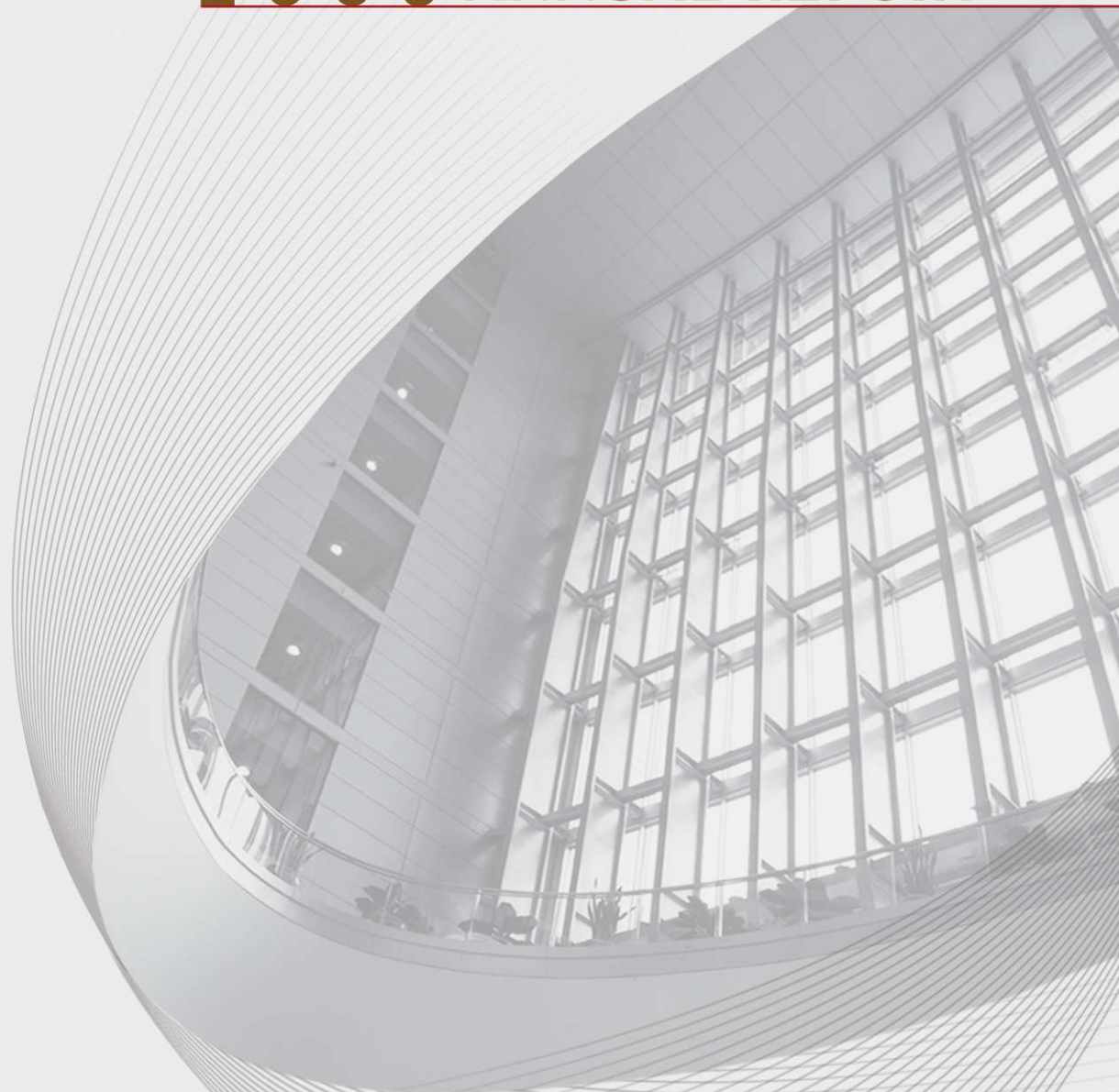
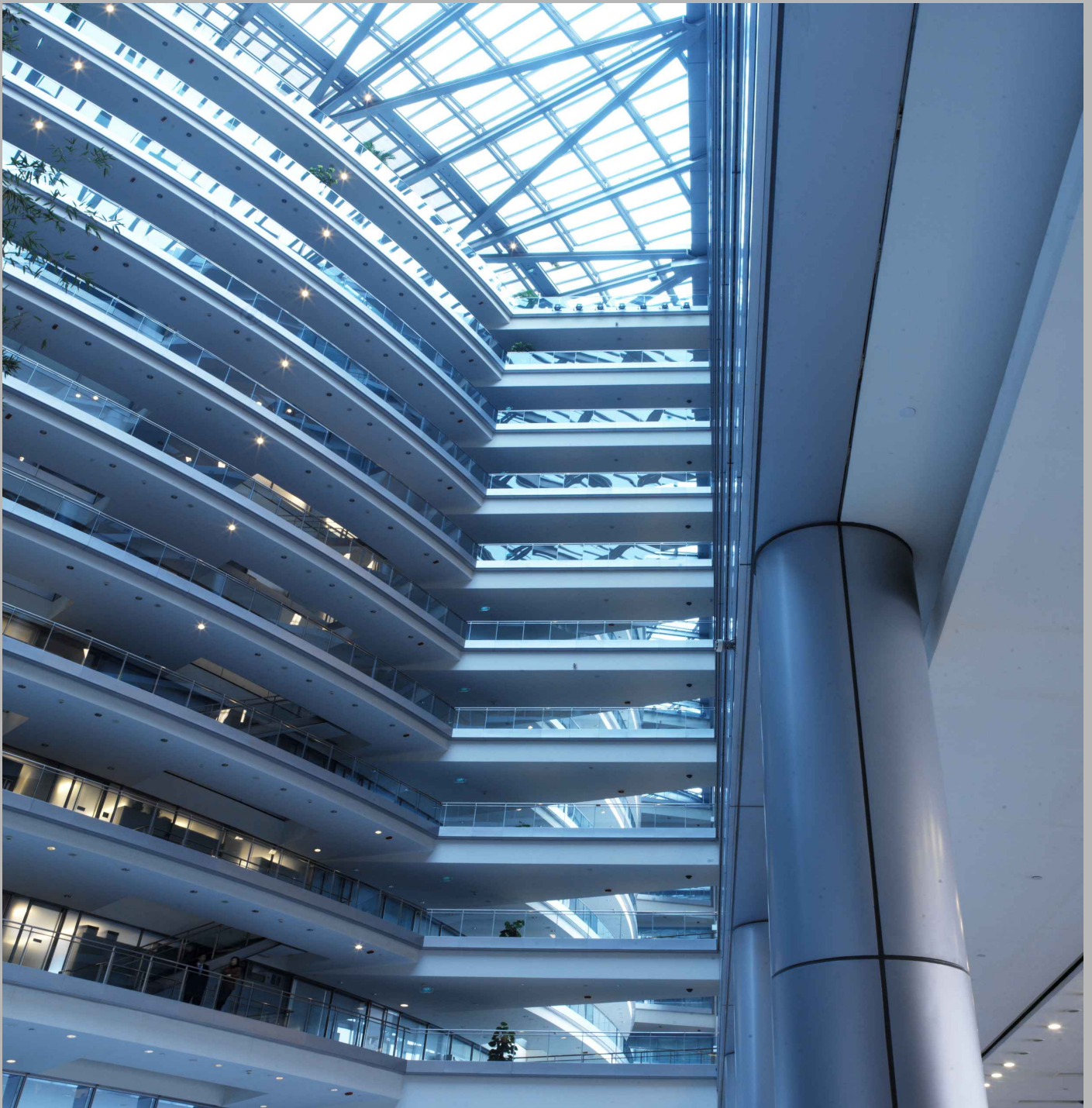


