

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. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2001

	GROUP			BANK		
	<u>31.12.01</u> S\$'000	<u>31.12.00</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>31.12.01</u> S\$'000	<u>31.12.00</u> S\$'000	<u>Incr/ (Decr)</u> %
Interest income	198,487	206,921	(4.1)	199,394	206,148	(3.3)
Less: Interest expense	72,674	82,613	(12.0)	70,032	82,704	(15.3)
Net interest income	125,813	124,308	1.2	129,362	123,444	4.8
Dividend income	581	530	9.6	1,336	1,491	(10.4)
Fee and commission income	11,678	10,530	10.9	11,462	10,290	11.4
Rental income	2,850	361	689.5	514	361	42.4
Other operating income	11,973	77,478	(84.5)	11,298	4,793	135.7
Income before operating expenses	152,895	213,207	(28.3)	153,972	140,379	9.7
Less: Staff costs	12,851	15,689	(18.1)	12,783	15,579	(17.9)
Other operating expenses	25,214	22,089	14.1	23,067	21,512	7.2
	38,065	37,778	0.8	35,850	37,091	(3.3)
Operating profit before provisions	114,830	175,429	(34.5)	118,122	103,288	14.4
Less: Provisions	13,594	17,962	(24.3)	13,594	18,243	(25.5)
Operating profit	101,236	157,467	(35.7)	104,528	85,045	22.9
Exceptional items ⁽¹⁾	-	2,308	(100.0)	-	15,537	(100.0)
Profit from ordinary activities before taxation	101,236	159,775	(36.6)	104,528	100,582	3.9
Less: Taxation	20,065	28,613	(29.9)	20,111	26,554	(24.3)
Profit after taxation	81,171	131,162	(38.1)	84,417	74,028	14.0
Less: Minority interests	-	814	(100.0)	-	-	-
Net profit attributable to members	81,171	130,348	(37.7)	84,417	74,028	14.0

Note : (1) The Group's exceptional item arose from the liquidation of two subsidiaries, Industrial & Commercial Insurance Limited (ICI) and Gim Huat Private Limited.

The Bank's exceptional items comprised the special dividends from ICI and Gim Huat, prior to their liquidation and the surplus arising from the liquidation of these two subsidiaries.

INDUSTRIAL & COMMERCIAL BANK LIMITED
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2. SELECTED BALANCE SHEET DATA

	GROUP			BANK		
	<u>31.12.01</u> S\$'000	<u>31.12.00</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>31.12.01</u> S\$'000	<u>31.12.00</u> S\$'000	<u>Incr/ (Decr)</u> %
(a) Assets						
Total Assets	4,628,676	4,106,767	12.7	4,547,377	4,084,718	11.3
Loans and advances including trade bills (non-bank customers)	2,299,912	2,294,743	0.2	2,299,912	2,294,743	0.2
(b) Liabilities						
Deposits (non-bank customers)	2,907,178	3,015,631	(3.6)	2,906,300	3,015,480	(3.6)
Total deposits including bankers' deposits	3,579,986	3,097,337	15.6	3,502,142	3,097,489	13.1
(c) Capital and Reserves						
Issued and paid-up capital	168,293	168,293	-	168,293	168,293	-
Total shareholders' funds	937,358	880,876	6.4	954,697	895,692	6.6

3. OTHER INFORMATION

	GROUP			BANK		
	<u>31.12.01</u> S\$'000	<u>31.12.00</u> S\$'000	<u>Incr/ (Decr)</u> %	<u>31.12.01</u> S\$'000	<u>31.12.00</u> S\$'000	<u>Incr/ (Decr)</u> %
(a) Net profit attributable to members						
6 months ended 30 June	49,139	50,968	(3.6)	51,976	43,204	20.3
6 months ended 31 December	32,032	79,380	(59.6)	32,441	30,824	5.2
Total for the year	81,171	130,348	(37.7)	84,417	74,028	14.0
(b) Depreciation (S\$'000)	3,459	1,023	238.1	1,113	1,023	8.8
(c) Net profit as a percentage of average total shareholders' funds (%)	8.9	15.8	(43.7)	9.1	8.6	5.8
(d) Earnings per share (cents)	48.2	77.5	(37.8)	50.2	44.0	14.1
(e) Net tangible asset backing per share (S\$)	5.57	5.23	6.5	5.67	5.32	6.6

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

(g) The Bank did not issue any new share between 1 January 2001 and 31 December 2001.

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4. REVIEW OF PERFORMANCE

- (a) The Group's net profit for 2001 declined 37.7% to S\$81.2 million. However, if profit from the sale of SGX Centre (formerly known as Unity Towers) and exceptional income from the liquidation of two subsidiaries were excluded in 2000, net profit would have increased by 7.4%. Lower taxation and provisions, higher rental income (mainly from SGX Centre), and a marginal increase in net interest income (arising primarily from improved interest spread from non-bank loans and government securities) helped to partially offset the overall decline in net profit.
- (b) Total shareholders' funds of the Group rose by 6.4% to S\$937 million over 31 December 2000. The Group's non-bank loans increased marginally by 0.2% to S\$2,300 million as compared with S\$2,295 million as at 31 December 2000.

5. DIVIDEND

The Directors recommend the payment of a final dividend of 12% or 12 cents per share (2000 final dividend : 12% or 12 cents per share) less 24.5% Singapore income tax in respect of the financial year ended 31 December 2001 for approval by shareholders at the next Annual General Meeting to be convened. Together with the interim payment of 8% or 8 cents per share less 24.5% Singapore income tax paid previously, the total dividend for the financial year would be 20% or 20 cents per share amounting to a total net dividend payment of S\$25.4 million (2000 : S\$25.3 million).

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 31st day of January 2002