



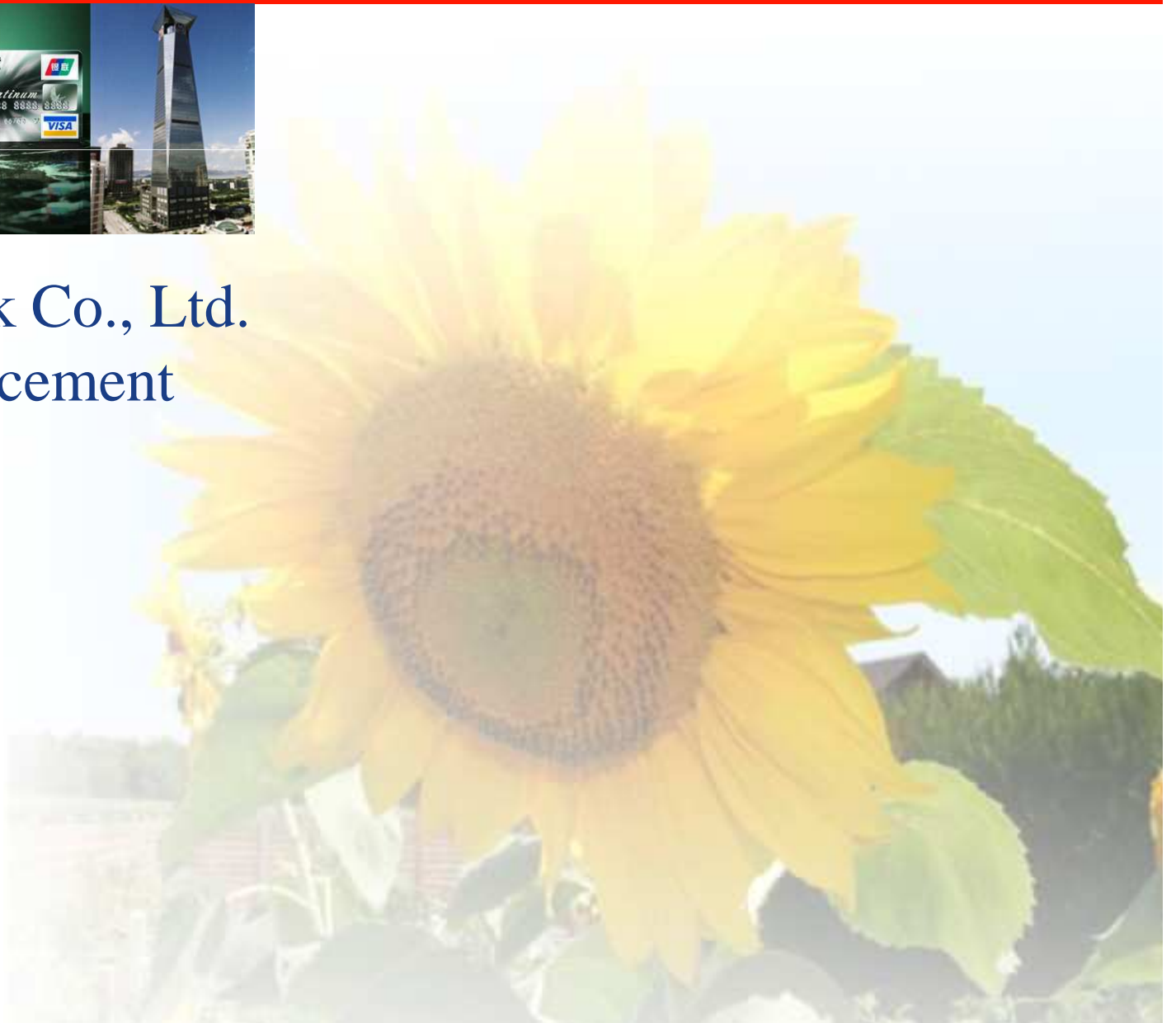
招商銀行

CHINA MERCHANTS BANK



China Merchants Bank Co., Ltd. 3Q10 Results Announcement

November 2010



Forward-Looking Statement Disclaimer

This presentation and subsequent discussions may contain forward-looking statements that involve risks and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as believe, expect, anticipate, estimate, plan, project, target, may, will or may be expressed to be results of actions that may or are expected to occur in the future. You should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of this presentation. These forward-looking statements are based on our own information and on information from other sources we believe to be reliable. They relate to future events or our future financial, business or other performance and are subject to a number of uncertainties that may cause our actual results to differ materially.

