招商銀行
CHINA MERCHANTS BANK

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

FIRST QUARTERLY REPORT OF 2026

The financial information set out in this quarterly report is unaudited and prepared in accordance with the IFRS Accounting 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, Directors 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 severally and jointly 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 Financial Accounting Department, hereby make representations in respect of the truthfulness, accuracy and completeness of the financial statements in this report.

The Audit Committee under the Board of Directors of the Company has reviewed and passed this report and agreed to submit it to the Board of Directors for consideration. The fourteenth meeting of the Thirteenth Session of the Board of Directors of the Company had reviewed and unanimously approved the first quarterly report of 2026 of the Company.

All financial statements set out in this report are prepared in accordance with the IFRS Accounting 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; "CMB Europe S.A." refers to China Merchants Bank (Europe) Co., Ltd.; and "CMB Investment" refers to China Merchants Bank Financial Assets Investment 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

(in millions of RMB, unless otherwise stated)	At the end of the reporting period 31 March 2026	At the end of the previous year 31 December 2025	Increase/ decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets	**13,484,882**	13,070,523	3.17
Equity attributable to shareholders of the Bank	**1,282,355**	1,272,875	0.74
Net assets per share attributable to ordinary shareholders of the Bank (in RMB Yuan)[1]	**44.90**	43.43	3.38

(in millions of RMB, unless otherwise stated)	From January to March 2026	From January to March 2025	Increase/ decrease as compared to the corresponding period of the previous year (%)
Net operating income	**86,952**	83,731	3.85
Profit before tax	**44,677**	44,242	0.98
Net profit attributable to shareholders of the Bank	**37,852**	37,286	1.52
Basic earnings per share attributable to ordinary shareholders of the Bank (in RMB Yuan)[1]	**1.49**	1.48	0.68
Diluted earnings per share attributable to ordinary shareholders of the Bank (in RMB Yuan)[1]	**1.49**	1.48	0.68
Annualised weighted average return on net assets attributable to ordinary shareholders of the Bank (%)[1]	**13.48**	14.13	Decrease of 0.65 percentage point
Net cash generated from operating activities[2]	**125,849**	95,026	32.44

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. When calculating basic earnings per share attributable to ordinary shareholders, return on average equity, net assets per share and other indicators, dividends on the preference shares and the 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) The increase in net cash flow from operating activities was primarily due to a year-on-year decrease in the growth of loans and a year-on-year increase in inflows from items pending settlement.

2.2 Explanation on the differences between the financial statements prepared in accordance with the PRC Accounting Standards and the IFRS Accounting Standards

In the financial statements prepared by the Group in accordance with the PRC Accounting Standards and the IFRS Accounting Standards, there has been no difference in the net profit attributable to shareholders of the Bank for the reporting period ended 31 March 2026 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 617,333, including 591,391 holders of A Shares and 25,942 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 holders of ordinary shares and the top 10 holders of ordinary shares 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	4,555,881,803	18.06	H Shares not subject to restrictions on sales	-50,776	–	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	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	–	–	–
5	Hong Kong Securities Clearing Company Limited	Offshore legal person	1,197,896,736	4.75	A Shares not subject to restrictions on sales	-23,387,853	–	–
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	SAIC Motor Corporation Limited	State-owned legal person	310,125,822	1.23	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 China Merchants Bank 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 shares of China Merchants Bank acquired by investors through Northbound Trading.

(2) As at the end of the reporting period, among the aforesaid top ten 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.; and 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 relationship or action in concert among other shareholders.

(3) None of the above holders of A Shares have entrusted any proxy or acted as proxy to vote or waived their voting rights.

