



China Merchants Bank Co., Ltd.

2024 Annual Results Announcement

Forward-Looking Statements 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.

- Notes:
1. In this presentation, unless otherwise mentioned, all financial metrics are on a consolidated group basis, all business metrics are on a standalone bank basis.
 2. Certain year-on-year financial metrics are subject to retroactive adjustment.
 3. Unless specified, all data shown in this presentation is based on International Financial Reporting Standards (IFRS) and denominated in RMB.
 4. Some data shown may be subject to rounding.

Agenda



1
**Performance
Overview**



2
Operational
Information



3
Outlook and
Strategies



1 Performance Overview

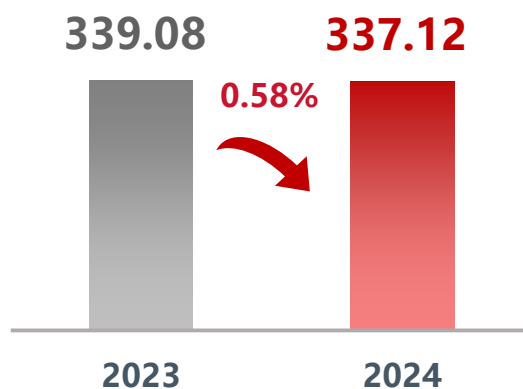
- Effectively responded to multiple challenges with operating results steadily improving
- Maintained stable growth in asset scale and continued to strengthen liability advantages
- Asset quality remained sound and stable with strong risk compensation capacity
- Continued to optimize revenue structure and maintained endogenous growth of capital
- Further increased input in technology and accelerated to build a Digital & Intelligent CMB
- Proactively implemented ESG concepts and provided financial services to real economy



Effectively responded to multiple challenges with operating results steadily improving

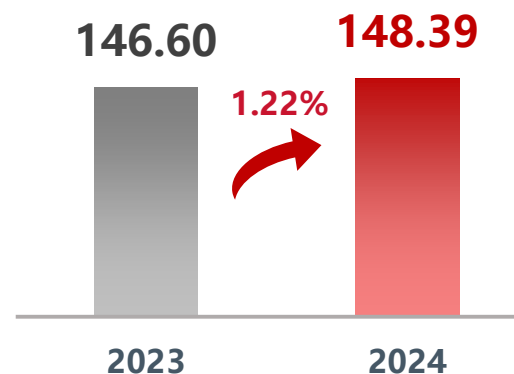
Net operating income

(RMB billion)

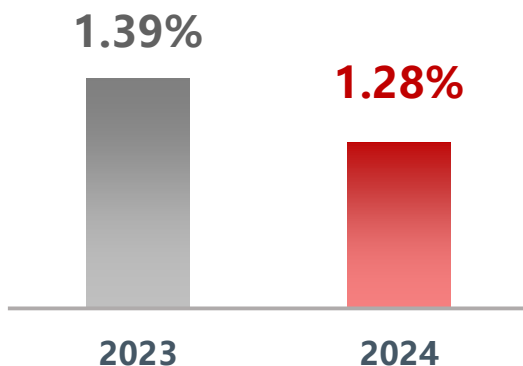


Net profit attributable to shareholders of the Bank

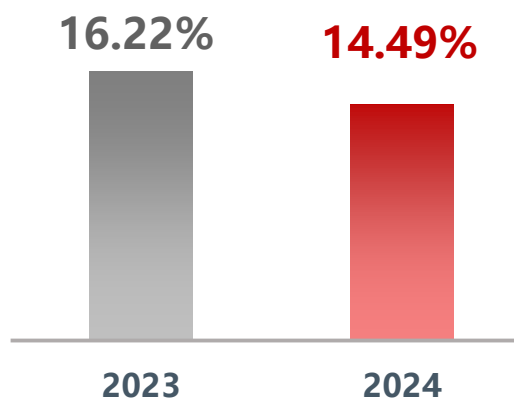
(RMB billion)



ROAA



ROAE





Effectively responded to multiple challenges with operating results steadily improving

