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中國工商銀行股份有限公司

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1398)

## **DOCUMENTS OF ANNUAL GENERAL MEETING FOR THE YEAR 2012**

Industrial and Commercial Bank of China Limited hereby set out the Documents for Annual General Meeting for the Year 2012 of Industrial and Commercial Bank of China Limited, the Chinese version of which has been published on the Shanghai Stock Exchange simultaneously, for reference only.

**The Board of Directors of  
Industrial and Commercial Bank of China Limited**

Beijing, PRC  
23 April 2013

*As at the date of this announcement, the board of directors comprises Mr. JIANG Jianqing, Mr. YANG Kaisheng, Ms. WANG Lili and Mr. LI Xiaopeng as executive directors, Mr. HUAN Huiwu, Ms. WANG Xiaoya, Ms. GE Rongrong, Mr. LI Jun, Mr. WANG Xiaolan and Mr. YAO Zhongli as non-executive directors, Mr. XU Shanda, Mr. WONG Kwong Shing, Frank, Sir Malcolm Christopher McCARTHY, Mr. Kenneth Patrick CHUNG, Mr. OR Ching Fai and Mr. HONG Yongmiao as independent non-executive directors.*

# **Documents of Annual General Meeting for the Year 2012**

**Industrial and Commercial Bank of China Limited**

**7 June 2013**

## AGENDA

Time: 9:30 a.m., 7 June 2013

Venue: Head Office of ICBC, No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC,  
and Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong

Convener: Board of directors of ICBC

Agenda of AGM:

1. Opening announcement of the meeting
2. The announcement of the meeting notice
3. The election of the vote counters and scrutineers
4. The announcement of the matters to be deliberated
5. Q&A session
6. The announcement of the number of shareholders present and the number of the shares they hold; the filling of the votes
7. Adjournment and the calculation of the votes
8. The announcement of the voting results
9. The announcement of the meeting resolutions
10. Declaration of legal opinion by lawyer
11. The end of the meeting

## CATALOGUE

<b>PROPOSAL ON THE 2012 WORK REPORT OF THE BOARD OF DIRECTORS OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED .....</b>	<b>5</b>
<b>PROPOSAL ON THE 2012 WORK REPORT OF THE BOARD OF SUPERVISORS OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED.....</b>	<b>19</b>
<b>PROPOSAL ON THE 2012 AUDITED ACCOUNT .....</b>	<b>31</b>
<b>PROPOSAL ON THE 2012 PROFIT DISTRIBUTION PLAN .....</b>	<b>36</b>
<b>PROPOSAL ON LAUNCHING THE ENGAGEMENT OF ACCOUNTING FIRM FOR 2013.....</b>	<b>37</b>
<b>REPORT ON THE WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS OF ICBC FOR 2012 .....</b>	<b>43</b>
<b>REPORT ON THE IMPLEMENTATION OF THE PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS IN 2012 OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED .....</b>	<b>54</b>

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document I

## **Proposal on the 2012 Work Report of the Board of Directors of Industrial and Commercial Bank of China Limited**

Dear Shareholders,

Pursuant to the laws, regulations and the Articles of Association of Industrial and Commercial Bank of China (hereinafter the “Bank” or “ICBC”), and taking into account the work of the Board of Directors of the Bank in 2012, we have completed the drafting of the 2012 Work Report of the Board of Directors of ICBC, which has been considered and approved at the meeting of the Board of Directors on March 26 to March 27, 2013.

We are now submitting the 2012 Work Report of the Board of Directors of Industrial and Commercial Bank of China Limited to the Shareholders’ General Meeting for consideration and approval.

Appendix: 2012 Work Report of the Board of Directors of Industrial and Commercial Bank of China Limited

Proposed by: **Board of Directors of  
Industrial and Commercial Bank of China Limited**

7 June 2013

Appendix:

## **2012 Work Report of the Board of Directors of Industrial and Commercial Bank of China Limited**

2012 is a pivotal transitional year in the Twelfth Five-year Plan of China for the convergence between the past and the future. It also marks the commencement of the Bank's third three-year planning after its shareholding reform. Amidst adverse financial climate, ICBC continued a positive momentum of business stability and growth. It maintained its position as one of the leading banks in the global financial sector as supported by indicators including but not limited to capital, asset, quality, profit, market value, and customers' deposits. Through its operation, the Bank has realized a healthy and sustainable development as reflected in its financial performance. According to the audit report, in 2012, ICBC Group realized an after-tax profit of RMB238.691 billion (under IFRS, the same below), representing an increase of 14.5%; recorded an average return on total assets at 1.45% and a weighted average return on equity at 23.02%; controlled the NPL ratio at 0.85% and kept a provision coverage ratio at 295.55%; and reached a capital adequacy ratio and a core capital adequacy ratio at 13.66% and 10.62% respectively.

In 2012, the Board of Directors strictly complied with the laws, regulations, supervisory requirements and the Articles of Association. As part of the Board's objectives, they pursued a sustainable growth in corporate value; persisted in democratic, scientific and efficient decision-making; advocated the legitimate, compliant and prudential operation; promoted the in-depth reform and innovation throughout ICBC's operation, strengthened the group governance; carried forward the thorough implementation of New Capital Accord; continuously excelled in risk management; improved information disclosure and investor relation management. The Board has successfully fulfilled all tasks set for the year 2012. The Board of Directors convened 3 Shareholders' General Meetings, reviewed and adopted 14 proposals, and delivered 2 special reports to the Shareholders' General Meeting. Furthermore, the Board had held 14 board meetings, reviewed and approved 62 proposals and heard 20 reports. The major engagement which the Board of Directors had completed in 2012 are stated below:

## **I. Strengthened the Situation Research and Strategic Planning, Encouraged In-depth Reform and Innovation, and Enhanced the Sustainable Development Capacity**

### **i. Researched and formulated the development strategy planning of the Bank for year 2012 to 2014 to promote the business transformation and scientific development**

In 2012, the Board of Directors actively engaged in research in response to the new situation, tasks and requirements. Development strategy planning of the Bank for year 2012 to 2014 had been determined through holding special strategy seminars and board meetings. Important issues across the spectrum were analyzed and discussed, including the economic and financial climate, the projected domestic and international competition landscape in the coming three years, the strategic objectives, institutional arrangement and reform method, allocation and integration of resources of ICBC Group in the future. Building upon the discussion, the Board of Directors established the strategies in strengthening capital management and risk control, accelerating the restructuring and operational transformation, deepening the mechanism and system reform, strengthening business, product, technology and management innovation, fostering international and comprehensive operation, and strategizing new competitive edge in grooming talents and corporate culture. After the approval of the three-year planning, the Board of Directors paid close attention to the changes in domestic and international economic conditions, implementation of the strategies, planning and decisions. By a closer monitoring of the annual business plan and the reports on the quarterly and interim operations delivered by the Senior Management, as well as researched on major issues concerning reform and development of the Bank, the Board of Directors had succeed in paving roads to the sustainable and healthy development of the Bank.

### **ii. Accelerated the transition of the development pattern to strengthen the robustness, coordination and sustainability of development**

In 2012, the Board of Director adhered to the pursuing of scientific development. It carried out the State's strategic programs and complied with financial supervision requirements. Accurate judgments were made in analyzing external situations. The Board of Director's effort was also seen in the research, adoption and supervision of the implementation of business plan. Fixed asset investment budget plan, final accounts plan and profit distribution plan for the year were based on scientific calculations to ensure major targets of the year to be fulfilled and growth in operational efficiency and shareholder value to be achieved. In alignment with the State's macroeconomic restructuring policies, the Bank has fostered a balanced development of services provided to customers of various operational scales. The Bank expanded its capacity in credit restructuring and ensured dynamic support to be provided to various industries which included advanced manufacturing industry, modern service industry, culture industry and strategic emerging industries. 103% of newly granted corporate loans were allocated to the aforementioned industries. Furthermore, it promoted financing business for corporate supply chains, promoted financial

services rendered to small, medium and micro-sized enterprises by devoting 89% of the newly granted corporate loans to this field, and improved the quality and status of the credit operation while serving the economic development, registering a balanced development of the high-quality customers of various scales. The Bank was also seen to be actively promoting the growth of intermediate businesses on grounds of compliance and innovation. With a positive outlook of the future, the Board of Directors identified the financial asset service business as the key area of business transformation. This area of business was characterized as being high value-adding, low capital consumption, and has large customer demand.

**iii. Carried forward the overall strategy of the group actively and prudentially, and took new steps ahead towards international and comprehensive development**

In 2012, the Board of Directors judged the international economic and financial situation with prudence, seized market opportunities, fostered international and comprehensive operations of the Bank in an active and prudent manner, and adopted the three-year overseas development planning for year 2012–2014. With the completion of the fundamental establishment of global service network, it continuously strengthened the network of its overseas institutions. To exemplify, the Bank supported its Singapore Branch to apply for the qualified full banking (QFB) license, set up an institution in New Zealand, increased the capital contribution to ICBC (Asia), and further enhanced local operations of the overseas institutions. It completed the acquisition of 80% shares of the Bank of East Asia (U.S.A.) which for the first time, a Chinese bank had acquired a controlling equity in an American bank. It also completed the acquisition of 80% shares of Standard Bank of Argentina, positioning ICBC as the first Chinese bank to possess controlling equity in a local mainstream commercial bank. The overseas network of the Bank has expanded to include 383 institutions with a coverage of 39 countries and regions. In support of the expansion, the integration between domestic and overseas institutions, development of global product lines and global information systems were further strengthened and unified. In 2012, the total assets and profits of overseas operations of the Bank (including overseas branches, subsidiaries and investment to Standard Bank) grew to 30.5% and 21.8% respectively, the cross-border Renminbi business reached RMB1.5 trillion, and the international settlement volume arrived at nearly USD2 trillion, making the Bank one of the world's leading international settlement banks. Supported by the Board of Directors, the Senior Management acquired ICBC AXA Life Insurance. The expansion of its business scope and the refinement of comprehensive service have laid foundation for the subsidiaries to operate with increased synergy and ability to achieve profit growth.



**iv. Supported reform and innovation, and continuously strengthened the business vitality and development drive**

The Board of Directors placed great emphasis on the group governance and internal management to ensure the comprehensive, consistent and effective corporate governance at the group level, and forge “ONE ICBC” with consistent strategy, efficient operation, effective control and collaborative service. The Board of Directors adhered to the “IT guide” strategy, and promoted mechanism reform, innovative transformation and management upgrade through technology development. In 2012, the Board of Directors strengthened its effort to shore up the technology support to overseas institutions, making the Comprehensive Business Processing System (FOVA) cover 36 overseas institutions. Besides, the Bank scaled up the spending on the technology disaster backup system, forged the intensive technology platforms at the international leading level, and further enhanced the Bank’s technological advantages against the domestic competitors. With the active support from the Board of Directors, institutional restructuring of the Head Office of the Bank was intensified, the brand-new outlet business process and operating model were preliminarily established, and the quality of service and efficiency were enhanced through multifaceted efforts.

**v. Pushed forward the development of human resources and corporate culture, and played its role in guiding and ensuring the reform and development of the Bank.**

Considering the necessity of the strategic transformation and business development of the Bank, the Board of Directors studied the annual employment plan earnestly. In enhancing the effectiveness in human resources allocation and acknowledging cost concerns, there was a reasonable control over the total number of staffs but at the same time more human resources were allocated to key regions and emerging business fields. Particular attention were paid to the development of the talent team and corporate culture of the Bank. Senior management were urged to preserve human resources in support of future development. Talent development strategies, leaner allocation of human resources, building of international talent team and the use of market mechanism in the selection and use of human resources were all part of the strategy. Moreover, the Board of Directors in actively promoting the development of the corporate culture had effectively solidified its role in guiding corporate management style, educating employees, and driving further development of the Bank.

