

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



招商銀行股份有限公司  
CHINA MERCHANTS BANK CO., LTD.  
(H Share Stock Code: 03968)

## THIRD QUARTERLY REPORT OF 2024

The financial information set out in this quarterly report is unaudited and prepared in accordance with the International Financial Reporting Standards.

This announcement is made by the Company pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

# 1 Important Notice

The Board of Directors, the Board of Supervisors, Directors, Supervisors and senior management of the Company confirm that the contents in this report are true, accurate, and complete and have no false representations, misleading statements or material omissions, and they will individually and collectively accept legal responsibility for such contents.

Miao Jianmin, Chairman of the Board of Directors, Wang Liang, President and Chief Executive Officer, Peng Jiawen, Executive Vice President, Chief Financial Officer and Secretary of the Board of Directors and Sun Zhihua, the person in charge of the Accounting Department, hereby make representations in respect of the truthfulness, accuracy and completeness of the financial information in this report.

The Audit Committee under the Board of Directors of the Company has reviewed this report and agreed to submit the same to the Board of Directors for consideration. The 41st meeting of the Twelfth Session of the Board of Directors and the 33rd meeting of the Twelfth Session of the Board of Supervisors of the Company had reviewed and unanimously approved the third quarterly report of 2024 of the Company, respectively.

All financial statements set out in this report are prepared in accordance with the International Financial Reporting Standards and are unaudited. The unaudited quarterly report prepared by the Company in accordance with the PRC Accounting Standards has been published on the website of Shanghai Stock Exchange. Unless otherwise stated, all monetary sums stated in this report are expressed in RMB. In the event of any discrepancies in interpretation between the English and Chinese versions, the Chinese version shall prevail.

“China Merchants Bank”, the “Company” and the “Bank” mentioned in this report refer to China Merchants Bank Co., Ltd.; the “Group” refers to China Merchants Bank and its subsidiaries; “CMB Wing Lung Bank” refers to CMB Wing Lung Bank Limited; “CMB Financial Leasing” or “CMBFL” refers to CMB Financial Leasing Co., Ltd.; “CMB International Capital” or “CMBIC” refers to CMB International Capital Holdings Corporation Limited; “CMB Wealth Management” refers to CMB Wealth Management Company Limited; “China Merchants Fund” or “CMFM” refers to China Merchants Fund Management Co., Ltd.; “CIGNA & CMAM” refers to CIGNA & CMB Asset Management Company Limited; and “CMB Europe S.A.” refers to China Merchants Bank (Europe) Co., Ltd.

We have included in this report certain forward-looking statements with respect to the financial position, operating results and business development of the Group. We use words such as “will”, “may”, “expect”, “try”, “strive”, “plan”, “anticipate”, “aim at”, and similar expressions in this report to indicate forward-looking statements. These statements are based on current plans, estimates and projections. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, the Group gives no assurance that these expectations will turn into reality or prove to be correct. Therefore, they should not be deemed as the Group’s commitments. Investors should not place undue reliance on such statements and should pay attention to investment risks. You are cautioned that such forward-looking statements are related to future events or future financial position, business, or other performances of the Group, and are subject to a number of uncertainties which may cause substantial differences from those in the actual results.

## 2 Major Financial Data

### 2.1 Major accounting data and financial indicators of the Group

<i>(in millions of RMB, unless otherwise stated)</i>	At the end of the reporting period 30 September 2024	At the end of the previous year 31 December 2023	Increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets	11,654,763	11,028,483	5.68
Equity attributable to shareholders of the Bank	1,152,527	1,076,370	7.08
Net assets per share attributable to ordinary shareholders of the Bank <i>(in RMB Yuan)</i>	39.73	36.71	8.23

<i>(in millions of RMB, unless otherwise stated)</i>	January to September 2024	January to September 2023	Increase/decrease as compared to the corresponding period of the previous year (%)
Net cash generated from operating activities	287,233	53,648	435.40

<i>(in millions of RMB, unless otherwise stated)</i>	Reporting period July to September 2024	Increase/decrease during the period from July to September 2024 as compared to the corresponding period of the previous year (%)	January to September 2024	Increase/decrease during the period from January to September 2024 as compared to the corresponding period of the previous year (%)
Net operating income	79,681	-2.55	252,603	-2.93
Net profit attributable to shareholders of the Bank	38,441	0.79	113,184	-0.62
Basic earnings per share attributable to ordinary shareholders of the Bank <i>(in RMB Yuan)</i>	1.52	0.66	4.41	-0.68
Diluted earnings per share attributable to ordinary shareholders of the Bank <i>(in RMB Yuan)</i>	1.52	0.66	4.41	-0.68
Annualised weighted average return on net assets attributable to ordinary shareholders of the Bank (%)	15.68	Decrease of 1.77 percentage points	15.38	Decrease of 2.00 percentage points

Notes:

- (1) Such indicators are calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No. 9—Calculation and Disclosure of Return on Net Assets and Earnings per Share. The Company issued non-cumulative preference shares in 2017 and perpetual bonds in 2020, 2021 and 2023, all of which are classified as other equity instruments. In addition, the Company paid interests of RMB1.975 billion on perpetual bonds during the reporting period. As of the end of the reporting period, no dividends on preference shares were paid or accrued. Therefore, when calculating basic earnings per share attributable to ordinary shareholders, return on average equity, net assets per share and other indicators, interest on perpetual bonds were deducted from “net profit attributable to shareholders of the Bank”, while preference shares and perpetual bonds were deducted from both the “average equity” and the “net assets”.
- (2) For the period from January to September 2024, the Group’s net cash generated from operating activities amounted to RMB287.233 billion, representing a year-on-year increase of 435.40%, which was mainly due to a year-on-year increase in the increment of deposits from customers and a year-on-year decrease in the increment of loans.

## **2.2 Explanation on the differences between the financial statements prepared in accordance with the PRC Accounting Standards and the International Financial Reporting Standards**

In the financial statements prepared by the Group in accordance with the PRC Accounting Standards and the International Financial Reporting Standards, there has been no difference in the net profit attributable to shareholders of the Bank for the reporting period ended 30 September 2024 and the equity attributable to shareholders of the Bank as at the end of the reporting period.

## 3 Information on Shareholders

### 3.1 Information on the shareholders of ordinary shares

As at the end of the reporting period, the holders of ordinary shares of the Company are in a total of 522,103, including 494,536 holders of A Shares and 27,567 holders of H Shares. Neither the holders of A Shares nor the holders of H Shares are subject to restrictions on sales. As at the end of the reporting period, the top 10 ordinary shareholders and the top 10 ordinary shareholders whose shareholdings are not subject to restrictions on sales of the Company were as follows:

No.	Name of shareholder	Type of shareholder	Shares held at the end of the period (share)	Percentage of the total share capital (%)	Type of shares	Changes as compared to the end of the previous year (share)	Shares subject to restrictions on sales (share)	Shares pledged, marked or frozen (share)
1	HKSCC Nominees Ltd.	Offshore legal person	4,554,315,792	18.06	H Shares not subject to restrictions on sales	261,951	-	Unknown
2	China Merchants Steam Navigation Co., Ltd.	State-owned legal person	3,289,470,337	13.04	A Shares not subject to restrictions on sales	-	-	-
3	China Ocean Shipping Company Limited	State-owned legal person	1,574,729,111	6.24	A Shares not subject to restrictions on sales	-	-	-
4	Hong Kong Securities Clearing Company Limited	Offshore legal person	1,325,466,877	5.26	A Shares not subject to restrictions on sales	264,972,486	-	-
5	Shenzhen Yan Qing Investment and Development Company Ltd.	State-owned legal person	1,258,542,349	4.99	A Shares not subject to restrictions on sales	-	-	-
6	China Merchants Financial Holdings Co., Ltd.	State-owned legal person	1,147,377,415	4.55	A Shares not subject to restrictions on sales	-	-	-
7	Hexie Health Insurance Co., Ltd. – Traditional – Ordinary insurance products	Domestic legal person	1,130,991,537	4.48	A Shares not subject to restrictions on sales	-	-	-
8	Shenzhen Chu Yuan Investment and Development Company Ltd.	State-owned legal person	944,013,171	3.74	A Shares not subject to restrictions on sales	-	-	-
9	COSCO Shipping (Guangzhou) Co., Ltd.	State-owned legal person	696,450,214	2.76	A Shares not subject to restrictions on sales	-	-	-
10	China Securities Finance Corporation Limited	Domestic legal person	524,229,972	2.08	A Shares not subject to restrictions on sales	-	-	-

