

**INDUSTRIAL & COMMERCIAL BANK LIMITED**  
*(Incorporated In The Republic Of Singapore)*
**ANNOUNCEMENT**

To: All Shareholders

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

**1. UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2001**

	GROUP			BANK		
	<u>30.06.01</u> S\$'000	<u>30.06.00</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>30.06.01</u> S\$'000	<u>30.06.00</u> S\$'000	<u>Incr/ (Decr)</u> %
Interest income	99,162	101,611	(2.4)	99,640	101,190	(1.5)
Less: Interest expense	<u>38,693</u>	<u>39,087</u>	(1.0)	<u>37,327</u>	<u>39,179</u>	(4.7)
Net interest income	60,469	62,524	(3.3)	62,313	62,011	0.5
Dividend income	571	495	15.4	1,326	1,457	(9.0)
Fee and commission income	5,217	5,140	1.5	5,097	5,020	1.5
Rental income	822	203	304.9	195	203	(3.9)
Other operating income	<u>6,151</u>	<u>22,824</u>	(73.1)	<u>6,150</u>	<u>899</u>	584.1
Income before operating expenses	73,230	91,186	(19.7)	75,081	69,590	7.9
Less: Staff expenses	<b>6,350</b>	7,956	(20.2)	<b>6,310</b>	7,888	(20.0)
Other operating expenses	<b>11,821</b>	<b>10,649</b>	11.0	<b>10,831</b>	<b>10,088</b>	7.4
	<u>18,171</u>	<u>18,605</u>	(2.3)	<u>17,141</u>	<u>17,976</u>	(4.6)
Operating profit before provisions	55,059	72,581	(24.1)	57,940	51,614	12.3
Less: Provisions	<u>(6,762)</u>	<u>8,270</u>	(181.8)	<u>(6,762)</u>	<u>8,551</u>	(179.1)
Operating profit	61,821	64,311	(3.9)	64,702	43,063	50.2
Exceptional items <sup>(1)</sup>	-	974	(100.0)	-	15,510	(100.0)
Profit from ordinary activities before taxation	61,821	65,285	(5.3)	64,702	58,573	10.5
Less: Taxation	<u>12,682</u>	<u>13,503</u>	(6.1)	<u>12,726</u>	<u>15,369</u>	(17.2)
Net profit after tax	49,139	51,782	(5.1)	51,976	43,204	20.3
Less: Minority interests	-	814	(100.0)	-	-	-
Net profit attributable to members	<u>49,139</u>	<u>50,968</u>	(3.6)	<u>51,976</u>	<u>43,204</u>	20.3

Note : (1) The Group's exceptional item arose from the liquidation of a subsidiary, Industrial & Commercial Insurance Limited (ICI).  
The Bank's exceptional items comprised the special dividends from subsidiaries, ICI and Gim Huat Pte Ltd, prior to their liquidation and the surplus arising from the liquidation of ICI.

**INDUSTRIAL & COMMERCIAL BANK LIMITED**  
*(Incorporated In The Republic Of Singapore)*
**2. SELECTED BALANCE SHEET DATA**

	GROUP			BANK		
	<u>30.06.01</u> S\$'000	<u>30.06.00</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>30.06.01</u> S\$'000	<u>30.06.00</u> S\$'000	<u>Incr/ (Decr)</u> %
(a) Assets						
Total Assets	<b>4,125,454</b>	4,080,219	1.1	<b>4,041,336</b>	4,122,576	(2.0)
Loans and advances including trade bills (non-bank customers)	<b>2,353,956</b>	2,274,582	3.5	<b>2,353,956</b>	2,274,582	3.5
(b) Liabilities						
Deposits (non-bank customers)	<b>2,902,370</b>	2,834,575	2.4	<b>2,901,840</b>	2,834,567	2.4
Total deposits including bankers' deposits	<b>3,099,149</b>	3,156,892	(1.8)	<b>3,023,131</b>	3,142,507	(3.8)
(c) Capital and Reserves						
Issued and paid-up capital	<b>168,293</b>	168,293	-	<b>168,293</b>	168,293	-
Total shareholders' funds	<b>915,302</b>	812,837	12.6	<b>932,418</b>	874,894	6.6

**3. OTHER INFORMATION**

	GROUP			BANK		
	<u>30.06.01</u> S\$'000	<u>30.06.00</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>30.06.01</u> S\$'000	<u>30.06.00</u> S\$'000	<u>Incr/ (Decr)</u> %
(a) Depreciation (S\$'000)	<b>1,925</b>	508	278.9	<b>524</b>	508	3.1
(b) Annualised net profit as a percentage of average total shareholders' funds (%)	<b>10.9</b>	12.9	(15.5)	<b>11.4</b>	10.1	12.9
(c) Annualised earnings per share (cents)	<b>58.4</b>	60.6	(3.6)	<b>61.8</b>	51.3	20.5
(d) Net tangible asset backing per share (S\$)	<b>5.44</b>	4.83	12.6	<b>5.54</b>	5.20	6.5

(e) In 2001, the Group has adopted revised Statements of Accounting Standard (SAS) where applicable and certain comparatives have been restated accordingly.

(f) The Bank did not issue any new share between 1 January 2001 and 30 June 2001.

**4. REVIEW OF PERFORMANCE**

(a) The Group's net profit after tax for the first half 2001 decreased by S\$1.8 million or 3.6% to S\$49.1 million. The lower profit was primarily due to the progress profit from sale of the Unity Towers recognised in the first half 2000 and decrease in net interest income as a result of lower interest margin. These were partially offset by a write-back of provisions, lower operating expenses and profit on sale of investments as against a loss recorded over the same period last year.

(b) As at 30 June 2001, total Non-Performing Loans (NPL) for the Group were S\$306 million as compared with S\$341 million at 31 December 2000 and S\$390 million at 30 June 2000. Total cumulative Specific and General Provisions for the Group amounted to S\$253 million, covering 82.9% of the Group's NPL.

**INDUSTRIAL & COMMERCIAL BANK LIMITED**

*(Incorporated In The Republic Of Singapore)*

- (c) Total shareholders' funds of the Group increased by 12.6% to S\$915 million over 30 June 2000. The Group's non-bank loans recorded a growth of 3.5% to reach S\$2,354 million as compared with S\$2,275 million as at 30 June 2000.

**5. DIVIDEND**

The Directors are pleased to declare an interim dividend of 8% or 8 cents per share (2000 interim dividend: 8% or 8 cents per share) less 24.5% Singapore income tax in respect of the financial year ending 31 December 2001. The dividend will be paid on 31 August 2001.

**6. CLOSURE OF BOOKS**

Notice is hereby given that the Share Transfer Books and Register of Members of the Bank will be closed from 21 August 2001 to 22 August 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 5.00 pm on 20 August 2001, will be registered to determine shareholders' entitlement to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (CDP), the interim dividend 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 3rd day of August 2001