## **II. Kept Optimizing the Corporate Governance to Adapt to the Comprehensive and International Development Trend of the Group**

In 2012, in an effort to enhance the reputation of the Bank, the Board of Directors has expanded the foundation of corporate governance at a group level. Substantial effort was made in the adoption of financial regulatory reform and the ongoing development of the international and comprehensive operation of the Bank.

### **i. Re-elected directors in a legitimate and compliant manner**

In 2012, the Board of Directors selected the director candidates in strict compliance with relevant laws and regulations, convened the Shareholders' General Meeting and the meetings of the Board of Directors in a timely manner to perform the corporate governance procedure for the reelection of directors. Candidates were selected based on a meritorious basis with a focus of their international visions and professional competency. The election, appointment and re-election of the independent non-executive directors were smoothly conducted, and maintained the independence and professionalism of the Board of Directors of the Bank. In the meantime, directors with corresponding expertise have been called onboard to relevant special committees according to the functions of these committees, which further improved the structures of the Board of Directors and the special committees, and vigorously supported the smooth functioning of the Board of Directors.

### **ii. Continuously refined the corporate governance system in conformity with the supervisory requirements**

In light of the latest laws, regulations and supervisory requirements, the Board of Directors upgraded the relevant governance rules and decision-making procedure based on the principle that “the newer and the stricter prevails”, and continuously refined the corporate governance mechanism featuring “scientific decision-making, effective supervision and prudent functioning”. In 2012, the Bank revised the Articles of Association and introduced the latest supervisory requirements for cash dividend, which has set an example for comparable peers. It further refined the basic corporate governance system, including the working rules of the Audit Committee and the Nomination Committee under the Board of Directors, actively meeting the new requirements specified by the Hong Kong Exchanges and Clearing Limited for the board of directors and its special committees under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Code on Corporate Governance Practices.

### iii. Actively explored to strengthen the Group corporate governance

In 2012, the Bank further strengthened the infrastructure of the group's corporate governance. The Board of Directors reviewed and adopted the Consolidated Management Policy, further improved the consolidated management policy framework, refined the working mechanism for group consolidated management, built the joint meeting platform for consolidated management, and implemented the regular review and assessment mechanism to ensure the comprehensive management of risks, accounting, capital and other aspects at the group level. The Board also actively engaged in the exploring and improving of governance structure and policy relating to the subsidiaries, urged the optimization of the group's authorization management, risk management, information disclosure and other corporate governance mechanisms covering the group., and made advance efforts in coordinating the subsidiaries' operation to be in compliance with local supervisory requirements and governance standards, reinforcing the supervision of the sound corporate governance of the subsidiaries, and ensuring the subsidiaries' effectively implementation of the overall strategy of the Bank.

### iv. Strengthened exchanges to enhance the reputation and influence of the Bank's corporate governance

With full support by the Board of Directors, the Bank took an active part in domestic and international corporate governance communication. The supervisory authorities, the capital market and the general public all welcomed the endeavours pursued by the Board. In 2012, the Bank won a total of 31 domestic and overseas major awards for corporate governance, including the 2012 Hong Kong Excellent Corporate Governance Excellence Awards granted by the Chamber of Hong Kong Listed Companies and the 2012 China Best Corporate Governance of Listed Companies Award conferred by Nankai University. Chairman Jiang Jianqing of the Bank was elected to be the Vice Chairman of China Association for Public Companies. At the 2012 Forum of Corporate Governance for Chinese Listed Companies held by The Chamber of Hong Kong Listed Companies, Mr. Jiang was invited as the only ad hoc guest and gave a keynote speech, with the topic of *Prudential and Effective Corporate Governance Is the Cornerstone for Healthy Development of Listed Companies*, at the opening ceremony. In supporting world-class business education, the Bank had been invited by Business School Lausanne develop and complete the case on ICBC shareholding reform and listing: *Industrial and Commercial Bank of China: Governance Lessons From East to West*, carrying out an in-depth discussion on the corporate governance of a large Chinese commercial bank and serving the MBA teaching at a world-class business school. This educational initiative of the Bank had underscored increasing exchanges in modern corporate governance studies between the West and the East.

### **III. Actively Facilitated the Implementation of New Capital Accord, Refined the Comprehensive Risk Management System, and Reinforced the Internal Control and Audit Supervision**

#### **i. Strengthened capital management, and actively carried forward the implementation of New Capital Accord**

In 2012, the Board of Directors researched and worked out the capital planning of the Bank for 2012–2014, and further intensified the capital constraint on institutions and operation management activities of ICBC Group pursuant to the new supervision framework and the business development needs of the Bank. With this initiative, the Bank has become the first commercial bank in producing a capital planning according to the newly promulgated *Administrative Measures for the Capital of Commercial Banks (Provisional)* in China. In an effort to promote a comprehensive implementation of the New Capital Accord, the Board of Directors carefully studied relevant requirements set forth therein, and successively adopted the Compliance Planning for Capital Adequacy Ratio, the Compliance & Implementation Planning for Three Pillars of Capital Regulation, the Disclosure Plan for Pillar 3 Report under New Basel Capital Accord and the Application to the CBRC to Implement the Advanced Approach to Capital Management and other proposals.

#### **ii. Refined the comprehensive risk management system to satisfy the group-oriented development**

In 2012, the Board of Directors improved the overall risk management of the group and further refined the policies and mechanisms. It researched on and formulated the Risk Management Planning of ICBC for year 2012–2014, specifying the key areas and requirements of the risk management in the coming three years. It reviewed and adopted a series of policy documents, including the Market Risk Management Policy, the Stress Testing Management Procedure, the Operational Risk Management Procedure, the Liquidity Risk Management Strategy and Contingency Plan of ICBC for 2012, the Business Continuity Management Policy and the Country Risk Concentration Limit of Industrial and Commercial Bank of China Limited for 2012. This has also enhanced the scope of risk management, and upgraded the overall risk management system covering both the domestic and overseas institutions.

**iii. Actively adapted to the situation changes, and reinforced the risk control over the key areas**

In 2012, the Board of Directors paid continuous attention to the evolution of different risks under the complex business environment, debriefed comprehensive risk management reports at regular intervals, and kept abreast of the overall risk management status of the Bank. Specially, it studied the report on credit growth and credit asset quality, and urged the Senior Management to strengthen the loan concentration management, and placed close attention to the risk prevention measurements in real estate and other industries. Aside from that, the Board of Directors also placed great emphasis in addressing the intricacy between internally and externally generated risks., It actively supported the Senior Management to take a proactive role in inspecting and rectifying the areas with higher risk of swindles and non-compliance, tried hard to achieve effective blocking of the spread of the external risks such as illegal financing, and controlled various swindles at a low rate.

**iv. Reinforced internal control and audit supervision, and endured the tests of the severe and complex environment**

In 2012, the Board of Directors completed the self-assessment for internal control and audit. To further strengthen the existing policy framework for internal control and compliance management, the Basic Policy for Internal Control and the Basic Policy for Compliance Management were constructed. Furthermore, the 2012–2014 Construction Planning for the Internal Control System and advanced relevant management strategies and proposals were also introduced as part of the effort. The Board of Directors leveraged the audit supervision function, prudently studied the 2012–2014 internal audit planning, approved the internal audit plan for 2012, and effectively implemented the internal audit activities oriented to risks, and aimed at uplifting corporate value. It periodically listened to the reports and management proposals of the external auditor, supervised and assessed the professional services offered by the external auditor, and further increased the quality of the external auditor. The Board of Directors did a compliant and efficient work to change the accounting firm, and realized the steady transition of the external auditor.

**v. Implemented the lean management in depth, and continuously lifted the level of connected transaction management**

In 2012, through debriefing reports on site, holding special symposiums and reviewing reports, the Board of Directors further strengthened the supervision and guidance of the connected transaction management, continuously refined the connected transaction management mechanism, directed the performance of the special audit of the connected transactions of the group, urged the Senior Management to continuously improve the collecting statistics and filing of connected transactions, supported the lean management of and technology application to connected transactions, actively prevented the connected transaction risk, and effectively improved the identification of and control over connected transactions under the international and comprehensive operation.

## **IV. Continuously Improved the Level of Information Disclosure and Investor Relation Management, and Further Enhanced Market Image and Brand Value**

In 2012, the Board of Directors actively explored mechanisms to improve information disclosure, continuously enhanced the corporate governance, designed creative investor relation management mode, perfected the social responsibility management mechanism, and established the Bank's brand image as "a socially responsible large bank". In 2012, the Bank's effort was widely applauded by a number of domestic and international awards, including the "2012 Best Corporate Governance Disclosure Awards: H-Share Category Platinum Award" by the Hong Kong Institute of Certified Public Accountants, the "2012 Information Disclosure Award for Listed Companies" by the Shanghai Stock Exchange, the "Citation for Corporate Governance Disclosure" by the Hong Kong Management Association, and the annual "Best Social Responsibility Financial Institution Award", "Best Public Welfare Contribution Award in Social Responsibility" and the "Most Responsible Enterprise" by China Banking Association and other institutions. It is also amongst the first Chinese banks to join in the Global Compact of the United Nations.

### **i. Fostered substantive information disclosure and continuously enhanced transparency**

In 2012, the Board of Directors prudently performed its information disclosure obligation in compliance with the domestic and overseas supervisory requirements. As required by the CBRC, the Bank introduced the Compliance & Implementation Planning for Three Pillars of Capital Management Measures and the Disclosure Plan for Pillar 3 Report under New Basel Capital Accord, becoming the first bank that has made the Pillar 3 disclosure plan in accordance with New Capital Accord within the Chinese territory. Besides disclosing the compulsory information in a legitimate and compliant manner, the Bank continuously enhanced the scope of the voluntary disclosure in the course of international development, comprehensive operational development progress and other relevant information, and continuously increased the transparency of the Bank, in order to meet the investors' demand. It strengthened insider information management, carried out supervisory requirements, revised the Management Regulations for Insider Information and Insiders, effectively conducted the prevention and education regarding insider trading. The Board of Directors had executed a fine job in filing and keeping confidential insider information in order to prevent insider trading and most importantly to protect the legitimate rights and interest of the investors.



**ii. Innovated investor relations management, and reinforced its the position as No. 1 bank by market value in the world**

In 2012, with the support of the Board of Directors, the Bank held a series of operational results announcements, roadshows and reverse roadshows domestically and abroad, organized and participated in activities in various forms such as large investors forums, actively engaged in investor relations management. It had exhibited a competitive edge as against its competitors in delivering high quality and sustainability of the Bank's operation. The Bank had succeeded in strengthening its brand value and reinforcing its investment confidence in the capital market. To this end, the Board of Directors had expanded the scope of investor relations management and improved the investors' experience with the Bank. It also refined the existing material emergency response mechanism for investor relations management to secure the overall stability of the Bank's share price. The Bank closely monitored the development of the capital market and had continuously emphasized on the importance of this effort in strengthening investor relations management.