Notes:

- (1) Shares held by HKSCC Nominees Ltd. are the total shares in the accounts of holders of H Shares of the Company trading on the transaction platform of HKSCC Nominees Ltd. Hong Kong Securities Clearing Company Limited is an institution designated by others to hold shares on behalf of them as a nominal holder, and the shares held by it are the A shares of China Merchants Bank acquired by investors through Northbound Trading.
- (2) As at the end of the reporting period, of the aforesaid top 10 shareholders, HKSCC Nominees Ltd. is a subsidiary of Hong Kong Securities Clearing Company Limited; China Merchants Steam Navigation Co., Ltd., Shenzhen Yan Qing Investment and Development Company Ltd., China Merchants Financial Holdings Co., Ltd. and Shenzhen Chu Yuan Investment and Development Company Ltd. are all subsidiaries of China Merchants Group Ltd.; China Ocean Shipping Company Limited and COSCO Shipping (Guangzhou) Co., Ltd. are both subsidiaries of China COSCO Shipping Corporation Limited. The Company is not aware of any affiliated relationships or action in concert among other shareholders.
- (3) The above shareholders of A Shares had no proxy, trustee nor waiver of voting rights.
- (4) During the period from January to September 2024, the above holders of A Shares did not participate in the margin trading and short selling business. The number of outstanding A Shares of the Company lent out through securities lending by the above holders of A Shares at the beginning and the end of the reporting period was zero.

## 3.2 Information on the shareholders of preference shares

As at the end of the reporting period, the Company had a total of 23 holders of preference shares, all of whom were holders of domestic preference shares. During the period from January to September 2024, the Company did not restore any voting right of the preference shares. As at the end of the reporting period, the Company had no holder of preference shares with voting right restored.

As at the end of the reporting period, the shareholdings of the top 10 holders of domestic preference shares of the Company were as follows:

No.	Name of shareholder	Type of shareholder	Type of shares	Shares held at the end of the period (share)	Percentage of shareholdings (%)	Changes as compared to the end of the previous year (share)	Shares subject to restrictions on sales (share)	Shares pledged, marked or frozen (share)
1	China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	106,000,000	38.55	-	-	-
2	Suyin Wealth Management Co., Ltd. – No. 1 Hengyuan Rongda (恒源融達) of Suyin Wealth Management	Others	Domestic preference shares	23,000,000	8.36	-	-	-
3	China National Tobacco (Henan Province) Company	State-owned legal person	Domestic preference shares	20,000,000	7.27	-	-	-
	Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Ordinary insurance products	Others	Domestic preference shares	20,000,000	7.27	-	-	-
5	China National Tobacco (Anhui Province) Company	State-owned legal person	Domestic preference shares	15,000,000	5.45	-	-	-
	China National Tobacco (Sichuan Province) Company	State-owned legal person	Domestic preference shares	15,000,000	5.45	-	-	-
7	BOC Asset – Bank of China – Bank of China Limited, Shenzhen Branch	Others	Domestic preference shares	14,000,000	5.09	-1,900,000	-	-
8	Everbright Securities Asset Management – China Everbright Bank – Xinyou (鑫優) No. 2 Collective Asset Management Scheme of Everbright Securities Asset Management	Others	Domestic preference shares	9,000,000	3.27	-	-	-
9	CCB Trust Co., Ltd. – CCB Trust – Jianyue Changhong (建粵長虹) No. 1 Single Fund Trust	Others	Domestic preference shares	8,570,000	3.12	8,570,000	-	-
10	Everbright Securities Asset Management – Bank of China – Xinyou (鑫優) No. 32 Collective Asset Management Scheme of Everbright Securities Asset Management	Others	Domestic preference shares	7,500,000	2.73	7,000,000	-	-

*Notes:*

- (1) The shareholdings of holders of domestic preference shares are presented under separate account according to the register of members of preference shares of the Company.
- (2) China National Tobacco (Henan Province) Company, China National Tobacco (Anhui Province) Company and China National Tobacco (Sichuan Province) Company are all wholly-owned subsidiaries of China National Tobacco Corporation; “Everbright Securities Asset Management – China Everbright Bank – Xinyou (鑫優) No. 2 Collective Asset Management Scheme of Everbright Securities Asset Management” and “Everbright Securities Asset Management – Bank of China – Xinyou (鑫優) No. 32 Collective Asset Management Scheme of Everbright Securities Asset Management” are both managed by Everbright Securities Asset Management Co., Ltd.. Save for the above, the Company is not aware of any affiliated relationship or action in concert among the above holders of preference shares or between the above holders of preference shares and the Company’s top ten ordinary shareholders.
- (3) “Percentage of shareholdings” represents the percentage of the number of domestic preference shares held by the holders of preference shares to the total number of domestic preference shares.

## 4 Management Discussion and Analysis

### 4.1 Analysis of overall operation

Taking “building a value creation bank” as its strategic objective and adhering to the philosophy of achieving dynamically balanced development of “Quality, Profitability and Scale”, CMB carried out various businesses in a sound manner during the reporting period, whereby the scale of assets and liabilities has grown steadily, and the asset quality has been generally stable.

From January to September 2024, the Group realised a net operating income of RMB252.603 billion, representing a year-on-year decrease of 2.93%; a net profit attributable to shareholders of the Bank of RMB113.184 billion, representing a year-on-year decrease of 0.62%; a net interest income of RMB157.298 billion, representing a year-on-year decrease of 3.07%; and a net non-interest income of RMB95.305 billion, representing a year-on-year decrease of 2.70%. The annualised return on average asset (ROAA) attributable to shareholders of the Bank and annualised return on average equity (ROAE) attributable to ordinary shareholders of the Bank was 1.33% and 15.38%, respectively, representing a year-on-year decrease of 0.13 percentage point and a year-on-year decrease of 2.00 percentage points, respectively.

As at the end of the reporting period, the Group’s total assets amounted to RMB11,654.763 billion, representing an increase of 5.68% as compared with the end of the previous year. The total loans and advances to customers amounted to RMB6,758.751 billion<sup>1</sup>, representing an increase of 3.84% as compared with the end of the previous year. Total liabilities amounted to RMB10,495.128 billion, representing an increase of 5.56% as compared with the end of the previous year. Total deposits from customers amounted to RMB8,732.681 billion, representing an increase of 7.08% as compared with the end of the previous year.

As at the end of the reporting period, the Group’s non-performing loans amounted to RMB63.557 billion, representing an increase of RMB1.978 billion as compared with the end of the previous year. The non-performing loan ratio was 0.94%, down by 0.01 percentage point as compared with the end of the previous year. The Group’s allowance coverage ratio was 432.15%, representing a decrease of 5.55 percentage points as compared with the end of the previous year. The allowance-to-loan ratio was 4.06%, representing a decrease of 0.08 percentage point as compared with the end of the previous year.

<sup>1</sup> The amounts of deposits, loans and financial investments in the section headed “Management Discussion and Analysis” of this report exclude accrued interest.

## 4.2 Analysis of statement of profit or loss

### Net interest income

From January to September 2024, the Group's net interest income amounted to RMB157.298 billion, representing a year-on-year decrease of 3.07% and accounting for 62.27% of net operating income.

