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Press Release

Embargoed for publishing on March 12th 2011

The International Excellence in Retail Financial Services Awards 2011

Industrial and Commercial Bank of China (ICBC) wins two awards—Best Retail Bank in China and Best Large-Scale Retail Bank in China for the year 2010

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- *ICBC keeps up competitive strengths in innovation, response time to market changes and service systems.*
- *Over 120 banks and financial institutions from 22 countries across the Asia Pacific, Gulf region and Central Asia were evaluated as part of the Excellence in Retail Financial Services programme.*

Singapore, March 11th 2011—ICBC has been named Best Retail Bank in China and Best Large-Scale Retail Bank in China by the 10th International Excellence in Retail Financial Services Awards Programme. The bank received the awards at The International Excellence in Retail Financial Services 2011 Awards ceremony, held in conjunction with the region's most prestigious retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Shangri La Hotel in Kuala Lumpur on March 11th 2011.

About 150 senior bankers from award-winning banks in 29 countries across the Asia Pacific, the Middle East, Central Asia and Africa attended the glittering event that recognises 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 evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various retail banks in the region is attached.

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ICBC wins the Best Retail Bank in China and Best Large-Scale Retail Bank in China awards for its impressive growth and outstanding financial performance in 2010 as well as its initiatives to improve sales capabilities and operational efficiency.

In 2010, ICBC commanded a 20% market share in retail banking in China. The bank showed particular strength in retail deposit collection, where it held a 35% market share in saving deposits among the big four banks. With balances at an impressive \$581 billion, ICBC is the top ranked bank in the country.

The bank was quick to diversify its revenues and managed to grow its fee-based income by 35%. Fee income today accounts for remarkable 25% of retail banking income. ICBC was also successful in attracting new customers; individual clients reached 258 million, an increase of more than 10%. ICBC also holds the largest retail loan book among the big four banks growing it by 24%. Moreover, it was also successful in managing credit risk, with non performing loans at 0.6% in the consumer loan area.

ICBC China has grown from strength to strength, making an impressive transition from biggest domestic bank to strongest player. In operations, the bank improved its frontline experience with revamped branches and an optimised queue management system, while self-service channels were fine-tuned with user-friendly interface and multiple functions. ICBC was also active in building its mobile banking proposition. Aligned with an attractive webpage and 24/7 real time convenience, it offers nearly a hundred functions including account management, transfer/remittance, bill payment, investment and wealth management and credit card services. Customers can immediately get the latest loan rates, fund NAV, stock quotes, FX quotes or precious metal prices on their mobile phone anywhere, anytime. By the end of 2010, both mobile banking customer numbers and transaction volume registered enormous three-digit growth.

ICBC also strengthened its management of high-risk business aspects through close supervision of personal account managers, centralised return visits to clients, training on risk management for personal financial business operations as well as enhanced methods for managing complaints for personal financial business.

ICBC keeps up competitive strengths in innovation, response time to market changes and service systems

ICBC maintained strong growth, responding swiftly to market changes and launching innovative products through multiple channels. In terms of product innovation, ICBC introduced a personal revolving credit “Card Loan Link” business and Online Loan Link to realise self-service revolving drawings and repayment via the e-channel. The Baby Growth Card, Business Partner Card and Smile Angel Charity Fund link Card were all convincing examples of the bank’s ability to indentify new segments and seize new growth points to satisfy the changing needs of different customer clusters.

The bank improved its customer segmentation by setting up a star rating and service system for individual clients. With a full rage of indicators including age, occupation, asset, liability, customer contribution for intermediary business and transaction record, this rating system successfully accelerates the acquisition of high-quality clients and discovers client value on a more profound level.

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As a result, the system is recognised for its comprehensive synergy of all retail businesses as well as its ability to increase both customer numbers and investment value.

"In 2010, ICBC has demonstrated that overall transformation can be fully realised within a huge architecture by virtue of endogenous vigour and endless innovation," said Mr. Chris Kapfer, head of the Excellence in Retail Financial Services Programme at The Asian Banker.

Over 170 banks in 29 countries across Asia, and this year for the first time Africa, were evaluated as part of The International Excellence in Retail Financial Services Programme.

"This year over 170 banks and financial institutions in 29 countries across Asia were evaluated as part of The Excellence in Retail Financial Services Programme in what has become the most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst retail financial institutions anywhere in the world today" said Philippe Paillart, chairman of The International Excellence in Retail Financial Services Programme. He added: "It is amazing to see the rapid development of the retail financial services industry every year, and to experience the narrowing gap between mature and emerging market banks in terms of operational efficiency and technology."

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 involve extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Paillart, formerly vice chairman and CEO of DBS Bank and a pioneer in the retail banking industry in the Asia Pacific region, elaborated: "The Asian Banker Excellence 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. To stay abreast of the rapidly growing geographic scope of the programme, The Asian Banker has renamed the awards 'The International Retail Financial Services Awards' in 2011."

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 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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