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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: 03968)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to China Merchants Bank Co., Ltd.'s Shareholders' Return Plan for 2015-2017 published by China Merchants Bank Co., Ltd. on the website of Shanghai Stock Exchange for information purpose only.

By Order of the Board of  
**China Merchants Bank Co., Ltd.**

22 April 2015

*As at the date of this announcement, the executive directors of the Company are Tian Huiyu, Zhang Guanghua and Li Hao; the non-executive directors of the Company are Li Jianhong, Ma Zehua, Li Xiaopeng, Li Yinquan, Fu Gangfeng, Sun Yueying, Su Min, Fu Junyuan and Hong Xiaoyuan; and the independent non-executive directors of the Company are Leung Kam Chung, Antony, Wong Kwai Lam, Pan Chengwei, Pan Yingli, Guo Xuemeng and Zhao Jun.*

## **China Merchants Bank Co., Ltd.’s Shareholders’ Return Plan for 2015-2017**

To safeguard the shareholders’ interest of China Merchants Bank Co., Ltd. (hereinafter referred to as the “Company” or the “Bank”) and provide opportunities to timely share the operational success of the Company, China Merchants Bank Co., Ltd.’s Shareholders’ Return Plan for 2015-2017 (hereinafter referred to as the “Plan”) has been formulated by the Board of Directors of the Company taking into consideration the actual operating conditions and long-term development needs while performing the responsibilities and obligations of the listed companies, strengthening the concept of shareholders’ returns and further improving the profit-sharing mechanism in accordance with the relevant laws and regulatory requirements including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China and the Articles of Association of China Merchants Bank Co., Ltd. (hereinafter referred to as the “Articles of Association”).

### **I. Background and Principle of the Plan**

1. To actively cope with the changes in the operating environment to maintain ongoing and sound operations of the Company. In the coming three years, changes in the economic and financial landscapes locally and abroad will generate greater challenges and uncertainties to the Company. The Company should actively and flexibly cope with them and insist on maintaining prudent and sound operations by adhering to the principle of safeguarding the long-term interest of shareholders.

2. To thoroughly implement the industry regulatory standards to facilitate the balanced organic growth of capital; to thoroughly implement the Administrative Measures for the Capital of Commercial Banks (for trial implementation), insist on adopting the light bank-oriented strategy to reduce capital consumption, enhance capital efficiency, and maintain quality, size and synergistic development so as to facilitate the balanced organic growth of capital.

3. To perform legal obligations and social responsibilities in accordance with the laws to enhance shareholders’ returns as a value-driven approach of the Company. Pursuant to the relevant requirements of the Notice on Further Implementing Issues concerning Cash Dividends of Listed Companies, enhancing shareholders’ returns is taken as the core objective and value orientation of the operational management of the Company. Subject to the satisfaction of capital adequacy ratio requirements of the regulatory authority, a reasonable and steady cash dividend payout ratio is maintained and a blue-chip image is established to facilitate the steady growth of its capitalization value.

4. To fully listen to the opinions of the shareholders of the Company (especially the minority shareholders), institutional investors and independent directors when determining profit sharing policies to increase the cash dividend transparency and safeguard the legal interests of investors.

5. No related parties shall harm the legal interests of the Company and public shareholders by way of profit distribution.

## **II. Consideration Factors of the Shareholders Return Plan**

Given the long-term and sustainable development of the Company, after the comprehensive analysis on the operating environment in the banking industry, shareholders' needs and wants, cost of social funding, external financing environment and regulatory policies, the shareholders' return plan is formulated by the Company after taking into full consideration the current and future funding capital, business development, profitability and scale, stage of development, investment funding requirements and its own liquidity to strike a balance between the sustainable, healthy development of business and the consolidated returns of shareholders

