

China Merchants Bank Reports 2012 First Quarter Results

Highlights of the Group's results for the first quarter of 2012

- Net profit attributable to the Bank's shareholders rose 32.16% year on year to RMB11.643 billion
- Basic earnings per share attributable to the Bank's shareholders increased by 31.71% year on year to RMB0.54
- Net interest margin increased by 0.23 percentage points year on year to 3.21%, representing an increase of 0.06 percentage points as compared with the fourth quarter of 2011
- Total assets grew by 6.03% to RMB2,963.579 billion from the end of 2011
- Capital adequacy ratio increased by 0.01 percentage points to 11.54% from the beginning of 2012
- Core capital adequacy ratio increased by 0.09 percentage points to 8.31% from the beginning of 2012
- Non-performing loans increased by RMB287 million to RMB9.460 billion from the beginning of the 2012. Non-performing loan ratio remained at the same level of 0.56% as compared with the beginning of 2012
- Allowances for impairment losses to non-performing loans ratio rose by 4.23 percentage points to 404.36% from the beginning of 2012

April 27, 2012 — China Merchants Bank Co., Ltd. (SSE: 600036; HKEx: 3968; "China Merchants Bank" or "the Company" or "the Bank") and its subsidiaries together ("the Group") announced results for the first quarter of 2012. The 2012 first quarter results of China Merchants Bank Co., Ltd. were prepared in accordance with the PRC Accounting Standards and are unaudited. Unless otherwise stated, all monetary sums stated in this report are in RMB.

As at the end of March 2012, total assets of the Group increased by 6.03% to RMB2,963.579 billion as compared with the beginning of the year. Its total liabilities increased by 5.94% to RMB2,786.306 billion from the beginning of the year. Total deposits from customers rose by 1.78% to RMB2,259.494 billion when compared with the beginning of the year. Total loans and advances increased by 3.82%, or 62.733 billion, to RMB1,703.808 billion as compared with the beginning of the year.

For the period from January to March 2012, the Group realized a net profit attributable to shareholders of the Bank of RMB11.643 billion, up by 32.16% year on year. Operating income was RMB28.385 billion, of which, net interest income was RMB21.548 billion, up by 24.15% year on year. The increase in net interest income was mainly due to the gradual increases in net interest spread and net interest margin on the back of steady expansion of interest-earning

assets and re-pricing of the assets. For the period from January to March 2012, net interest spread increased by 0.16 percentage points year on year to 3.05%, and net interest margin increased by 0.23 percentage points year on year to 3.21%. On a quarterly basis, the net interest spread remained the same when compared with the fourth quarter of 2011, while the net interest margin increased by 0.06 percentage points when compared with the fourth quarter of 2011. The net interest income accounted for 75.91% of the operating income. The Group's net fee and commission income increased by 23.41% year on year to RMB4.840 billion, and accounted for 17.05% of the operating income. Other net income increased by 91.28% year on year to RMB1.997 billion. The cost-to-income ratio (excluding business tax and surcharges) of the Group decreased by 0.91 percentage points year on year to 31.86%.

During the reporting period, the Company continuously improved its risk pricing of loans. From January to March 2012, the weighted average floating band of interest rates (weighted at actual granted amounts, same as below) of our newly granted general corporate loans in RMB rose by 1.86 percentage points as compared with the previous year; while the weighted average floating band of interest rates of our newly granted retail loans in RMB rose by 5.29 percentage points year on year.

Meanwhile, the Company continued to increase the proportion of its high-net-worth customers and their aggregate contribution by adopting the following measures: enhancing resources integration, finer segmentation of customer management, greater efforts in promoting business coordination, cross-selling and customer relationship management. As at the end of March 2012, the number of our retail customers with daily average total assets per month of RMB500,000 and above was 852,900. The proportion of high-net-worth retail customers increased to 1.70% from 1.56% as compared with the beginning of the year. The number of wholesale customers who were contributing annualized total revenue of RMB100,000 and above was 56,924. The number of high-net-worth wholesale customers increased by 2,090 or 3.81% and their proportion in revenue contribution increased to 97.56% as compared with the beginning of the year.

As at the end of March 2012, the non-performing loans of the Group increased by RMB287 million to RMB9.460 billion, as compared with the beginning of the year. Non-performing loan ratio was 0.56%, which remained at the same level as compared with the beginning of the year. Non-performing loan allowance coverage ratio increased by 4.23 percentage points to 404.36%, as compared with the beginning of the year. Allowance-to-loan ratio rose by 0.01 percentage point to 2.25% when compared with the beginning of the year.

As at the end of March 2012, the capital adequacy ratio of the Group increased by 0.01 percentage point to 11.54% from the beginning of the year. The core capital adequacy ratio increased by 0.09 percentage points to 8.31% from the beginning of the year.

For the period from January to March 2012, Wing Lung Bank Limited and its subsidiaries (together referred to as “WL Group”) recorded an unaudited consolidated profit after tax of HK\$516 million, representing an increase of 35.25% as compared with the corresponding period of the previous year. As at 31 March 2012, WL Group had total assets of HK\$166.925 billion, representing an increase of 1.88% as compared with the end of 2011.

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Investor and Media Enquiries**Mr. Winston Yau**

Christensen

Tel: 852-2232-3986

Fax: 852-2117-0869

E-mail: wyau@ChristensenIR.com**Ms. Renee Chen**

Christensen

Tel: 852-2232-3982

Fax: 852-2117-0869

E-mail: rchen@ChristensenIR.com