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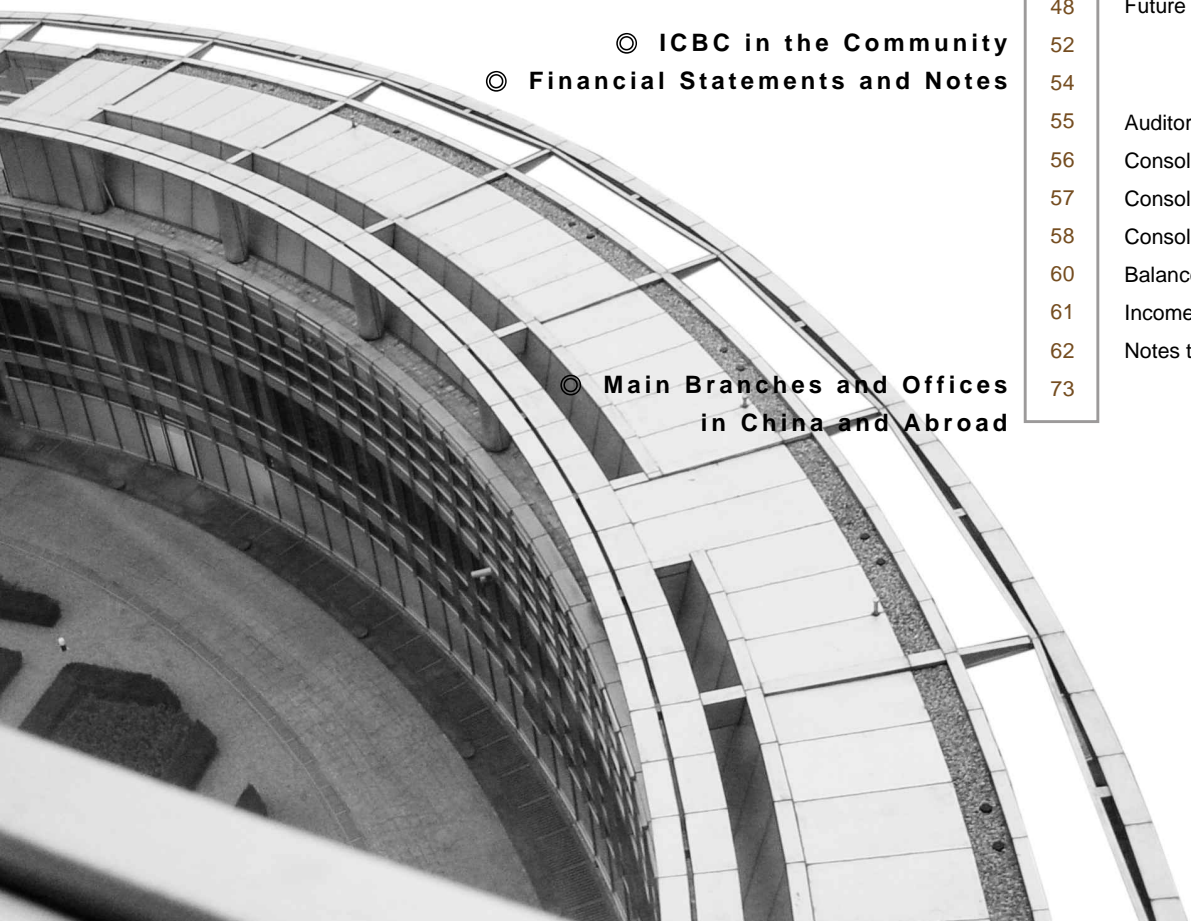