## **III. Cash Dividend Policy of the Company and Decision-Making Mechanism**

Regarding the cash dividend policy of the Company, pursuant to Article 260 of the Articles: Profit distribution of the Bank shall focus on reasonable returns to investment of the investors, and such policies shall maintain continuity and stability. The Bank may distribute dividends in cash, shares or a combination of cash and shares, and the Bank shall distribute dividends mainly in the form of cash. Subject to compliance with prevailing laws, regulations and the requirements of relevant regulatory authority on the capital adequacy ratio, as well as the requirements of general working capital, business development and the need for substantial investment, merger and acquisition plans of the Bank, the cash dividends to be distributed by the Bank each year in principle shall not be less than 30% of the net profit after taxation audited in accordance with PRC accounting standards for that year. The Bank may pay interim cash dividend. Unless another resolution is passed at the shareholders' general meeting, the Board of Directors shall be authorized at the shareholders' general meeting to approve the interim dividend distribution policy. If the Bank generated profits in the previous accounting year but the Board of Directors did not make any cash profit distribution proposal after the end of the previous accounting year, the Bank shall state the reasons for not distributing the profit and the usage of the profit retained in the periodic report and the independent directors shall give an independent opinion in such regard.

Regarding the decision-making mechanism of the profit distribution policy of the Company, pursuant to Article 259 of the Articles: The Bank's policies and plans for profit distribution shall be prepared by the Board of Directors and approved by the shareholders' general meeting. In the course of making specific dividend distribution plans, the Board of Directors and the shareholders' general meeting shall fully consider the views of independent directors, the Board of Supervisors and public investors, communicate with public investors through a variety of channels and accept the inspections on the Bank's profit distribution by independent directors, the Board of Supervisors and public investors. Independent directors shall review the policies and plans for profit distribution presented for consideration and approval at the shareholders' general meeting and form a written opinion.

The Bank shall adjust its profit distribution policies in accordance with the industry regulatory policies, changes in the external regulatory environment, its operation status and long-term development. The adjusted profit distribution policies shall not violate the laws, regulations and the relevant provisions of the regulatory authority in the places where the Bank's shares are listed. Any resolution regarding adjustments to the profit distribution policy is subject to the prior review of independent directors and the Board of Supervisors, shall be presented at the shareholders' general meeting of the Bank for approval after consideration by the Board of Directors and approved by more than two-thirds of the votes of the Shareholders attending the shareholders' general meeting of the Bank. In considering the adjustments to its profit distribution policy, the Bank shall make online voting accessible to its shareholders.

#### **IV. Shareholders' Return Plan for 2015-2017**

Based on the estimates on the market environment, strategies, operations and capital in the coming three years, the plan of shareholders' return of the Company for 2015-2017 (hereinafter referred to as the "planning period") is formulated.

##### **1. Maintain a sound dividend distribution policy**

Pursuant to the Resolution regarding Increasing the Dividend Distribution Ratio from 2012 considered and approved at the 28th meeting of the eighth session of the Board of Directors held on 28 March 2012, the Board of Directors agreed that, from 2012 (including the profit distribution for year 2012), subject to prevailing laws, regulations and the requirements of relevant regulatory authority on the capital adequacy ratio, the cash dividends to be distributed by the Company each year in principle shall not be less than 30% of the net profit after taxation audited in accordance with PRC accounting standards for that year with a view to enhancing the reasonable returns to investment of the investors and maintaining continuity and stability of such dividend distribution policies.

## **2. Maintain a reasonable level of capital returns**

During the planning period, insisting on maintaining sound and compliant operations and enhancing quality of development, the Company adopts the light bank-oriented strategy and, through adjusting its business systems, optimizing its customer mix, transforming its operating model and enhancing its professional capabilities, pushes ahead service upgrade and stabilizes the pace of development of the Plan with a view to facilitating the sustainable development of various lines of business. Meanwhile, the Company enhances the capital utilization rate and consolidates the capital base to ensure accomplishment of the profit and various business growth targets so as to increase its core competitiveness. During the planning period, in the absence of any material changes in the local and external environments, the Company will maintain a reasonable and sound level of capital returns.

## **V. Formulation of Shareholders' Return Plan and Decision-Making Mechanism**

The Board of Directors of the Company may make adjustments as appropriate to the profit distribution policy of the Company based on the operating conditions and cash flow, and re-formulate the Shareholders' Return Plan for the coming three years to submit to the shareholders' general meeting of the Company for consideration.

The shareholders' return under the Plan refers to the returns of ordinary shareholders and the returns of preference shareholders shall be subject to the Articles and its issuance proposal. Any matters not mentioned by the Plan shall be implemented in accordance with the provisions of the relevant laws, regulations, normative documents and the Articles. The interpretation of the Plan shall be construed by the Board of Directors of the Company from the date on which the resolution is considered and passed at the shareholders' general meeting of the Company.