the reporting period, ICBC (Mexico) actively contacted with the Banks of Mexico Association and participated the community-based public welfare programs organized by it. For example, the employees of the subsidiary helped the Santa Fe Community Center located in Mexico City paint its walls as volunteers. Twenty volunteers, consisting of employees and their family members and friends, painted a total of 45 walls. The Santa Fe Community Center and El Peñón Primary School each sent an impassioned thank-you letter to the subsidiary after receiving its assistance.



"Go CHINA" Educational Charity Program of Warsaw Branch

During the reporting period, Warsaw Branch of the Bank unveiled the "GO CHINA" scholarship program, in cooperation with local charities. Through the program, two native students from poor families but with excellent academic performance were selected to travel to Beijing and Shanghai for a two-week international summer camp and to visit the Head Office of the Bank.



Staff of ICBC (Peru) with local children



During the reporting period, staff of ICBC (Peru) fit into the local community and visited local children, sending them love and laughter.



Love of Riyadh Branch

During the reporting period, Riyadh Branch's staff members set up a team of volunteers to distribute food in the poverty-stricken areas of Al Naseem. More than 300 free meals were distributed, and they were integrated into the local community and fulfilled their social responsibilities with practical actions.



Substantive analysis

To make the report more targeted and responsive, the Bank devised the substantive analysis questionnaire in view of the stakeholders' needs and the corporate development strategy, and interviewed customers, shareholders, regulators, employees, suppliers, the press, CSR experts and charity organizations during the reporting period. Then we identified the key topics of sustainable development based on the results.



Outlook

2018 was the year marking the 40th anniversary of China's reform and opening-up. In the year, centering on the "Three Major Missions" of serving the real economy, preventing and controlling financial risks and deepening reforms and innovations, the Bank further improved corporate governance, made a headway in business transformation, reinforced business and management innovation, and enhanced the capability of green and inclusive financial services. The Bank actively advocated the formation of a virtuous cycle between enterprise sustainability and social responsibility fulfillment and worked hard in this aspect, and pursued the maximization of the comprehensive value of economy, environment and society.

2019 marks the 70th anniversary of the founding of the People's Republic of China, and it is also a key year for building a moderately prosperous society in an all-around way. On the international arena, economic globalization is challenged by trade protectionism, interest rate hike of the developed world and geopolitical conflicts. Growth drivers are weakening and downturn risks are piling up. In China, our country is still at the stage of dealing simultaneously with slower economic growth, difficult structural readjustments, the impacts of previous economic stimulus measures, and the replacement of growth drivers. However, the economic fundamentals featuring gigantic

potential, great resilience and good prospects over a long haul do not change. Economic structure optimization and upgrade, higher scientific and technological innovation capabilities, deepening of reform and opening-up and acceleration of green development will bring fresh growth opportunities and development space for the banking industry.

Great visions can be realized only through actions. Looking into the new year, the Bank will remain committed to the target and commitment made concerning the social responsibility work, conduct an objective analysis of and cope with the internal and external situational changes, be sober-minded and maintain a strategic focus, and protect the good momentum of making further progress in operation and management. In addition, the Bank will continue to go ahead of other banks in serving the real economy, steadfastly promote business transformation and development, enable reforms and innovations to go deeper and more concrete, go all out to win the victory of forestalling and controlling risks, empower the real economy with finance, and provide even better services for the high-quality development of economy and the structural reform on the supply side. All in all, the Bank will earnestly fulfill the responsibilities of a corporate citizen.

Independent Limited Assurance Report

To the Board of Directors of Industrial and Commercial Bank of China Limited

We were engaged by the Board of Directors of Industrial and Commercial Bank of China Limited ("ICBC") to provide limited assurance on the 2018 Social Responsibility (Environmental, Social and Governance) Report of ICBC for the year ended 31 December 2018 ("the SR Report").

Responsibilities of the Board of Directors

The Board of Directors of ICBC is solely responsible for the preparation and presentation of the 2018 SR Report, including the information and assertions contained within it, in accordance with the Global Reporting Initiative ("GRI")'s Sustainability Reporting Standard (GRI Standard), the Stock Exchange of Hong Kong ("SEHK")'s Environmental, Social and Governance Reporting Guide, and disclosure recommendations of the following guidelines issued by the Shanghai Stock Exchange:

- Notice on Strengthening Listed Companies' Undertaking of Social Responsibilities and issuance of 'Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange'
- Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange
- Preparation and review of internal control report and social responsibility report (collectively known as the "SSE Guidelines").

The Board of Directors is also responsible for determining ICBC's objectives in respect of social responsibility performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and for maintaining adequate records.