From January to September 2024, the net interest spread and the net interest margin of the Group were 1.87% and 1.99% respectively, both representing a year-on-year decrease of 20 basis points. As a result of the reduction of Loan Prime Rates (LPR) and interest rates on existing residential mortgage loans, coupled with insufficient effective credit demand, the yield on the new credit business declined year-on-year, leading to a decrease in the yield on interest-earning assets, which was the primary factor pulling down the net interest margin. Meanwhile, the cost ratio of interest-bearing liabilities declined year-on-year as a result of the continuous effect of the market-orientated downward adjustment of interest rates of deposits, among other factors, which had a positive effect on net interest margin.

The Group <i>(in millions of RMB, except for percentages)</i>	January to September 2024			January to September 2023		
	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
<b>Interest-earning assets</b>						
Loans and advances to customers	6,631,469	197,546	3.98	6,254,431	202,070	4.32
Financial investments	2,695,157	62,828	3.11	2,475,548	59,685	3.22
Balances with the central bank	582,281	7,359	1.69	581,785	7,320	1.68
Balances and placements with banks and other financial institutions	642,440	13,821	2.87	606,302	12,100	2.67
<b>Total</b>	<b>10,551,347</b>	<b>281,554</b>	<b>3.56</b>	<b>9,918,066</b>	<b>281,175</b>	<b>3.79</b>
<i>(in millions of RMB, except for percentages)</i>						
	Average balance	Interest expense	Annualised average cost ratio (%)	Average balance	Interest expense	Annualised average cost ratio (%)
<b>Interest-bearing liabilities</b>						
Deposits from customers	8,415,388	99,790	1.58	7,871,096	95,266	1.62
Deposits and placements from banks and other financial institutions	914,619	14,741	2.15	957,140	14,598	2.04
Debt securities issued	258,409	5,855	3.03	252,300	6,005	3.18
Borrowings from the central bank	215,942	3,515	2.17	165,144	2,655	2.15
Lease liabilities	12,900	355	3.68	12,881	365	3.79
<b>Total</b>	<b>9,817,258</b>	<b>124,256</b>	<b>1.69</b>	<b>9,258,561</b>	<b>118,889</b>	<b>1.72</b>
<b>Net interest income</b>	/	157,298	/	/	162,286	/
<b>Net interest spread</b>	/	/	1.87	/	/	2.07
<b>Net interest margin</b>	/	/	1.99	/	/	2.19



The Group	July to September 2024			April to June 2024		
	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
<i>(in millions of RMB, except for percentages)</i>						
<b>Interest-earning assets</b>						
Loans and advances to customers	6,654,963	65,332	3.91	6,665,497	65,705	3.96
Financial investments	2,766,074	21,243	3.06	2,667,761	20,691	3.12
Balances with the central bank	569,094	2,426	1.70	592,450	2,453	1.67
Balances and placements with banks and other financial institutions	682,531	4,556	2.66	691,455	5,013	2.92
<b>Total</b>	<b>10,672,662</b>	<b>93,557</b>	<b>3.49</b>	<b>10,617,163</b>	<b>93,862</b>	<b>3.56</b>
<i>(in millions of RMB, except for percentages)</i>						
	Average balance	Interest expense	Annualised average cost ratio (%)	Average balance	Interest expense	Annualised average cost ratio (%)
<b>Interest-bearing liabilities</b>						
Deposits from customers	8,568,863	33,262	1.54	8,453,266	33,141	1.58
Deposits and placements from banks and other financial institutions	847,238	4,337	2.04	928,534	4,957	2.15
Debt securities issued	259,133	1,975	3.03	295,824	2,134	2.90
Borrowings from the central bank	187,046	1,020	2.17	196,946	1,061	2.17
Lease liabilities	12,947	114	3.50	12,973	120	3.72
<b>Total</b>	<b>9,875,227</b>	<b>40,708</b>	<b>1.64</b>	<b>9,887,543</b>	<b>41,413</b>	<b>1.68</b>
Net interest income	/	52,849	/	/	52,449	/
Net interest spread	/	/	1.85	/	/	1.88
Net interest margin	/	/	1.97	/	/	1.99

## Net non-interest income

From January to September 2024, the Group recorded a net non-interest income of RMB95.305 billion, representing a year-on-year decrease of 2.70% and accounting for 37.73% of net operating income. The year-on-year decrease in net non-interest income was mainly due to fee reduction of certain products and weak investment willingness of customers, which resulted in a decrease in fee and commission income. Among the net non-interest income, net fee and commission income amounted to RMB55.702 billion, representing a year-on-year decrease of 16.90%; other net non-interest income amounted to RMB39.603 billion, representing a year-on-year increase of 28.09%, which was mainly due to the increase in income from bonds investments and funds investments.

The major items under the Group's net fee and commission income are analysed as follows. **Fee and commission income from wealth management** amounted to RMB17.405 billion, representing a year-on-year decrease of 27.63%, of which, income from agency distribution of wealth management products amounted to RMB5.937 billion, representing a year-on-year increase of 47.36%, mainly driven by the growth in the volume of agency distribution and the optimisation of product structure; income from agency distribution of insurance policies amounted to RMB5.730 billion, representing a year-on-year decrease of 54.56%, mainly due to the continuing effect of declined bancassurance commission fee; income from agency distribution of funds amounted to RMB3.003 billion, representing a year-on-year decrease of 26.47%, mainly due to the reduction in fund fees and the decline in the holding and sales volume of equity funds; income from agency distribution of trust schemes amounted to RMB1.716 billion, representing a year-on-year decrease of 31.39%, mainly due to the decline in the volume of agency distribution of trust schemes; income from securities brokerage amounted to RMB772 million, representing a year-on-year increase of 34.03%, mainly due to the increasing demand for securities transactions from customers in Hong Kong capital market. **Fee and commission income from asset management** amounted to RMB8.140 billion<sup>2</sup>, representing a year-on-year decrease of 6.16%, mainly attributable to the decrease in management fee income of CMB Wealth Management and China Merchants Fund, both subsidiaries of the Company. **Commission income from custody business** amounted to RMB3.691 billion, representing a year-on-year decrease of 10.67%, mainly due to the decline in the volume and fee rate of equity fund custody business. **Income from bank card fees** amounted to RMB12.692 billion, representing a year-on-year decrease of 12.78%, which was mainly due to the decrease in fee income from offline transaction of credit cards. **Income from settlement and clearing fees** amounted to RMB11.641 billion, representing a year-on-year decrease of 0.92%.

## Operating expenses

From January to September 2024, the Group's operating expenses amounted to RMB82.172 billion, representing a year-on-year decrease of 3.50%, among which staff costs amounted to RMB49.361 billion, representing a year-on-year decrease of 4.64%, and other operating expenses amounted to RMB32.811 billion<sup>3</sup>, representing a year-on-year decrease of 1.73%. From January to September 2024, the Group's cost-to-income ratio was 29.59%, representing a year-on-year decrease of 0.50 percentage point. The Group adhered to lean management, retained necessary expenses and reduced those with lower priority, improved the input-output efficiency of expenses, maintained its key strategy and Fintech input, strengthened the capacity building of artificial intelligence platform and big data platform, and further promoted digital transformation.

<sup>2</sup> Fee and commission income from asset management mainly include the income from the issuance and management of various asset management products such as funds, wealth management and asset management plans of China Merchants Fund, CMB International Capital, CMB Wealth Management and CIGNA & CMAM, all being subsidiaries of the Company.

<sup>3</sup> Other operating expenses include depreciation, amortisation, leases, taxes and surcharges and other various administrative expenses.

## Expected credit losses

From January to September 2024, the Group's expected credit losses amounted to RMB36.346 billion, representing a year-on-year decrease of 8.55%, of which expected credit losses of loans and advances to customers amounted to RMB36.270 billion, representing a year-on-year decrease of RMB5.196 billion, which was mainly because the Group continuously optimised customer structure and business structure in respect of the loan business, thereby maintaining stable asset quality. The total expected credit losses of other types of business other than loans and advances to customers amounted to RMB76 million, representing a year-on-year increase of RMB1.799 billion, mainly due to a higher reversal of expected credit losses during the corresponding period of the previous year as a result of the decrease in the scale such as financial assets held under resale agreements, the decrease in risks of individual customers and the collection of financial investment assets during the corresponding period of the previous year.