(4) During the reporting period, 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 Preference shares

The number of shareholders of preference shares and their shareholdings as at the end of the reporting period

As at the end of the reporting period, the Company had a total of 24 holders of preference shares, all of whom were holders of domestic preference shares. During the period from January to March 2026, 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	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	–	–	–
8	CSCF – Bank of China – CSCF – Youxiang (優享) No. 33 Collective Asset Management Scheme of Bank of China	Others	Domestic preference shares	8,700,000	3.16	–	–	–
9	China Credit Trust Co., Ltd. – China Credit Trust – Huiying (匯贏) No. 128 Collective Fund Trust Scheme	Others	Domestic preference shares	8,100,000	2.95	–	–	–
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	–	–	–

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 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 holders of ordinary shares.

(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.

Redemption of preference shares

The Company has redeemed all of the domestic preference shares on 15 April 2026, which was approved by relevant Directors who were delegated by the Board of Directors according to the authorisation of the Shareholders' Meeting of the Company, and for which no objections were raised in the reply from the National Financial Regulatory Administration. For details, please refer to the relevant announcements of the Company dated 13 March, 20 March, 31 March, 9 April and 16 April 2026 published on the websites of Shanghai Stock Exchange, Hong Kong Exchanges and Clearing Limited and the Company.

4 Management Discussion and Analysis

4.1 Analysis of overall operation

With the strategic target of "building a value creation bank", the Group adhered to the coordinated development of quality, profitability and scale. During the reporting period, the Group carried out various businesses in a sound manner. Both the scale of assets and liabilities grew steadily. The operating profitability remained stable with a positive trend, and the asset quality was stable.

From January to March 2026, the Group realised a net operating income of RMB86.952 billion, representing a year-on-year increase of 3.85%; a net profit attributable to shareholders of the Bank of RMB37.852 billion, representing a year-on-year increase of 1.52%; a net interest income of RMB55.642 billion, representing a year-on-year increase of 4.99%; and a net non-interest income of RMB31.310 billion, representing a year-on-year increase of 1.87%. 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 were 1.14% and 13.48%, representing a year-on-year decrease of 0.07 percentage point and 0.65 percentage point, respectively.

As at the end of the reporting period, the Group's total assets amounted to RMB13,484.882 billion, representing an increase of 3.17% as compared with the end of the previous year. The total loans and advances to customers amounted to RMB7,464.373 billion[1], representing an increase of 2.84% as compared with the end of the previous year. Total liabilities amounted to RMB12,194.297 billion, representing an increase of 3.43% as compared with the end of the previous year. Total deposits from customers amounted to RMB9,959.197 billion, representing an increase of 1.25% as compared with the end of the previous year.

As at the end of the reporting period, the Group's balance of non-performing loans amounted to RMB69.858 billion, representing an increase of RMB1.652 billion as compared with the end of the previous year. The non-performing loan ratio was 0.94%, unchanged from the end of the previous year. The allowance coverage ratio was 387.76%, representing a decrease of 4.03 percentage points as compared with the end of the previous year. The allowance-to-loan ratio was 3.63%, representing a decrease of 0.05 percentage point as compared with the end of the previous year.

1 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 March 2026, the Group's net interest income amounted to RMB55.642 billion, representing a year-on-year increase of 4.99% and accounting for 63.99% of the net operating income.

From January to March 2026, the net interest spread and the net interest margin of the Group were 1.77% and 1.83% respectively, representing a year-on-year decrease of 5 basis points and 8 basis points, respectively, and a quarter-on-quarter decrease of 2 basis points and 3 basis points, respectively. Affected by loan repricing, coupled with factors such as insufficient effective credit demand and a decline in the proportion of retail loans, the yield on interest-earning assets declined, which is the main factor pulling down the net interest margin. Meanwhile, the Group continued to promote the high-quality growth of liabilities, which partially offset the impact of the decline in the yield on interest-earning assets.