**iii. Refined the social responsibility management mechanism, strengthened the external exchange and publicity, and established the Bank's image as a "responsible large bank"**

The Board of Directors encouraged the adherence to the international standards and codes for corporate social responsibility, completed and disclosed the annual corporate social responsibility report for the year, supported the Senior Management in strengthening the external communication and promotion, accurately interpreted and presented the corporate values and social responsibility concepts of the Bank, and fulfilling the highlights of the Bank in promoting a steady and healthy development of the real economy, promoting and designing creative green financial services, paying back to the society and persisting in people orientation, and maintained the positive image of the banking sector as a whole. In 2012, the Bank was awarded with the Best Social Responsibility Financial Institution Award, the Best Practice Award for Social Responsibility Management and the People's Award for Social Responsibility of the year granted by China Banking Association, the Global Compact Network China, and People's Daily Online etc., and was once again elected as a constituent stock of the Hang Seng Corporate Sustainability Index Series.

## **V. Effectively Exercised the Functions of the Special Committees Under the Board of Directors to Support the Scientific and Efficient Decision-Making of the Board of Directors**

In 2012, the special committees under the Board of Directors were classified strictly based on their respective functions. Their professional features were characterized by their respective powers and responsibilities, and special roles they played. In the full year, the special committees held a total of 36 meetings, reviewed and approved 47 proposals and heard 26 reports. Through the working teams of the special committees under the Board of Directors as the working mechanism, the special committees strengthened the communication and contact with the Senior Management and relevant professional departments, submitted professional opinions and suggestions on the medium and long-term development planning of the Bank, audit supervision, risk control, nomination of directors, remuneration management and other major issues to the Board of Directors. As a result, a supporting system was formed for the scientific decision-making of the Board of Directors, and promoted the refinement of corporate governance and the enhancement of the operating results.

The Strategy Committee held 6 meetings, reviewed 5 proposals, including the Final Accounts Plan for 2011 and the Development Strategy Planning for 2012–2014, and debriefed 5 reports. It supported scientific decision-making of the Board of Directors in the formulation and implementation of the three-year development strategy planning, the research on the three-year capital planning, and the research on the material strategic issues, including the international and comprehensive development.

The Audit Committee held a total of 9 meetings, periodically reviewed the financial report of the Bank, organized the internal control assessment of the group for 2011, and supervised the work of the external auditor. In the full year, it reviewed and adopted 14 proposals, including the 2011 annual report, the internal control assessment report for 2011, the internal audit plan for 2012, the Pillar 3 disclosure plan under New Capital Accord, the engagement of the accounting firm in 2013, and heard 11 regular working reports, and management proposals, delivered by the Internal Audit Bureau and the external auditor respectively.

The Nomination Committee held a total of 5 meetings, and reviewed 7 proposals, including the adjustment of the chairmen and members of some special committees under the Board of Directors, the nomination of the candidates for independent non-executive directors, and the appointment of members of the Senior Management. Pursuant to its powers and the development strategy of the Bank, the committee assessed the structure of the Board of Directors of the Bank, reported the assessment result to the Board of Directors, suggested further exploring and refining of the talent base for candidates of independent non-executive directors, and fully played its role in supporting and assisting the decision-making of the Board of Directors.



The Compensation Committee held 2 meetings. It reviewed and adopted 3 proposals, including the Payment of Remuneration to Senior Management for 2011 and the Plan for Performance Evaluation of Directors, Supervisors and Senior Management for 2012, pursuant to relevant provisions of the State and the Bank's strategic development planning, annual business plan and other factors. The committee also organized the performance evaluation of the directors for 2011, according to relevant provisions established by the supervisory authorities and the Bank for the performance evaluation of the directors. The Compensation Committee suggested that the remuneration system should create more incentive to better attract and retain talents, and better support the Bank's future development and the implementation of the international development strategy.

The Risk Management Committee held a total of 7 meetings, reviewed 11 proposals, including the Risk Management Planning of ICBC for 2012–2014, and the Compliance & Implementation Planning for Three Pillars of Capital Management Measures, and heard the regular reports on the risk management status of the Bank. It advanced constructive opinions on the work to implement the New Capital Accord actively and strengthened the comprehensive risk management.

The Related Party Transactions Control Committee held a total of 7 meetings, reviewed 7 proposals, including the proposal on confirming the related parties of the Bank, and listened to 2 reports, including the Report on the Identification of Connected Parties of the Bank in 2011. The committee accepted and reviewed the statistics and information filed concerning related parties, urged the optimization of the related party transaction management system and its connection with relevant business systems, and advanced constructive opinions on reinforcing the daily management of related parties, related party transactions and other related areas.

## **VI. All Directors Performed Duties with Diligence to Further Strengthen the Internal Refinement of the Board of Directors**

In 2012, to enhance the core competitiveness of the Bank and promote the corporate value and the returns to the shareholders, all directors adhered to principles and expressed independent opinions, performed their duties with loyalty and diligence, fully expressed their opinions and gave suggestions on the medium and long-term strategic development planning of the Bank, the annual business plan, the profit distribution, the implementation of New Capital Accord and other major issues, exercised their rights according to the law, and ensured relevant decisions made by the Bank met the requirements of the laws, regulations, rules and regulatory requirements.

During the adjournment of the Board of Directors, according to the different needs of the work of the Board of Directors, the economic and financial development, and the focus of the operational management of the Bank the directors paid facts-finding visits to the business departments of the Head Office and the branches at home and abroad, and probed into areas such as the financial supervision reform, commercial banks' support for the real economy development, comprehensive risk management, remuneration management, international development strategy and business development of the overseas institutions in depth. They completed various research reports and provided constructive opinions and proposals, which were highly valued by the Senior Management and had required relevant departments put them into practice. This has effectively promoted the communication and exchange of opinions between the Board of Directors and the Senior Management. In 2012, the Board of Directors also placed more attention to its training, and the directors actively participated in the internal and external trainings, including the orientation training for new directors, the director's training hosted by the supervisory authority and the special training on the *Administrative Measures for Capital of Commercial Banks (Provisional)*. Besides, the directors mastered relevant knowledge and skills and continuously enhanced their performance capacity by holding symposiums with the Senior Management and professional departments of the Bank, researching internal and external documents and reference reports, and participating in academic exchange events.

In 2013, the Bank is presented with both opportunities and challenges. The Board of Directors will study and comply with the government's requirements concerning economic and financial work, firmly adhere to the general keynote of seeking progress in stability, research and analyze the current situation prudently, accelerate the transition of the development pattern when deepening reform and innovation, strengthen the robustness, coordination and sustainability of development, refine the corporate governance at the group level, continuously augment risk management and internal control, further uplift the level of information disclosure and investor relation management, follow the roadmap of scientific development, and take a further step ahead to build a world-class modern financial enterprise.

The reported is hereby reported.

7 June 2013

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document II

## **Proposal on the 2012 Work Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited**

Dear Shareholders,

We have completed the drafting of the 2012 Work Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited based on the relevant regulatory requirements and the Articles of Association, which has been considered and approved at the meeting of the Board of Supervisors on March 25 to March 27, 2013.

We are now submitting the 2012 Work Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited to the Shareholders' General Meeting for consideration and approval.

Appendix: 2012 Work Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited

Proposed by: **Board of Supervisors of  
Industrial and Commercial Bank of China Limited**

7 June 2013

Appendix:

## 2012 Work Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited

Dear Shareholders,

In 2012, the Board of Supervisors successfully fulfilled its duties by conducting in-depth supervision on the performance of duties, finance & accounting, risks and internal control according to the duties provided in relevant laws and regulations of the State and the Articles of Association of the Bank, further strengthening the team building and improving the working mechanism. Relevant work is reported as follows:

### I. Meetings of the Board of Supervisors

In 2012, the Board of Supervisors earnestly convened the meeting of the Board of Supervisors and deeply studied and reviewed important issues in compliance with relevant laws and regulations, the Articles of Association and rules of procedures of the Board of Supervisors. It held seven meetings, reviewed and approved 19 proposals and debriefed 23 reports, which are listed as follows:

#### Meetings of the Board of Supervisors in 2012

Date	Subjects
February 21	Report on the Work Summary of the Board of Supervisors for 2011
	Proposal on the 2012 Annual Work Plan of the Board of Supervisors of Industrial and Commercial Bank of China Limited
	Proposal on the 2011 Implementation Plan on the Assessment of the Performance of Duties of the Board of Directors, the Senior Management and Their Members by the Board of Supervisors
	Proposal on the 2011 Implementation Plan on the Assessment of the Performance of Duties of Supervisors by the Board of Supervisors
March 28–29	Proposal on the 2011 Work Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited
	Proposal on the 2011 Supervision Report of the Board of Supervisors of Industrial and Commercial Bank of China Limited
	Report on the Implementation Plan on the Supervision and Inspection of the Board of Supervisors for 2012
	Proposal on the 2011 Assessment Report on the Performance of Duties of the Board of Directors, the Senior Management and Their Members

Date	Subjects
	Proposal on the 2011 Report on the Assessment of the Performance of Duties of the Supervisors
	Report on the 2011 Internal Control Assessment of Industrial and Commercial Bank of China Limited
	Proposal on the 2011 Internal Control Assessment Report of Industrial and Commercial Bank of China Limited
	Report on the Consolidated Statement Management Inspection by CBRC and ICBC's Rectifications
	Proposal on the 2011 Annual Report and Its Abstract
	Proposal on the 2011 Audited Accounts
	Proposal on the 2011 Profit Distribution Plan
	Proposal on the Engagement of Auditors for 2012
	Proposal on the 2011 Corporate Social Responsibility Report of Industrial and Commercial Bank of China Limited
	Proposal on the Nomination of Ms. Dong Juan as a Candidate for the Post of External Supervisor of Industrial and Commercial Bank of China Limited
	Proposal on the Nomination of Mr. Meng Yan as a Candidate for the Post of External Supervisor of Industrial and Commercial Bank of China Limited
April 27	Report on the Implementation of Meetings of the Board of Supervisors from March 28 to 29, 2012
	Report on the Operating Position for the First Quarter of 2012
	Report on the Formulation of the First Quarterly Report of 2012
	Proposal on the First Quarterly Report of 2012
	Report on the Enterprise Risk Management of ICBC
	Report on the Supervision for the First Quarter of 2012
June 29	Report on the Asset Management and Operating Position of Overseas Institutions of ICBC
	Report on the Self-inspection and Self-rectification with respect to Normative Operation of ICBC
	Report on the Implementation of 2011 Supervision Report of the Board of Supervisors
	Report on the Information Technology System Development and Risk Management of ICBC for 2011
August 30	Report on the Operating Position for the First Half Year of 2012
	Report on the Formulation of 2012 Interim Report and Its Abstract
	Proposal on the 2012 Interim Report and Its Abstract

Date	Subjects
	Proposal on the Engagement of Auditors for 2013
	Report on the Supervision for the First Half Year of 2012
	Report on the Internal Audit Work
	Report on the Internal Control Inspection
September 25	Report on the Asset and Liability Management of ICBC
	Report on the Financial Market Business of ICBC
October 30	Report on the Operating Position for the Third Quarter of 2012
	Report on the Formulation of the Third Quarterly Report of 2012
	Proposal on the Third Quarterly Report of 2012
	Report on the Supervision for the Third Quarter of 2012

In 2012, the Supervision Committee of the Board of Supervisors held 5 meetings, reviewed and approved 12 proposals including the Implementation Plan on the Supervision and Inspection of the Board of Supervisors for 2012, and debriefed 4 reports including the report on the regular supervision.

The meetings and discussion procedures of the Board of Supervisors and the Supervision Committee conformed to the laws and regulations, the Articles of Association and rules of procedures of the Board of Supervisors.

