

**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 2000**

	GROUP			BANK		
	<u>30.06.00</u> S\$'000	<u>30.06.99</u> S\$'000	Incr/ (Decr) %	<u>30.06.00</u> S\$'000	<u>30.06.99</u> S\$'000	Incr/ (Decr) %
Interest income	101,611	92,013	10.4	101,190	91,467	10.6
Less: Interest expense	39,087	39,003	0.2	39,179	38,984	0.5
Net interest income	62,524	53,010	17.9	62,011	52,483	18.2
Dividends	95	86	10.5	63	6,340	(99.0)
Fee and commission income	5,140	4,792	7.3	5,020	4,451	12.8
Rental income	203	225	(9.8)	203	225	(9.8)
Other operating income	22,824	15,330	48.9	899	8,201	(89.0)
Income before operating expenses	90,786	73,443	23.6	68,196	71,700	(4.9)
Less: Staff expenses	7,956	5,981	33.0	7,888	5,852	34.8
Other operating expenses	10,649	10,645	-	10,088	9,130	10.5
	18,605	16,626	11.9	17,976	14,982	20.0
Operating profit	72,181	56,817	27.0	50,220	56,718	(11.5)
Less: Provisions	8,270	33,057	(75.0)	8,551	34,284	(75.1)
Net profit before tax	63,911	23,760	169.0	41,669	22,434	85.7
Less: Taxation	13,401	4,480	199.1	11,599	5,029	130.6
Net profit after tax	50,510	19,280	162.0	30,070	17,405	72.8
Less: Minority interests	814	(912)	NM	-	-	-
Net profit before extraordinary items	49,696	20,192	146.1	30,070	17,405	72.8
Extraordinary items	974	-	-	11,959	-	-
Net profit attributable to members	50,670	20,192	150.9	42,029	17,405	141.5

Note : NM=Not Meaningful

## 2. SELECTED BALANCE SHEET DATA

	GROUP			BANK		
	<u>30.06.00</u> S\$'000	<u>30.06.99</u> S\$'000	<u>Incr/</u> <u>(Decr)</u> %	<u>30.06.00</u> S\$'000	<u>30.06.99</u> S\$'000	<u>Incr/</u> <u>(Decr)</u> %
(a) Assets						
Total Assets	4,080,219	3,819,318	6.8	4,122,576	3,881,335	6.2
Loans and advances including trade bills (non-bank customers)	2,274,582	2,238,029	1.6	2,274,582	2,237,965	1.6
(b) Liabilities						
Deposits (non-bank customers)	2,834,575	2,719,768	4.2	2,834,567	2,719,734	4.2
Total deposits including bankers' deposits	3,156,892	2,947,658	7.1	3,142,507	3,057,676	2.8
(c) Capital and Reserves						
Issued and paid-up capital	168,293	168,293	-	168,293	168,293	-
Total shareholders' funds	812,837	761,679	6.7	874,894	733,740	19.2

## 3. OTHER INFORMATION

	GROUP			BANK		
	<u>30.06.00</u> S\$'000	<u>30.06.99</u> S\$'000	<u>Incr/</u> <u>(Decr)</u> %	<u>30.06.00</u> S\$'000	<u>30.06.99</u> S\$'000	<u>Incr/</u> <u>(Decr)</u> %
(a) Depreciation (S\$'000)	508	1,332	(61.9)	508	521	(2.5)
(b) Annualised net profit as a percentage of average issued capital & reserves (%)	12.9	5.4		9.8	4.8	
(c) Annualised earnings per share (cents)						
-Before EOI	59.1	24.0		35.7	20.7	
-After EOI	60.2	24.0		49.9	20.7	
(d) Net tangible asset backing per share (S\$)	4.83	4.53		5.20	4.36	
(e) The Bank did not issue any new share between 1 January 2000 and 30 June 2000.						

## 4. REVIEW OF PERFORMANCE

The Group's net profit after tax and extraordinary items increased by \$30.5 million or 151.0% to \$50.7 million compared to the first half of 1999. This increase was mainly due to higher profit recognised from the progress receipts from the sale of the Unity Towers (previously known as Singapore Exchange Centre), 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 for the first half of 1999. The extraordinary gain of \$1 million at the Group level, arose from the liquidation of a subsidiary, Industrial & Commercial Insurance Limited (ICI).

As at 30 June 2000, total Non-Performing Loans (NPL) for the Group were \$390 million as compared with \$424 million at 31 December 1999 and \$382 million at 30 June 1999. Total cumulative Specific and General Provisions for the Group amounted to \$280 million, covering 71.8% of the Group's NPL.

The Bank's extraordinary gains of \$12 million 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.

**5. DIVIDEND**

The Directors are pleased to declare an interim dividend of 8% or 8 cents per share (1999 interim dividend: 4% or 4 cents per share) less 25.5% Singapore income tax in respect of the financial year ending 31 December 2000. The increase in dividend is in line with our capital management strategies. The dividend will be paid on 1 September 2000.

**6. CLOSURE OF BOOKS**

Notice is hereby given that the Share Transfer Books and Register of Members of the Bank will be closed from 23 August 2000 to 24 August 2000, 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 22 August 2000, 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 4<sup>th</sup> day of August 2000