The Group	January to March 2026			January to March 2025		
(in millions of RMB, except for percentages)	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
Interest-earning assets						
Loans and advances to customers	7,263,498	55,986	3.13	6,914,622	60,152	3.53
Financial investments	3,540,044	23,395	2.68	3,040,804	21,974	2.93
Balances with the central bank	551,291	2,183	1.61	572,898	2,347	1.66
Balances and placements with banks and other financial institutions	947,250	4,544	1.95	735,874	4,597	2.53
Total	12,302,083	86,108	2.84	11,264,198	89,070	3.21
(in millions of RMB, except for percentages)	Average balance	Interest expense	Annualised average cost ratio (%)	Average balance	Interest expense	Annualised average cost ratio (%)
Interest-bearing liabilities						
Deposits from customers	9,809,562	23,867	0.99	8,994,945	28,684	1.29
Deposits and placements from banks and other financial institutions and other amounts	1,452,939	5,084	1.42	1,117,739	4,916	1.78
Debt securities issued	142,477	1,080	3.07	210,685	1,601	3.08
Borrowings from the central bank	112,076	435	1.57	194,741	873	1.82
Total	11,517,054	30,466	1.07	10,518,110	36,074	1.39
Net interest income	/	55,642	/	/	52,996	/
Net interest spread	/	/	1.77	/	/	1.82
Net interest margin	/	/	1.83	/	/	1.91

Net non-interest income

From January to March 2026, the Group recorded a net non-interest income of RMB31.310 billion, representing a year-on-year increase of 1.87% and accounting for 36.01% of the net operating income. Among the net non-interest income, net fee and commission income amounted to RMB20.656 billion, representing a year-on-year increase of 4.87%; other net non-interest income amounted to RMB10.654 billion, representing a year-on-year decrease of 3.49%, which was mainly due to the decrease in gain on disposal of bond 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 RMB8.507 billion, representing a year-on-year increase of 25.42%, of which, income from agency distribution of wealth management products amounted to RMB2.540 billion, representing a year-on-year increase of 7.13%, 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 RMB2.131 billion, representing a year-on-year increase of 16.70%, mainly driven by the increase in insurance sales; income from agency distribution of funds amounted to RMB2.032 billion, representing a year-on-year increase of 55.11%, mainly due to the year-on-year increase in the holding and sales volume of equity funds; income from agency distribution of trust schemes amounted to RMB1.100 billion, representing a year-on-year increase of 42.67%, mainly due to the increase in the volume of agency distribution of trust schemes; income from securities brokerage amounted to RMB540 million, representing a year-on-year increase of 28.27%, 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 RMB2.646 billion[2], representing a year-on-year increase of 1.50%. **Commission income from custody business** amounted to RMB1.542 billion, representing a year-on-year increase of 19.81%, mainly due to the growth in the scale of custody business. **Income from bank card fees** amounted to RMB3.575 billion, representing a year-on-year decrease of 12.25%, mainly due to a decline in offline credit card transaction fees. **Income from settlement and clearing fees** amounted to RMB4.036 billion, representing a year-on-year increase of 7.34%, mainly driven by the growth in electronic payment transaction volume.

Operating expenses

From January to March 2026, the Group's operating expenses amounted to RMB27.427 billion, representing a year-on-year increase of 2.91%, among which staff costs amounted to RMB17.694 billion, representing a year-on-year increase of 2.12%, and other operating expenses amounted to RMB9.733 billion[3], representing a year-on-year increase of 4.36%. From January to March 2026, the cost-to-income ratio of the Group was 28.46%, representing a decrease of 0.19 percentage point as compared with the corresponding period of the previous year. The Group continued to deepen refined cost management, ensure investment in key areas, optimise the cost structure, and improve cost efficiency.

2 Fee and commission income from asset management mainly includes 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.

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

Expected credit losses

From January to March 2026, the Group's expected credit losses amounted to RMB14.846 billion, representing a year-on-year increase of 15.65%, of which expected credit losses of loans and advances to customers amounted to RMB14.858 billion, representing a year-on-year increase of RMB1.228 billion; and the expected credit losses of other types of business other than loans and advances to customers totalled RMB-12 million, representing a year-on-year increase of RMB781 million, mainly due to changes in the scale of interbank assets and off-balance sheet business during the reporting period.