Net interest income

211.28 billion ↓ 1.58%

Net non-interest income

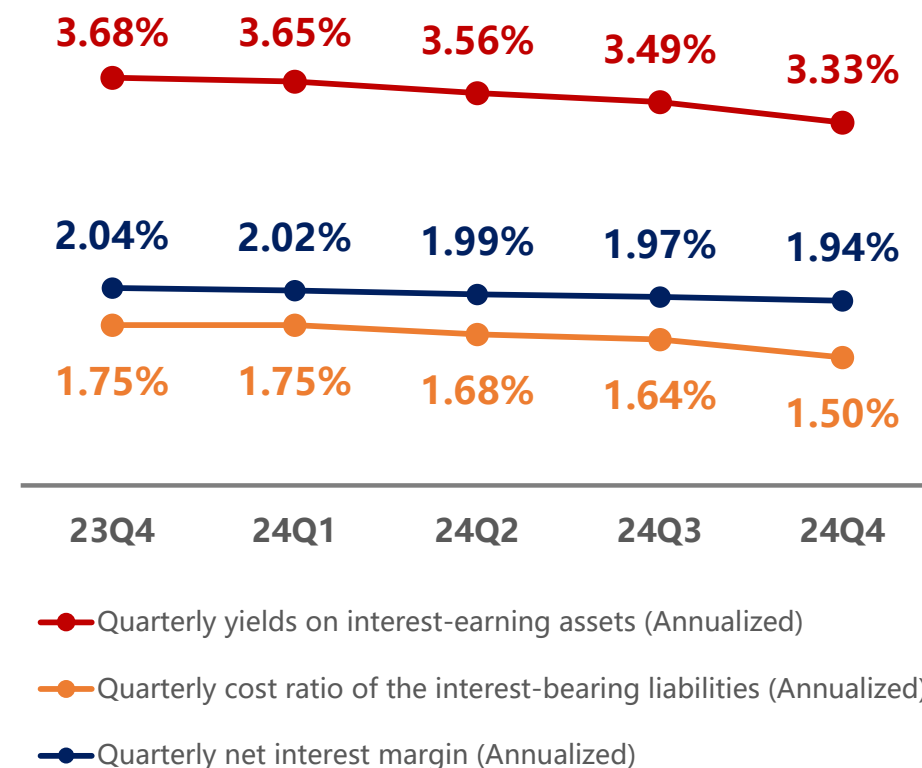
125.84 billion ↑ 1.15%

Cost-to-income ratio

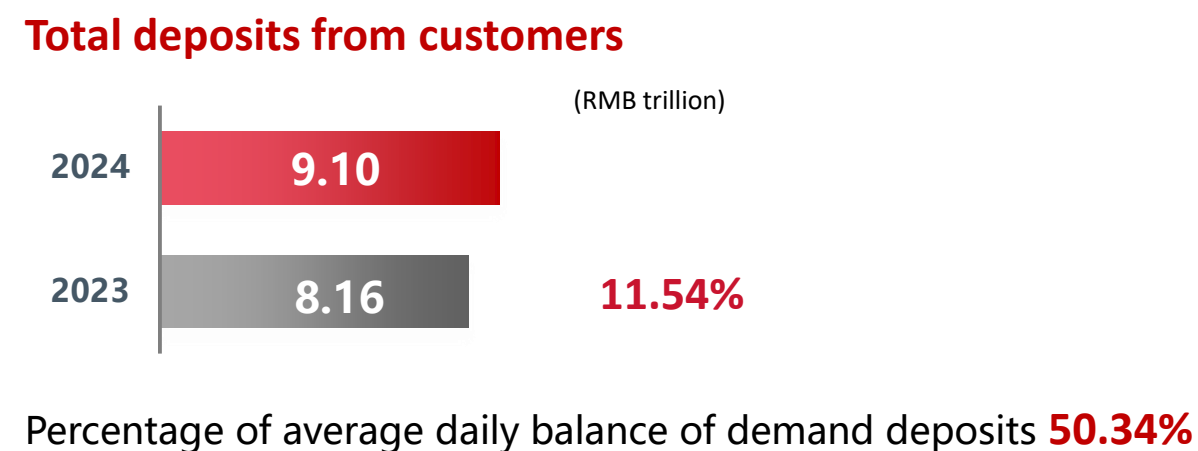
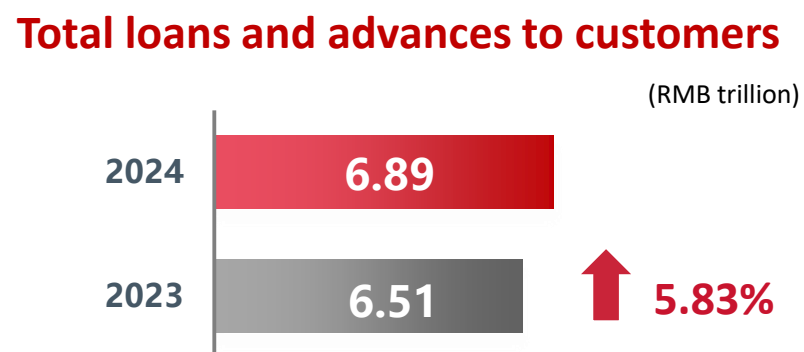
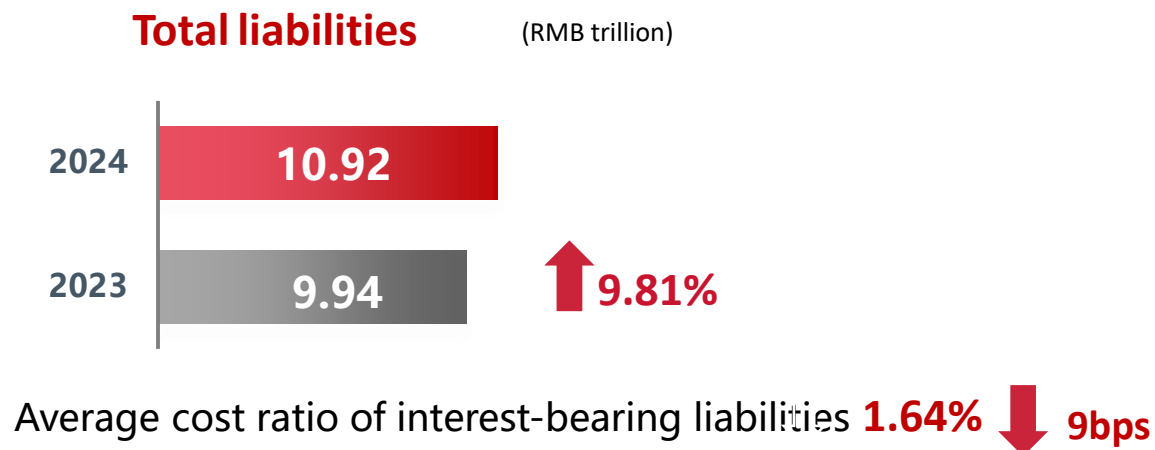
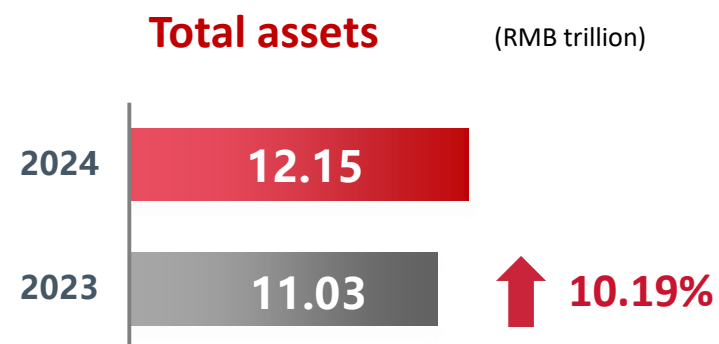
31.92% ↓ 1.05ppts

Net interest margin

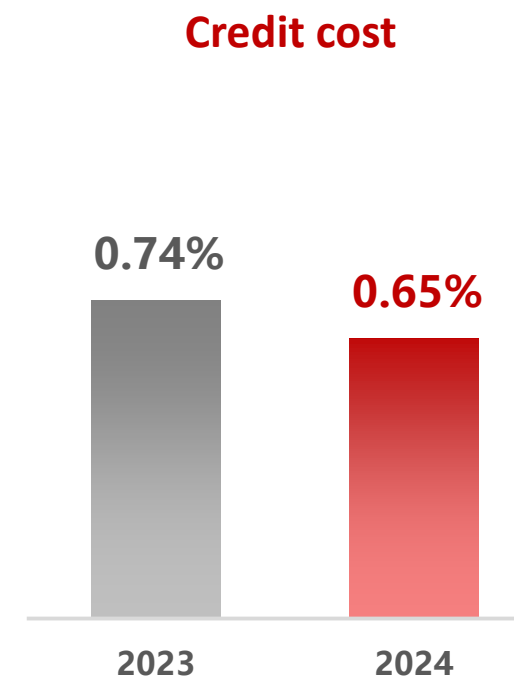
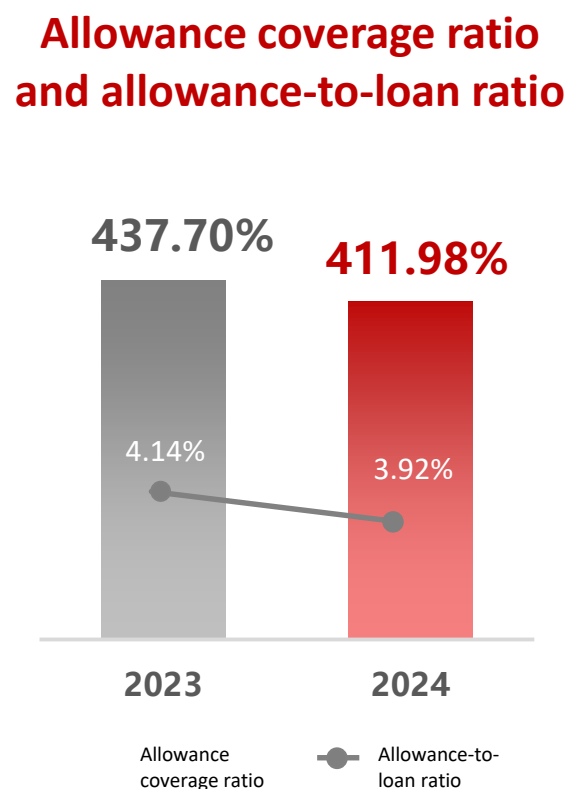
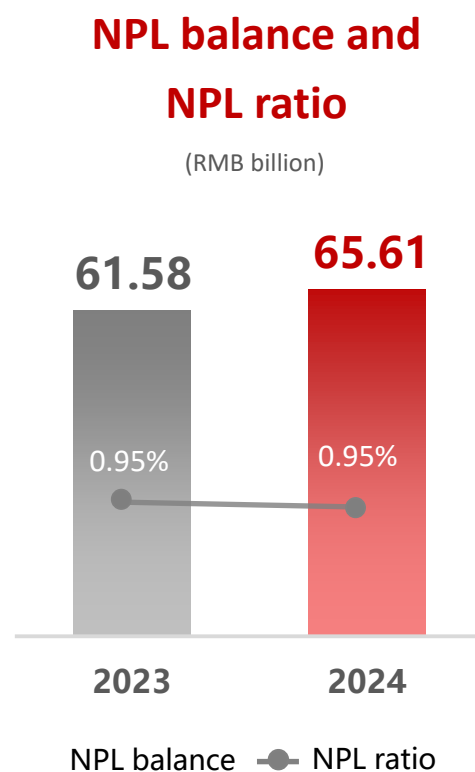
2.15% 2023 → Down by 17bps 1.98% 2024



