



中國工商銀行(亞洲)
ICBC (Asia)

To: Finance Editor

For Immediate Release

Industrial and Commercial Bank of China (Asia) Limited
Merges with Belgian Bank
Synergy supports wider and more robust business development

12 October 2005, Hong Kong – Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)”) announced that it has completed the merger with Belgian Bank, including legal proceedings and the consolidation of the operation and IT systems. Belgian Bank has changed its name to “Industrial and Commercial Bank of China (Asia) Limited”, with effect from 10 October 2005

ICBC (Asia) Managing Director and Chief Executive Officer Mr Zhu Qi said, “After over a year of cooperation, I am pleased to witness the completion of the integration exercise and it depended on the concerted effort of the staff of the two banks and their professionalism and teamwork. This merger opens a new chapter in the development of ICBC (Asia). Belgian Bank’s competitive edge in retail banking and SME business complements well with the strength of ICBC (Asia) in corporate banking, and lends support to our quest for further business diversification.”

In the future, ICBC (Asia) will capitalise on the combined strength with Belgian Bank to optimise its business structure and open up new vistas of business development in a bid to achieve even greater return for its shareholders. It is the Bank’s goal to increase its return on equity from the current 11.4% to 15%. The merger is also expected to achieve synergy and steadily reduce the aggregated operation cost, and also to lower the cost-to-income ratio from the current 44.9%.

Moreover, the consolidated ICBC (Asia) will ride on the dominant presence and wide connection of its parent – Industrial and Commercial Bank of China – in the China market to establish closer ties with quality enterprises in Mainland China, thereby helping them tap into the equities market in Hong Kong for fund raising and further corporate development. ICBC (Asia) will also actively develop capital market related businesses. Last year, ICBC (Asia) acquired Chinese Mercantile Bank from its parent bank to proactively explore the Mainland

market, paving the way for the launch of Renminbi business. With the successful merger with Belgian Bank, ICBC (Asia) will devote more resources to the further diversification of its banking services.

ICBC (Asia) has acquired from the Fortis Group the retail and commercial banking businesses of Fortis Bank Asia HK. The transaction was completed on 30 April 2004. Fortis Bank Asia HK was renamed Belgian Bank and became a wholly-owned subsidiary of ICBC (Asia) with effect from 1 May 2004.

After the merger and re-naming, the retail network of ICBC (Asia) has increased from 20 branches to 42. Moreover, through the enhancement of the computer system platform and the introduction of a new client relationship management system, ICBC (Asia) will be able to better serve its clients with enhanced banking products and services. On the basis of total assets value, ICBC (Asia) has become the sixth largest listed bank in Hong Kong. With total assets worth over HK\$107 billion, the bank's capital adequacy ratio is around 16%. Employing over 1,300 staff, ICBC (Asia) is well positioned to expand the scale and scope of its retail and commercial banking service.

After merging with Belgian Bank, ICBC (Asia) has significantly enhanced its ability to cross sell with clients and expand its geographical stretch to Hong Kong, Mainland China and Europe. With Belgian Bank's extensive European network, ICBC (Asia), as the overseas business flagship of the Industrial and Commercial Bank of China, will lead the way to explore business opportunities in Europe. On the other hand, ICBC (Asia) will ride on the rapid growth and globalisation of the Mainland China economy to provide clients with enhanced and more diversified across-the-border financial products and services.

Mr Zhu pointed out, "Since the acquisition of the Union Bank of Hong Kong, and its change of name to ICBC (Asia), the Bank has established a firm foundation in Hong Kong in the past four years. Now, coupled with the strength of Belgian Bank in retail and SME banking as well as its extensive network in Europe, ICBC (Asia) will continue to sharpen its competitive edge in China, Hong Kong and Europe and explore new business opportunities. We are very optimistic about the prospects of ICBC (Asia)."

After the merger, ICBC (Asia) will continue to expand and optimise its retail network, with branches to be relocated to more convenient locations, the scope of service diversified, and its Internet banking, telebanking and ATM services enhanced. The special hotline for

different telephone financial services has been combined into one line – 218 95588. This hotline is also supported by the robust network of its parent bank. Clients in Mainland China need only to press a local number 95588 to be connected to the hotline in Hong Kong, without long-distance call charges. Thus, clients can now enjoy an even more convenient and reliable banking service in parallel with the comprehensive development of the retail banking services.

Upon completion of the merger, ICBC (Asia) is now equipped with five commercial business centres for the convenience of its commercial clients, advancing its niche in the SME sector.

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Industrial and Commercial Bank of China (Asia)

The Industrial and Commercial Bank of China (Asia) is a licensed bank incorporated in Hong Kong, and is listed on the Stock Exchange of Hong Kong (stock code: 0349). The Bank has in Hong Kong a total of 42 branches, five dedicated commercial business centres and one investment service centre. Its is principally engaged in banking, financial, and other financial services, with focus on commercial banking, retail banking and corporate banking. As the largest commercial bank in China, Industrial and Commercial Bank of China's banking flagship in Hong Kong – ICBC (Asia) – is now ranked sixth among Hong Kong's listed banks in terms of total asset value. On 16 April 2004, ICBC (Asia) was assigned A2/Prime-1 long-term/short-term deposit ratings and D Bank Financial Strength Rating by Moody's Investors Service.