4.3 Analysis of balance sheet

Assets

As at the end of the reporting period, total assets of the Group amounted to RMB13,484.882 billion, representing an increase of 3.17% 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 RMB7,464.373 billion, representing an increase of 2.84% as compared with the end of the previous year; total loans and advances to customers accounted for 55.35% of the total assets, representing a decrease of 0.18 percentage point as compared with the end of the previous year. In particular, the retail loans of the Group amounted to RMB3,683.040 billion, representing a decrease of RMB37.151 billion, or 1.00% as compared with the end of the previous year, mainly because the Group adhered to the principle of prudence, strengthened its comprehensive service capabilities for retail customers, and promoted the smooth operation of retail loans while the consumption and housing demand of residents were still in the recovery period; the corporate loans of the Group amounted to RMB3,440.173 billion, representing an increase of RMB224.423 billion, or 6.98% as compared with the end of the previous year, mainly due to the further strengthening of corporate asset origination capabilities, effectively grasping the financing needs of customers, and increasing support for the real economy. As at the end of the reporting period, the balance of the Group's financial investments amounted to RMB4,293.328 billion, representing an increase of 4.70% as compared with the end of the previous year, mainly due to the optimisation of asset portfolio allocation and reasonable arrangement of financial investment scale in light of the trend of interest rates and the needs of asset and liability allocation.

Liabilities

As at the end of the reporting period, total liabilities of the Group amounted to RMB12,194.297 billion, representing an increase of 3.43% 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 RMB9,959.197 billion, representing an increase of 1.25% as compared with the end of the previous year and accounting for 81.67% of total liabilities of the Group. Among them, the balance of the deposits from corporate customers amounted to RMB5,369.227 billion, representing an increase of 0.54% as compared with the end of the previous year; and the balance of deposits from retail customers amounted to RMB4,589.970 billion, representing an increase of 2.09% 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 50.40% while the time deposits accounted for 49.60%. As at the end of the reporting period, among the Group's demand deposits, the deposits from corporate customers accounted for 54.20% while the deposits from retail customers accounted for 45.80%. Among the time deposits, the deposits from corporate customers accounted for 53.62% while the deposits from retail customers accounted for 46.38%. From January to March 2026, among the daily average balance of deposits from customers of the Group, demand deposits accounted for 49.51%, up by 0.11 percentage point as compared with the previous year, mainly due to the stabilisation and improvement of corporate customers' operations, coupled with a recovery in the capital markets that boosted individuals' willingness to invest, leading to a rebound in the proportion of demand deposits.

Shareholder's equity

As at the end of the reporting period, the Group's equity attributable to shareholders of the Bank was RMB1,282.355 billion, representing an increase of 0.74% as compared with the end of the previous year, among which retained earnings (including proposed profit appropriation) amounted to RMB717.073 billion, representing an increase of 5.48% as compared with the end of the previous year; investment revaluation reserve amounted to RMB24.616 billion, representing an increase of 4.42% as compared with the end of the previous year, mainly due to the increase in the valuation of bond investments measured at fair value through other comprehensive income; exchange reserve was RMB94 million, representing a decrease of 94.27% 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

During the reporting period, the Group closely followed the national policy orientation of "controlling increment, destocking and optimising supply" based on city-specific measures. Under the premise of controllable risks and taking into account the differentiated characteristics of the real estate market, the Group explored structural business opportunities, focused on high-quality urban clusters, supported residents' rigid and improved housing needs, backed the development of affordable housing, and promoted the establishment of a new model for real estate development. At the same time, the Group actively implemented the urban real estate financing coordination mechanism, adhered to the "project-centric" strategy, met the reasonable financing needs of real estate projects, and helped stabilise 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 RMB347.935 billion, representing a decrease of 1.70% as compared with the end of the previous year. The Group's total balance of real estate related 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 RMB167.752 billion, representing a decrease of 5.92% 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 RMB283.708 billion, representing an increase of RMB594 million as compared with the end of the previous year, accounting for 4.00% of the Company's total loans and advances to customers, representing a decrease of 0.10 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 4.44%, representing a decrease of 0.20 percentage point as compared with the end of the previous year.

