



ICBC to Expand in Europe With Paris, Madrid Branches - European HQ in Luxembourg

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Industrial and Commercial Bank of China Ltd., the world's biggest lender, said its European expansion is a sign of confidence in the continent's future and marks a step in its long-term goal of becoming a global bank.



ICBC Europe SA, the Luxembourg-based subsidiary of ICBC, is opening branches in Amsterdam, Brussels, Madrid, Milan and Paris this week or the next, doubling its presence in Europe to nine countries.

"We are the biggest bank in China and we have to follow our customers, who are increasingly operating abroad," Chairman Jiang Jianqing told reporters in Luxembourg today. "Our long-term goal is to become a truly global bank."

Chinese lenders are facing tighter limits on loan growth in their home market as the nation seeks to contain the fastest inflation in more than two years. Bilateral trade between the European Union and China surged 33 percent to 286.8 billion euros (\$381.2 billion) in the nine months through September, according to data from the EU's statistics office. That compares

with a 19.9 percent expansion of outstanding loans in China last year, according to the nation's central bank.

While Beijing-based ICBC is offering universal banking services in Europe, including deposits, loans, settlement, trade finance and investment banking, the initial focus will be on commercial-banking services to Chinese customers and, in a later stage, to European exporters.

"It will take us a lot of time to serve all of the Chinese companies that are active in Europe," Chen Fei, general manager of the Brussels branch, said in an interview. "We will also try to win business with Belgian companies who have activities in China."

Chen also said Belgian banks shouldn't worry about ICBC's pricing strategy in the country because all of the company's foreign businesses should be profitable. He added it will be "difficult" to reach ICBC's return-on-equity ratio in Europe.

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