## 4.3 Analysis of balance sheet

### Assets

As at the end of the reporting period, total assets of the Group amounted to RMB11,654.763 billion, representing an increase of 5.68% as compared with the end of the previous year, which was mainly attributable to the increase in loans and advances to customers and financial investments of the Group, etc. As at the end of the reporting period, the Group's total loans and advances to customers amounted to RMB6,758.751 billion, representing an increase of 3.84% as compared with the end of the previous year; total loans and advances to customers accounted for 57.99% of the total assets, representing a decrease of 1.03 percentage points as compared with the end of the previous year. In particular, the retail loans of the Group amounted to RMB3,573.833 billion, representing an increase of 3.95% as compared with the end of the previous year, with the increment lower than that of the corresponding period of the previous year, mainly due to the decline in the scale of credit card loans and residential mortgage loans as a result of the weak market demand, the Group drove steady growth in retail loans by maintaining its efforts on granting micro-finance loans and consumer loans. The corporate loans of the Group amounted to RMB2,774.000 billion, representing an increase of 6.70% compared to the end of the previous year, with the increment higher than that of the corresponding period of the previous year, mainly because the Group continuously strengthened the origination of high-quality assets and maintained efforts in supporting the real economy, thereby driving the rapid growth in corporate loans. As at the end of the reporting period, the balance of the Group's financial investments amounted to RMB3,320.961 billion, representing an increase of 4.96% as compared with the end of the previous year.

## Liabilities

As at the end of the reporting period, total liabilities of the Group amounted to RMB10,495.128 billion, representing an increase of 5.56% as compared with the end of the previous year, which was mainly attributable to the increase in deposits from customers. As at the end of the reporting period, the Group's total deposits from customers amounted to RMB8,732.681 billion, representing an increase of 7.08% as compared with the end of the previous year and accounting for 83.21% of total liabilities of the Group, and were the major funding source of the Group. Among them, the balance of the deposits from corporate customers amounted to RMB4,886.146 billion, representing an increase of 4.84% as compared with the end of the previous year; and the balance of deposits from retail customers amounted to RMB3,846.535 billion, representing an increase of 10.06% as compared with the end of the previous year. As at the end of the reporting period, among the Group's deposits from customers, the demand deposits accounted for 48.70% while the time deposits accounted for 51.30%. As at the end of the reporting period, among the Group's demand deposits, the deposits from corporate customers accounted for 58.12% while the deposits from retail customers accounted for 41.88%. Among the time deposits, the deposits from corporate customers accounted for 53.90% while the deposits from retail customers accounted for 46.10%. From January to September 2024, among the daily average balance of deposits from customers of the Group, demand deposits accounted for 50.60%, down by 6.48 percentage points as compared with the previous year.

## Shareholder's equity

As at the end of the reporting period, the Group's equity attributable to shareholders of the Bank was RMB1,152.527 billion, representing an increase of 7.08% as compared with the end of the previous year, among which retained earnings amounted to RMB630.050 billion, representing an increase of 10.85% as compared with the end of the previous year; investment revaluation reserve amounted to RMB28.991 billion, representing an increase of 112.29% as compared with the end of the previous year, mainly due to the increase in the fair value of investments measured at fair value through other comprehensive income; exchange reserve was RMB2.473 billion, representing a decrease of 15.71% as compared with the end of the previous year, which was mainly due to fluctuations in RMB exchange rate.

## 4.4 Risk management and control for the real estate sector

From January to September 2024, the Company followed the national policy guidance and regulatory requirements, and adhered to the overall strategy of “defining positioning, selecting promising regions, focusing on projects, and tightening management”. Under the premise of controllable risks, the Company managed to tap into high-quality regional markets, select high-quality customers and focus on carrying out business with selected high-quality projects. At the same time, the Company continued to strengthen its support to the “whitelist” projects determined by the coordination mechanism of urban real estate financing, and provided financing for qualified projects in accordance with the principles of marketisation and rule of law, thereby facilitating the stable and healthy development of the real estate market.

As at the end of the reporting period, the Group’s total balance of real estate related businesses which were subject to credit risks, such as the actual and contingent credit, proprietary bond investments, and proprietary investment of non-standardised assets amounted to RMB387.865 billion, representing a decrease of 2.78% as compared with the end of the previous year. The Group’s total balance of businesses which were not subject to credit risks, such as wealth management fund financing, entrusted loans, agency distribution of trust schemes under the active management by cooperative institutions, and debt financing instruments with the Group as the lead underwriter amounted to RMB233.863 billion, representing a decrease of 6.25% as compared with the end of the previous year. As at the end of the reporting period, the Company’s balance of loans granted to the property development industry was RMB294.181 billion, representing an increase of RMB3.439 billion as compared with the end of the previous year, accounting for 4.58% of the Company’s total loans and advances to customers, representing a decrease of 0.13 percentage point as compared with the end of the previous year, among which over 85% of the balance of loans for real estate development was located in the urban areas of first-tier and second-tier cities and the regional structure remained sound. As at the end of the reporting period, the Company’s non-performing loan ratio of the property development industry was 4.80%, representing a decrease of 0.21 percentage point as compared with the end of the previous year.

In the future, the Company will fully support the establishment of new model of real estate development, make full use of coordination mechanism to meet the reasonable financing needs of real estate projects, and increase the loan-granting for projects of “whitelist” customers. At the same time, the Group will continue to rationally classify risks of project subsidiaries and holding companies, continuously strengthen centralised risk management and post-investment and post-loan management, and strictly implement the requirements of close-loop management for real estate loans to effectively manage and control project risks. Based on the principles of legal compliance, controllable risks and commercial sustainability, the Group will promote the risk mitigation of real estate enterprises to maintain the overall stable quality of real estate assets.

## 4.5 Analysis of loan quality

The Group adheres to classification of assets in a strict manner to truly reflect the quality of assets. As at the end of the reporting period, the Group’s non-performing loans amounted to RMB63.557 billion, representing an increase of RMB1.978 billion as compared with the end of the previous year, and non-performing loan ratio was 0.94%, representing a decrease of 0.01 percentage point as compared with the end of the previous year; special-mentioned loans amounted to RMB88.131 billion, representing an increase of RMB16.803 billion as compared with the end of the previous year, and the special-mentioned loan ratio was 1.30%, representing an increase of 0.20 percentage point as compared with the end of the previous year; overdue loans amounted to RMB91.950 billion, representing an increase of RMB9.967 billion as compared with the end of the previous year, and the overdue loan ratio was 1.36%, representing an increase of 0.10 percentage point as compared with the end of the previous year. As at the end of the reporting period, the ratio of the Group’s non-performing loans to the loans overdue for more than 90 days was 1.26, and the ratio of the Company’s non-performing loans to the loans overdue for more than 60 days was 1.14.