## II. Supervision of the Board of Supervisors

### i. Supervision on the performance of duties

In 2012, the Board of Supervisors earnestly conducted the supervision on the performance of duties by combining daily supervision and annual assessment on the performance of duties.

Firstly, it steadily carried out daily supervision on the performance of duties. By attending the meetings of the Board of Directors and its special committees as observers and consulting the meeting minutes and resolutions, the Board of Supervisors focused on the supervision on the performance of the duty of the Board of Directors and its members during the formulation and formation of the Bank's development strategy, and the procedures and actions for significant operational decision-making. It also constantly supervised the compliance with relevant laws and regulations and the Articles of Association, implementation of resolutions of the Shareholders' General Meeting, exercise of official powers and performance of duties of the Board of Directors, and the measures taken by the Board of Directors on the improvement of corporate governance, strategic management, capital management, risk management and internal control, etc. By attending the meeting of the senior management as observers, consulting the signed and approved issues

of the senior management and debriefing the report on the supervision and on-site survey, etc., the Board of Supervisors strengthened the supervision on the implementation of decisions of the Board of Directors, resolutions of the Board of Supervisors and supervision opinions, including the implementation of international comprehensive strategies, progress of operational transformation and credit structure adjustment and management of various risks, etc.

Secondly, it conducted in-depth annual assessment on the performance of duties. According to the rules on the assessment on the performance of duties, the Board of Supervisors formulated and implemented *the 2011 Implementation Plan on the Assessment of the Performance of Duties of the Board of Directors, the Senior Management and Their Members by the Board of Supervisors*. Based on the daily supervision, supervisors interviewed all directors, senior management members and persons-in-charge of some important departments on a one-to-one basis, reviewed the personal duty performance reports of the members of the Board of Directors and senior management, arranged the assessment on the duty performance and formed the supervision and assessment opinions on the members of the Board of Directors and senior management after the assessment of the Board of Supervisors. The Board of Supervisors reported the duty performance assessment to the Shareholders' General Meeting and submitted the report on the assessment on the duty performance of the Board of Directors, senior management and their members to CBRC.

During the supervision on the duty performance, the Board of Supervisors particularly emphasized on the communication with the Board of Directors and senior management members to further bring supervision of the duty performance into full play. Chairman of the Board of Supervisors reported the supervision in 2011 on behalf of the Board of Supervisors in the meeting of the Board of Directors, which summarized the supervision and overall assessment of the Board of Supervisors on the performance of duties of the Board of Directors, senior management and their members and financial activities of the Bank, risk management and internal control. The report also analyzed the issues that need to be focused on and raised opinions and suggestions in terms of the operation of the Board of Directors, group-based management, overseas business expansion, risk and internal control management, standardized operation and customer service. The Bank has earnestly conducted the rectification, which has achieved good results. The Board of Supervisors shared its work performance and relevant supervision opinions in a timely manner by having an informal discussion with newly appointed directors, preparing and issuing *the Work Report of the Board of Supervisors*, etc.

The Board of Supervisors played a positive role in promoting the improvement of corporate governance mechanism of the Bank, duty performance of the Board of Directors and senior management and improving operation efficiency by constantly enhancing the supervision and assessment on the duty performance.



The assessment result on the Board of Directors and directors by the Board of Supervisors:

In 2012, the Board of Directors of the Bank strictly followed the laws, regulations and the Articles of Association, earnestly carried out national economic and financial policies and guidelines and regulatory requirements, operated in compliance with laws and regulations, made scientific decisions, diligently performed its duties, planned strategic layout, advanced the transformation, deepened the reform and innovation, improved the group corporate governance and reinforced the risk management and capital management, thereby playing a significant role in achieving sound and sustainable development of the Bank.

In 2012, special committees of the Board of Directors strictly observed the laws, regulations and regulatory requirements, earnestly performed their duties, brought their professional expertise into full play and offered advices and suggestions for the development strategy, mergers and acquisitions, risk management, internal control, audit and supervision, connected transactions, selection and engagement of external auditors, international supervision, selection of directors, talents cultivation and remuneration management, thereby providing strong support for the scientific and highly effective decision-making of the Board of Directors.

In 2012, the members of the Board of Directors could consciously observe the laws, regulations and the Articles of Association, performed their duties in a honest, trustworthy and diligent manner, actively safeguard the interests of the Bank, shareholders, employees and other stakeholders, bring their specialties into full play, exercise their rights within the scope of authority, provide independent and objective opinions and voluntarily subject themselves to supervision. According to the relevant measures and assessment rules, the duty performance of 16 directors including Jiang Jianqing, Yang Kaisheng, Wang Lili, Li Xiaopeng, Huan Huiwu, Wang Xiaoya, Ge Rongrong, Li Jun, Wang Xiaolan, Yao Zhongli, Xu Shanda, Wong Kwong Shing, Frank, Malcolm Christopher McCarthy, Kenneth Patrick Chung, Or Ching Fai and Hong Yongmiao in 2012 was assessed as competent as reviewed by the Board of Supervisors.

## **ii. Financial supervision**

In 2012, the Board of Supervisors conducted in-depth supervision on the finance to promote the constant improvement of financial management of the Bank.

Firstly, it earnestly reviewed regulatory reports and effectively supervised the information disclosure. In 2012, the Board of Supervisors debriefed 12 reports on the operating position, regular reports and their formulation and audit on the financial report and had a deeper insight in the completeness and effectiveness of consolidated financial management, change of important financial data and related reasons, derivatives trading and management, valuation differences of structured deposits, verification of treasury transaction prices, accounting of fee-based business income, thus improving the review quality of the Board of Supervisors on the regular reports of the Bank.



Secondly, it reinforced the daily financial monitoring and special survey. The Board of Supervisors conducted in-depth analysis on the new issues arising in the bank's financial operation, constantly followed the regulatory requirements and strengthened the supervision on the major financial decisions and their implementation, compliant financial budget and final account profit distribution plan. It also analyzed the change of financial data, reviewed the meeting minutes of the Financial Approval Committee of the Head Office, made sample checks on the important financial and accounting issues of the Head Office in 2012, conducted special survey on the loan interest, accounting of derivatives and inter-bank agency payment and summary of preparation of the group's financial statements.

Thirdly, the Board of Supervisors strengthened the supervision on external audit. It focused on the supervision on the performance of external auditors, debriefed the work report of external auditors for many times, put forward opinions, required external auditors to expand on the substantive test of audit and reinforce the audit on the asset quality, wealth management, internal transaction management and overseas bond management.

Fourthly, the Board of Supervisors integrated and took advantages of financial supervision resources. It earnestly studied the reports of Internal Audit Bureau, Discipline Enforcement Department, Finance & Accounting Department and Operation Management Department on the financial inspection and survey. After that, it required the Supervisory Board Office communicating with the functional departments of the Head Office, branches involved and auditors on the issues found during the inspection and tracking the rectification, which broadened the vision of the Board of Supervisors and improved the overall financial supervision.

The financial supervision laid a solid foundation for the review of the Board of Supervisors on the regular reporting, its issuance of independent opinions and assurance of authenticity, accuracy and completeness of financial report disclosed to the public. It also played an active role in improving the financial management, accounting and management performance.

### **iii. Supervision on the risk management**

In face of the complex and volatile economic and financial climate in 2012, the Board of Supervisors attached high importance to the business management, risk management and internal control by studying the changes of national macro-economic and financial policies and regulatory requirements and their impacts. Additionally, it paid close attention to the new situation and issues arising in the progress of strategic development strategy in the banking industry by debriefing reports on the enterprise risk management, assets & liabilities management, financial market business, asset management and operation of overseas institutions, building of IT system, risk management and supervision and audit for 13 times and proposing relevant opinions and suggestions.

The members of the Board of Supervisors visited more than 20 domestic and overseas branches and institutions for studies and surveys in order to gain a deeper understanding on the operational transformation, credit structure adjustment, risk management and implementation of international comprehensive strategies. During the visits and surveys, the Board of Supervisors look into the various risks during the operation development of the Bank. After having an in-depth insight of local economic and financial situation, business development, loans to local government financing vehicle, property loans, SME lending and loan quality and off-balance-sheet business management, etc., it suggested that branches and institutions of the Bank should strengthen the analysis on the macro-economy and enterprise operation, earnestly carry out national macro-control and credit policies of the Head Office, control the credit direction to effectively support the development of real economy, constantly enhance the financial innovation and service ability and reinforce the post-loan management to effectively prevent potential risks.

It also carried out special surveys on risk management. Firstly, the Board of Supervisors carried out special survey on the management and operation of overseas institutions. After the in-depth analysis on the development strategy, operation, business development, capital management, risk management, internal control and information system, the Board of Supervisors proposed further improvement in the international development mode and the capital replenishment mechanism of overseas institutions, acceleration of the business adjustment and operational transformation, strengthening of the internal and external interaction and coordination of departments, establishing balanced interest distribution system, reinforcing the local business development, improving cultural blending and cultivating international talents and so forth. Secondly, the Board of Supervisors conducted the special survey on the risk limit management. After studying on the application of risk limits in the risk management of the Bank, it gave opinions and suggestions on accelerating the establishment of a management system covering various risk limits, improving the risk limit management system, establishing the integrated risk limit information system apply uniformly within the Bank and improving the rapid processing system in dealing with various over-limits risks.

These opinions and suggestions were highly valued by the Management who thereby actively took measures to facilitate the rectifications, and effectively preventing the financial risks.

#### iv. Supervision on the internal control

In 2012, the Board of Supervisors strengthened the supervision on the internal control of the Group based on *the Basic Standard for Enterprise Internal Control* and its supporting guidelines, systematically understood the corporate governance, regulation system, compliance culture, supervision system, IT system control and connected transactions management, reviewed connected transactions statements on a regular basis, debriefed special reports on the inspection and audit of internal control and conducted the special survey. It put forward suggestions on strengthening regulations streamlining and improving the new business regulations, establishing the standard regulation system, promoting the development of compliance culture, reinforcing the implementation of regulations, enhancing the joint supervision force and improving the supervision results.

It carried out self-inspection and self-rectification for the operation in compliance with laws and regulations. In 2012, the Board of Supervisors, in accordance with regulatory requirements, earnestly optimizing the operation in constructing the corporate governance system, operating decision-making and business implementation and carefully carried out the in-depth self-inspection and self-rectification for the operation. Through self-inspection and self-rectification, the Board of Supervisors formulated hundreds of working sheets and submitted the self-inspection report to the regulatory authority, which played an important role in promoting the Bank to voluntarily assume the responsibilities and obligations of corporate governance improvement, constant information disclosure and active return to shareholders, and constantly improving the self-rectification awareness and the corporate governance.

It also strengthened the guidance on the internal audit. The Board of Supervisors debriefed the report of internal audit departments for several times, reviewed the special report on the internal audit and proposed opinions on the annual audit plan. It paid special attention to the underlying reasons of audit findings, guided the internal audit departments to further strengthen the supervision on important and emerging business areas to conduct dedicated audit.

The supervision and inspection on the internal control effectively promoted the risk management and internal control of the Bank and sound development of various businesses.

### III. Team building of the Board of Supervisors and duty performance of supervisors

In 2012, the Board of Supervisors further strengthened the team building, completed the selection and appointment of some employee supervisors and external supervisors, and arranged supervisors to participate in studies and trainings on the *Measures on the Capital Management of Commercial Banks* and “two judicial documents on combating securities and futures crimes” and annual training courses held by securities regulatory authorities, which further improved their ability in performing their duty.