In the next phase, the Group will continue to closely follow national policy guidance, proactively assess changes in market conditions, focus on key regions, select high-quality projects. In accordance with market-oriented and law-based principles, the Group will increase support for "whitelist" projects to facilitate the stable operation and high-quality development of the real estate market. At the same time, the Group will continue to reasonably differentiate between the risks of project subsidiaries and those of the holding companies of the groups, return to the origins of the projects, continuously strengthen centralised risk management and post-investment and post-loan management, and strictly enforce the requirements for the closed management of real estate loans, so as to effectively prevent and control project risks. For companies experiencing temporary risk exposures, the Group will proactively take measures on risk resolution, so as to ensure the overall asset quality of its real estate loans remains within a controllable range.

4.5 Analysis of loan quality

During the reporting period, the Group adhered to the principle of prudent risk management and strictly identified asset risk classification. As at the end of the reporting period, the balance of the Group's non-performing loans amounted to RMB69.858 billion, representing an increase of RMB1.652 billion as compared with the end of the previous year, and non-performing loan ratio was 0.94%, unchanged from the end of the previous year; the balance of special-mentioned loans amounted to RMB110.233 billion, representing an increase of RMB6.373 billion as compared with the end of the previous year, and the special-mentioned loan ratio was 1.48%, representing an increase of 0.05 percentage point as compared with the end of the previous year; the balance of overdue loans amounted to RMB96.060 billion, representing an increase of RMB5.414 billion as compared with the end of the previous year, and the overdue loan ratio was 1.29%, representing an increase of 0.04 percentage point as compared with the end of the previous year. As at the end of the reporting period, the Group's ratio of non-performing loans to the loans overdue for more than 90 days was 1.24, and the Company's ratio of non-performing loans to the loans overdue for more than 60 days was 1.12.

During the reporting period, the Company continued to enhance its professional risk management capabilities, strengthened risk prevention and mitigation in key areas, and actively utilised various channels to dispose of non-performing assets, and the non-performing loan ratio remained stable overall.

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

The Company	31 March 2026				31 December 2025			
(in millions of RMB, except for percentages)	Balance of loans and advances	Percentage of the total (%)	Balance of non-performing loans	Non-performing loan ratio%[1]	Balance of loans and advances	Percentage of the total (%)	Balance of non-performing loans	Non-performing loan ratio%[1]
Corporate loans	3,142,494	44.32	24,364	0.78	2,929,737	42.42	24,523	0.84
Manufacturing	793,311	11.19	3,426	0.43	733,612	10.62	3,260	0.44
Transportation, storage and postal services	518,044	7.31	942	0.18	495,178	7.17	1,063	0.21
Production and supply of electric power, heat, gas and water	336,191	4.74	157	0.05	323,723	4.69	158	0.05
Wholesale and retail	310,127	4.37	1,881	0.61	277,000	4.01	1,815	0.66
Property development	283,708	4.00	12,584	4.44	283,114	4.10	13,126	4.64
Leasing and commercial services	257,083	3.63	200	0.08	236,936	3.43	173	0.07
Information transmission, software and IT service	167,914	2.37	535	0.32	162,886	2.36	447	0.27
Construction	127,069	1.79	1,332	1.05	108,775	1.57	1,363	1.25
Finance	122,055	1.72	730	0.60	110,648	1.60	674	0.61
Mining	83,849	1.18	96	0.11	66,897	0.97	94	0.14
Water conservancy, environment and public utilities	36,997	0.52	308	0.83	34,536	0.50	87	0.25
Others[2]	106,146	1.50	2,173	2.05	96,432	1.40	2,263	2.35
Discounted bills	331,770	4.68	–	–	322,117	4.66	–	–
Retail loans	3,616,106	51.00	41,329	1.14	3,654,670	52.92	39,457	1.08
Total loans and advances to customers	7,090,370	100.00	65,693	0.93	6,906,524	100.00	63,980	0.93

Notes:

(1) Represents the percentage of the non-performing loans in a certain category to the total loans of that category.

