

INDUSTRIAL & COMMERCIAL BANK LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

To: All Shareholders

The Board of Directors of Industrial & Commercial Bank Limited wishes to make the following announcement:-

1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000

	GROUP			BANK		
	31.12.00 S\$'000	31.12.99 S\$'000	Incr/ (Decr) %	31.12.00 S\$'000	31.12.99 S\$'000	Incr/ (Decr) %
Interest income	206,921	188,921	9.5	206,148	187,802	9.8
Less: Interest expense	82,613	73,449	12.5	82,704	73,478	12.6
Net interest income	124,308	115,472	7.7	123,444	114,324	8.0
Dividend Income	330	731	(54.9)	1,052	1,450	(27.4)
Fee and commission income	10,530	10,528	-	10,290	10,068	2.2
Rental income	361	477	(24.3)	361	477	(24.3)
Other operating income	77,711	31,352	147.9	5,026	13,207	(61.9)
Income before operating expenses	213,240	158,560	34.5	140,173	139,526	0.5
Less: Staff cost	15,689	12,017	30.6	15,579	11,838	31.6
Other operating expenses	22,089	21,661	2.0	21,512	19,584	9.8
	37,778	33,678	12.2	37,091	31,422	18.0
Operating profit before provisions	175,462	124,882	40.5	103,082	108,104	(4.6)
Less: Provisions	18,195	84,476	(78.5)	18,476	85,534	(78.4)
Profit before taxation	157,267	40,406	289.2	84,606	22,570	274.9
Less: Taxation	28,560	9,316	206.6	22,882	7,686	197.7
Profit after taxation	128,707	31,090	314.0	61,724	14,884	314.7
Minority interests	(814)	458	(277.7)	-	-	-
Profit before extraordinary items	127,893	31,548	305.4	61,724	14,884	314.7
Extraordinary items	2,308	-	NM	11,986	111,642	(89.3)
Net profit attributable to members	130,201	31,548	312.7	73,710	126,526	(41.7)

Note : NM = Not Meaningful

2. SELECTED BALANCE SHEET DATA

	GROUP			BANK		
	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	<u>Incr/ (Decr)</u> %
(a) Assets						
Total assets	4,106,916	3,858,681	6.4	4,085,571	3,915,358	4.3
Loans and advances including trade bills (non-bank customers)	2,294,743	2,246,155	2.2	2,294,743	2,246,111	2.2
(b) Liabilities						
Deposits (non-bank customers)	3,015,631	2,681,378	12.5	3,015,480	2,681,358	12.5
Total deposits including bankers' deposits	3,097,337	2,975,826	4.1	3,097,489	2,982,414	3.9
(c) Capital and reserves						
Issued and paid-up capital	168,293	168,293	-	168,293	168,293	-
Total shareholders' funds	865,778	762,805	13.5	881,298	832,865	5.8

3. OTHER INFORMATION

	GROUP			BANK		
	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>31.12.00</u> S\$'000	<u>31.12.99</u> S\$'000	<u>Incr/ (Decr)</u> %
(a) Net profit attributable to members						
6 months ended 30 June	50,670	20,192	150.9	42,029	17,405	141.5
6 months ended 31 December	79,531	11,356	600.3	31,681	109,121	(71.0)
Total for the year	130,201	31,548	312.7	73,710	126,526	(41.7)
(b) Depreciation	1,023	1,840	(44.4)	1,023	1,029	(0.6)
(c) Net profit as a percentage of average total shareholders' funds (%)	16.0	4.2		8.6	16.3	
(d) Earnings per share (cents)	77.4	18.7		43.8	75.2	
(e) Net tangible asset backing per share (S\$)	5.14	4.53		5.24	4.95	
(f) The Bank did not issue any new share between 1 July 2000 and 31 December 2000.						

4. REVIEW OF PERFORMANCE

The Group achieved a record profit for 2000 with net profit after tax and extraordinary items reaching \$130 million. This represents a growth of \$98 million or 312.7% over last year's profit of \$32 million. The substantial growth in profit was mainly due to higher profit recognised from the sale of the Unity Towers which has been completed, lower provisions and higher net interest income resulting from higher loans volume and margin. These were partly offset by a loss on sale of investments as against a profit last year, higher staff expenses and increase taxation.

The Group's Non-Performing Loans (NPL) reduced by 19.6% from \$424 million in 1999 to \$341 million in 2000. Total Cumulative Specific and General Provisions for the Group amounted to \$262 million (1999 : \$280 million), covering 76.7% of the Group's NPL and 131.0% of the Group's NPL classified as Doubtful and Loss.

The Bank's extraordinary gains of \$12 million comprised the special pre-liquidation dividends from ICI and Gim Huat and the surplus arising from the liquidation of these two subsidiaries.

5. DIVIDEND

The Directors recommend the payment of a final dividend of 12% or 12 cents per share less 24.5% Singapore income tax (1999: 4% or 4 cents per share less 25.5% Singapore income tax) in respect of the financial year ended 31 December 2000. Together with the interim payment of 8% or 8 cents per share less 25.5% Singapore income tax paid previously, the total dividend for the financial year would amount to \$25.3 million (1999: \$10.0 million). If approved at the Annual General Meeting, the final dividend will be paid on 15 June 2001.

6. CLOSURE OF BOOKS

Notice is hereby given that, subject to shareholders' approval of the payment of the aforementioned dividend at the Annual General Meeting to be held on 24 May 2001, the Share Transfer Books and Register of Members of the Bank will be closed from 5 June 2001 to 6 June 2001, both dates inclusive. Duly completed transfers received by the Bank's Registrar, Lim Associates (Pte) Ltd at No. 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 up to 5.00p.m. on 4 June 2001, will be registered to determine shareholders' entitlement to the proposed dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (CDP), the final dividends will be paid by the Bank to CDP which will in turn distribute the dividend entitlements to shareholders.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 9th day of March 2001