Summary Balance Sheet

| (RMB mn) | 3Q10 | 2009 | Growth |
|---|-----------|-----------|--------|
| Gross loans | 1,381,950 | 1,185,822 | 16.5% |
| Investments | 414,617 | 377,538 | 9.8% |
| Placement with banks and other financial institutions | 282,623 | 270,125 | 4.6% |
| Total assets | 2,359,564 | 2,067,941 | 14.1% |
| Placement from banks and other financial institutions | 241,657 | 265,119 | -8.8% |
| Customers deposits | 1,874,924 | 1,608,146 | 16.6% |
| Total liabilities | 2,226,456 | 1,975,158 | 12.7% |

Note: Unless otherwise specified, all data shown are Group level figures based on China Accounting Principles, the data for 3Q of 2010 are unaudited, while the data for 2009 are audited.

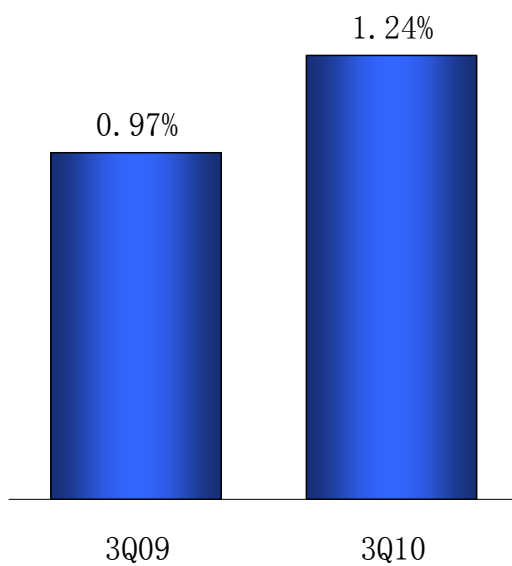
Summary Income Statement

| (RMB mn) | 3Q10 | 3Q09 | Growth |
|---|--------|--------|--------|
| Net interest income | 40,869 | 29,007 | 40.9% |
| Non-interest income | 10,429 | 8,825 | 18.2% |
| Net fee and commission income | 8,143 | 6,178 | 31.8% |
| Operating income | 51,298 | 37,832 | 35.6% |
| Operating profit before provisions | 29,588 | 19,192 | 54.2% |
| Impairment loss on assets | 2,979 | 2,735 | 8.9% |
| Net profit attributable to shareholders | 20,585 | 13,078 | 57.4% |

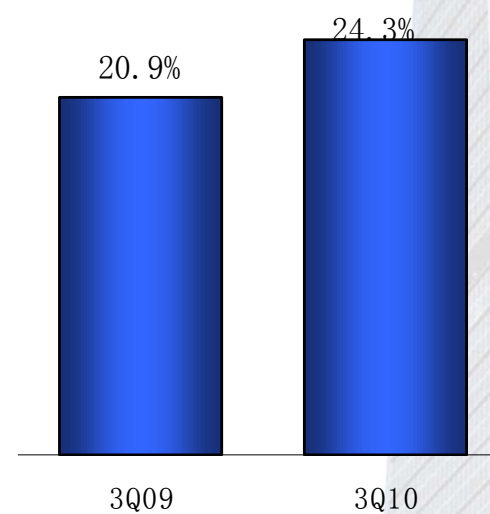
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Returns on Assets and Equity

Return on average assets



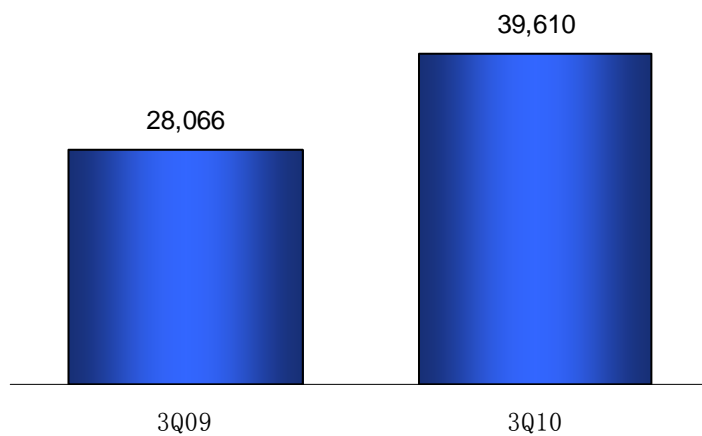
Return on average equity



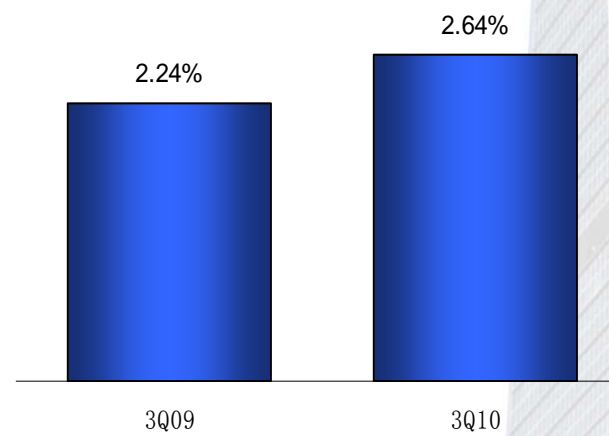
Note: Group level data.

