## ICBC business background

**1.**ICBC business background: INDUSTRIAL AND COMMERCIAL BANK OF CHINA, referred to as ICBC. Established on January 1, 1984. The head office is located at No. 55, Fuxingmennei Street, Beijing. It is a large state-owned bank managed by the central government and a national vice-ministerial unit. The basic task of Industrial and Commercial Bank of China is to raise social funds through financing activities at home and abroad in accordance with national laws and regulations, strengthen credit fund management, support enterprise production and technological transformation, and serve my country's economic construction.

In February 2017, Brand Finance released the 2017 Global 500 Brand List, and Industrial and Commercial Bank of China ranked 10th. On June 20, 2018, the "China's 500 Most Valuable Brands" analysis report was released, and Industrial and Commercial Bank of China ranked fourth. In July 2018, the British "The Banker" magazine released the list of the top 1000 global banks in 2018, and the Industrial and Commercial Bank of China ranked first. In 2018, the Fortune Global 500 ranked 26th. On December 18, 2018, the "2018 World Top 500 Brands" compiled by the World Brand Lab was announced, and the Industrial and Commercial Bank of China ranked 43rd. On June 26, 2019, 8 banks including the Industrial and Commercial Bank of China launched the first batch of online enterprise information verification systems.

In July 2019, it was selected as one of the Fortune Global 500 in 2019, ranking 26. In December 2019, Industrial and Commercial Bank of China was selected as one of the top 100 brands in the 2019 China Brand Power Ceremony. On December 18, 2019, the People Daily released the China Brand Development Index 100 list, and the Industrial and Commercial Bank of China ranked 9th. On January 4, 2020, won the 2020 "Finance" Evergreen Award "Sustainable Development Benefit Award". In March 2020, it was selected as the 6th place in the 2020 Global 500 Brand Value. In August 2020, the Fortune Global 500 list was released, and the Industrial and Commercial Bank of China ranked 24th. On September 28, 2020, it was selected as one of the top 500 Chinese companies in 2020, ranking fifth.

**2.SWOT:**

**Strengths:**

(1) Diversified development of business structure. The business structure of Industrial and Commercial Bank of China mainly includes three categories: liability business, asset business and intermediary business. While maintaining the steady development of its traditional deposit and loan business, ICBC has gradually increased the development of various intermediary businesses.

(2) Reasonable layout of marketing network. As of the end of 2013, Industrial and Commercial Bank of China had 408,859 employees. Through 16,476 domestic institutions, 203 overseas institutions, more than 1,562 correspondent banks all over the world, and distribution channels such as online banking, telephone banking, and self-service banking, it had distributed 47.35 million corporate customers and 432 million individual customers provide a wide range of financial products and services, basically forming a cross-market "internationalized business pattern with commercial banks as the main body, and maintaining a leading position in the domestic market in most commercial banking business areas."

(3) Maintaining leading technical means. Over the past 20 years since its establishment, Industrial and Commercial Bank of China has always attached great importance to the application of new technologies such as information and communication in the financial industry. Through continuous development and innovation, it has built a strong foundation of information technology and established a highly centralized and unified electronic service system. The informatization gap is narrowing day by day, and it maintains a leading level in the domestic banking industry.

(4) Electronic services are in full swing. With the strong support of information and communication technology, especially network technology, Industrial and Commercial Bank of China has continued to innovate and expand service channels, creating a multi-functional electronic banking system such as online banking, telephone banking, mobile banking, and self-service banking, and launched 95588 And the "financial e-channel" boutique brand.

(5) Economies of scale reduce costs. The Industrial and Commercial Bank of China is the largest commercial bank in China by assets. The cost-to-income ratio of ICBC is not only significantly lower than that of China Merchants, Minsheng and other joint-stock listed banks, but also lower than that of large banks such as China Construction Bank and Bank of China.

It fully reflects the cost-saving effect brought by the advantage of scale.

**Weaknesses**

(1) Legacy problems hinder development. First, there are system shortcomings. Affected by the imperfect reform of my country’s economic system, the government-led Industrial and Commercial Bank of China’s system, which was born out of a planned economic system, also has obvious shortcomings. limited. Secondly, the technology is backward. Compared with advanced international banks, ICBC's intermediary business service methods are still relatively backward, and the supporting capabilities of the computer application software of the accounting system "Management Information System" and "Communication Network" need to be further improved and improved.