Maintained stable growth in asset scale and continued to strengthen liability advantages

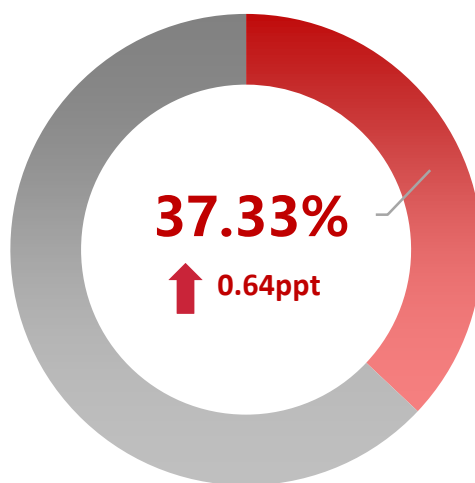


Asset quality remained sound and stable with strong risk compensation capacity

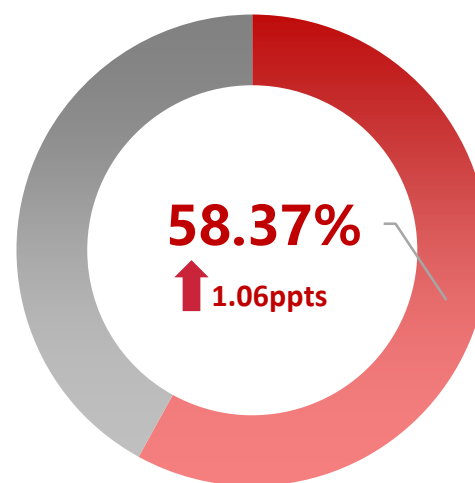


Continued to optimize revenue structure and maintained endogenous growth of capital

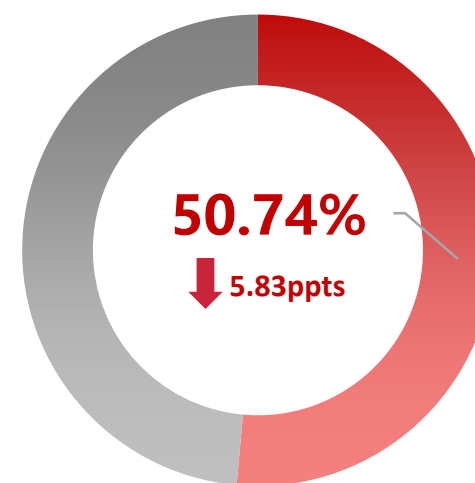
Percentage of net non-interest income



Percentage of net operating income from retail finance



Percentage of profit before tax from retail finance



Note: All data shown in this presentation is on a consolidated group basis, and the range of changes is all on a year-on-year basis.

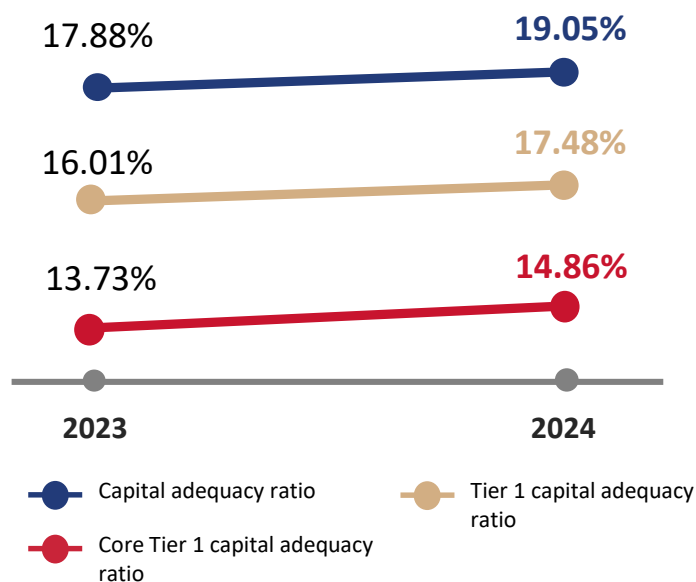
Continued to optimize revenue structure and maintained endogenous growth of capital

Cash dividend

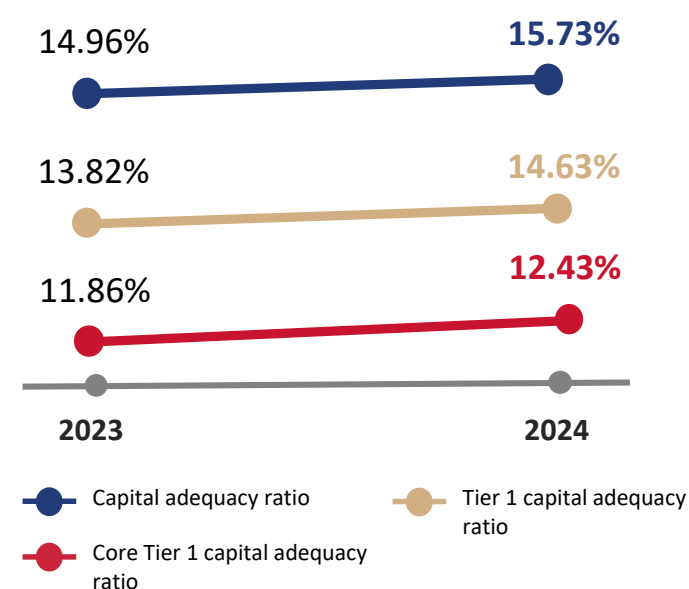
Cash dividend plan for 2024:

- Cash payout ratio: maintained above **35%**
- Cash dividend per share: **RMB2.00** (tax inclusive)

Capital adequacy ratios under Advanced Measurement Approach



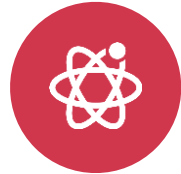
Capital adequacy ratios under Weighted Approach



Note: The annual cash dividend plan for 2024 is subject to the consideration and approval at the 2024 Annual General Meeting.