Significant Increase of Net Interest Income

Net interest income



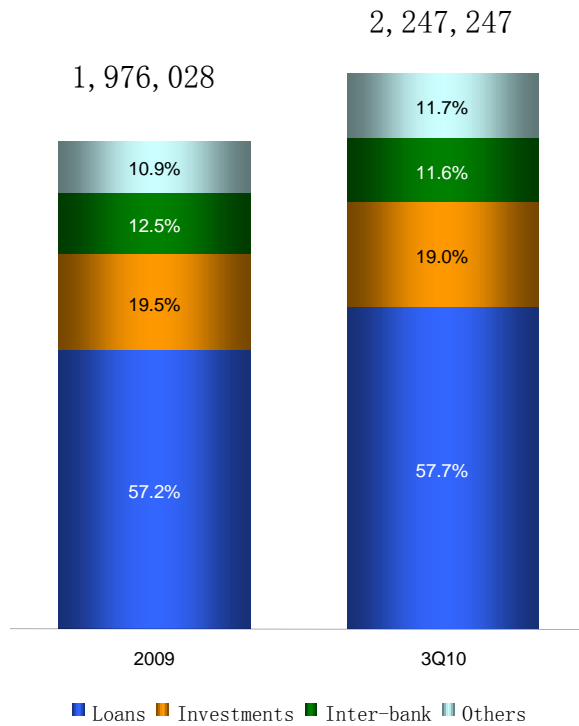
Net interest margin



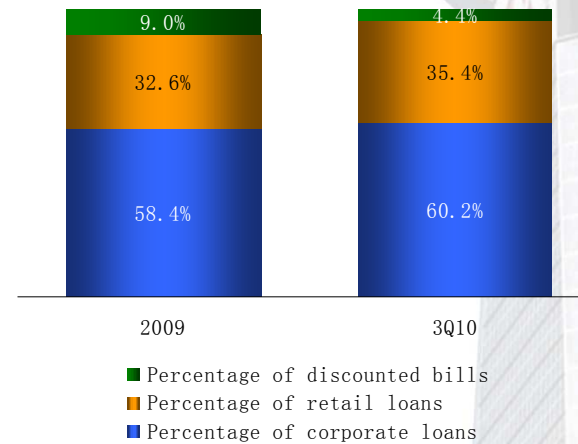
Note: Company level data.

Asset structure and customer structure further optimized

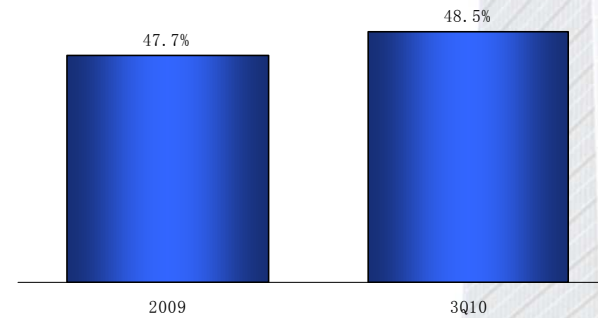
Asset structure



Loan structure



Percentage of SME corporate loans



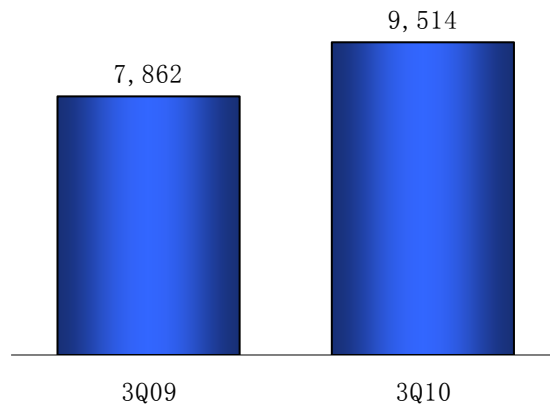
Note: Company level data.