## Distribution of the Company's loans and non-performing loans by industry

The Company <i>(in millions of RMB, except for percentages)</i>	30 September 2024				31 December 2023			
	Balance of loans and advances	Percentage of the total (%)	Balance of non- performing loans	Non- performing loan ratio % <sup>(1)</sup>	Balance of loans and advances	Percentage of the total (%)	Balance of non- performing loans	Non- performing loan ratio % <sup>(1)</sup>
<b>Corporate loans</b>	2,501,369	38.95	26,368	1.05	2,321,585	37.65	26,694	1.15
Manufacturing	611,384	9.52	2,841	0.46	555,102	9.00	3,008	0.54
Transportation, storage and postal services	446,829	6.96	1,274	0.29	435,071	7.06	1,320	0.30
Property development	294,181	4.58	14,131	4.80	290,742	4.71	14,569	5.01
Production and supply of electric power, heat, gas and water	253,532	3.95	511	0.20	220,797	3.58	425	0.19
Wholesale and retail	206,464	3.22	1,398	0.68	193,801	3.14	1,326	0.68
Leasing and commercial services	172,135	2.68	858	0.50	165,793	2.69	1,445	0.87
Construction	127,859	1.99	1,442	1.13	109,227	1.77	333	0.30
Finance	111,023	1.73	87	0.08	101,588	1.65	87	0.09
Information transmission, software and IT service	109,131	1.70	436	0.40	93,609	1.52	545	0.58
Mining	49,470	0.76	561	1.13	45,052	0.73	567	1.26
Water conservancy, environment and public utilities	33,850	0.53	121	0.36	34,680	0.56	77	0.22
Others <sup>(2)</sup>	85,511	1.33	2,708	3.17	76,123	1.24	2,992	3.93
Discounted bills	410,276	6.39	11	–	471,127	7.64	–	–
Retail loans	3,510,063	54.66	32,933	0.94	3,373,633	54.71	30,539	0.91
<b>Total loans and advances to customers</b>	<b>6,421,708</b>	<b>100.00</b>	<b>59,312</b>	<b>0.92</b>	<b>6,166,345</b>	<b>100.00</b>	<b>57,233</b>	<b>0.93</b>

Notes:

- (1) Represents the percentage of the non-performing loans in a certain category to the total loans of that category.
- (2) Consist primarily of scientific research and technological service industries, sanitation and social work industries, culture, sports and entertainment industries, agriculture, forestry, animal husbandry and fishery industries and other industries.

The Company closely tracked changes in internal and external situations, and continuously prevented and defused risks in key areas such as real estate and local government financing platforms, carried out dynamic monitoring for risks in relation to industries, and actively implemented post-loan management. Asset quality generally remained stable during the reporting period.

## Asset quality of the Company's loans and advances by product type

The Company  (in millions of RMB, except for percentages)	30 September 2024						
	Balance of loans and advances	Balance of non- performing loans	Non- performing loan ratio (%)	Balance of special- mentioned loans	Special- mentioned loan ratio (%)	Balance of overdue loans	Overdue loan ratio (%)
Corporate loans	2,501,369	26,368	1.05	21,329	0.85	24,696	0.99
Discounted bills	410,276	11	–	6	–	–	–
Retail loans	3,510,063	32,933	0.94	59,990	1.71	60,053	1.71
Micro-finance loans	813,399	5,265	0.65	3,948	0.49	6,873	0.84
Residential mortgage loans	1,371,243	6,255	0.46	17,479	1.27	11,161	0.81
Consumer credit business	1,318,285	20,341	1.54	38,519	2.92	40,930	3.10
Credit card loans	926,931	16,448	1.77	36,261	3.91	35,818	3.86
Consumer loans	391,354	3,893	0.99	2,258	0.58	5,112	1.31
Others <sup>(Note)</sup>	7,136	1,072	15.02	44	0.62	1,089	15.26
<b>Total loans and advances to customers</b>	<b>6,421,708</b>	<b>59,312</b>	<b>0.92</b>	<b>81,325</b>	<b>1.27</b>	<b>84,749</b>	<b>1.32</b>

The Company  (in millions of RMB, except for percentages)	31 December 2023						
	Balance of loans and advances	Balance of non- performing loans	Non- performing loan ratio (%)	Balance of special- mentioned loans	Special- mentioned loan ratio (%)	Balance of overdue loans	Overdue loan ratio (%)
Corporate loans	2,321,585	26,694	1.15	18,071	0.78	25,862	1.11
Discounted bills	471,127	–	–	12	–	–	–
Retail loans	3,373,633	30,539	0.91	48,739	1.44	47,706	1.41
Micro-finance loans	749,773	4,592	0.61	2,648	0.35	5,211	0.70
Residential mortgage loans	1,376,814	5,113	0.37	13,107	0.95	7,466	0.54
Consumer credit business	1,237,315	19,666	1.59	32,912	2.66	33,851	2.74
Credit card loans	935,777	16,381	1.75	31,373	3.35	29,905	3.20
Consumer loans	301,538	3,285	1.09	1,539	0.51	3,946	1.31
Others <sup>(Note)</sup>	9,731	1,168	12.00	72	0.74	1,178	12.11
<b>Total loans and advances to customers</b>	<b>6,166,345</b>	<b>57,233</b>	<b>0.93</b>	<b>66,822</b>	<b>1.08</b>	<b>73,568</b>	<b>1.19</b>

Note: Consist primarily of commercial housing loans, automobile loans, house decoration loans, education loans and other personal loans secured by money-market assets.



As at the end of the reporting period, the balance of non-performing retail loans amounted to RMB32.933 billion, representing an increase of RMB2.394 billion as compared with the end of the previous year, and the non-performing loan ratio was 0.94%, up by 0.03 percentage point as compared with the end of the previous year; the balance of special-mentioned loans amounted to RMB59.990 billion, representing an increase of RMB11.251 billion as compared with the end of the previous year, and the special-mentioned loan ratio was 1.71%, up by 0.27 percentage point as compared with the end of the previous year; and the balance of overdue loans amounted to RMB60.053 billion, representing an increase of RMB12.347 billion as compared with the end of the previous year, and the overdue loan ratio was 1.71%, up by 0.30 percentage point as compared with the end of the previous year. Affected by the external environment, both the special-mentioned loan ratio and the overdue loan ratio in terms of retail loans of the Company at the end of the reporting period increased as compared with the end of the previous year, and the non-performing loan ratio increased slightly as compared with the end of the previous year, which was generally controllable.

From January to September 2024, the amount of residential mortgage loans newly granted by the Company in the first-tier and second-tier cities accounted for 91.44% of the total amount of residential mortgage loans newly granted by the Company, representing an increase of 1.23 percentage points year-on-year. As at the end of the reporting period, the Company's balance of residential mortgage loans in the first-tier and second-tier cities accounted for 87.41% of the balance of residential mortgage loans of the Company, representing an increase of 0.37 percentage point as compared with the end of the previous year. Meanwhile, the Company had always been insisted on regularly monitoring and revaluating the value of the existing collaterals. As of the end of the reporting period, the weighted average loan-to-value ratio of residential mortgage loans of the Company was 36.29%, representing an increase of 3.36 percentage points as compared with the end of the previous year, and the collaterals were sufficient and stable. Therefore, the overall risk of residential mortgage loans was controllable.

### **The formation and disposal of non-performing loans of the Company**

From January to September 2024, the Company recorded newly formed non-performing loans of RMB48.205 billion, representing a year-on-year increase of RMB2.710 billion, with a non-performing loan formation ratio (annualised) of 1.02%, down by 0.01 percentage point year-on-year. Among them, the amount of newly formed non-performing corporate loans was RMB7.749 billion, representing a decrease of RMB1.459 billion year-on-year; the amount of newly formed non-performing retail loans (excluding credit cards) was RMB10.711 billion, representing an increase of RMB4.142 billion year-on-year; and the amount of newly formed non-performing loans of credit cards was RMB29.745 billion, representing an increase of RMB27 million year-on-year.

The Company continued to dispose of non-performing assets actively. From January to September 2024, the Company disposed of non-performing loans amounting to RMB46.107 billion, of which RMB22.005 billion was written off; RMB5.731 billion was recovered by collection; RMB16.267 billion was securitised; and RMB2.104 billion was disposed of by repossession, transfer, upward migration after restructuring, remission and other means.

### The allowances for loan losses of the Company

In accordance with the Financial Instruments Standards, the Company made prudent allowances for impairment losses on loans by using the expected credit loss model and the risk quantification parameters such as the probability of customer defaults and the loss given defaults, after taking into consideration the adjustments in macro perceptiveness, and based on the changes in customer and business structure and actual risks, so as to ensure adequate credit risk compensation. As at the end of the reporting period, the balance of allowances for impairment losses on loans of the Company amounted to RMB264.758 billion, representing an increase of RMB3.356 billion as compared with the end of the previous year; the allowance coverage ratio of the Company was 446.38%, representing a decrease of 10.35 percentage points as compared with the end of the previous year; the allowance-to-loan ratio of the Company was 4.12%, representing a decrease of 0.12 percentage point as compared with the end of the previous year. Credit cost ratio (annualised) of the Company was 0.71%, down by 0.01 percentage point as compared with the previous year.

