

Press Release
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The Asian Banker Excellence in Retail Financial Services Awards 2009

Bank of Beijing named Best City Commercial Retail Bank in China for 2008

- *Bank of Beijing wins Best City Commercial Retail Bank in China award for its 2008 operational structure, business process and channel inroads.*
- *The bank's improvements positioned it as a bigger, stronger and more competitive retail franchise.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 20 March 2009 –Bank of Beijing has been named China's Best City Commercial Retail Bank in the eighth Asian Banker Excellence in Retail Financial Services Awards Programme. The bank received the awards at The Asian Banker Excellence in Retail Financial Services Awards 2009 ceremony, held in conjunction with the region's foremost retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Grand Hyatt in Singapore on the evening of March 19th, 2009.

About 120 senior bankers from award winning banks in 22 countries across the Asia Pacific, the Gulf and Central Asian regions attended the formal gala dinner, the industry's celebration of the region's best retail bankers that recognizes their efforts in bringing superior products and services to their customers.

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

A stringent three month-long evaluation process, based on a balanced and transparent scorecard, determined the winners and the position of the different retail banks in the region. A full list of winners is attached.

Beijing Bank wins China's Best City Commercial Retail Bank award for its operational structure, business process and channel gains in 2008.

In the competitive Beijing market, Bank of Beijing made the most of the 2008 Olympic year and new operational structure, business process and channel advancements which together translated into solid performances among several key business areas and further transformed the bank into a strengthened local retail contender.

To better serve clients and lift sales, Bank of Beijing more than doubled its relationship manager and lobby manager ranks in 2008 compared to 2007 which resulted in more comprehensive and even branch staffing. The bank also significantly increased trained retail staff numbers in cooperation with strategic partner ING to lift branch-level sales capabilities and commenced the bank-wide use of a new customer information system to improve client understanding and targeting by frontline sales staff.

Though Bank of Beijing's physical network remains smaller than peer Bank of Shanghai, adding just five new branches in 2008, the retail business grew its pilot 'community' branch scheme grounded on client management and sales skills development nearly six-fold year-on-year. Bank of Beijing claims the retail deposit, total client asset, operating income, and profit growth of these reconfigured branches measurably outperformed the rest of the bank's network, with plans to expand the scheme another three-fold in 2009 based on its 2008 progress.

Towards the end of 2008, Bank of Beijing also launched a new organizational restructuring program dividing the Beijing market into four districts to improve branch-level monitoring and support and optimise its physical network, driven by ING and with particular focus on retail and SME business management.

The bank's improvements positioned it as a bigger, stronger and more competitive retail franchise.

Like many city commercial and joint stock bank peers, Bank of Beijing's cost-to-income ratio continued its upward trend due in part to significant new channel expansion. In 2008, Bank of Beijing opened an array of new wealth management centres, nearly tripled its number of new ATMs/CDMs deployed compared to those added in 2007, installed more than a hundred new on and off-site bill payment machines, and boosted its online product and service platform which drew comparatively high year-on-year business volume increases.

While some banks in Beijing lost ground in the retail lending space in 2008 due to economic downturn, Bank of Beijing's retail lending growth rate was the city's fastest and actually garnered an increase in its local market share, aided by the retail bank's operational structure, business process, and channel upgrading. Even as Bank of Beijing deepened its retail lending scope and despite the rising threat of credit default, it meanwhile avoided an NPL upswing for the year.

Bank of Beijing boosted its retail deposit amount 21%, the fifth biggest jump in Beijing in 2008, but gained even bigger ground among upmarket clients, more doubling the bank's segment increase witnessed the previous year. Bank of Beijing's wealth management product sales maintained triple digit growth in 2008, moreover, enough to sustain its 2007 market share in Beijing, while a newly implemented CRM system and the cultivation of core retail products are poised to help raise the bank's relatively low cross selling rate.

Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme

“This year over 120 banks and financial institutions in 22 countries across Asia were evaluated as part of the Excellence in Retail Financial Services Programme. It has become the single most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions available almost anywhere in the world today,” said Philip Strause, Chairman of The Asian Banker Excellence in Retail Financial Services Programme.

The transparent award evaluation process uses a balanced scorecard approach and a comprehensive methodology to evaluate the strength of individual banks’ retail banking businesses that involves extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Strause, who has over 30 years experience as a principal consultant to leading financial institutions in North America and the Asia Pacific, added, “The Asian Banker Excellence in Retail Financial Services Programme was instituted in 2001 on the premise that an outstanding player in the retail financial services industry should build business franchises that are sustainable, competitive and profitable over a period of time.”

About The Asian Banker

The Asian Banker is the foremost provider of strategic business intelligence on the financial services industry in the Asia Pacific and Middle East regions. The organization has offices in Singapore, Kuala Lumpur, Beijing and Dubai as well as representatives in Shanghai, London and New York. With a business that revolves around publications, research services, training and forums, the organization is highly regarded in the financial services community for its incisive and independent commentaries on developments in the industry. The company’s website is www.theasianbanker.com

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