Industrial and Commercial Bank of China was formed on January 1, 1984. It is the largest commercial bank in China. As of the end of 2003, the Group's total assets amounted to RMB 5,279.1 billion, which was equivalent to 19% of total assets of all financial institutions within the Chinese banking industry, and enabled the Group to keep the largest market share in all major commercial banking business areas of China.

Industrial and Commercial Bank of China provides millions of corporate customers and more than 100 million individuals with the most convenient banking services through its 24,129 domestic outlets, 70 overseas institutions, 1,023 correspondent banks worldwide and leading information technology and electronic network.



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ICBC

RETROSPECTION OF 20 YEARS

Since its formation in 1984, twenty years of hard work and development has established the Industrial and Commercial Bank of China as one of the major banks in China. Its diversified financial products, its excellent banking services, its consistent and stable business operations and management, and its extensive business network across the world contribute to its leading position, outstanding competitive edge and well-established reputation.

- Industrial and Commercial Bank of China (“ICBC” or the “Bank”) was founded in January 1984 with registered capital of Renminbi (“RMB”) 20.8 billion and total assets of RMB 333.3 billion. By the end of 2003, the equity of the Group reached RMB 170.5 billion and the total assets were RMB 5,279.1 billion. ICBC ranks as the biggest commercial bank in China with respect to its scale of assets, and its largest base of corporate customers and individual customers.

- In October 1984, the branches of the Bank in Shenzhen, Zhuhai and Xiamen piloted the business of foreign currency deposits and foreign exchange credit. By the end of 2003, the Bank was able to provide a full range of foreign currency services and ranked second on the mainland for foreign currency services.

- In October 1989, the Bank, for the first time, issued its “Peony” Credit Card. In June 1996, the Bank issued “Peony” International Credit Card. The Bank has the leading position in terms of distribution of credit cards, spending volume on bank cards, cross-bank clearing and other aspects.

- In March 1992, the first overseas representative office of ICBC was set up in Singapore and was upgraded to an operational branch in September 1993. By the end of 2003, the Bank had 70 overseas institutions and 1,023 correspondent banks in 105 countries and regions all over the world.

- In March 1996, the Bank launched the business of home mortgages to the public. In the years following, the Bank introduced consumer credit products in twelve categories. Personal consumer loans grew by 92% each year. By the end of 2003, the balance of personal consumer loans reached RMB 407.5 billion, making the Bank the biggest provider in China of consumer credit.

- In March 1998, the Bank was approved by China Securities Regulatory Commission (“CSRC”) to become the custodian to the Kaiyuan Investment Fund and Jintai Investment Fund, making the Bank the first bank to qualify as custodian of funds in China. By the end of 2003, the Bank was qualified to act as custodian for eleven businesses in six categories including social security fund, securities, trust, insurance, QFII assets and industry funds. ICBC holds the most comprehensive business qualifications and the largest amount of assets under custody in China.