### Outlook of asset quality and countermeasures

Since the beginning of the year, against the backdrop where uncertainties brought by changes in external environment has increased, global economic growth has remained sluggish, and inflationary pressures have eased, the economic performance of major economies has diverged, and monetary policies have been introduced by entering into the interest rate cut cycle. China's economy generally remained stable with solid progress in high-quality development, but still faced challenges such as insufficient effective demand and weak social expectations. The Company will closely monitor changes in the macro-economic landscape, proactively respond, adhere to the bottom line, continue to improve the construction of mechanisms, and enhance our risk management capabilities. Focusing on the strategy of "dynamic rebalancing" of industries, regions and customer bases, the Company will implement the "one branch, one policy" list-based operation for asset business, so as to fully promote the optimisation of customer base structure and allocation of quality assets. The Company will focus on risk monitoring in key areas, conduct risk screening for customers granted with large credit facility, rigorously implement the coordination mechanism of urban real estate financing business to promote the stable and healthy development of the real estate market, while securely resolving risks brought by existing debts by virtue of a package of debt resolution proposals and strictly controlling new debts. The Company will strengthen the monitoring and management of loans overdue in early stage, strictly classify assets, make adequate allowances, and effectively prevent and dispose of potential risks. The Company will actively dispose of non-performing assets in multiple ways to maintain overall stability of asset quality.

## 4.6 Capital adequacy ratios

The Group continued to optimise its business structure and enhance capital management. In accordance with various capital requirements of financial regulatory authorities as well as the supplementary capital and leverage ratio requirements under the “Ancillary Regulatory Provision for Systematically Important Banks (Trial)” 《(系統重要性銀行附加監管規定(試行))》, the capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio of the Group and the Company shall not be less than 11.25%, 9.25% and 8.25%, respectively, and the leverage ratio shall not be less than 4.375%. As of the end of the reporting period, the Group and the Company have been constantly meeting the various capital and leverage ratio regulatory requirements.

### Capital adequacy ratios under the Advanced Measurement Approach

As at the end of the reporting period, the core Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Group under the Advanced Measurement Approach were 14.73%, 16.99% and 18.67% respectively, representing an increase of 1.00, 0.98 and 0.79 percentage point respectively, as compared with the end of the previous year.

The Group <i>(in millions of RMB, except for percentages)</i>	30 September 2024	31 December 2023	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
<b>Capital adequacy ratios under the Advanced Measurement Approach<sup>(1)</sup></b>			
Net core Tier 1 capital	980,104	907,308	8.02
Net Tier 1 capital	1,130,550	1,057,754	6.88
Net capital	1,242,567	1,181,487	5.17
Core Tier 1 capital adequacy ratio	14.73%	13.73%	Increase of 1.00 percentage point
Tier 1 capital adequacy ratio	16.99%	16.01%	Increase of 0.98 percentage point
Capital adequacy ratio	18.67%	17.88%	Increase of 0.79 percentage point
<b>Information on leverage ratio<sup>(2)</sup></b>			
Balance of adjusted on – and off-balance sheet assets	13,667,693	12,806,260	6.73
Leverage ratio	8.27%	8.26%	Increase of 0.01 percentage point

Notes:

- (1) The "Advanced Measurement Approach" refers to the "Internal Ratings-Based (IRB) Approach for Credit Risk", the "Standardised Approach for Market Risk" and the "Standardised Approach for Operational Risk" set out in the "Rules on Capital Management of Commercial Banks" issued by the National Financial Regulatory Administration on 1 November 2023 (same as below). A commercial bank shall use both the Advanced Capital Measurement Approach and other approach to calculate capital adequacy ratios in parallel, and comply with the capital floor requirements.
- (2) Since 2024, the leverage ratio shall be calculated based on the "Rules on Capital Management of Commercial Banks" issued by the National Financial Regulatory Administration on 1 November 2023. The leverage ratios of the Group were 7.88%, 8.11% and 8.26% respectively as at the end of the first half of 2024, the end of the first quarter of 2024 and the end of 2023.
- (3) As the "Rules on Capital Management of Commercial Banks" came into effect on 1 January 2024, the data as of 30 September 2024 in the above table was calculated in accordance with the provisions of the "Rules on Capital Management of Commercial Banks", while the data as of 31 December 2023 was still calculated in accordance with the provisions of the "Capital Rules for Commercial Banks (Provisional)" issued by the former CBRC on 7 June 2012 (same as below).

As at the end of the reporting period, the core Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Company under the Advanced Measurement Approach were 14.71%, 17.09% and 18.81%, respectively, representing an increase of 1.39, 1.39 and 1.19 percentage points respectively, as compared with the end of the previous year. The Company's risk-adjusted return on capital (RAROC, before tax) under the Advanced Measurement Approach was 26.26%, continuing to maintain at a high level.

The Company <i>(in millions of RMB, except for percentages)</i>	30 September 2024	31 December 2023	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
<b>The capital adequacy ratios under the Advanced Measurement Approach</b>			
Net core Tier 1 capital	874,807	801,565	9.14
Net Tier 1 capital	1,016,155	944,349	7.60
Net capital	1,118,383	1,059,697	5.54
Core Tier 1 capital adequacy ratio	14.71%	13.32%	Increase of 1.39 percentage points
Tier 1 capital adequacy ratio	17.09%	15.70%	Increase of 1.39 percentage points
Capital adequacy ratio	18.81%	17.62%	Increase of 1.19 percentage points

## Capital adequacy ratios under the Weighted Approach

As at the end of the reporting period, the core Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Group under the Weighted Approach were 12.34%, 14.24% and 15.33%, respectively, representing an increase of 0.48, 0.42 and 0.37 percentage point respectively, as compared with the end of the previous year.

The Group	30 September 2024	31 December 2023	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
<b>The capital adequacy ratios under the Weighted Approach<sup>(Note)</sup></b>			
Core Tier 1 capital adequacy ratio	12.34%	11.86%	Increase of 0.48 percentage point
Tier 1 capital adequacy ratio	14.24%	13.82%	Increase of 0.42 percentage point
Capital adequacy ratio	15.33%	14.96%	Increase of 0.37 percentage point

*Note:* The "Weighted Approach" refers to the Weighted Approach for credit risk, the Standardised Approach for market risk and the Standardised Approach for operational risk in accordance with the relevant provisions of the "Rules on Capital Management of Commercial Banks" issued by the National Financial Regulatory Administration on 1 November 2023 (same as below).

As at the end of the reporting period, the core Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Company under the Weighted Approach were 12.09%, 14.05% and 15.15%, respectively, representing an increase of 0.71, 0.65 and 0.63 percentage point respectively, as compared with the end of the previous year.

The Company	30 September 2024	31 December 2023	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
<b>The capital adequacy ratios under the Weighted Approach</b>			
Core Tier 1 capital adequacy ratio	12.09%	11.38%	Increase of 0.71 percentage point
Tier 1 capital adequacy ratio	14.05%	13.40%	Increase of 0.65 percentage point
Capital adequacy ratio	15.15%	14.52%	Increase of 0.63 percentage point

## 4.7 Other significant business metrics

As at the end of the reporting period, the Company had 206 million retail customers (including debit and credit card customers), representing an increase of 4.57% as compared with the end of the previous year. The balance of total assets under management (AUM) from retail customers amounted to RMB14,344.947 billion, representing an increase of RMB1,023.816 billion or 7.69% as compared with the end of the previous year.

As at the end of the reporting period, the number of customers in the level of Golden Sunflower and above of the Company (being retail customers of the Company with minimum daily average total assets of RMB500,000 for each month) reached 5,065,700, representing an increase of 9.16% as compared with the end of the previous year. Among which, the number of private banking customers (being retail customers of the Company with minimum daily average total assets of RMB10 million for each month) was 159,581, representing an increase of 7.22% as compared with the end of the previous year. As at the end of the reporting period, the Company's balance of AUM from the customers in the level of Golden Sunflower and above amounted to RMB11,701.653 billion, representing an increase of 8.15% as compared with the end of the previous year.