Further increased input in technology and accelerated to build a Digital & Intelligent CMB



RMB13.35 billion IT input
4.38% of net operating income



10,900 R&D personnel
9.30% of total employees



Building core competitiveness around “AI + Finance” :

- ✓ **Started early in AI:** established the **AI Lab** as early as 2017 and closely followed the AI trend from then on
- ✓ **Strong in-house R&D capabilities with leading AI model:** released the **first** open-source **financial AI model “Yi Zhao (一招)”** with tens of billion parameters among **Chinese banks**; open-sourcing **2TB** high-quality financial datasets
- ✓ **Comprehensive large model system with wide applications:** established a 4-tier AI architecture covering **infrastructure, models, AI middle office and large model application**; Applied large model in **over 120** scenarios across the Bank



Note: The information technology input is based on a standalone bank basis.



Proactively implemented ESG concepts and provided financial services to real economy

Corporate Governance

- Continued to improve corporate governance mechanism and fully integrated ESG concepts into daily operation and management

Environment

- Balance of green loans: RMB488.20 billion, up by 9.03%
- Balance of green leasing: RMB144.91 billion, up by 19.27%
- Issued the first "climate change mitigation" themed USD-denominated green bond among all Chinese banks; Outstanding balance of RMB Green Financial Bonds amounted to RMB15.0 billion; Outstanding balance of Offshore USD Green Bonds amounted to USD1.9 billion
- Assisted 32 companies in issuing 68 green bonds
- Deepened green operation, improved the quality of carbon accounting, promoted the implementation of carbon emission reduction measures, and enhanced carbon management capabilities

Social Responsibility

- Loans to key sectors including technology, green industries, inclusive finance, manufacturing, etc. further increased as a share of total loans
- Allocated more financial resources to key areas of people's livelihood such as education, housing, medical care and elderly care, providing convenient, efficient and professional financial services
- Continuously enhanced the accessibility of financial services and improved the management of information security and privacy protection and consumer rights protection

ESG International Rating

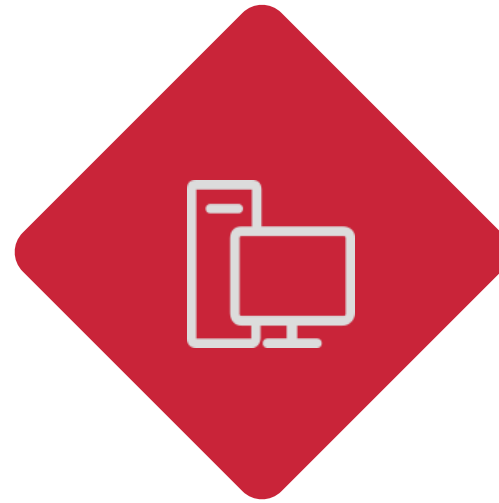
- MSCI ESG rating upgraded to grade AAA



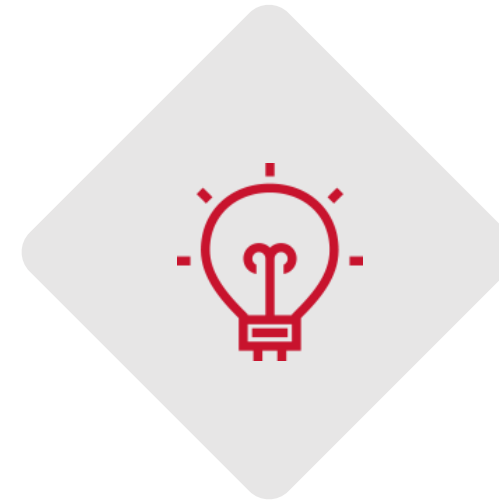
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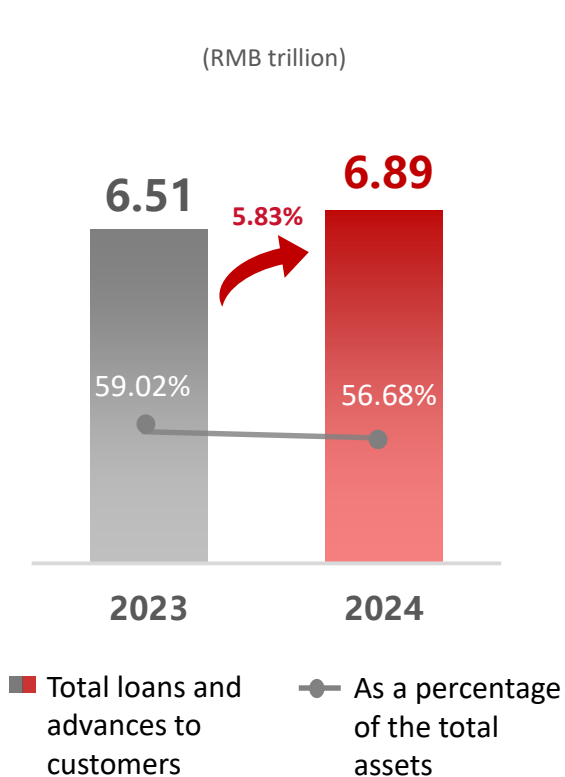


2 Operational Information

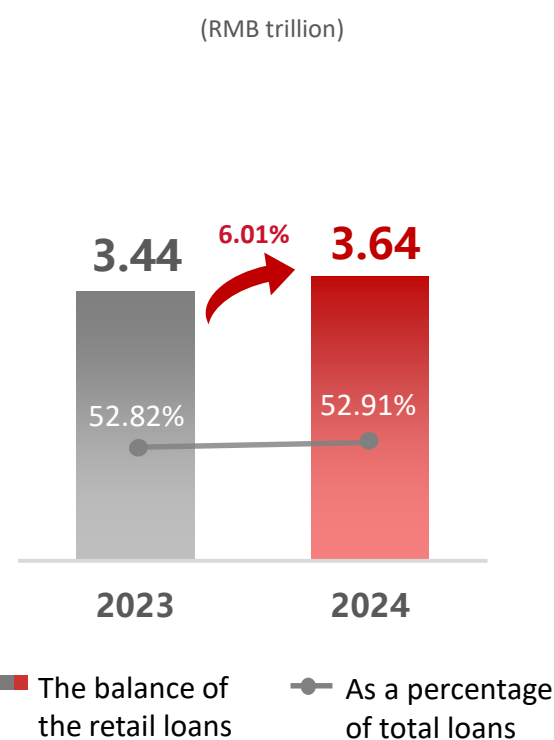
- Optimized asset-liability management and achieved continuous growth of business scale
- Vigorously developed fee-based business with higher proportion of non-interest income
- Continued to consolidate strengths in retail finance and achieved coordinated development of the four business segments
- Realized faster growth in key areas and enhanced comprehensive capabilities and international development
- Further enhanced risk management and maintained stable asset quality
- Explored "AI + Finance" model and accelerated digital and intelligent transformation

