

Press Release

Embargoed for 19 March 2010

The Asian Banker Excellence in Retail Financial Services Awards 2010

China Merchants Bank (China) wins two awards -- Best Joint Stock Retail Bank in China, Best Mortgages and Home Loans in China for the year 2009

- *China Merchants Bank wins Best Joint Stock Retail Bank in China and Best Mortgages and Home Loans in China Award for an outstanding performance in the year 2009.*
- *Over 120 banks and financial institutions from 23 countries across the Asia Pacific, Gulf and Central Asian regions were evaluated as part of the Excellence in Retail Financial Services Programme.*

Singapore, 19 March 2010 – China Merchants Bank has been named China's Best Joint Stock Retail Bank and Best Mortgages and Home Loans in the ninth Asian Banker Excellence in Retail Financial Services Awards Programme. The bank received the award at The Asian Banker Excellence in Retail Financial Services Awards 2010 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 JW Marriot in Shanghai on the evening of March 18th, 2010.

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.

China Merchants Bank wins Best Joint Stock Retail Bank in China and Best Mortgages and Home Loans in China Award for an outstanding performance in the year 2009

China Merchants Bank (CMB) has won the Best Joint Stock Retail Bank in China and the Best Mortgages and Home Loans awards for its strong performance in the year 2009, having gained higher scores than the other banks surveyed in the programme.

CMB continued to lead other Chinese joint-stock retail banks in 2009 by running a highly efficient and innovative retail banking business. The bank's retail deposit market share witnessed a significant increase from 1.91% in 2008 to 2.05% in 2009, while its average cost of retail deposits decreased from 2% to 1.5% for the same time period. While the retail fee income achieved a respectful 7% y-o-y growth in a vigilant investment market, the retail delinquencies ratio over 30 days reduced greatly from 0.73% to 0.32%. The year also saw CMB's consumer credit business holding the 5th rank in mortgage market share in spite of a much smaller branch network and deposit base. CMB also actively improved its channel efficiency through the implementation of more sophisticated IT platform. Internet banking revenue grew 58% and self-service transactions increased from 77.5% to 84.1% in 2009.

CMB also further streamlined its mortgage operation side by leveraging on technology and business process redesign which translated into improved customer experience. Qualified clients can now expect to get their mortgage application approval within 24 hours.

"In 2009, CMB enjoyed a much better mortgage quality compared to its peers in the market attributed to the prudent strategy of the bank which it has been following consistently. The bank is currently planning the next-generation internet banking platform, called 'I-banking', which is predicted to be able to compete with industry best practice in terms of functionality and services," said Mr. Chris Kapfer, head of Excellence in Retail Financial Services Awards Programme at The Asian Banker.

Over 120 banks and financial institutions from 23 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 23 countries across the region 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 Philippe Paillart, 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 on the combined experience of a team of experienced researchers.

Philippe Paillart, formerly vice chairman and CEO of DBS Bank and a pioneer in the retail banking industry in the Asia Pacific region, added: "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."

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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