Responsibilities of KPMG

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our work in accordance with International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and complied with the applicable requirements of International Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Our independent limited assurance report is made solely to ICBC in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Board of Directors of ICBC those matters we have been engaged to state in this independent limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than ICBC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Summary of work performed

A limited assurance engagement on a SR report consists of

making inquiries, primarily of persons responsible for the preparation of information presented in the SR report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of ICBC's processes for determining material issues for ICBC's key stakeholders;
- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at corporate and business unit level responsible for providing the information in the SR Report;
- A media analysis and an internet search for references to ICBC during the reporting period;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the SR Report;
- Visits to sites of Yunnan Branch, Guizhou Branch, Shaanxi Branch, Gansu Branch, Yangon Branch, Industrial and Commercial Bank of China (Malaysia) Berhad selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Comparing the information presented in the SR Report to corresponding information in the relevant underlying sources to determine whether key information contained in such underlying sources has been included in the SR Report;
- Reconcile key financial data and figures with the audited financial statements;
- Reading the information presented in the SR Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ICBC.

Where the SR report has included information or year-on-year comparisons of information not contained in previous reports, we have examined for 2018, but have not examined the information for previous years.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore, a lower level of assurance is provided. In addition, our work was not undertaken for the purpose of opining on the effectiveness of ICBC's systems and procedures.

Conclusions

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the SR Report of ICBC for the year ended 31 December 2018 is not presented fairly, in all material respects, in accordance with the GRI's Sustainability Reporting Standard (GRI Standard), the disclosure recommendations of the SSE Guidelines and SEHK's Environmental, Social and Governance Reporting Guide.

KPMG Huazhen LLP
Beijing
28 March, 2019

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ESG Guidelines

A1 Emissions: General Disclosure is Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

A1.1 The types of emissions and respective emissions data.

A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).

A1.5 Description of measures to mitigate emissions and results achieved.

A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.

A2 Policies on the efficient use of resources, including energy, water and other raw materials.

A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).

A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).

A2.3 Description of energy use efficiency initiatives and results achieved.

A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.

A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.

**note: As ICBC is a financial service enterprise, this indicator is not applicable.*

A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.

B1 General Disclosure Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

B1.1 Total workforce by gender, employment type, age group and geographical region.

B1.2 Employee turnover rate by gender, age group and geographical region.

B2 General Disclosure Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.

B2.1 Number and rate of work-related fatalities.

B2.2 Lost days due to work injury.

B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.

B3 General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.

B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).

B3.2 The average training hours completed per employee by gender and employee category.

B4 General Disclosure Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.

B4.1 Description of measures to review employment practices to avoid child and forced labour.

B4.2 Description of steps taken to eliminate such practices when discovered.

B5 General Disclosure Policies on managing environmental and social risks of the supply chain.

B5.1 Number of suppliers by geographical region.

B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.

B6 General Disclosure Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.

B6.2 Number of products and service related complaints received and how they are dealt with.

B6.3 Description of practices relating to observing and protecting intellectual property rights.

B6.4 Description of quality assurance process and recall procedures.

B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.

B7 General Disclosure Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.

B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.

B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.

B8 General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.

B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).

B8.2 Resources contributed (e.g. money or time) to the focus area.

Table of Social Responsibility Performance Contrast with the Ten UNGC Principles

| UNGC Principle | CSR Performance in 2018 |
|--|---|
| 1 Businesses should support and respect the protection of internationally proclaimed human rights. | The Bank valued people, strictly observed laws, regulations and ordinances of China and other countries where it operated, entered into employment contracts with all of its employees, fully paid domestic employer's social security and housing provident fund contributions for its employees, improved the system of employee involvement in corporate management and effectively protected the rights and interests of employees. |
| 2 Make sure that they are not complicit in human rights abuses. | The Bank abided by international conventions or practices signed or recognized by China, including the Universal Declaration of Human Rights. |
| 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | The Bank improved the system of employee representatives' meeting to listen to all employees' voices and protect their right to know, participate and supervise. All domestic branches and subsidiaries of the Bank have their own trade unions and all employees were members of trade unions. |
| 4 The elimination of all forms of forced and compulsory labour. | The Bank signed employment contracts with its employees in compliance with the Law of the People's Republic of China on Employment Contracts and other relevant laws and regulations. It also fully protected employees' rights to rest and take leaves and eliminated all forms of forced and compulsory labor through an efficient and orderly working mechanism and optimized labor composition. |
| 5 The effective abolition of child labour. | The Bank strictly prohibited child labor. |
| 6 The elimination of discrimination in respect of employment and occupation. | The Bank respected employees' religious freedom and individuality and eliminated any discrimination on the basis of race, gender, national origin, culture, age and others. The Bank also treated all employees fairly and impartially throughout recruitment, job transfer, compensation, career development and separation management. |
| 7 Businesses should support a precautionary approach to environmental challenges. | In accordance with the Green Credit Guideline, the Bank actively responded to climate changes by willingly assuming responsibility for international environment, establishing a sound mechanism for comprehensive management of environmental protection and using the financial lever to help get rid of dependence on traditional development mode and promoting economic restructuring. |
| 8 Businesses should undertake initiatives to promote greater environmental responsibility. | The Bank improved its green credit policies and procedures, established an accountability mechanism for green credit and strengthened credit risk management of enterprises with outdated production capacity and heavy metal pollution. The Bank implemented the "one-ballot veto" rule for lending to root out the causes of environmental pollution and fully supported the eco-friendliness drive. |
| 9 Businesses should encourage the development and spread of environmentally friendly technologies. | The Bank gave priority to green credit projects including new energy, energy conservation and reuse of resources. The Bank also intensified its efforts in innovating green credit products related to carbon emission and energy conservation. As at the end of the reporting period, the domestic green credit balance totaled up to RMB 1,237,758 million. The Bank also promoted paperless, energy-efficient E-banking leveraging on its leading technological strengths, with the domestic E-banking business volume accounting for 97.7%. |
| 10 Businesses should work against corruption in all forms, including extortion and bribery. | In accordance with the guideline of "combating corruption in an integrated way, addressing both its symptoms and root causes, and combining punishment with prevention while focusing on the latter", the Bank pressed forward with anti-corruption work focused on improving the corruption control and prevention system. |

