

Press Release

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The China Awards Programme 2011

Bohai Bank Wins the Award for the Best Joint Stock Bank in China in 2011

- *Unparalleled transaction strength with value and volume of transactions growing by over 50% in 2010*
- *Strong partnerships with major E-payment providers, covering almost 100% of online payment platform*
- *Achieved a perfect fraud free track record for its online banking platform in 2010*
- *Over 90 banks and financial institutions across China were evaluated as part of the China Awards Programme*

Singapore, March 26th 2011 – Bohai Bank wins the award for the Best Joint Stock Bank in China 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.

Bohai Bank wins the Award for the Best Joint Stock Bank in China in 2011

Bohai Bank has opted to focus on internet banking as its main channel due to its short operational history of only 5 years, which makes it impractical to compete with the huge branch network of the other mature players. This strategy also allows the bank to operate 24hours and save on headcounts in branches (currently only operates 13 branches in China).

In addition, the bank has established cooperation with the top 10 e-payment companies covering over 97% of the total platform. The importance of the online platform for revenue generation is observable from the high usage rate of 71% for remittance and 60% for mutual funds. Number of online customers registered has also increase significantly by 55% to

116,348 in 2010.

In terms of transactional strength, the value of transactions via the online channel has more than doubled to \$3.1 bn in 2010 with volume increasing by 61% during the same period. The bank has successfully launched 5 additional products over the internet, with full straight-through-processing (STP) capabilities. Internet banking customers have grown to a healthy average product-holding ratio of 2.25 in 2010, up from 2.17 in 2009.

Bohai Bank measures strongly in its online security enforcement, maintaining a clean state of fraud cases in 2010. Protection is used for log-ins, transactions and anti-phishing with a dynamic password certification for authentication.

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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