- In February 1998, through acquisition the Bank joined Bank of East Asia in Hong Kong in establishing Industrial and Commercial East Asia Finance Holdings Ltd., with ICBC holding 75% share of the entity. In April 2000, the Bank acquired Union Bank in Hong Kong and renamed it as Industrial and Commercial Bank of China (Asia) Ltd. (referred to as “ICBC (Asia)” for short). After a series of successful capital restructuring, the total assets of ICBC (Asia) jumped from the 10th to the 6th position in Hong Kong, thus enhancing its strength and profit generating ability.
- In December 1997, the website of www.icbc.com.cn of the Bank was put into operation. In September 1999, the Bank introduced the national standard “95588” telephone banking service. In February and August of 2000, the Bank opened its internet corporate banking and internet personal banking services separately. In 2003, the transaction volume of the electronic banking business of ICBC took the leading position in China.
- In August 1998, ICBC was able to raise its Capital Adequacy Ratio through purchasing a special treasury bond of RMB 85.0 billion issued by the Ministry of Finance (“MoF”). In March 2000, the Bank transferred non-performing assets of RMB 407.7 billion to China Huarong Asset Management Corporation, which further improved the asset quality of the Bank.
- In May 1999, the Bank put a new Remittance and Clearing System into operation. By the end of 2003, ICBC had 45% share of the RMB clearing market, making it the biggest clearing bank in China.
- In September 1999, the Bank started its Data Center Consolidation Project. The Bank established two state-of-the-art large-scale data centers in Beijing and Shanghai, accomplishing the consolidation of its nationwide data centers and ICBC is widely regarded as the commercial bank in China with the most advanced technology.
- In June 2000, the Bank started to implement total cost control measures. During the past four years, the Bank closed 12,779 banking outlets and reduced its head count by 151,133. This contributed to profit increasing by RMB 153.1 billion.
- In November 2000, the Bank founded a centralized Bills Finance Center in Shanghai, the first nationwide specialized bills operation in China. In May 2002, ICBC Peony Card Center was set up, which is the first nationwide specialized bank card operation in China. The internal corporate-oriented restructuring of the Bank entered a new phase.
- In January 2002, the Bank signed an agreement with Ernst & Young to have independent audits of the branches of the Bank in Shanghai and Zhejiang. In 2003, such independent audits were extended to six branches. The Bank became the first state-owned commercial bank to engage internationally known certified public accountants firm to conduct independent audits.



Financial Highlights

Unit: RMB million,%

ITEM	ICBC Group ¹			ICBC		
	2003	2002	Growth Rate	2003	2002	Growth Rate
Operating Results						
Operating profit ²	63,544	44,850	41.68	62,603	43,917	42.55
Total profit ³	2,658	6,902	-61.49	2,110	6,217	-66.06
Interest income	162,839	154,875	5.14	161,452	153,778	4.99
Interest expense	64,297	70,113	-8.30	63,845	69,547	-8.20
Net-interest income	98,542	84,762	16.26	97,607	84,231	15.88
Non-interest income	11,496	8,592	33.80	10,888	7,402	47.10
Balance Sheet Items						
Total assets	5,279,120	4,776,773	10.52	5,239,963	4,734,236	10.68
Loans	3,392,937	3,002,283	13.01	3,346,923	2,957,837	13.15
Total liabilities	5,106,167	4,594,767	11.13	5,069,824	4,556,381	11.27
Deposits	4,606,202	4,100,517	12.33	4,568,164	4,056,898	12.60
Owner's equity ⁴	170,501	178,208	-4.32	170,139	177,855	-4.34
Ratios(%)	Change in percentage points			Change in percentage points		
Operating profit/total assets	1.20	0.94	0.26	1.19	0.93	0.26
Operating profit/owner's equity	37.27	25.17	12.10	36.80	24.69	12.11
Interest income from loans/total income	71.69	72.96	-1.27	71.90	73.13	-1.23
Interest expenses on deposits/total expenses	33.74	39.75	-6.01	33.73	39.84	-6.11
Cost/income ⁵	59.81	56.37	3.44	59.93	56.55	3.38
NPL Ratio (Five - Category Classification) ⁶	21.24	25.41	-4.17	21.51	25.69	-4.18

Notes: 1. Refer to Page 62 "NOTES TO FINANCIAL STATEMENTS"; 3. *The Basis of Preparation of The Financial Statements*—(2) The scope of consolidation;
 2. Refer to Page 27 "Financial Review";
 3. Total profit in 2003 decreased because 95.8% of the Operating Profit has been used for provisioning and special risk assets write-off;
 4. Refer to Page 70 "Notes to the Significant Items of the Consolidated Financial Statements":(15) Owner's Equity;
 5. Without the special risk assets write-off impact, the cost/income ratio for ICBC Group and ICBC would have been 42.03% and 41.98% respectively, representing a decrease of 5.93 and 6.01 percentage points compared to 2002;
 6. Refer to Page 36 "Credit Risk Exposure".