As at the end of the reporting period, the total scale of asset management business of CMB Wealth Management, China Merchants Fund, CIGNA & CMAM and CMB International Capital, all being subsidiaries of the Company, amounted to RMB4.44 trillion<sup>4</sup>, representing a decrease of 0.99% as compared with the end of the previous year, among which the balance of wealth management products under management by CMB Wealth Management amounted to RMB2.44 trillion, representing a decrease of 4.31% as compared with the end of the previous year; the scale of asset management business of China Merchants Fund amounted to RMB1.58 trillion, representing an increase of 1.94% as compared with the end of the previous year; the scale of asset management business of CIGNA & CMAM amounted to RMB293.216 billion, representing an increase of 9.58% as compared with the end of the previous year; the scale of asset management business of CMB International Capital amounted to RMB123.685 billion, representing an increase of 9.01% as compared with the end of the previous year.

<sup>4</sup> The scale of asset management business of China Merchants Fund and CMB International Capital both included the data of their respective subsidiaries.

## 5 Financial Statements

### UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in millions of RMB unless otherwise stated)

	For the period from January to September ended 30 September		For the period from July to September ended 30 September	
	2024	2023	2024	2023
Interest income	281,554	281,175	93,557	93,841
Interest expense	(124,256)	(118,889)	(40,708)	(40,551)
<b>Net interest income</b>	<b>157,298</b>	<b>162,286</b>	<b>52,849</b>	<b>53,290</b>
Fee and commission income	62,173	73,406	19,621	22,068
Fee and commission expense	(6,471)	(6,379)	(2,247)	(2,132)
<b>Net fee and commission income</b>	<b>55,702</b>	<b>67,027</b>	<b>17,374</b>	<b>19,936</b>
<b>Other net income</b>	<b>37,508</b>	<b>28,820</b>	<b>8,913</b>	<b>7,998</b>
<b>Operating income</b>	<b>250,508</b>	<b>258,133</b>	<b>79,136</b>	<b>81,224</b>
Operating expenses	(82,172)	(85,151)	(25,827)	(28,779)
<b>Operating profit before impairment losses and taxation</b>	<b>168,336</b>	<b>172,982</b>	<b>53,309</b>	<b>52,445</b>
Expected credit losses	(36,346)	(39,743)	(9,418)	(8,684)
Impairment losses on other assets	(11)	(152)	(3)	(2)
Share of profits of joint ventures	1,280	1,460	370	374
Share of profits of associates	815	638	175	168
<b>Profit before taxation</b>	<b>134,074</b>	<b>135,185</b>	<b>44,433</b>	<b>44,301</b>
Income tax	(20,035)	(20,215)	(5,773)	(5,768)
<b>Profit for the period</b>	<b>114,039</b>	<b>114,970</b>	<b>38,660</b>	<b>38,533</b>
Attributable to:				
Equity holders of the Bank	113,184	113,890	38,441	38,138
Non-controlling interests	855	1,080	219	395
<b>Earnings per share</b>				
Basic and diluted (RMB Yuan)	4.41	4.44	1.52	1.51

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in millions of RMB unless otherwise stated)

	For the period from January to September ended 30 September		For the period from July to September ended 30 September	
	2024	2023	2024	2023
<b>Profit for the period</b>	<b>114,039</b>	<b>114,970</b>	<b>38,660</b>	<b>38,533</b>
<b>Other comprehensive income after tax</b>				
Items that may be reclassified subsequently to profit or loss:	<b>12,913</b>	<b>(1,419)</b>	<b>3,675</b>	<b>(2,959)</b>
– Net fair value gain/(loss) on financial assets measured at fair value through other comprehensive income	<b>9,661</b>	<b>(1,444)</b>	<b>3,299</b>	<b>(3,159)</b>
– Net changes in expected credit losses of financial assets measured at fair value through other comprehensive income	<b>1,642</b>	<b>(2,445)</b>	<b>1,123</b>	<b>359</b>
– Net movement in cash flow hedge reserve	<b>(186)</b>	<b>(10)</b>	<b>(132)</b>	<b>5</b>
– Share of other comprehensive income/ (expense) from equity-accounted investees	<b>2,207</b>	<b>84</b>	<b>1,126</b>	<b>(442)</b>
– Exchange difference on translation of financial statements of foreign operations	<b>(411)</b>	<b>2,441</b>	<b>(1,741)</b>	<b>278</b>
– Other	<b>–</b>	<b>(45)</b>	<b>–</b>	<b>–</b>
Items that will not be reclassified subsequently to profit or loss:	<b>1,852</b>	<b>208</b>	<b>201</b>	<b>(53)</b>
– Net fair value gain on equity instruments designated at fair value through other comprehensive income	<b>1,845</b>	<b>205</b>	<b>196</b>	<b>(53)</b>
– Remeasurement of defined benefit scheme	<b>7</b>	<b>3</b>	<b>5</b>	<b>–</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>14,765</b>	<b>(1,211)</b>	<b>3,876</b>	<b>(3,012)</b>
Attributable to:				
Equity holders of the Bank	<b>14,682</b>	<b>(1,351)</b>	<b>3,873</b>	<b>(3,029)</b>
Non-controlling interests	<b>83</b>	<b>140</b>	<b>3</b>	<b>17</b>
<b>Total comprehensive income for the period</b>	<b>128,804</b>	<b>113,759</b>	<b>42,536</b>	<b>35,521</b>
Attributable to:				
Equity holders of the Bank	<b>127,866</b>	<b>112,539</b>	<b>42,314</b>	<b>35,109</b>
Non-controlling interests	<b>938</b>	<b>1,220</b>	<b>222</b>	<b>412</b>

This financial statement was approved by the Board of Directors on 29 October 2024.



## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in millions of RMB unless otherwise stated)

Item	30 September 2024	31 December 2023
<b>Assets</b>		
Cash	15,325	14,931
Precious metals	6,786	2,321
Balances with central bank	614,146	667,871
Balances with banks and other financial institutions	151,810	100,769
Placements with banks and other financial institutions	354,682	287,694
Amounts held under resale agreements	310,266	172,246
Loans and advances to customers	6,497,960	6,252,755
Financial investments at fair value through profit or loss	502,087	526,145
Derivative financial assets	19,149	18,733
Debt investments at amortised cost	1,846,177	1,749,024
Debt investments at fair value through other comprehensive income	979,863	899,102
Equity investments designated at fair value through other comprehensive income	20,781	19,649
Interests in joint ventures	18,659	15,707
Interests in associates	11,459	10,883
Investment properties	1,080	1,160
Property and equipment	123,375	115,348
Right-of-use assets	17,012	17,041
Intangible assets	2,167	2,709
Goodwill	9,954	9,954
Deferred tax assets	89,148	90,557
Other assets	62,877	53,884
<b>Total assets</b>	<b>11,654,763</b>	<b>11,028,483</b>

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Expressed in millions of RMB unless otherwise stated)

Item	30 September 2024	31 December 2023
<b>Liabilities</b>		
Borrowing from central banks	262,510	378,621
Deposits from banks and other financial institutions	596,475	508,378
Placements from banks and other financial institutions	224,866	247,299
Financial liabilities at fair value through profit or loss	62,986	43,958
Derivative financial liabilities	18,144	17,443
Amounts sold under repurchase agreements	58,801	135,078
Deposits from customers	8,823,606	8,240,498
Salaries and welfare payable	36,142	28,679
Tax payable	14,782	13,597
Contract liabilities	4,714	5,486
Lease liabilities	12,770	12,675
Provisions	19,954	19,662
Debt securities issued	236,214	176,578
Deferred tax liabilities	1,545	1,607
Other liabilities	121,619	113,195
<b>Total liabilities</b>	<b>10,495,128</b>	<b>9,942,754</b>
<b>Equity</b>		
Share capital	25,220	25,220
Other equity instruments	150,446	150,446
Including: Preference shares	27,468	27,468
Perpetual bonds	122,978	122,978
Capital reserve	65,432	65,432
Investment revaluation reserve	28,991	13,656
Hedging reserve	(94)	92
Surplus reserve	108,737	108,737
General reserve	141,272	141,481
Retained profits	630,050	518,638
Proposed profit appropriation	–	49,734
Exchange reserve	2,473	2,934
<b>Total equity attributable to shareholders of the Bank</b>	<b>1,152,527</b>	<b>1,076,370</b>
Non-controlling interests	7,108	9,359
Including: Non-controlling interest	7,108	6,521
Perpetual debt capital	–	2,838
<b>Total equity</b>	<b>1,159,635</b>	<b>1,085,729</b>
<b>Total liabilities and equity</b>	<b>11,654,763</b>	<b>11,028,483</b>

This financial statement was approved by the Board of Directors on 29 October 2024.