In 2012, the Board of Supervisors constantly improved its working mechanism, strengthened the summary of working practice and actively explored the operation mode applicable to the board of supervisors of large banks. All members actively attended the meetings, earnestly reviewed proposals and proposed opinions in an independent and objective manner, thereby effectively performing their responsibilities. The table below sets out the attendance of supervisors in meetings of 2012:

#### Attendance of Supervisors in meetings of 2012

Name/Position	Shareholders' General Meeting	Meeting of Board of Supervisors	Meeting of Supervision Committee
Zhao Lin, Chairman of the Board of Supervisors	3	7	5
Wang Chixi, Supervisor	3	7	5
Dong Juan, Supervisor	2	7	5
Meng Yan, Supervisor	2	7	5
Zhang Wei, Supervisor	3	7	5
Zhu Lifei, Supervisor	3	7	5
Li Mingtian, Supervisor	1	3	2

Note: Mr. Li Mingtian was elected as Employee Supervisor of the Bank on July 24, 2012.

According to the regulatory requirements, the Board of Supervisors carried out the assessment on the duty performance of supervisors in 2012. It believed that the members of the Board of Supervisors could earnestly fulfill their duties and obligations as provided in the laws, administrative regulations, department rules, normative documents and the Articles of Association in a honest and diligent manner, actively exercise their professional strength, carefully perform their duty of supervision, work proactively, effectively safeguard the interest of the Bank, shareholders, employees and other stakeholders and played an active role in the formulation of development strategy, risk management, internal control and other aspects. According to the relevant assessment rules, the duty performance of 7 supervisors including Zhao Lin, Wang Chixi, Dong Juan, Meng Yan, Zhang Wei, Zhu Lifei and Li Mingtian was assessed as competent as reviewed by the Board of Supervisors.

## **V. Independent opinions of the Board of Supervisors on relevant issues**

### **i. Legitimate operation**

During the reporting period, the Bank continued to operate in compliance with applicable laws and regulations and improve its internal control system, and the decision-making procedures complied with applicable laws and regulations and the Articles of Association of the Bank. Members of the Board of Directors and the senior management earnestly performed their duties. The Board of Supervisors did not find any violation of laws and regulations, or any action that contravened the interests of the Bank in the performance of duties during the reporting period.

### **ii. Authenticity of financial statements**

The annual financial statements of the Bank reflected the financial position and operating results of the Bank truly and fairly.

### **iii. Use of proceeds from fundraising activities**

During the reporting period, the use of proceeds from the Bank's fundraising activities was consistent with the purpose stated in the prospectuses.

### **iv. Purchase and sale of assets**

During the reporting period, the Board of Supervisors did not find any insider trading or any act that contravened the shareholders' interests or caused the loss of the Bank's assets in the process of the Bank's purchase or sale of assets.

### **v. Connected transactions**

During the reporting period, the connected transactions of the Bank were conducted based on the relevant business principles. The Board of Supervisors did not find any action that infringed the interests of the Bank. The approval, voting, disclosure and implementation of connected transactions are complied with applicable laws and regulations and the Articles of Association of the Bank.

### **vi. Implementation of resolutions passed at the Shareholders' General Meeting**

During the reporting period, the Board of Supervisors had no objection to the reports or proposals presented by the Board of Directors to the Shareholders' General Meeting for consideration. The Board of Directors earnestly implemented the resolutions passed at the Shareholders' General Meeting.

**vii. Internal control assessment report of the Board of Directors**

The Board of Supervisors reviewed the 2012 Internal Control Assessment Report of the Board of Directors and had no objection to the report.

**viii. Implementation of information disclosure management rules**

During the reporting period, the Bank performed its duty of information disclosure in strict compliance with the regulatory policies, implemented the information disclosure management rules earnestly, and disclosed information in a timely and fair manner. Information disclosed during the reporting period was authentic, accurate and complete.

In addition to the above-mentioned issues disclosed, the Board of Supervisors had no objection to other supervision issues during the reporting period.

The reported is hereby reported.

7 June 2013

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document III

## Proposal on the 2012 Audited Account

Dear Shareholders,

The final accounts of 2012 are reported as follows:

### I. General Operating Results

In 2012, in face of rigid and complex situations such as the slowdown in economic growth, accelerated interest rate liberalization and financial regulatory reform, the Bank insisted on the adherence to the overall keynote of “making progress while maintaining stability” and continuously improved the quality of service by quickening operational transformation and deepening reform and innovation. As a result, the Bank’s operation presented sound progress and maintained stability in the mean time.

The Group (under IFRS, the same below) realized a net profit of RMB238,691 million, representing an increase of RMB30,246 million or 14.5% compared to the same period last year. Of which, net profit attributable to equity holders of the parent company was RMB238,532 million, representing an increase of RMB30,267 million or 14.5% compared to the same period last year. Basic earnings per share reached RMB0.68, an increase of RMB0.08 compared to the same period last year. Return on weighted average equity stood at 23.02% and return on average total assets was 1.45%.

As at the end of 2012, the balance of non-performing loans (NPL) amounted to RMB74,575 million, representing an increase of RMB1,564 million over the beginning of 2012. The NPL ratio was 0.85%, 0.09 percentage points lower compared to the beginning of 2012. The allowance to NPL was 295.55%, up 28.63 percentage points over the beginning of 2012. The allowance to total loans ratio stood at 2.50%, keeping the same level with 2011. The capital adequacy ratio and the core capital adequacy ratio were 13.66% and 10.62% respectively.



Major operating results are presented in the following table:

**Table 1 Major Operating Results**

Item		2012	2011
<b>1.</b>	<b>Profitability</b>		
1.1	Net profit (RMB100 million)	2,386.91	2,084.45
	Of which: Net profit attributable to equity holders of the parent company (RMB100 million)	2,385.32	2,082.65
1.2	Return on weighted average equity	23.02%	23.44%
1.3	Return on average total assets	1.45%	1.44%
1.4	Basic earnings per share (RMB yuan)	0.68	0.60
<b>2.</b>	<b>Yield structure</b>		
2.1	Net interest margin (NIM)	2.66%	2.61%
2.2	Ratio of net fee and commission income to operating income	20.02%	21.58%
	2.2.1 Growth rate of net fee and commission income	4.4%	39.4%
2.3	Cost-to-income ratio (excluding business tax and surcharges)	29.24%	29.91%
<b>3.</b>	<b>Asset quality</b>		
3.1	Balance of non-performing loans (NPL) (RMB100 million)	745.75	730.11
3.2	NPL ratio	0.85%	0.94%
3.3	Allowance to NPL	295.55%	266.92%
3.4	Allowance to total loans ratio	2.50%	2.50%
<b>4.</b>	<b>Capital adequacy ratio</b>		
4.1	Capital adequacy ratio	13.66%	13.17%
4.2	Core capital adequacy ratio	10.62%	10.07%

## II. Main Income and Expenses

**i. Operating income.** The Bank's operating income amounted to RMB529,720 million, representing an increase of RMB59,119 million or 12.6% compared to the same period of last year.

**1. Net interest income.** The Bank continued to strengthen asset and liability management, reasonably controlled total credit volume and pace, proactively adjusted credit structure, tuned the investment strategy duly and optimized the investment portfolio structure. Net interest income was RMB417,828 million, an increase of RMB55,064 million or 15.2% compared to the same period last year.



**2. Net fee and commission income.** The Bank actively coped with the changes in market environment, regulatory requirements and customer demands, reinforced the transformation development of fee-based business, promoted the product and service innovation, truly protected consumers' rights and interests, strived to develop the financial asset service, proactively expanded the service fields with high technical content and good prospect of increment for customers and carried forward the compliant and healthy development of fee-based business. Fee and commission income reached RMB115,881 million, representing an increase of RMB6,804 million or 6.2% compared to the same period of last year. The ratio of net fee and commission income to operating income stood at 20.02%.

**3. Other non-interest income.** Other non-interest income of the Bank amounted to RMB5,828 million, representing a decrease of RMB459 million or 7.3% compared to the same period of last year. Of which, net loss on financial assets and liabilities designated at fair value through profit or loss increased by RMB4,843 million, mainly due to an increase in expenses on structural deposits paid to customers. Other net operating income increased by RMB3,929 million, mainly due to an increase of RMB2,695 million in net return on exchange and exchange rate products.

**ii. Operating expenses.** The Bank carried out strict cost management and control. Operating expenses amounted to RMB189,940 million, representing an increase of RMB20,327 million or 12.0% compared to the same period of last year. Of which, business and administrative expenses were RMB154,874 million, representing an increase of RMB14,136 million or 10.0% compared to the same period of last year; personnel expenses included RMB2 billion for early-retirement employees; and business tax and surcharges were RMB35,066 million, representing an increase of RMB6,191 million or 21.4% compared to the same period last year. The cost-to-income ratio (excluding tax and surcharges) was 29.24%, decrease by 0.67 percentage points compared to the same period last year.

**Table 2 Growth of Operating Expenses**

Unit:RMB100 millions				
Item		2012		2011
		Year-on-year increase/decrease	Year-on-year growth rate	
Operating expenses	1,899.40	203.27	12.0%	1,696.13
1. Business and administrative expenses	1,548.74	141.36	10.0%	1,407.38
(1) Staff costs	962.40	83.59	9.5%	878.81
Of which: Salaries and bonuses	632.56	53.13	9.2%	579.43
(2) Operational expense	586.34	57.77	10.9%	528.57
2. Business tax and surcharges	350.66	61.91	21.4%	288.75

Note: In 2012, if new consolidated institutions (ICBC-AXA, ICBC (USA) and Standard Bank Argentina S.A.) were excluded, the expenses on salaries and bonuses of the Bank were RMB62,981 million, an increase of 8.69% and they were controlled within 60% of net profit growth.

**iii. Impairment losses on assets.** Impairment losses on assets set aside amounted to RMB33,745 million, representing an increase of RMB2,624 million or 8.4% compared to the same period last year.

**1. Impairment losses on loans.** While maintaining the consistency of loan quality, the Bank always persisted in steady provisioning policy, and the Bank's capability of resisting risks has been intensified constantly. Impairment losses on loans set aside were RMB32,572 million, representing an increase of RMB740 million or 2.3% compared to the same period of last year.

**2. Other impairment losses.** Other impairment losses set aside were RMB1,173 million. Of which, impairment losses set aside for available-for-sale financial assets were RMB607 million and for other assets were RMB499 million.

**iv. Income tax expense.** Income tax expense was RMB69,996 million, representing an increase of RMB6,130 million or 9.6% compared to the same period last year. The effective tax rate was 22.7%, lower than the statutory tax rate, mainly because the interest income arising from PRC government bonds held by the Bank is exempt from income tax under the tax law.