Optimized asset-liability management and achieved continuous growth of business scale

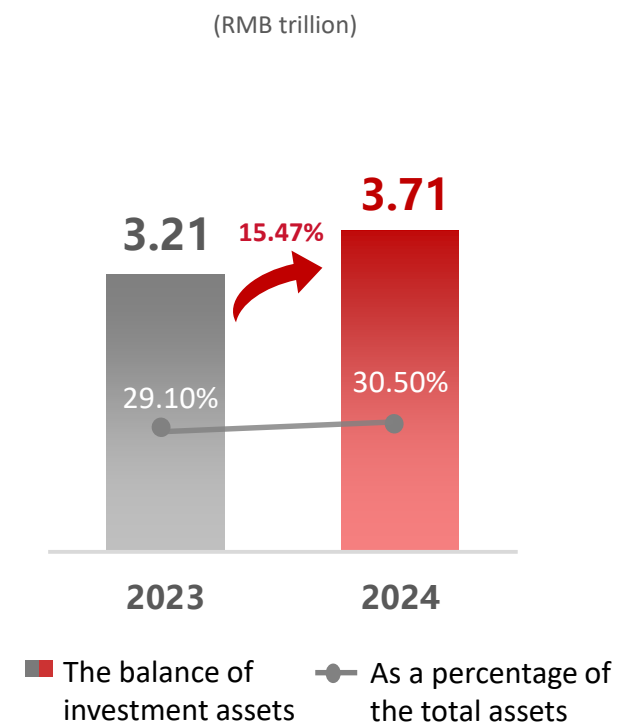
Balance and percentage of the total loans and advances to customers



Balance and percentage of retail loans



Balance and percentage of investment assets

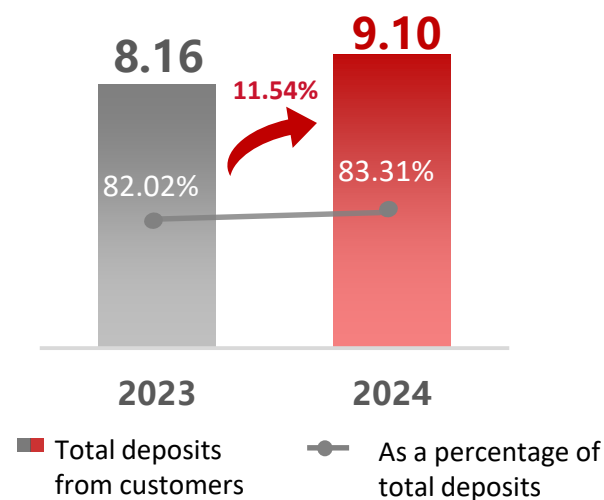


Note: All data shown in this presentation is on a consolidated group basis and the balance does not include accrued interest.

Optimized asset-liability management and achieved continuous growth of business scale

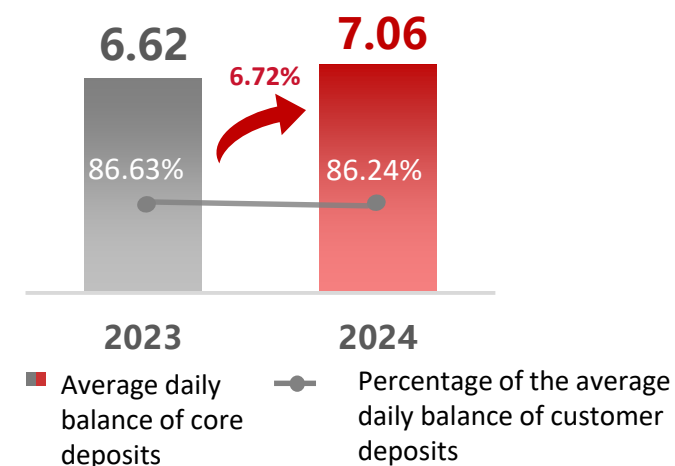
Balance and percentage of total deposits from customers

(RMB Trillion)

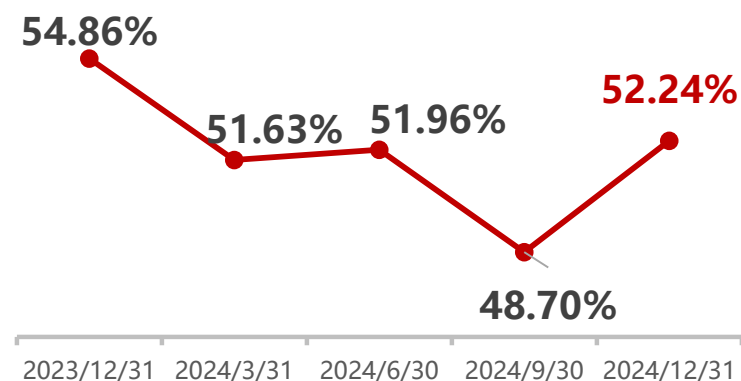


Average daily balance of core deposits and percentage of total deposits

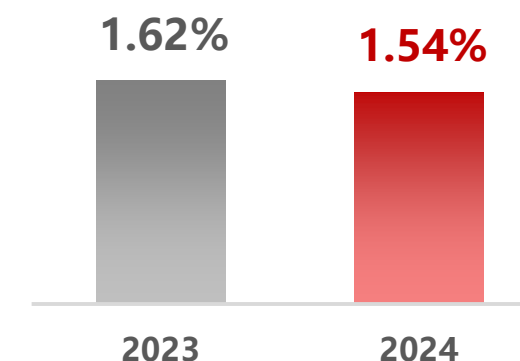
(RMB Trillion)



Percentage of demand deposit balance in total deposits



Average cost ratio of customer deposits



Note: 1. Except for the average daily balance of core deposits, the data on this page are based on a consolidated group basis.

2. The core deposits represents the internal management indicator for the Company's deposits, excluding large-denomination certificates of deposit, structured deposits and other high-cost deposits.

Vigorously developed fee-based business with higher proportion of non-interest income

Net non-interest income and the proportion of net operating income

RMB **125.84** billion  **1.15%**

Proportion of net operating income

37.33%  **0.64ppt**

Net fee and commission income

RMB **72.09** billion  **14.28%**

Other net non-interest income

RMB **53.75** billion  **33.37%**

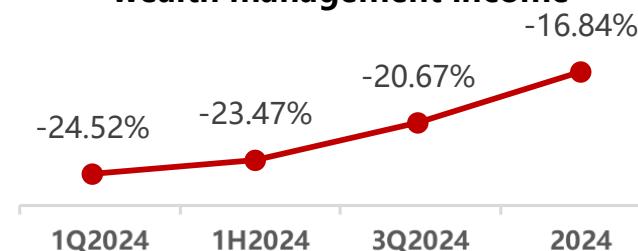


Income from extensive wealth management

RMB **37.65** billion  **16.84%**

As a percentage of the fee and commission income **46.45%**

Cumulative yoy growth rate of extensive wealth management income



Payment and settlement business income

RMB **32.27** billion  **7.86%**

As a percentage of the fee and commission income **39.81%**

 **2.09ppts**

Note: 1. The income from extensive wealth management includes the fee and commission income from wealth management, asset management and custody business;
2. Payment and settlement business income includes bank cards fees, and clearing and settlement fees.