(2) Primarily consists of scientific research and technological service industries, sanitation and social work industries, culture, sports and entertainment industries and other industries.

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

The Company	31 March 2026						
(in millions of RMB, except for percentages)	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	3,142,494	24,364	0.78	21,459	0.68	26,686	0.85
Discounted bills	331,770	–	–	1	0.00	–	–
Retail loans	3,616,106	41,329	1.14	79,379	2.20	63,602	1.76
Micro-finance loans	879,207	10,129	1.15	6,189	0.70	12,139	1.38
Residential mortgage loans	1,393,290	8,020	0.58	23,649	1.70	13,449	0.97
Consumer credit business	1,339,651	22,274	1.66	49,499	3.69	37,104	2.77
Credit card loans	900,417	17,148	1.90	46,788	5.20	30,725	3.41
Consumer loans	439,234	5,126	1.17	2,711	0.62	6,379	1.45
Others (Note)	3,958	906	22.89	42	1.06	910	22.99
Total loans and advances to customers	7,090,370	65,693	0.93	100,839	1.42	90,288	1.27

The Company	31 December 2025						
(in millions of RMB, except for percentages)	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	2,929,737	24,523	0.84	20,090	0.69	22,584	0.77
Discounted bills	322,117	–	–	2	0.00	–	–
Retail loans	3,654,670	39,457	1.08	75,145	2.06	62,408	1.71
Micro-finance loans	873,559	10,663	1.22	5,268	0.60	12,449	1.43
Residential mortgage loans	1,411,093	7,160	0.51	22,096	1.57	12,323	0.87
Consumer credit business	1,365,644	20,719	1.52	47,757	3.50	36,718	2.69
Credit card loans	938,991	16,370	1.74	45,139	4.81	31,075	3.31
Consumer loans	426,653	4,349	1.02	2,618	0.61	5,643	1.32
Others (Note)	4,374	915	20.92	24	0.55	918	20.99
Total loans and advances to customers	6,906,524	63,980	0.93	95,237	1.38	84,992	1.23

Note: Consist primarily of commercial housing loans, automobile loans and other personal loans.

From January to March 2026, the amount of residential mortgage loans newly granted by the Company in the first-tier and second-tier cities accounted for 91.01% of the total amount of residential mortgage loans newly granted by the Company. 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 88.08% of the balance of residential mortgage loans of the Company. Meanwhile, the Company had always been insisted on regularly monitoring and revaluating the value of the existing collaterals and adjusting the value of mortgaged assets in a timely manner. As at the end of the reporting period, the weighted average loan-to-value ratio of residential mortgage loans was 40.66%, representing an increase of 0.07 percentage point 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 March 2026, the Company recorded newly formed non-performing loans of RMB18.927 billion, representing a year-on-year increase of RMB2.275 billion, with a non-performing loan formation ratio (annualised) of 1.08%, up by 0.08 percentage point year-on-year. Among them, the amount of newly formed non-performing corporate loans was RMB1.177 billion, representing an increase of RMB179 million year-on-year; the amount of newly formed non-performing retail loans (excluding credit cards) was RMB5.708 billion, representing an increase of RMB61 million year-on-year; and the amount of newly formed non-performing loans of credit cards was RMB12.042 billion, representing an increase of RMB2.035 billion year-on-year.