(2) The business philosophy is relatively conservative. Industrial and Commercial Bank of China's operating income mainly relies on income from deposit and loan spreads, and it has not established an intermediate business development strategy. At present, ICBC’s operating income mainly relies on the income from deposit and loan spreads. The upper-level bank’s assessment of the lower-level banks is mainly based on the scale of loans, supplemented by the assessment of asset quality indicators. The performance appraisal of high-level operators is not very relevant, leading to insufficient attention to the development of intermediate business at all levels and weak promotion.

(3) Personality differences are not obvious enough. First, the brand logo design lacks distinctive personality. At present, ICBC's brand building is still at a relatively shallow stage such as advertising and signboard, logo and pattern design. The similarities with other banks are more serious, and the role of differentiation is not obvious. Secondly, the product brand name lacks a distinctive personality. The naming of ICBC product brands lacks distinctive personality and lacks cultural content. The third product brand planning ignores market demand. Brands such as corporate online banking "financial e-channel" and "financial e-station communication" are all designed from the product and service channels provided by the bank and are not positioned from the perspective of customer needs.

(4) Ineffective implementation of integrated management. At present, the marketing and management functions of the ICBC brand are scattered among different departments. Each professional department claims to be a system, resulting in the phenomenon that multiple departments are in charge and there is no real bank-wide band leader, resulting in the separation of brand management and business operations. It is difficult for marketing to form a benign connection with social needs and lack of continuity in customer service.

(5) The quality of employees is insufficient. At present, the outstanding staff of ICBC are still concentrated in the credit department. Not only is the number of intermediary business employees small, but the talent structure is also unreasonable, and there is an obvious shortage of high-quality professionals.

(6) Weak innovation and development measures. Innovation is vital to my country's economic development. Although ICBC has also implemented a series of innovative development measures, it still lacks compared with foreign banks. ICBC’s current international business still has many links, slow speed, low efficiency, and long time for funds in transit, which increases the exchange rate risk of customers.

To compete with capital banks.

**Opportunities**

(1) Continuous innovation of technological means the continuous innovation of technological means has injected new impetus into the development of ICBC's intermediary business. Financial networking provides a strong technical support and innovation foundation for ICBC to develop its intermediary business. The emergence of network technology and online banking provides a more effective means for the development of ICBC's intermediary business.

(2) The pace of integrated operations is accelerating! With the continuous acceleration of the pace of integrated operations in my country’s financial industry, this advantage of ICBC will gradually be transformed into a winning trend. In the future, various financial enterprises under ICBC can realize important "information" channels for customers. Sharing resources, creating an all-round financial business platform, and becoming one of the most important financial companies under China's future integrated management structure.

(3) The prospects for overseas expansion are broad! With the rapid development of my country's economy, after domestic enterprises go abroad, there is an urgent need for domestic financial institutions to go out to serve them, and the pace of international operations of domestic commercial banks will be greatly accelerated.

**Threats**

(1) There are dead ends in legal supervision. With the increase in financial innovation activities, the business distinction between financial institutions has become blurred, and business overlaps have gradually increased, and "innovation" and "violation" are only a matter of thought. This situation has caused the Industrial and Commercial Bank of China to lack standardized and clear guidance when developing intermediate business here, and it is difficult to let it go.

(2) There are many risks in the intermediary business. The draft of the New Basel Capital Accord released in 2001 expanded the scope of capital constraints to five major risks including market risk, credit risk, liquidity risk, operational risk and legal risk! With the development of ICBC’s intermediate business types with continuous expansion and increasing product complexity, the five major risks are hidden in the intermediate business, and we must keep a close watch.

(3) Foreign banks bring shocks. After China's accession to the WTO, the financial industry has gradually opened to the outside world, and a large number of foreign banks will inevitably flood into my country's financial market. When foreign banks entered China, they used intermediary business as the "entry point" to enter my country's financial sector. Then, relying on their advantages, they may soon occupy the domestic bank loan business and gradually expand their business scope and business varieties.

(4) Professional talents quit foreign companies. ! With the further opening of China's banking industry, it is inevitable that Chinese and foreign banks compete for senior talent. For the sake of exploring the domestic market, foreign banks will attract many outstanding management and professional talents in the domestic banking industry, which will have a certain impact on the operation and management of domestic banks.

**3.4PS**

**Products:** bank card business, electronic banking, telephone banking, corporate finance, personal finance, and financial derivatives.

**Price:** The price is based on national standards. Financial products fluctuate with the market.

**Promotion:** Irregularly reduce free fees and increase interest rates. Do welfare activities for customers.

**Place:** All private customers and corporate customers.

**Strategy:** To build the most profitable, best, and most respected international first-class modern financial enterprise.

**4.**Provide excellent financial services. Customer service. Return to shareholders. Achieve employees. Contributing to society. Build the most profitable, best, and most respected international first-class modern financial enterprise.