Continued to consolidate strengths in retail finance and achieved coordinated development of the four business segments

Retail Finance



Retail customers

210 million

↑ 6.60%

Number of Golden Sunflower and above customers

5.24 million

↑ 12.82%



AUM from retail customers

RMB 14.93 trillion

↑ 12.05%

AUM from Golden Sunflower and above customers

RMB 12.22 trillion

↑ 12.98%



Balance of retail loans

RMB 3.64 trillion

↑ 6.01%

- Residential mortgage loans ↑ 2.31%
- Credit card loans ↑ 1.28%
- Micro-finance loans ↑ 9.87%
- Consumer loans ↑ 31.38%



Number of active credit card users

69.44 million

Credit card transactions value

RMB 4.42 trillion

Note: All data shown in this presentation, except for the retail loans, is on a standalone bank basis.



Continued to consolidate strengths in retail finance and achieved coordinated development of the four business segments

Corporate Finance



Number of corporate customers

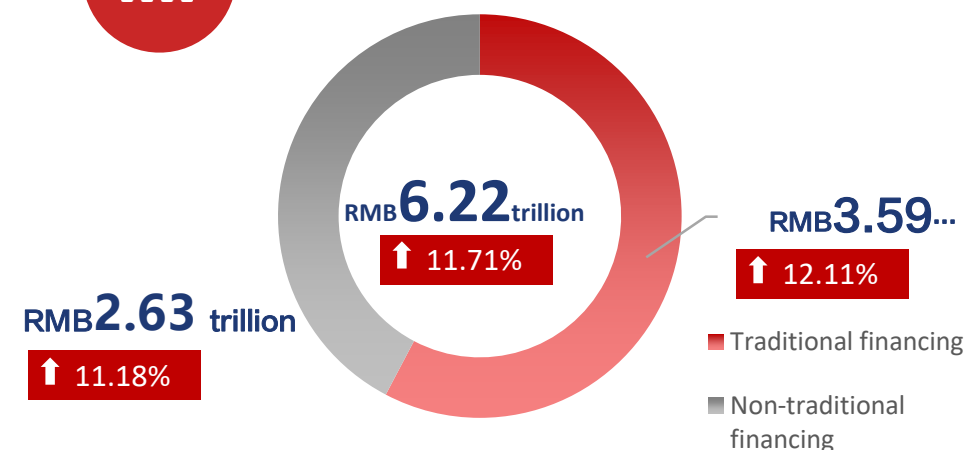
3.17 million ↑ 12.26%

Number of newly acquired corporate customers

539,200



Financing products aggregate to corporate customers (FPA)



Supply chain finance services

Supply chain financing business volume

RMB1.01 trillion ↑ 23.94%

Number of core enterprises served

8,613 ↑ 31.38%

Number of upstream and downstream entities served

50,941 ↑ 29.00%

Transaction banking services

Number of customers using Treasury Management Cloud services 615,200

↑ 28.81%

Domestic trade finance business volume amounted to RMB1.50 trillion

↑ 24.47%

Cross-border finance services

International balance of payments for corporate customers reached USD425.61 billion

↑ 19.26%



Continued to consolidate strengths in retail finance and achieved coordinated development of the four business segments

Investment Banking & Financial Markets

Investment banking

- The debt financing instruments with the Company as the lead underwriter **RMB 646.13 billion** ↑ 9.72%
- Ranked first in underwriting size for ultra-long-term bonds, perpetual bonds, and sci-tech innovation notes among peers
- Total M&A financial volume **RMB206.63 billion** ↑ 6.87%



Bill business

- Direct bill discounting volume **RMB 2.57 trillion** ↑ 35.81%

Ranking **2nd** in the market

Financial Markets

- Transaction volume of RMB bond investments **RMB2.99 trillion** ↑ 7.17%
- Transaction volume of derivatives to corporate customers **USD282.87 billion** ↑ 19.40%

Financial institutions

- Partnered with **107** securities companies in third-party depository services, serving **18.48** million customers ↑ 11.20%

Note: the transaction volume of RMB bond investments refers to transaction volume of RMB bond investment of the Company's global markets centre.



Continued to consolidate strengths in retail finance and achieved coordinated development of the four business segments

Wealth Management & Asset Management



Number of customers holding retail wealth products

58.22 million ↑ 13.31%

Number of retail customers served by the “CMB TREE Asset Allocation Service System”

10.38 million ↑ 13.84%



Total AUM of asset management business

RMB4.48 trillion ↓ 0.11%



Balance of retail wealth management products

RMB3.93 trillion ↑ 12.38%

Agency distribution of non-money-market mutual funds

RMB598.02 billion ↑ 101.48%

Agency distribution of insurance products

RMB 117.23 billion ↑ 21.07%

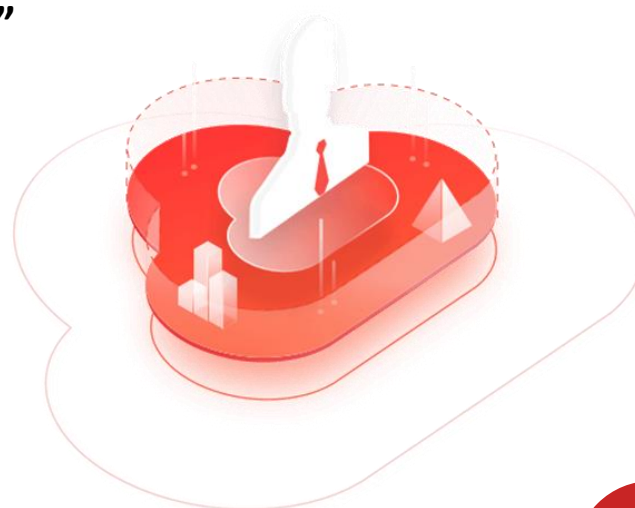
Average daily balance of corporate wealth management products

RMB399.87 billion ↑ 30.35%



Balance of assets under custody

RMB 22.86 trillion ↑ 8.24%



Note: The total asset management business is the sum of the asset management business of CMB Wealth Management, China Merchants Fund, CIGNA & CMAM, and CMB International Capital as of the end of the reporting period.



Realized faster growth in key areas and enhanced comprehensive capabilities and international development



Accelerated development of branches in key regions

Growth rates of customer base, AUM, core deposits, loans and other core indicators of branches in key regions

**all higher than
the average level of domestic branches**

- Balance of core deposits of branches in key regions: **RMB1.94 trillion** ↑ 7.70%
Contributing to **29.17%** of total core deposits of domestic branches, **up by 0.36ppt**
- Loan balance of branches in key regions: **RMB2.11 trillion** ↑ 9.35%
Contributing to **38.83%** of total loans of domestic branches, **up by 0.19ppt**



Built distinctive business features in key areas

- Balance of loans to technology enterprises: **RMB590.46 billion** ↑ 9.73%
- Balance of green loan: **RMB488.20 billion** ↑ 9.03%
- Balance of loans to inclusive small- and micro-enterprises: **RMB887.68 billion** ↑ 10.37%
- Balance of loans to manufacturing industry: **RMB669.63 billion** ↑ 16.05%
- Pension funds under custody: **RMB1.33 trillion** ↑ 26.67%
- Individual pension fund accounts: **10+ million**

Note: All data shown in this presentation is on a standalone bank basis, except for that of loans extended to manufacturing industry. Loans extended by key regional branches exclude credit card loans.