**Table 3 Main Financial Income and Expenses**

Unit: RMB100 millions

Item		2012		2011
		Year-on-year increase/decrease	Year-on-year growth rate	
<b>Operating income</b>	<b>5,297.20</b>	<b>591.19</b>	<b>12.6%</b>	<b>4,706.01</b>
Net interest income	4,178.28	550.64	15.2%	3,627.64
Net fee and commission income	1,060.64	45.14	4.4%	1,015.50
Other non-interest income	58.28	-4.59	-7.3%	62.87
<b>Less: Operating expenses</b>	<b>1,899.40</b>	<b>203.27</b>	<b>12.0%</b>	<b>1,696.13</b>
<b>Less: Impairment losses</b>	<b>337.45</b>	<b>26.24</b>	<b>8.4%</b>	<b>311.21</b>
Add: Share of profits and losses of associates and jointly-controlled entities	26.52	2.08	8.5%	24.44
<b>Profit before tax</b>	<b>3,086.87</b>	<b>363.76</b>	<b>13.4%</b>	<b>2,723.11</b>
Less: Interest tax expense	699.96	61.30	9.6%	638.66
<b>Net profit</b>	<b>2,386.91</b>	<b>302.46</b>	<b>14.5%</b>	<b>2,084.45</b>
Attributable to: Equity holders of the parent company	2,385.32	302.67	14.5%	2,082.65
Non-controlling equity holders	1.59	-0.21	-11.7%	1.80

### III. Main Assets and Liabilities

**i. Loans.** The Bank reasonably controlled the aggregate amount and pace of lending, deepened credit structure adjustment, optimized credit resource allocation in accordance with changes in the macroeconomic environment and financial regulatory requirements as well as development needs of real economy. The Bank actively bolstered the development of advanced manufacturing, modern services, cultural industries and strategic emerging sectors, continuously improved the financial services for small and micro-enterprises, and strengthened credit support to trade finance and the reasonable credit demands of individuals. As at the end of 2012, loans of the Bank amounted to RMB8,803,692 million, representing an increase of RMB1,014,795 million or 13.0% from the end of the previous year, of which, RMB-denominated loans of domestic operations were RMB7,890,779 million, representing an increase of 12.3% from the end of the previous year.

**ii. Customer Deposits.** The Bank fully exerted the comprehensive advantage of financial services, reinforced the competitiveness in deposit market by intensifying overall linkage, and proactively expanded new markets and new customers, resulting in continuous and stable growth in its deposit business. As at the end of 2012, the balance of due to customer amounted to RMB13,642,910 million, representing an increase of RMB1,381,691 million or 11.3% compared to the same period of last year.

**Table 4 Main Assets and Liabilities**

Unit: RMB100 millions

Item		2012		2011
		Year-on-year increase/decrease	Year-on-year growth rate	
1. Total assets	175,422.17	20,653.49	13.3%	154,768.68
Of which: (1) Total loans	88,036.92	10,147.95	13.0%	77,888.97
Of which: RMB-denominated loans of domestic operations	78,907.79	8,672.02	12.3%	70,235.77
(2) Net securities investment	40,838.87	1,679.85	4.3%	39,159.02
2. Total liabilities	164,137.58	18,947.13	13.0%	145,190.45
Of which: Due to customers	136,429.10	13,816.91	11.3%	122,612.19
3. Equity	11,284.59	1,706.36	17.8%	9,578.23

The Proposal on the 2012 Audited Accounts has been considered and approved at the meeting of the Board of Directors on March 26 to March 27, 2013, and is hereby submitted to the Shareholders' General Meeting for consideration and approval.

Proposed by: **Board of Directors of Industrial and Commercial Bank of China Limited**

7 June 2013

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document IV

## Proposal on the 2012 Profit Distribution Plan

Dear Shareholders,

In accordance with the provisions of relevant laws, and regulatory requirements, the 2012 profit distribution plan of the Bank is as follows:

- I. RMB23,333 million will be appropriated to the surplus reserves.
- II. RMB83,456 million will be appropriated to the general reserve.
- III. A cash dividend of RMB2.39 per 10 shares (pre-tax) will be paid to holders of A shares and H shares whose names appear on the register of members of the Bank on 25 June 2013 after close of trading. As estimated based on the Bank's total issued share capital as at 31 December 2012, the total amount of dividends to be distributed shall be approximately RMB83,559 million, with dividends payout ratio of 35%, representing an increase of RMB12,647 million or 17.8% as compared to 2011.
- IV. For the year 2012, capital reserve will not be converted into capital of the Bank.

The Proposal on the 2012 Profit Distribution Plan has been considered and approved at the meeting of the Board of Directors on March 26 to March 27, 2013, and is hereby submitted to the Shareholders' General Meeting for consideration and approval.

Proposed by: **Board of Directors of  
Industrial and Commercial Bank of China Limited**

7 June 2013

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document V

## Proposal on Launching the Engagement of Accounting Firm for 2013

Dear Shareholders,

According to applicable regulations, the Bank launched the engagement of accounting firm for 2013, and hereby requests that KPMG Huazhen<sup>1</sup> Certified Public Accountants should be appointed as our external auditor for 2013 to provide the Bank with audit services including the 2013 annual audit, interim review and agreed-upon procedures for quarterly financial information of consolidated and the parent company's financial statements, the Group's internal control audit for the year ended December 31, 2013 and other professional services according to the regulatory requirements and the Bank's actual business development needs.

The Bank will pay KPMG Huazhen Certified Public Accountants audit expenses of RMB133.60 million for 2013, among which RMB77.51 million will be paid for the annual audit, RMB35.48 million for the interim review, RMB4.64 million for agreed-upon procedures of financial information of the first and third quarters and RMB11.33 million for the internal control audit.

The Proposal on Launching the Engagement of Accounting Firm for 2013 has been reviewed and adopted at the meeting of the Board of Directors on August 30, 2012 and the second extraordinary general meeting in 2012 held on November 5, 2012. Pursuant to Rule 13.88 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited, the above appointment shall be considered and approved at the annual general meeting of the Bank. Therefore, it is hereby submitted to the Shareholders' General Meeting for consideration and approval.

Appendix: Credentials of KPMG Huazhen Certified Public Accountants

Proposed by: **Board of Directors of  
Industrial and Commercial Bank of China Limited**

7 June 2013

<sup>1</sup> Pursuant to the *Notice of the Ministry of Finance, the State Administration for Industry and Commerce, the Ministry of Commerce, the State Administration of Foreign Exchange and the China Securities Regulatory Commission on Issuing the Scheme for the Localization Restructuring of Chinese-Foreign Cooperative Accounting Firms* (Cai Hui [2012]No.8), KPMG Huazhen Certified Public Accountants and Ernst & Young Certified Public Accountants started their restructuring procedures. The Ministry of Finance approved the restructurings of KPMG Huazhen Certified Public Accountants and Ernst & Young Certified Public Accountants to special general partnerships on 5 July and 31 July 2012 respectively. The restructured KPMG Huazhen Certified Public Accountants (Special General Partnership) and Ernst & Young Certified Public Accountants (Special General Partnership) officially started to operate on 1 August and 1 September 2012 respectively. The operating period and operating results before restructuring can be calculated consecutively. The qualifications obtained before the restructuring, including securities and futures business qualification, will subsist. The possible administrative liabilities resulted from the quality problem before the restructuring will be burned on the restructured accountant firms (special general partnership).

Appendix: Credentials of KPMG Huazhen

外商投资合伙企业  
营业执照

(副本)(3-1)

注册号110000450210477

名称：毕马威会计师事务所(特殊普通合伙)  
主要经营场所：北京市东城区东长安街1号东二座办公楼8层  
执行事务合伙人：姚建华

经营范围：  
许可经营项目：审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。  
一般经营项目：无

合伙人：姚建华,廖子彬,郝莹,罗铮,李婉薇

合伙期限自2012年07月10日至长期

编号: No 0001991

须知

- 1.外商投资合伙企业营业执照是外商投资合伙企业从事生产经营活动的法定凭证。
- 2.外商投资合伙企业营业执照分为正本和副本，正本和副本具有同等法律效力。外商投资合伙企业根据业务需要，可以向企业登记机关申请核发若干营业执照副本。
- 3.外商投资合伙企业应当将营业执照正本置放在营业场所的醒目位置。
- 4.外商投资合伙企业营业执照遗失或者毁损的，应当向企业登记机关指定的报刊上声明作废，并向企业登记机关申请补领或者更换。
- 5.外商投资合伙企业应当在企业登记机关核准的登记事项内依法从事经营活动。
- 6.外商投资合伙企业登记事项发生变更时，应当向原企业登记机关申请变更登记。
- 7.每年3月1日至6月30日企业登记机关对外商投资合伙企业进行年度检验。外商投资合伙企业应于6月15日前向企业登记机关报送年检材料。
- 8.外商投资合伙企业办理注销登记时，应当缴回营业执照的正本和副本。
- 9.外商投资合伙企业营业执照正本和副本，由中华人民共和国国家工商行政管理总局印制，任何单位和个人不得伪造、变造、涂改、出售、出租、出借或以其他方式转让营业执照。

年度检验

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成立日期 2012年07月10日  
登记机关



中华人民共和国国家工商行政管理总局制



合伙人：（正面版面不够，可在此处打印）

冯育勤,李淑贤,冯光明,陈立基,黎俊文,韦豪伦,陈俭德,赵奇,刘许友,龚伟礼,陈玉红,林启华,金乃雯,宋晨阳,  
段宇,田继文,彭静,张京京,虞晓钧,邱俊



# 企业法人营业执照

(副本)

注册号 1099000400002928

名称 毕马威华振会计师事务所

住所 北京市东长安街1号东方广场东二办公楼八层

法定代表人 姚建华

注册资本 人民币叁佰万元整

实收资本 人民币叁佰万元整

公司类型 有限责任公司(台港澳与境内合作)

经营范围 提供会计、审计、财务、税务、税务方面和查帐、验资、清算、可行性研究评估、资产评估、帐务处理、财务分析、纳税计划编制的咨询服务及财务、会计、税务、经济管理人员的培训。

股东(发起人)

毕马威会计师事务所, 华振会计师事务所有限公司

营业期限 自 1992年08月18日至 2012年08月17日

成立日期 1992年08月18日

编号: N0901603

## 须知

1. 《企业法人营业执照》是企业法人资格和合法经营的凭证。
2. 《企业法人营业执照》分为正本和副本, 正本和副本具有同等法律效力。
3. 《企业法人营业执照》正本应当置于住所的醒目位置。
4. 《企业法人营业执照》不得伪造、涂改、出租、出借、转让。
5. 登记事项发生变化, 应当向公司登记机关申请变更登记, 换领《企业法人营业执照》。
6. 每年三月一日至六月三十日, 应当参加年度检验。
7. 《企业法人营业执照》被吊销后, 不得开展与清算无关的经营活动。
8. 办理注销登记, 应当交回《企业法人营业执照》正本和副本。
9. 《企业法人营业执照》遗失或者毁坏的, 应当在公司登记机关指定的报刊上声明作废, 申请补领。


## 年度检验情况

2009年度	2010年度	2011年度
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登记机关






### 会计师事务所 执业证书

毕马威华振会计师事务所（特殊普通合伙）  
姚建华  
北京市东长安街1号东方广场  
东2座办公楼8层  
特殊的普通合伙企业  
11000241  
人民币壹仟万元整  
财会函（2012）31号  
2012年七月五日

证书序号: NO.001904

### 说明

- 《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。
- 《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 会计师事务所终止，应当向财政部门交回《会计师事务所执业证书》。



发证机关  
中华人民共和国财政部  
二〇一二年七月五日  
中华人民共和国财政部制



证书序号: 000104

# 会计师事务所 证券、期货相关业务许可证

经财政部、中国证监会审查，批准  
毕马威华振会计师事务所（特殊普通合伙）执行证券、期货相关业务。

首席合伙人：姚建华



证书号: 14

发证时间: 二〇一四年八月七日  
证书有效期至: 二〇一四年八月七日

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document VI

## **Report on the Work Report of Independent Non-executive Directors of ICBC for 2012**

Dear Shareholders,

In 2012, Independent Non-executive Directors of the Bank performed their duties in a diligent manner according to the Company Law, the Securities Law, the Guidance on Corporate Governance of Joint-stock Commercial Banks, the Guidance on Duty Performance of Boards of Directors of Joint-stock Commercial Banks, and the Articles of Association of Industrial and Commercial Bank of China. They attended meetings of the Board of Directors and special committees, participated in researches, discussions and decision making on relevant affairs to be reviewed by the Board, and expressed independent opinions on the Bank's development strategy, risk control, audit supervision, nomination and compensation management, and connected transaction management. Besides, they carried out surveys and seminars which produced sound effects, and hence supported and boosted the reform, innovation and sound development of the Bank.

