



招商銀行股份有限公司

CHINA MERCHANTS BANK CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 3968)

**OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT ON APPROVAL OF ISSUANCE OF
SUBORDINATED BONDS**

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Pursuant to “The Approval from China Banking Regulatory Commission on the Issuance of Subordinated Bonds by China Merchants Bank” 《中國銀監會關於招商銀行發行次級債券的批覆》 (Yin Jian Fu [2008] No. 304) and “The Decision on the Administrative Approval from The People’s Bank of China” 《中國人民銀行准予行政許可決定書》 (Yin Shi Chang Xu Zhun Yu Zi [2008] No. 25), China Merchants Bank Co., Ltd. (the “Company”) successfully issued subordinated bonds in an aggregate principal amount of RMB30 billion to institutional investors within the domestic interbank bond markets on 4 September 2008.

There are three types of bonds being offered: Type I are fixed rate bonds for a term of ten years and the issue size is RMB19 billion. The coupon rate for the first five years is 5.70% and the Company may elect to redeem the bonds by the end of the first 5 years. Type II are fixed rate bonds for a term of fifteen years and the issue size is RMB7 billion. The coupon rate for the first ten years is 5.90% and the Company may elect to redeem the bonds by the end of the first 10 years. Type III are floating rate bonds for a term of ten years and the issue size is RMB4 billion. The coupon rate for the first five years is R+1.53% and the Company may elect to redeem the bonds by the end of the first 5 years.

If the Company does not exercise the redemption right, then the coupon rate for Type II Bond will be calculated at the initial coupon rate plus 3% from the eleventh interest-accruing year until maturity of the bonds; while the coupon rate for both Type I Bond and Type III Bond will be calculated at the initial coupon rate or interest margin plus 3% from the sixth interest-accruing year to the maturity of the respective bonds.

The benchmark interest rate R for Type III ten-year floating rate bonds is the one-year RMB fixed deposit interest rate announced by The People’s Bank of China. The benchmark interest rate for the first interest-accruing period will be the one-year RMB fixed deposit interest rate announced by The People’s Bank of China and effective as from 21 December 2007. The benchmark interest rate for the floating rate bonds for the first interest-accruing period is 4.14%.

As at 4 September 2008, the fund raised from the bond offering in an aggregate amount of RMB30 billion has been transferred in full amount into the Company's account, which marked the closing of the bond offering. The fund raised from the bond offering will be used to reinforce and replenish the capital base of the Company and improve the capital adequacy ratio of the Company in accordance with the applicable laws and approval from the regulators.

By order of the Board of Directors of
China Merchants Bank Co., Ltd.

Chairman
Qin Xiao

4 September 2008

As at the date of this announcement, the executive directors of the Company are Ma Weihua, Zhang Guanghua and Li Hao; the non-executive directors of the Company are Qin Xiao, Wei Jiafu, Fu Yuning, Li Yinquan, Hong Xiaoyuan, Ding An Hua Edward, Sun Yueying, Wang Daxiong and Fu Junyuan; and the independent non-executive directors of the Company are Wu Jiesi, Yan Lan, Yi Xiqun, Chow Kwong Fai, Edward, Liu Yongzhang and Liu Hongxia.