Realized faster growth in key areas and enhanced comprehensive capabilities and international development



Accelerated the pace of international development

International Business

- **Serving** Chinese enterprises with global operation, foreign companies investing in China as well as companies participating in overseas capital market
- **Providing** international solutions including global account management, global cash management, cross-border financing, Cross-boundary Wealth Management Connect(跨境理财通), FDI and overseas IPO full cycle service

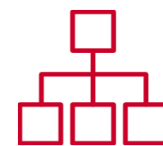
Global Presence

Overseas branches

- Total assets: **RMB236.57 billion** ↑ 10.91%
- Profit before tax: **RMB2.64 billion** ↑ 8.08%

CMB Wing Lung Bank

- Total assets: **HKD453.05 billion** ↑ 6.19%



Continued to enhance comprehensive capabilities



- Net profit: **HKD1.31 billion**, up by 13.45%
- Completed **38** Hong Kong IPO projects, ranked **first** in respect of the market share of IPO underwriting and **second** in respect of the number of IPO underwriting projects in Hong Kong



- Balance of wealth management products: **RMB2.47 trillion**, down by 3.14%



- Total assets: **RMB309.78 billion** ↑ 6.53%
- Net profit: **RMB3.74 billion** ↑ 1.77%



- Scale of asset management business: **RMB1.57 trillion** ↑ 1.29%
- Scale of non-money-market mutual funds: **RMB557.43 billion**



Further enhanced risk management and maintained stable asset quality

NPL ratio of corporate loans

2024

1.06%

2023

1.19%

Down

0.13ppt

NPL ratio of retail loans

2024

0.96%

2023

0.89%

Up

0.07ppt

Special-mentioned loan ratio

2024

1.29%

2023

1.10%

Up

0.19ppt

Overdue loan ratio

2024

1.33%

2023

1.26%

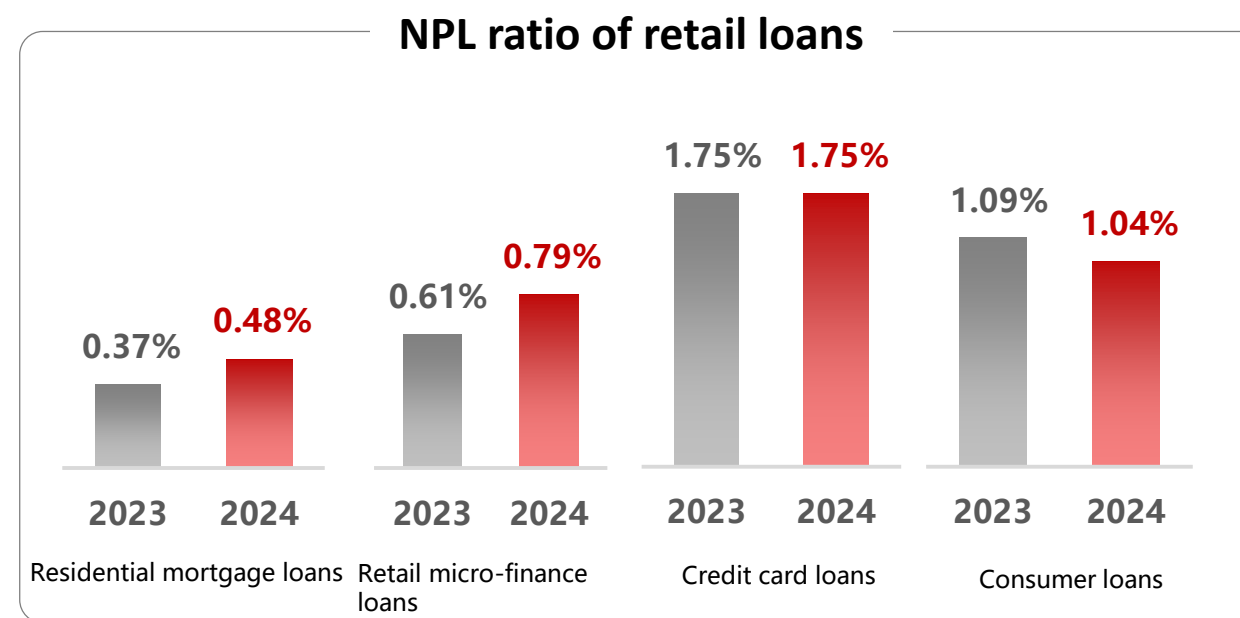
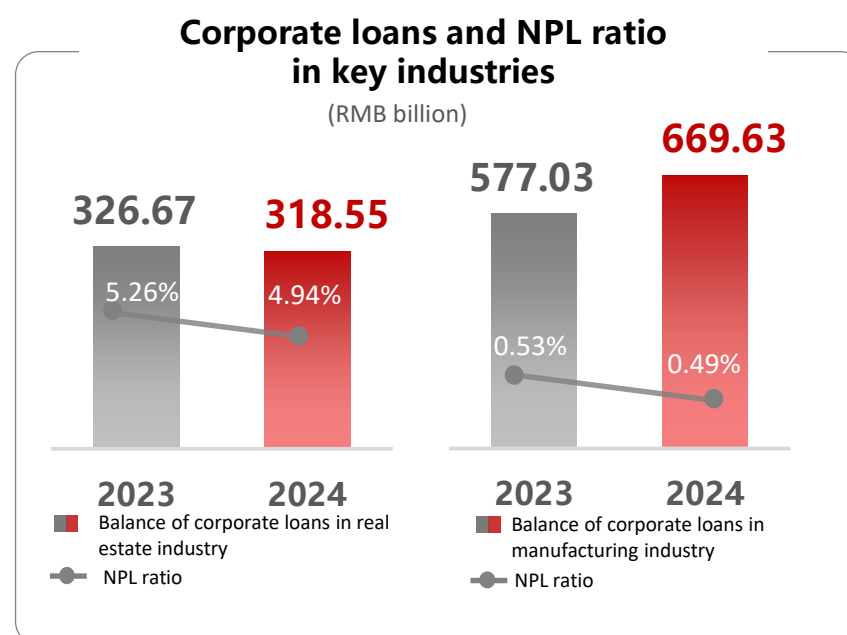
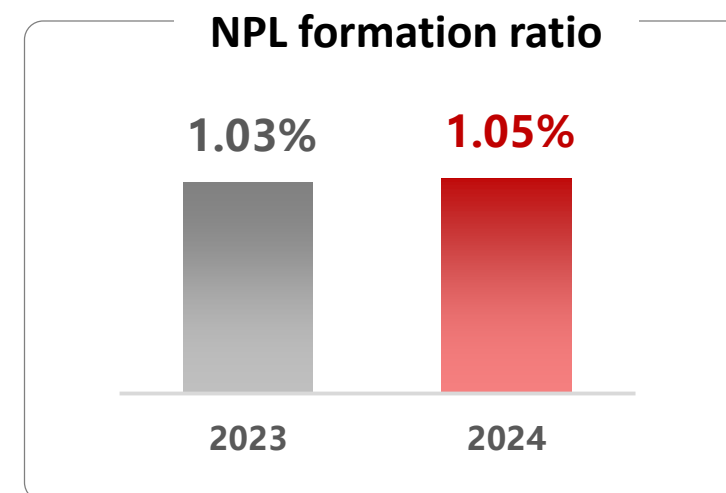
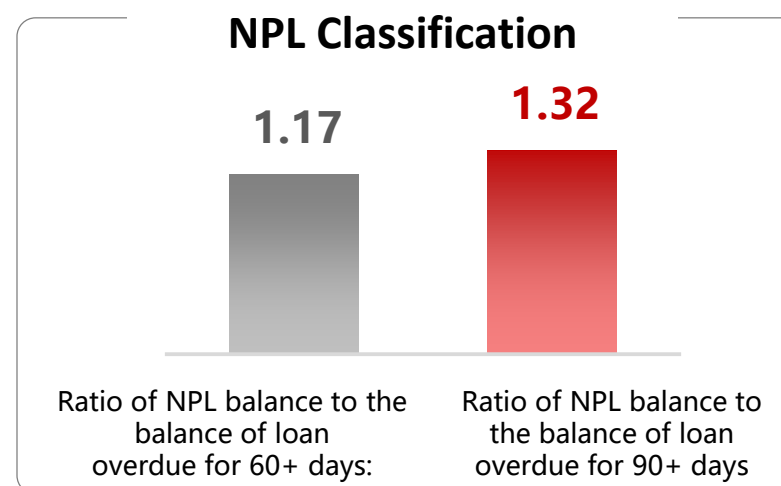
Up