### **I. Profile of Independent Non-executive Directors**

#### **1. Biographies of Independent Non-executive Directors**

Xu Shanda, Independent Non-executive Director

Mr. Xu has served as the Independent Non-executive Director of Industrial and Commercial Bank of China Limited since September 2007. From January 2000 to 2007, he was appointed as the Deputy Commissioner of the State Administration of Taxation ("SAT"). He worked as the Deputy Director-General of the Tax System Reformation Department of SAT, Deputy Director-General and Director-General of the Policy and Legislation Department of SAT, Director-General of Local Taxes Department of SAT, Director-General of Supervisory Bureau of SAT and a member of the National Committee of the 11th Chinese People's Political Consultative Conference. Currently, he is Chairman of the China Certified Tax Agents Association, consultant to the China Public Finance Society, member of the Chinese Economist 50 Forum and member of the 50 Forum Academic Auditing Committee. He is an Independent Non-executive Director of China Pacific Insurance (Group) Co., Ltd., part-time professor and invited researcher of Tsinghua University, Peking University, National School of Administration, Xi'an Jiaotong University, University of Science & Technology of China, Nankai University, Central University of Finance and Economics and Zhejiang Engineering University. He received his Bachelor's degree from Department of

Automation, Tsinghua University, Master's degree in Agricultural Economics & Management from the Chinese Academy of Agricultural Sciences, and Master's degree in Finance from the University of Bath in UK.

Wong Kwong Shing, Frank, Independent Non-executive Director

Mr. Wong has served as the Independent Non-executive Director of Industrial and Commercial Bank of China Limited since January 2009. He previously held a number of senior positions with regional responsibility at several financial institutions including Citibank, JPMorgan and NatWest, and took positions as Chairman of Hong Kong Futures Exchange Limited, Chairman of the Leveraged Foreign Exchange Trading Ordinance Arbitration Panel and member of the Foreign Exchange and Money Market Practices Committee of Hong Kong Association of Banks. He joined DBS Bank in 1999, and served as Vice Chairman of DBS Bank Ltd., Director and Chief Operating Officer of DBS Bank Ltd. and DBS Group Holdings, and Chairman of DBS Bank (Hong Kong) and Chairman of DBS Bank (China). He also served as an Independent Non-executive Director of the National Healthcare Group Pte Ltd under the Ministry of Health of Singapore. At present, he is concurrently a Director of PSA International Pte Ltd, Mapletree Investments Pte Ltd and China Mobile Limited, and a member of the Hong Kong Financial Services Development Council.

Malcolm Christopher McCarthy, Independent Non-executive Director

Sir M.C. McCarthy has served as the Independent Non-executive Director of Industrial and Commercial Bank of China Limited since December 2009. Sir M.C. McCarthy worked first as an economist for ICI before joining the UK Department of Trade and Industry where he held various posts from economic adviser to undersecretary. He subsequently worked as a senior executive of Barclays Bank first in Japan and then North America. He served as Chairman and Chief Executive of Office of Gas and Electricity Markets (Ofgem), Chairman of the Financial Services Authority (FSA), a non-executive director of HM Treasury, Chairman of the board of directors of J.C. Flowers & Co. UK Ltd, a non-executive director of NIBC Holding N.V and NIBC Bank N.V. Currently Sir M.C. McCarthy serves as a non-executive director of Intercontinental Exchange, OneSavings Bank plc and Castle Trust Capital plc, and a director of the School Board of Said Business School of Oxford University and a Trustee of IFRS Foundation. He is an Honorary Fellow of Merton College, an Honorary Doctorate of the University of Stirling, an Honorary Fellow of Cass Business School, and a Freeman of the City of London. He has obtained MA History at Merton College of Oxford University, PhD Economics of Stirling University, and MS at Graduate School of Business of Stanford University.



Kenneth Patrick Chung, Independent Non-Executive Director

Mr. Chung has served as the Independent Non-Executive Director of Industrial and Commercial Bank of China Limited since December 2009. Mr. Chung joined Deloitte Haskins and Sells London Office in 1980. He became a partner of PricewaterhouseCoopers in 1992, and was a financial service specialist of PricewaterhouseCoopers (Hong Kong and China) since 1996. Previously, he was the human resources partner of PricewaterhouseCoopers (Hong Kong), the responsible partner of the audit department of PricewaterhouseCoopers (Hong Kong and China), the global lead partner of the audit engagement team for Bank of China Limited, the honorary treasurer of The Community Chest of Hong Kong and was a member of the Ethics Committee, Limitation of Professional Liability Committee, Communications Committee, and the Investigation Panel of the Hong Kong Society of Accountants. Mr. Chung has also served as the audit partner for the restructurings and initial public offerings of Bank of China Limited, Bank of China (Hong Kong) Limited and Bank of Communications Co. Ltd. Currently, Mr. Chung serves as the honorary treasurer of International Social Service Hong Kong Branch. He is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Macau Society of Certified Practising Accountants. Mr. Chung received a bachelor's degree in economics from the University of Durham.

Or Ching Fai, Independent Non-executive Director

Mr. Or has served as the Independent Non-Executive Director of Industrial and Commercial Bank of China Limited since May 2012. Mr. Or previously served General Manager and a Director of The Hongkong and Shanghai Banking Corporation Limited, Chairman of HSBC Insurance Limited, Chief Executive and Vice Chairman of Hang Seng Bank Limited, Chairman of Hang Seng Insurance Company Limited and Hang Seng Bank (China) Limited, a Director of Cathay Pacific Airways Limited, and a Director of Hutchison Whampoa Limited. He was the Chairman of the Hong Kong Association of Banks, Vice President and Council Member of the Hong Kong Institute of Bankers, Chairman of the Financial Services Advisory Committee and a member of the Services Promotion Programme Committee of the Hong Kong Trade Development Council, a member of the Risk Management Committee of the Hong Kong Exchanges and Clearing Limited, a member of the Aviation Development Advisory Committee, Chairman of Executive and Campaign Committee of the Community Chest of Hong Kong, a Council Member of The University of Hong Kong, an Adviser of the Employers' Federation of Hong Kong. Mr. Or is currently acting as the Chairman, CEO and Executive Director of China Strategic Holdings Limited, Chairman and Independent Non-executive Director of Esprit Holdings Limited, Vice Chairman and an Independent Non-executive Director of G-Resources Group Limited, Independent Non-executive Director of Chow Tai Fook Jewellery Group Limited and Television Broadcasts Limited, Acting Chairman of the Council of City University of Hong Kong, and Vice Patron of the Board of the Community Chest of Hong Kong. Mr. Or graduated from The University of Hong Kong with a Bachelor's degree in Economics and Psychology. He was awarded with a Silver Bauhinia Star from the Hong Kong Special Administrative Region and Honorary University Fellowships from The University of Hong Kong in 2009. He is a Justice of the Peace.

Hong Yongmiao, Independent Non-executive Director

Mr. Hong has served as the Independent Non-Executive Director of Industrial and Commercial Bank of China Limited since August 2012. Mr. Hong was previously in charge of the National Science Fund for Distinguished Overseas Young Scholars supported by the National Natural Science Foundation of China, and has acted as the President of the Chinese Economists Society in North America, and editor for journals such as *Journal of Econometrics* and *Econometric Theory*. He is currently an Ernest S. Liu Professor of Economics and International Studies at Cornell University in the United States, and Dean of the School of Economics and the Wang Yanan Institute for Studies in Economics at Xiamen University. He has been enrolled as one of the first participants of the “Thousand Talents Plan” and serves as a lecture professor of the “Changjiang Scholars” launched by the Ministry of Education and a part-time professor in some scientific and research institutions and colleges, including Tsinghua University, Chinese Academy of Sciences and Shandong University. He is also a committee member of the academic board of Economic Research Journal of the Chinese Academy of Social Sciences and China Economic Quarterly published by Peking University, and Co-Editor of China Journal of Economics published by Tsinghua University. Mr. Hong graduated from Xiamen University with a Bachelor of Science degree and a Master’s degree in Economics from Xiamen University, and obtained his Doctorate degree in Economics from the University of California San Diego.

## **2. Explanations on Independence**

The Bank complied with the rules of regulators in terms of the qualifications, number and proportion of Independent Non-executive Directors. None of the Independent Non-executive Directors held any business or financial interest in the Bank and its subsidiaries, or assumed any management post. The Bank has received the annual confirmation letters of independence from all Independent Non-executive Directors, and confirmed their independence.

## **II. Duty Performance of Independent Non-executive Directors for the Year**

### **1. Attendance of meetings and relevant resolutions**

During the reporting period, the Bank held an annual general meeting and two extraordinary general meetings, where 14 proposals were considered and approved and 2 reports were heard, 14 board meetings, where 62 proposals were considered and 20 reports were heard, and 36 meetings of the special committees of the Board of Directors, where 47 proposals were considered and 26 reports were heard.

The attendance of each of the Independent Non-executive Director in shareholders' general meetings and meetings of the Board of Directors and the special committees of the Board of Directors during the reporting period is set out below.

Directors	Attendances in person/Number of meetings in 2012							
	Shareholders' General Meeting	Board of Directors	Special committees of the Board of Directors					
			Strategy Committee	Audit Committee	Risk Management Committee	Nomination Committee	Compensation Committee	Related Party Transactions Control Committee
Xu Shanda	2/3	10/14	5/6	8/9		3/5	1/2	6/7
Wong Kwong Shing, Frank	3/3	12/14	3/3	8/9	6/7	4/5	2/2	7/7
Malcolm Christopher McCarthy	2/3	10/14	5/6		5/7	3/5		
Kenneth Patrick Chung	3/3	13/14		9/9	4/4		2/2	7/7
Or Ching Fai	1/1	8/8	4/4	4/4		2/2		
Hong Yongmiao	1/1	6/6		3/3	3/3	1/1		4/4

Notes:

- (1) "Attendances in person" refers to attending meetings in person or on telephone or by video conference.
- (2) During the reporting period, directors who did not attend the meetings of the Board of Directors and its special committees in person appointed other directors to attend the meetings and exercise the voting right on their behalf.

## 2. Investigation, survey and informal discussion

During the reporting period, besides attending the meetings of the Board of Directors and the special committees, the Bank's Independent Non-executive Directors strengthened the ties and communication with other members of the Board of Directors, the Board of Supervisors, the Senior Management and shareholders, actively listened to presentations made by the relevant departments of the Head Office, and offered valuable comments and suggestions. Meanwhile, Independent Non-executive Directors selected some typical grassroots institutions both domestically and overseas and conducted fruitful investigations, surveys and informal discussions centering on credit risk management and control, personal credit business development and internationalized development of commercial banks, related party transactions management, etc., according to economic and financial development trend and the operational and management focus of the Bank, and put forward constructive opinions in terms of operation transformation, structural adjustment, internationalized and diversified operation, risk management, internal control, compensation and incentive system, etc.



