

ICBC

Honored "2013 Best Bank in China" by Finance Asia

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The FinanceAsia magazine recently announced the winners of its 2013 Country Awards. ICBC was named "Best Bank in China" for the sixth year since nominated for the ranking. ICBC won the title primarily credited to its good performance, consistent reform and innovation as well as solid market position.

Over the past year, despite challenging economic and financial conditions at home and abroad, ICBC delivered good performance by steadily pushing forward business transformation. ICBC's solid financial position was further improved, backed by expanding asset scale, increasing net profitability, higher return on equity and falling non-performing loan ratio. ICBC kept its commitment to serve the real economy by providing active support to advanced manufacturing, service, cultural and strategic emerging industries, improving financial services for small-and-medium enterprises, especially micro-and-small enterprises, as well as expanding financing access with tools such as financial leasing, bond issuance and syndicated loan. On another front, ICBC upgraded its outlet environment and functions with focus on electronic banking, which is now industry-leading in terms of the number of customers, transaction volume and e-banking replacement rate. ICBC also overhauled and optimized its business process to improve service efficiency and customer experience.

Wells Fargo deposes China's ICBC as world's biggest bank

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The Industrial & Commercial Bank of China, a symbol of the country's financial might, has been deposed as the world's largest bank by market capitalization, data showed Wednesday.

ICBC's six-year reign as the world's biggest bank began in July 2007, and its value peaked at \$374 billion in November that year thanks to China's rapid economic expansion.

But Wells Fargo & Co. of the United States is now worth \$236 billion, according to the New York Stock Exchange, where it is listed, while Chinese figures show ICBC's value has fallen to around \$223 billion.

“As the US economy recovered after the crisis, the rebound of the real estate sector supported the recovery of Wells Fargo,” said Lu Zhengwei, an economist with the Industrial Bank, which has no connection to ICBC.

San Francisco-based Wells Fargo has retained the top spot since taking it over on July 12.

The bank is the biggest retail mortgage lender in the United States, with 9,000 branches and 270,000 employees worldwide.

The shift comes at a time when China, the world's second largest economy, is losing steam.

China's gross domestic product expanded 7.5 percent year-on-year in the April-June period, slowing from 7.7 percent in the previous three months.

A liquidity crunch last month also exposed risks in the Chinese banking system, when a shortage of funds on China's interbank market sent the interest rates banks charge to lend to each other to record highs.

The development raised worries over the health of the financial sector and sent banking stocks into a tailspin.

China last week also announced a long-awaited interest rate liberalisation, removing a floor on banks' lending rates, but the move sparked worries that narrower interest margins could erode earnings.

“The slowdown in China's economy, coupled with the pressure from China's interest rate liberalisation, has led to very low valuations of Chinese banks,” said Lu of the Industrial Bank.

Last year, ICBC's net profit rose 14.5 percent to 238.7 billion yuan (\$38.9 billion). The bank has 17,125 domestic branches and claims nearly 400 million corporate and individual customers, according to its website.

No-one from ICBC was immediately available to comment to AFP.

On Wednesday, ICBC closed down 0.25 percent at 3.92 yuan (\$0.64) in Shanghai but up 0.78 percent at HK\$5.14 (\$0.66) in Hong Kong.

Wells Fargo closed down 0.13 percent at \$44.57 on Tuesday.