Risk pricing level remarkably improved

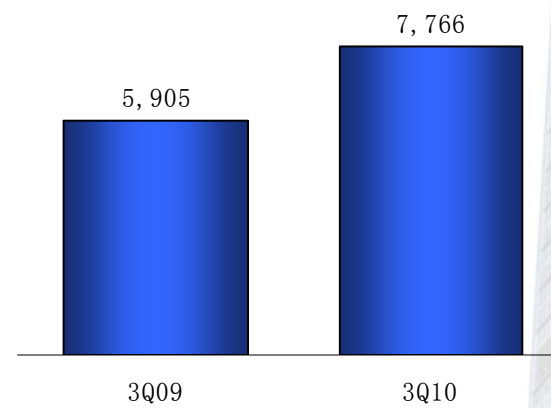
- ◆ The weighted average floating band of interest rates of our newly granted corporate loans in RMB rose by 3.3 percentage points as compared with the whole year of 2009.
- ◆ The weighted average floating band of interest rates of our newly granted personal housing loans in RMB rose by 13.51 percentage points as compared with the whole year of 2009.
- ◆ The weighted average floating band of interest rates of our newly granted personal non-housing loans in RMB rose by 8.14 percentage points as compared with the whole year of 2009.

Relatively rapid growth of net fee & commission income

Non-interest income



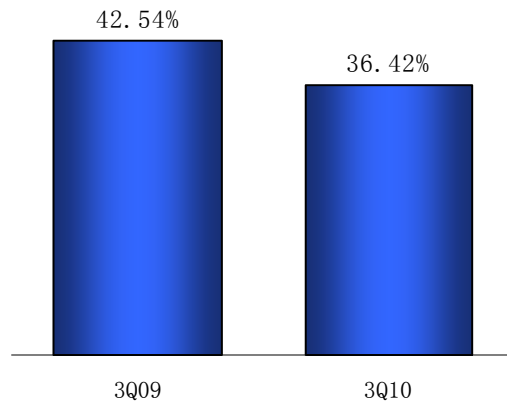
Net fee & commission income



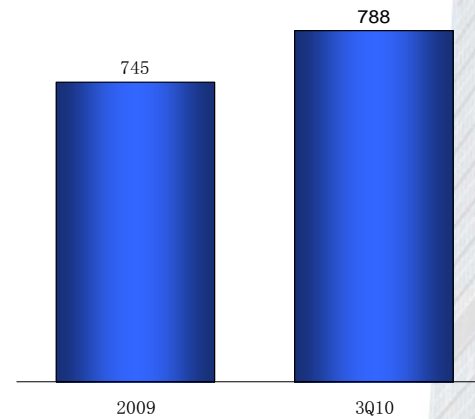
Note: Company level data.

Effective cost management and active in network expansion

Cost-income ratio



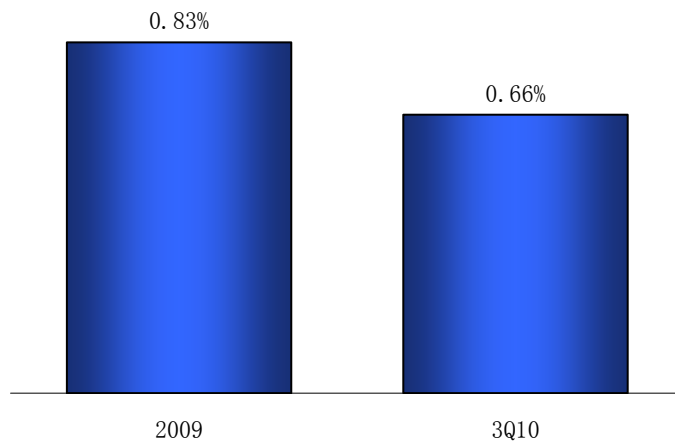
Total number of branches



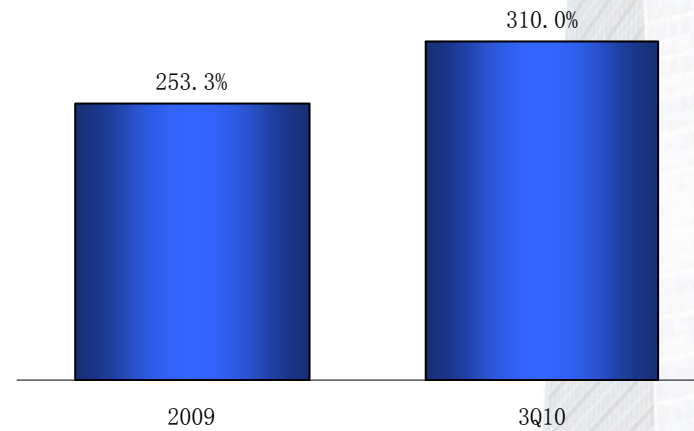
Note: Company level data.