### **3. Assistance provided by the Bank during duty performance of Independent Non-executive Directors**

In order to facilitate effective duty performance of the Independent Non-executive Directors, the Bank guaranteed the equal access right of information of the Independent Non-executive Directors with the other directors, provided reasonable working conditions for them to fulfill their duties, and actively cooperated with them to meet their requirements. In addition, relying on the working groups of the special committees of the Board of Directors, the Bank carried out a variety of services and supporting activities for Independent Non-executive Directors to perform their duties, including providing assistance to the Independent Non-executive Directors for their participation in decision-making of the Board of Directors, coordinating and arranging special reports and discussions, organizing related business investigation and survey, giving timely reference and information and assisting some Independent Non-executive Directors to conduct prospective studies.

## **III. Priorities of Independent Directors' Duty Performance for the Year**

The Independent Non-executive Directors of the Bank laid emphasis on the operational performance of the Board of Directors and its special committees of the Bank, nomination and remuneration of the Senior Management members, implementation of information disclosure, implementation of internal control, related party transactions, external guarantees and so forth, made clear judgments on the said priorities in compliance with laws and regulations, and expressed their views and suggestions in an independent and objective fashion.

### **1. Operation of the Board of Directors and its special committees**

**i. Board of Directors.** The Board of Directors of the Bank consisted of 16 directors, including six Independent Non-executive Directors. The number of Independent Non-executive Directors accounted for more than one-third of the total members of the Board of Directors, meeting the relevant regulatory requirements. The Directors, including all Independent Non-executive Directors, supporting each other with their expertise and experience on one hand and being independent from each other on the other hand, which ensured the scientific decision-making of the Board of Directors. During the reporting period, the Board of Directors of the Bank held 14 meetings, considered 62 proposals and debriefed 20 reports.

**ii. Special committees of the Board of Directors.** The Board of Directors of the Bank has established six special committees, namely, the Strategy Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee, the Compensation Committee and the Related Party Transactions Control Committee. Except the Strategy Committee, chairmen of all the other committees were assumed by independent non-executive directors; except the Strategy Committee and the Risk Management Committee, more than half of the committee members were independent non-executive directors for the other four special committees. During the reporting period, the operation of the special committees of the Board of Directors of the Bank is set out below:

The Strategy Committee held six meetings, considered five proposals including the final accounts plan for 2011 and the strategic development plan for 2012–2014 and listened to five reports. The Strategy Committee provided support to the scientific decision-making of the Board of Directors by putting forward constructive suggestions in respect of the formulation and implementation of the three-year strategic development plan, the study of the three-year capital plan and the steady progression of internationalized and diversified operation of the Bank.

The Audit Committee held nine meetings, considered 14 proposals including the 2011 Annual Report, the 2011 Internal Control Assessment Report, the Internal Audit Plan for 2012, the Report Disclosure Plan under Pillar 3 of the New Capital Accord and the Proposal on the Engagement of Auditors for 2013, and debriefed 11 reports including the regular work report of the Internal Audit Bureau. The Audit Committee reviewed the financial statements of the Bank on a regular basis, and had reviewed and submitted to the Board of Directors for approval of the annual report, interim report and quarterly reports of the Bank; organized and conducted the internal control assessment for 2011 of the Group and engaged external auditors to audit the assessment report and procedures of the Bank according to relevant regulatory requirements; attached importance to the supervision of external auditors and debrief several reports of external auditors concerning annual audit results, management proposal and audit plan.

The Risk Management Committee held seven meetings, discussed and considered eleven proposals including the Bank's risk management plan for 2012–2014 and the compliance and implementation plan in respect of the three pillars requirements of the capital management measures, and debriefed six reports including the 2011 annual and 2012 interim risk management reports. The Risk Management Committee put forward constructive suggestions in respect of the advancement of the New Capital Accord implementation and the enhancement of enterprise risk management of the Bank.

The Nomination Committee held five meetings, considered seven proposals in respect of the nomination of Mr. Hong Yongmiao as a candidate for the post of Independent Non-executive Director, the nomination of Sir Malcolm Christopher McCarthy and Mr. Kenneth Patrick Chung as candidates for the post of Independent Non-executive Director and re-engagement of them to hold the relevant posts in the special committees of the Board of Directors, the appointment of Wang Xiquan as Senior Executive Vice President and the adjustment of chairmen and members of some special committees of the Board of Directors, and debriefed the report on the structure of the Board of Directors. In accordance with its responsibilities and the Bank's development strategy, during the reporting period, the Nomination Committee assessed the structure of the Board of Directors of the Bank, reported the assessment results to the Board of Directors, and proposed continuous exploration and improvement in the construction of the talent reservoir for independent non-executive director candidates. The committee fully supported and assisted the decision-making of the Board of Directors.

The Compensation Committee held two meetings. In accordance with applicable regulations of the government as well as the strategic development plan and annual business plan of the Bank, the committee considered and approved three proposals on the payment of remuneration to Directors, Supervisors and Senior Management members for 2011 and performance evaluation plan for 2012, etc., and heard the report on the 2011 assessment report on the performance of duties of the directors by the Board of Directors. The Compensation Committee proposed that the compensation system should create more incentive to attract and retain qualified personnel and guarantee further development in the future and implementation of the internationalized development strategy of the Bank.

The Related Party Transactions Control Committee held seven meetings, considered seven proposals in respect of, among others, the identification of related parties of the Bank, and debriefed two reports on the identification of related parties of the Bank in 2011. The Related Party Transactions Control Committee received and reviewed related party transaction statistics and reporting information, promoted the optimization of related party transaction management system and the development of integration between the related party transaction management system and business system concerned, and put forth constructive suggestions on strengthening daily management of related parties and related party transactions.

## **2. Nomination and remuneration of the Senior Management members**

The Independent Non-executive Directors of the Bank reviewed the candidates for Senior Management members nominated by the President. During the reporting period, the Independent Non-executive Directors of the Bank considered the Proposal on the appointment of Wang Xiquan as Senior Executive Vice President of Industrial and Commercial Bank of China Limited and the plan regarding the payment of remuneration to Senior Management members according to performance evaluation for the year.

## **3. Implementation of information disclosure**

The Independent Non-executive Directors of the Bank carefully studied the laws and regulations and regulatory requirements on information disclosure in areas where the Bank are listed and paid attention to and participated in information disclosure management. Adhering to the customer-oriented principle and aiming at satisfying investors' needs and increasing transparency, the Bank constantly improved the information disclosure system through strengthening the management of information disclosure issues and optimizing the working mechanism. While ensuring legal and regulatory compliance of information disclosure, the Bank moderately enhanced voluntary disclosure and continued to expand the scope of information disclosure, to fully guarantee shareholders' right to information. During the reporting period, the Bank strictly implemented the Accountability System for Material Errors in Information Disclosure in Annual Report and the Administrative Measures of Industrial and Commercial Bank of China for Insider Information and Insiders, strengthened the sense of responsibility to further improve the quality of the annual report, and prevented insider trading to protect the interests of shareholders.

#### **4. Results announcement**

During the reporting period, the Independent Non-executive Directors of the Bank deliberated on the 2011 Annual Report, the 2012 Interim Report, the results announcement, etc., and focused on the authenticity, accuracy and completeness of the reports to ensure there were no false record, misleading statement or material omission.

#### **5. Implementation of internal control**

The Board of Directors of the Bank conducted a self-assessment on the effectiveness of the Bank's internal control during the reporting period in accordance with the Basic Standard for Enterprise Internal Control and its supporting guidelines, the Guidelines for Internal Control of Listed Companies issued by SSE and relevant supervisory requirements of CBRC. No material or significant deficiencies were detected in the Bank's internal control system during the assessment. Risks that may arise from ordinary deficiencies are closely monitored and corrective actions have been or are being taken, which have no material impact on the quality of operating activities and fulfillment of financial reporting objectives of the Bank. The self-assessment results suggested that the Bank's internal control system was sound and effectively implemented during the reporting period.

#### **6. Change of external auditors**

The Bank selected and appointed external auditors for the year of 2013 pursuant to the relevant regulations. The Independent Non-executive Directors of the Bank considered the Proposal on the Engagement of Auditors for 2013, and kept a close watch to the preparation of the engagement plan, bidding and evaluation, service content and fee of the bid winner, etc.

#### **7. Cash dividends and other return of investors**

The formulation and implementation of the Bank's cash dividend policy, which has been reviewed and approved by the Independent Non-executive Directors, accords with the provisions stipulated in the Articles of Association and the requirements provided in the resolutions of the Shareholders' General Meeting, the dividend distribution standards and proportion are clear and explicit, and the decision-making procedure and mechanism are mature. Minority shareholders can fully express their opinions and appeals by ways of participating in the Shareholders' General Meetings, exercising their voting rights, and making proposals or enquiries on operating activities, which completely safeguard their legal rights.

## **8. Use of funds raised**

The funds raised from the Bank's fundraising activities were used for the purposes as disclosed in the prospectuses, namely, strengthening the capital base to support the ongoing growth of the Bank.

## **9. Related party transactions**

The Independent Non-executive Directors of the Bank attached importance to related party transactions management. During the reporting period, the Independent Non-executive Directors deliberated on issues regarding the Bank's related parties, communicated and held discussions with related party transactions management departments, put forward comments and suggestions on daily management of related parties and related party transactions, and urged legitimate related party transactions in compliance with laws and regulations, to ensure the interests of the Bank and its minority shareholders.

## **10. External guarantees**

The Independent Non-executive Directors of the Bank reviewed external guarantees of the Bank on the principle of fairness, impartiality and objectivity, and issued Independent Non-executive Directors' Special Explanation and Independent Opinions on External Guarantees of the Bank, which will be disclosed in the 2012 Annual Report.

## **11. Commitments made by the Bank or its shareholders**

During the reporting period, the Bank and the shareholders holding 5% shares or above did not make any new commitments. As at 31 December 2012, all of the continuing commitments made by the shareholders were properly fulfilled.

## IV. Overall Evaluation

During the reporting period, the Independent Non-executive Directors of the Bank conscientiously abided with the laws, regulations and the Articles of Association of the Bank and earnestly performed their duties with loyalty and diligence with sound work ethic and outstanding professional quality. The Independent Non-executive Directors actively protected the interests of the Bank, shareholders and other stakeholders, exercised rights within the delegation, consciously accepted supervision, exercised their expertise fully, and came up with valuable comments and suggestions on work priorities of the Board of Directors. In conclusion, the Independent Non-executive Directors played an important role in further improving corporate governance, promoting business transformation, strengthening risk precaution and control and achieving steady development of the Bank.

It is hereby reported.

Independent Non-executive Directors:  
**Xu Shanda; Wong Kwong Shing, Frank; Malcolm Christopher McCarthy;  
Kenneth Patrick Chung; Or Ching Fai; Hong Yongmiao**

7 June 2013

Industrial and Commercial Bank of China Limited  
Annual General Meeting for the Year 2012  
Document VII

## **Report on the Implementation of the Plan on Authorization of the Shareholders' General Meeting to the Board of Directors in 2012 of Industrial and Commercial Bank of China Limited**

Dear Shareholders,

According to relevant provisions in the *Plan on Authorization of the Shareholders' General Meeting to the Board of Directors of Industrial and Commercial Bank of China Limited* (hereinafter the "Authorization Plan"), we have done a statistical analysis and summary of its implementation from January 1 to December 31, 2012.

Overall speaking, the Board of Directors of the Bank has strictly complied with the rules of the Authorization Plan, earnestly performed duties, made decisions on a scientific and prudential basis and exercising of powers within its authority. The Authorization Plan was carried out satisfactorily without any matter beyond the approval authority.

It is hereby reported.

Reported by: **Board of Directors of  
Industrial and Commercial Bank of China Limited**

7 June 2013