

Press Release

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The China Awards Programme 2011

Bank of Harbin Wins Best SME Banking Award (City Commercial Bank)

- *Bank of Harbin wins Best SME Banking Award*
- *Bank of Harbin has strong business growth and risk management policies*
- *Over 90 banks and financial institutions across China were evaluated as part of the China Awards Programme*

Singapore, March 26th 2011 –Bank of Harbin wins the award for the Best SME Banking for 2011. The bank received the award at The Asian Banker Gala night, held in conjunction with The Asian Banker China International Banking Convention, China's largest annual meeting of decision makers and senior professionals in the financial services industry and the foremost forum for engaging on global and domestic themes bringing together international thought leaders and industry specialists. The Awards Night is a gathering of domestic institutions that have excelled in Retail Financial Services, Technology and Risk Management, held at the Westin Hotel (Financial Street) in Beijing on May 26th, 2011.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind in China

A stringent two-month evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various banks in the region is attached.

Bank of Harbin wins Best SME Banking Award

Bank of Harbin is revered in the region for its loans services for small and medium-sized enterprises (SME), deposits in domestic currencies, including checking accounts, savings accounts, portfolio management, foreign exchanges, and electronic banking services. The bank has total assets valued to be at least \$13.5 billion (RMB 84.5 billion).

Bank of Harbin has strong business growth and risk management policies

Bank of Harbin witnessed an exciting and transitional year in business progress and growth in 2010. The bank took serious initiatives in expanding its SME segment with its small enterprises transformation program. From this program, the bank successfully established the small enterprises finance department in its head office as well as creating small business financial service centers in 10 provinces. Bank of Harbin currently has 16% of market share in the Hei Long Jiang province and shows promising market growth in the rest of the mainland.

Bank of Harbin's expansionary moves have proven to be profitable. The number of small

enterprises clients broke the 19,000 mark with total loans amounting to \$1.7 billion in September 2010. The bank also had strong credit control with NPL ratios as low as 0.7%. The small enterprises loans business has become the largest and fastest growing segment of the bank's core business in 2010.

Bank of Harbin takes the extra step with product innovation. The bank's product launch of “乾道嘉” garnered market success, with 239% YoY growth in 2010. This is an astounding 10 times the bank's average loan growth. The product's interest income grew 150% YoY to \$1 billion (RMB7.1 billion) in 2010. The bank's overall SME business line grew 36.87% YoY in the Hei Long Jiang province. NPL ratio remained extremely low at 0.62%.

Over 90 banks and financial institutions across China were evaluated as part of the China Awards Programme

The Financial Services Industry in China is changing dramatically, and every year it looks very different from the previous year. The transformation of the industry since the early 2000 before the main institutions sought listings in the international capital markets, to what they have become today is nothing less than dramatic. They used to look to Western institutions for leadership and benchmarks in best practices. But after the global economic crisis, these same institutions found themselves leading the world in terms of capitalisation, profitability and product and process innovation, without meaningful peers against whom they can benchmark themselves on a continuous basis.

Mr Kapfer elaborated: “With this as the background, it has become even more important to keep track of the best Chinese financial institutions, where they are, the infrastructure they have invested in, their ability to scale and the risk processes they have in place to ensure that they are long term and sustainable institutions. All of these will become tested in the next banking crisis, which may well originate in the fast growing regions of today. The China Awards are designed to take stock of the annual changes taking place today. It is designed to identify winners and losers in the fierce competition between players in China for customers and market share, while making it very clear that we will also take note of the infrastructure the banks have been investing in, their risk management culture and capabilities as well as the philosophy and quality of leadership.”

This year, over 90 financial institutions and banks in China were evaluated as part of The China Awards Programme in what has become the most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst financial institutions in China today. Our assessment covered four large national banks, 13 joint stock commercial banks, 50 city commercial banks, 14 rural commercial banks and 10 foreign banks.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate product and process innovation that make an impact on bank's business. The evaluation process involves extensive research and probing interviews, and taps the combined experience of a team of experienced researchers. For more information on the 'China Awards Programme', the evaluation criteria and the universe of Chinese financial institutions we look into please visit our website at <http://www.asianbankerawards.com/chinaawards/index.php>

The China Awards Programme 2011

RETAIL FINANCIAL SERVICES AWARDS

Best Wealth Management Product in China

*Joint Stock Bank --***China Merchants Bank**
*City Commercial Bank—***Bank of Shanghai**

Best Internet Banking in China

*Large Scale Bank ---***ICBC**
*Joint Stock Bank –***Bohai Bank**

Best Branch Banking Initiative in China

*Large Scale Bank --***Bank of China**
*Joint Stock Bank —***Shanghai Pudong Development Bank**
*City Commercial Bank –***Bank of Beijing**

Best Mortgage Product in China

Joint Stock Bank - CITIC Bank

Best Credit Card Product in China

Joint Stock Bank – China Merchants Bank

City Commercial Bank – Bank of Jiangsu

Best Bancassurance Product in China

Foreign Bank - HSBC China

Best SME Product in China

Large Scale Bank - China Construction Bank

Joint Stock Bank – Guangdong Development Bank

City Commercial Bank – Bank of Harbin

Best Brand Building in China

Foreign Bank – Citibank China

TECHNOLOGY AWARDS

Best Core Banking Implementation in China

Shenzhen Rural Commercial Bank and Fiserv

Best E-Banking (Mobile) in China

Shanghai Pudong Development Bank

Best Trading Systems (Back Office) in China

Bank of Communications and Misys

Best HR Systems Implementation in China

StanChart and LongTop (International Winner)

Best Risk and Analytics

Shanghai Pudong Development Bank and FICO

Best Data Center Initiative

ICBC and CISCO

RISK MANAGEMENT AWARD

Best Risk Management in China

ICBC

-End of List-

About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Hong Kong, Beijing and Shanghai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is www.theasianbanker.com

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