Feedback Form

Thank you for reading the 2018 Corporate Social Responsibility (Environmental | Social | Governance) Report of Industrial and Commercial Bank of China Limited. ICBC has published Corporate Social Responsibility Reports for consecutive Twelfth years. In order to better satisfy your need, provide more valuable information for you and all relevant stakeholders, improve our performance of corporate social responsibility and enhance our ability to fulfill our social responsibility, we sincerely hope that you would provide your valuable opinions and feedback regarding this report to us via the following means:

Fax: (8610) 66108522

E-mail: csr@icbc.com.cn

Address: No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC

Corporate Strategy and Investor Relations Department

Post code: 100140

1. What is your overall evaluation for the report?

Very good Good General Poor

2. What is your evaluation for ICBC's performance of its social responsibility on the economic level?

Very good Good General Poor

3. What is your evaluation for ICBC's performance of its social responsibility on the environmental level?

Very good Good General Poor

4. What is your evaluation for ICBC's performance of its social responsibility on the social level?

Very good Good General Poor

5. Do you think the report can truly represent the influence on economy, environment and society of the social responsibility practice of ICBC?

Yes So so No

6. What do you think of the clarity, correctness and completeness of the information, data and statistics in the report?

Very good Good General Poor

7. Is this report reader-friendly from your perspective in terms of its contents, structure and formatting?

Very good Good General Poor

8. Which of the following stakeholder do you belong to?

Government Regulator Shareholder and investor Client

Supplier and Partner Employee Community public Others

9. What are your opinions and suggestions on corporate social responsibility of ICBC and this report?

Note: Please add "✓" in the corresponding "□".

Introduction

Scope of the Report

Organizational scope of the Report: This Report is primarily about Industrial and Commercial Bank of China Limited, covering the whole group.

Reporting period: 1 January 2018 – 31 December 2018.

Some content exceeded this scope.

Reporting cycle: Annual

Preparation Principle of the Report

The Report consults the GRI Standard promulgated by the Global Reporting Initiative, the Ten United Nations Global Compact (UNGC) Principle and the ISO26000 "Social Responsibility Guideline (2010)" and the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited and meets the requirements set out in the "Opinions concerning Enhancing the Social Responsibility of Banking and Financial Institutions" issued by China Banking Regulatory Commission, the "Guidelines for Corporate Social Responsibility of Chinese Banking and Financial Institutions" released by China Banking Association, the "Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies" promulgated by the Shanghai Stock Exchange, the Guideline for the Preparation of the "Report on Performance of Corporate Social Responsibility" and relevant opinions.

Explanations for Report Data

Financial data of the report are from the 2018 financial statements prepared pursuant to International Financial Reporting Standards, which have been independently audited by KPMG Huazhen (Special General Partnership). Other data are mainly of the year 2018 and sourced from internal systems and statistics of branches of the Bank. The units in this report, unless otherwise specified, are denominated in RMB.

Assurance Approach of the Report

The Board of Directors of Industrial and Commercial Bank of China Limited and all directors undertake that the information in this report contains no false record, misleading statement or material omission, and assume individual and joint and several liabilities to the authenticity, accuracy and completeness of the information in this report. Meantime, KPMG Huazhen (Special General Partnership) has carried out the independent third-party assurance of this report. Please see the Appendices for assurance basis, scope and method of work and assurance result.

Release and Interpretation of the Report

The Report is released both in hardcopies and online. The online version is available at the Bank's website at www.icbc.com.cn, www.icbc-ltd.com. This Report is published both in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

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