Enhanced Risk Management

Sound asset quality



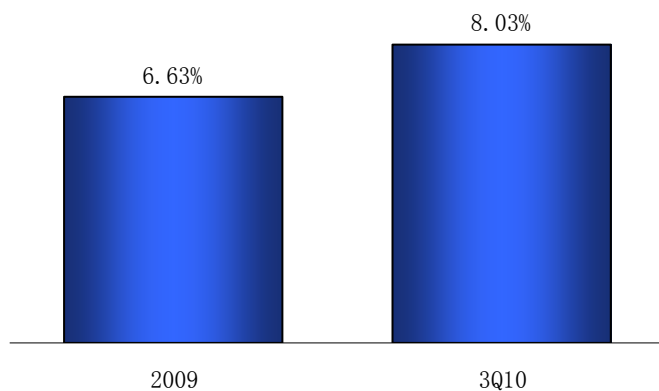
Rising coverage ratio



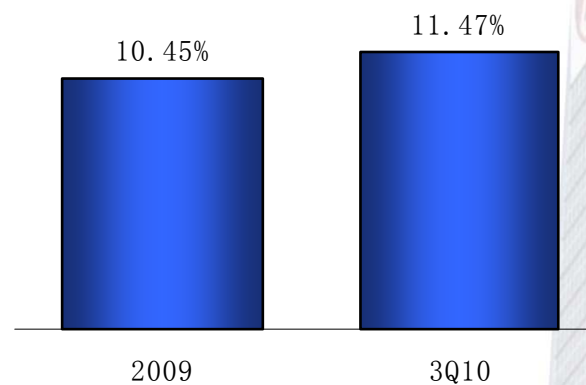
Note: Company level data.

Capital adequacy ratio maintained at appropriate level

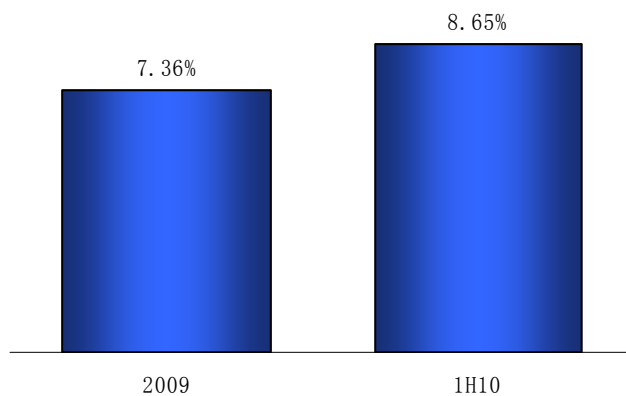
Group core capital adequacy ratio



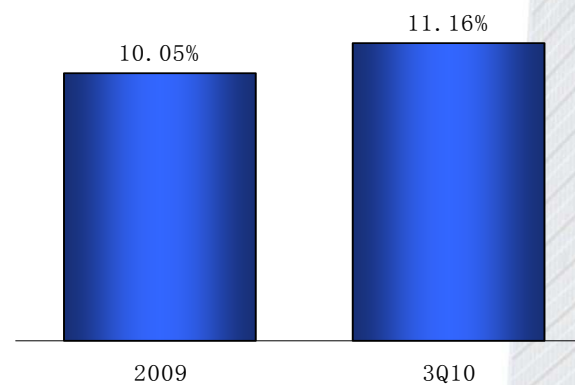
Group capital adequacy ratio



Company core capital adequacy ratio



Company capital adequacy ratio



Outlook

Challenges

- ◆ the global economic recovery remains uncertain
- ◆ the inflationary pressure still persists
- ◆ the expectation of RMB appreciation is strong
- ◆ the difficulties in expanding liability business increase
- ◆ higher regulatory requirements

Opportunities

- ◆ the domestic economy is growing steadily
- ◆ the 12th five-year-plan has pointed out the direction for the future economic development of the country
- ◆ the domestic consumption has been growing at a rapid pace
- ◆ the market of wealth management has tremendous potential
- ◆ the internationalization of RMB will bring new business opportunities

Outlook

- ◆ Continue to improve asset and liability structure, and maintain smooth operation of all business segments
- ◆ Grant loans in a balanced way as planned, and further enhance the service to SMEs
- ◆ Strengthen sales and marketing, and steadily increases low cost deposit and other liabilities
- ◆ Accelerate network expansion, and focus on reinforcing and broadening our customer base
- ◆ Actively respond to changes in regulatory policies and market conditions and strengthen capital constraints and cost management



Q & A

问答