0.07ppt

Note: All data shown in this presentation is on a consolidated group basis.



Further enhanced risk management and maintained stable asset quality



Note: Among the data shown in this presentation, the ratio of non-performing loans to the loans overdue for more than 60 days and the formation ratio of non-performing loans are on a standalone bank basis, the rest is on a consolidated group basis.



Explored “AI + finance” model, and accelerated digital and intelligent transformation



Customer service

- Leveraging large model to upgrade the **intelligent wealth assistant**, “Xiao Zhao (小招)” and create **digital corporate product manager**
- MAU of the CMB APP and the CMB Life APP reached **123 million**
- Monthly active online corporate customers totalled **1.9494 million**, up by **14.88%**



Business management

- Launched **intelligent assistants for retail and corporate relationship managers**
- Applied large model in areas including capital management, risk early warning, credit approval, human resources management, etc.



Internal operations

- Reconstructed **730+** operational processes in a more intelligent way with efficiency of key business increased by **58.32%**
- Realized the replacement of **26 million man-hours** by intelligent applications
- Realized the replacement of **8 million man-hours** by Conch RPA+

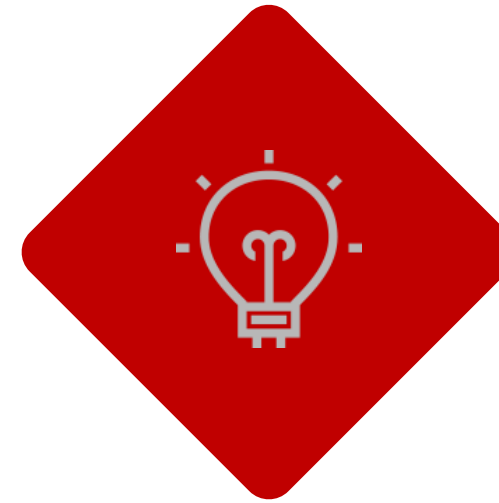
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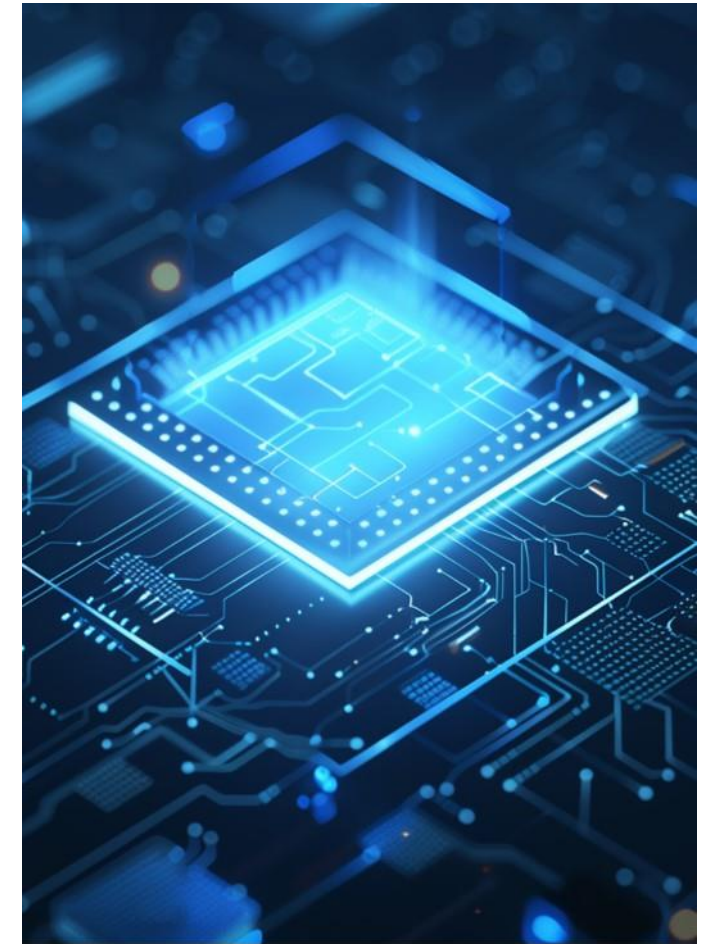
3
**Outlook and
Strategies**

3 Outlook and Strategies

- Challenges: Increasingly complex external environment
- Opportunities: Strong resilience and great potential of China's economy
- Strategies: maintaining positive trend of high-quality development

■ Challenges: Increasingly complex external environment

- ① The external environment tends to be more complex
- ② Domestic economy still faces many difficulties and challenges
- ③ Banks' operation remains under pressure



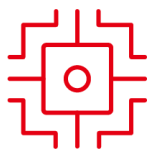
Opportunities: Strong resilience and great potential of China's economy



Macro policies become more proactive and effective, promoting sustained economic recovery



Industrial transformation and upgrading accelerates, and high-standard opening-up continues to expand



AI drives a new wave of technological revolution and industrial transformation





Strategies: Maintaining positive trend of high-quality development

- Uphold fundamental principles and break new ground, maintaining positive trend of high-quality development
- Maintain strategic determination, further consolidating and expanding core competitive advantages
- Adhere to technology-driven development, creating the new moat for intelligent bank
- Adhere to distinctive development, accelerating international development and comprehensive operation
- Adhere to a risk-oriented approach, continuously consolidating risk and compliance management system



Thank you!
Q&A