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

(Expressed in millions of RMB unless otherwise stated)

	January to September 2024	January to September 2023
<b>Operating activities</b>		
Profit before taxation	134,074	135,185
<b>Adjustments for</b>		
– Impairment losses on loans and advances	36,270	41,466
– Impairment losses on investments and others	87	(1,571)
– Unwinding of discount on loans and advances	(207)	(191)
– Depreciation of property and equipment and investment properties	7,986	8,185
– Depreciation of right-of-use assets	2,983	3,026
– Amortisation of other assets	668	851
– Net gains on debt securities and equity investments	(10,696)	(4,412)
– Interest income on investments	(62,828)	(59,685)
– Interest expense on issued debt securities	5,855	6,005
– Share of profits of associates	(815)	(638)
– Share of profits of joint ventures	(1,280)	(1,460)
– Net gains on disposal of property and equipment and other assets	(81)	(27)
– Interest expense on lease liabilities	355	365
<b>Changes in:</b>		
Balances with central banks	56,561	15,266
Loans and advances to customers	(261,492)	(356,634)
Other assets	22,938	(88,516)
Deposits from customers	577,243	444,750
Deposits and placements from banks and other financial institutions	(24,615)	(116,039)
Balances and placements with banks and other financial institutions with original maturity over 3 months	(93,708)	(41,707)
Borrowings from central banks	(116,649)	93,732
Other liabilities	35,037	1,797
<b>Net cash generated from operating activities before income tax payment</b>	<b>307,686</b>	<b>79,748</b>
Income tax paid	(20,453)	(26,100)
<b>Net cash generated from operating activities</b>	<b>287,233</b>	<b>53,648</b>

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(Expressed in millions of RMB unless otherwise stated)

	January to September 2024	January to September 2023
<b>Investing activities</b>		
Proceeds from disposals of investments	1,048,323	924,638
Proceeds from investments income	82,310	72,381
Proceeds from the disposals of subsidiaries, joint ventures or associates	4	205
Proceeds from the disposals of property and equipment and other assets	14,967	1,600
Payment for the purchases of investments	(1,240,819)	(1,170,154)
Payment for the purchases of property and equipment and other assets	(26,055)	(20,617)
Payment for the acquisition of subsidiaries, associates or joint ventures	(235)	(7)
<b>Net cash flows used in investing activities</b>	<b>(121,505)</b>	<b>(191,954)</b>
<b>Financing activities</b>		
Proceeds from the issuance of debt securities	23,004	18,892
Proceeds from the issuance of negotiable interbank certificates of deposit	142,353	54,396
Proceeds from the issuance of certificates of deposits and other debt securities	34,071	60,385
Proceeds from other financing activities	10,154	5,560
Repayment of debt securities	(62,741)	(11,547)
Repayment of negotiable interbank certificates of deposit	(51,980)	(62,871)
Repayment of certificates of deposit and other debt securities	(25,915)	(46,409)
Payment for redemption of perpetual debt capital	(2,886)	–
Payment for lease liabilities	(3,325)	(3,404)
Distribution paid on perpetual bonds	(2,069)	(2,157)
Distribution paid on ordinary shares	(50,018)	(44,118)
Interest paid on the issuance of debt securities	(4,432)	(4,787)
<b>Net cash generated from/(used in) financing activities</b>	<b>6,216</b>	<b>(36,060)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>171,944</b>	<b>(174,366)</b>
Cash and cash equivalents as at 1 January	599,019	567,198
Effect of foreign exchange rate changes	(498)	5,808
<b>Cash and cash equivalents as at 30 September</b>	<b>770,465</b>	<b>398,640</b>
<b>Cash flows from operating activities include:</b>		
Interest received	218,160	220,958
Interest paid	97,996	89,477

This financial statement was approved by the Board of Directors on 29 October 2024.

## 6 Information on Liquidity Coverage Ratio

The Group prepared and disclosed information on liquidity coverage ratio in accordance with the “Measures for the Disclosure of Information on Liquidity Coverage Ratio by Commercial Banks”. The basis used herein may differ from those adopted in Hong Kong or other regions. The average liquidity coverage ratio of the Group was 170.64% in the third quarter of 2024, representing a decrease of 1.07 percentage points as compared with the previous quarter, and remaining basically stable. The Group’s liquidity coverage ratio at the end of the third quarter of 2024 was 183.86%, which was in compliance with the regulatory requirements. The breakdown of the Group’s average value of each item of liquidity coverage ratio in the third quarter of 2024 is set out below.

(Unit: in millions of RMB, except for percentages)

No.		Unweighted amount	Weighted amount
<b>Stock of high-quality liquid assets</b>			
1	<b>Total stock of high-quality liquid assets</b>	/	<b>2,172,964</b>
<b>Cash outflows</b>			
2	Retail and small business customers deposits, of which:	4,221,448	376,516
3	Stable deposits	912,575	45,629
4	Less stable deposits	3,308,873	330,887
5	Unsecured wholesale funding, of which:	4,410,292	1,489,806
6	Operational deposits (excluding correspondent banks)	2,479,837	612,359
7	Non-operational deposits (including all counterparties)	1,911,219	858,211
8	Unsecured debt issuance	19,236	19,236
9	Secured funding	/	1,968
10	Additional requirements, of which:	2,335,965	562,074
11	Cash outflows arising from derivative contracts and other transactions arising from related collateral requirements	444,845	444,845
12	Cash outflows arising from secured debt instruments funding	–	–
13	Undrawn committed credit and liquidity facilities	1,891,120	117,229
14	Other contractual obligations to extend funds	138,191	138,191
15	Other contingent funding obligations	3,760,628	115,140
16	<b>Total cash outflows</b>	/	<b>2,683,695</b>
<b>Cash inflows</b>			
17	Secured lending (including reverse repo and securities borrowing)	190,741	189,743
18	Contractual inflows from fully performing loans	1,149,464	783,951
19	Other cash inflows	445,236	444,814
20	<b>Total cash inflows</b>	<b>1,785,441</b>	<b>1,418,508</b>
			<b>Adjusted value</b>
21	<b>Total stock of high-quality liquid assets</b>		<b>2,172,964</b>
22	<b>Net cash outflows</b>		<b>1,265,187</b>
23	<b>Liquidity coverage ratio</b>		<b>170.64%</b>

*Notes:*

- (1) Data in the above table is a simple arithmetic average of the 92-day value in the latest quarter.
- (2) The high-quality liquid assets in the above table comprise cash, central bank reserve available under pressure conditions, as well as the bonds in line with the definition of Tier 1 and Tier 2 assets set out in the “Measures for the Liquidity Risk Management of Commercial Banks”.

**The Board of Directors of China Merchants Bank Co., Ltd.**

**29 October 2024**

*As at the date of this announcement, the executive directors of the Company are Wang Liang and Zhu Jiangtao; the non-executive directors of the Company are Miao Jianmin, Shi Dai, Sun Yunfei, Zhang Jian and Chen Dong; and the independent non-executive directors of the Company are Wong See Hong, Li Menggang, Liu Qiao, Tian Hongqi, Li Chaoxian and Shi Yongdong.*