

Press Release

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The China Awards Programme 2011

China Merchants Bank (Joint Stock Bank) Wins Best Wealth Management Product and Best Credit Card Product in China

- *China Merchant Bank (Joint Stock Bank) wins Best Wealth Management Product and Best Credit Card Product Award*
- *China Merchant Bank displayed strong business performance and above market process turnaround times*
- *Over 90 banks and financial institutions across China were evaluated as part of the China Awards Programme*

Singapore, March 26th 2011 –China Merchant Bank wins the award for the Best Wealth Management Product Award for 2011. The bank received the award at The Asian Banker Gala night, held in conjunction with The Asian Banker China International Banking Convention, China's largest annual meeting of decision makers and senior professionals in the financial services industry and the foremost forum for engaging on global themes bringing together domestic and global thought leaders and industry specialists. This Awards Night is a gathering of domestic institutions that have excelled in Retail Financial Services, Technology and Risk Management, held at Westin Hotel in Beijing on April 7th, 2011.

The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind in China

A stringent three-month evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various banks in the region is attached.

China Merchant Bank wins Best Wealth Management Product and Best Credit Card Product Award

China Merchant Bank is a leader in their wealth management product portfolio. The bank offers a diverse range of products from mutual funds, insurance, trust, gold, and forex among others. Most notably, the bank has taken initiative in revamping its approach to the mutual funds product line by offering fund management company research reports, interviews with fund managers, and the promise of external ratings to funds portfolio with varying risks.

In March 2011, China Merchant Bank successfully launched a new and improved electronic cash card, Big Express IC card in Shenzhen. Big Express IC has garnered popular support as it meets consumer needs. The card provides diverse features including fast payment via either contact or contactless means.

Besides product innovation, China Merchant Bank has taken initiatives in managing risk with consideration to customer experience. The bank boasts of a solid risk system whereby risks are matched to customer identifying systems, and as a result, products are matched appropriately to customer segment.

China Merchant Bank displayed strong business performance and above market process turnaround times

China Merchant Bank is a strong contender in the wealth management and credit card business. The bank's wealth management account has increased substantially by 23% y-o-y in 2010. For mutual funds, the bank continues to maintain its stronghold of 13% growth in market share y-o-y as its stock segment generates 33% growth y-o-y.

In its credit card business, China Merchant Bank experienced an impressive 108% surge in profits from \$122 million in 2009 to \$253 million in 2010. The bank has not only improved its bottom line, but has maintained risks prudently as its credit card profile's annual charge-off rates have decreased from the extremely low rate of 1.29% in 2009 to 0.24% in 2010.

China Merchant Bank successfully masters operational efficiencies as turnaround times are made more efficient to serve customer experience. In the customer processing cycle, the bank decreased its turnaround time from 3.5 days in 2009 to 1.5 days in 2010. Further, the bank has created more ease in channel distribution with evidence of greater customer adoption rates. The online channel for credit card applications have increased from 2.4% in 2009 to 7.2% in 2010.

Over 90 banks and financial institutions across China were evaluated as part of the China Awards Programme

"This year over 90 banks and financial institutions in China were evaluated as part of The China Awards Programme in what has become the most prestigious, comprehensive and anticipated awards programme that recognises the pursuit of excellence amongst financial institutions anywhere in the world today" said Chris Kapfer, head of research at The Asian Banker. He added: "It is amazing to see the rapid development of financial services industry every year, and to experience the narrowing gap between mature and emerging market banks in terms of operational efficiency and technology."

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 involve extensive research and probing interviews, and taps the combined experience of a team of experienced researchers.

Mr Kapfer elaborated: "The Financial Services Industry in China is changing dramatically. This programme keeps track of the best Chinese institutions, and together with our international programmes to identify meaningful peers against whom Chinese banks can benchmark themselves. The programme is designed to identify winners and losers in the fierce competition between players in China for customers and market share

Through this unique programme provides stakeholders a clear idea of the changes taking place and the institutions that are contributing to those changes in a sustainable manner.”

The China Awards Programme takes stock of the most important developments in the Chinese financial services industry today. The assessment looked into more than 90 banks which include four large scale banks, 13 joint stock banks and the top 50 city commercial banks and cooperatives to identify the winners in this year’s programme. The programme identifies financial institutions in China that are able to build long term sustainable franchises, based on advances in product innovation and strong business processes that lead to a consistent and profitable performance. Further information on this awards programme can be found at our website at <http://www.asianbankerforums.com/award/chinaawards>

The China Awards Programme 2011

RETAIL FINANCIAL SERVICES AWARDS

Best Wealth Management Product in China

*Joint Stock Bank --***China Merchants Bank**
*City Commercial Bank—***Bank of Shanghai**

Best Internet Banking in China

*Large Scale Bank ---***ICBC**
Joint Stock Bank – **Bohai Bank**

Best Branch Banking Initiative in China

Large Scale Bank -- **Bank of China**
Joint Stock Bank — **Shanghai Pudong Development Bank**
City Commercial Bank – **Bank of Beijing**

Best Mortgage Product in China

Joint Stock Bank - **CITIC Bank**

Best Credit Card Product in China

Joint Stock Bank – **China Merchants Bank**
City Commercial Bank – **Bank of Jiangsu**

Best Bancassurance Product in China

Foreign Bank - **HSBC China**

Best SME Product in China

Large Scale Bank - **China Construction Bank**
Joint Stock Bank – **Guangdong Development Bank**
City Commercial Bank – **Bank of Harbin**

Best Brand Building in China

Foreign Bank – **Citibank China**

TECHNOLOGY AWARDS

Best Core Banking Implementation in China

Small and Medium-sized Financial Institutions – **Shenzhen Rural Commercial Bank, Fiserv and Digital China Financial Software**

Large-sized Financial Institutions – **Guangdong Rural Credit Cooperative Union and TCS**

Best E-Banking (Mobile) in China
Shanghai Pudong Development Bank

Best Trading Systems (Back Office) in China
Bank of Communications and Misys

Best HR Systems Implementation in China
StanChart and LongTop (International Winner)

Best Risk and Analytics
Shanghai Pudong Development Bank and FICO

Best Data Center Initiative
ICBC and CISCO

RISK MANAGEMENT AWARD

Best Risk Management in China
ICBC

-End of List-

About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Hong Kong, Beijing and Shanghai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is www.theasianbanker.com

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