The Company continued to dispose of non-performing assets actively. From January to March 2026, the Company disposed of non-performing loans amounting to RMB17.192 billion, of which RMB6.357 billion was written off; RMB1.715 billion was recovered by cash collection; RMB8.336 billion was securitised; and RMB784 million was disposed of by repossession, transfer, upward migration after restructuring and other means.

The allowances for loan losses of the Company

As at the end of the reporting period, the balance of allowances for impairment losses on loans of the Company amounted to RMB258.893 billion, representing an increase of RMB3.223 billion as compared with the end of the previous year; the allowance coverage ratio of the Company was 394.10%, representing a decrease of 5.51 percentage points as compared with the end of the previous year; and the allowance-to-loan ratio of the Company was 3.65%, representing a decrease of 0.05 percentage point as compared with the end of the previous year. From January to March 2026, the credit cost ratio (annualised) of the Company was 0.82%, up by 0.04 percentage point year-on-year.

Outlook of asset quality and countermeasures

Since the beginning of this year, China's economy generally remained stable, with solid progress in high-quality development. In the meantime, however, the external environment has become increasingly complex and severe. The Company will closely monitor changes in the risk landscape, firmly execute the value creation bank strategy, and continue to strengthen a fortress-like risk and compliance management system. Focusing on the national "15th Five-Year Plan", the Company will refine its major asset allocation strategies from the perspectives of industries, regions, customer segments, and business structure, increase the deployment of high-quality assets, and dynamically adjust the asset structure. The Company will strictly implement the requirements for the normalisation of the urban real estate financing coordination mechanism, adhere to a "project-centric" approach in conducting real estate loan business, and help establish a new model for real estate development. The Company will steadily advance risk prevention and resolution in key areas, pay close attention to retail credit and credit card risks, promptly adjust business strategies and risk policies, strengthen the monitoring and management of early-stage delinquencies, enhance the effectiveness of risk management throughout the entire business process, and achieve early identification, early warning, early exposure, and early disposal of risks. Furthermore, the Company will strictly classify assets, and make adequate allowances, and actively dispose of non-performing assets in multiple ways. Through the above measures, the Company will 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 common equity 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 common equity 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 14.13%, 16.05% and 17.76% respectively.

The Group *(in millions of RMB, except for percentages)*	**31 March 2026**	31 December 2025	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
Capital adequacy ratios under the Advanced Measurement Approach [(1)]			
Net common equity Tier 1 capital	**1,103,696**	1,067,560	3.38
Net Tier 1 capital	**1,253,685**	1,245,017	0.70
Net capital	**1,387,259**	1,375,031	0.89
Common equity Tier 1 capital adequacy ratio	**14.13%**	14.16%	Decrease of 0.03 percentage point
Tier 1 capital adequacy ratio	**16.05%**	16.51%	Decrease of 0.46 percentage point
Capital adequacy ratio	**17.76%**	18.24%	Decrease of 0.48 percentage point
Information on leverage ratio [(2)]			
Balance of adjusted on- and off-balance sheet assets	**15,985,979**	15,555,866	2.76
Leverage ratio	**7.84%**	8.00%	Decrease of 0.16 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" (the "Rules on Capital Management") 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) Starting from 2024, the leverage ratio shall be calculated based on the provisions of the Rules on Capital Management (leverage ratio = net Tier 1 capital/balance of adjusted on- and off-balance sheet assets). The leverage ratios of the Group were 8.00%, 8.22% and 8.48% respectively as at the end of 2025, the end of the third quarter of 2025 and the end of the half year of 2025.

As at the end of the reporting period, the common equity 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 13.70%, 15.44% and 17.21%, respectively. The Company's risk-adjusted return on capital (RAROC, before tax) under the Advanced Measurement Approach was 21.72%, continuing to maintain at a high level.

The Company *(in millions of RMB, except for percentages)*	**31 March 2026**	31 December 2025	Increase/decrease at the end of the reporting period as compared with the end of the previous year (%)
Capital adequacy ratios under the Advanced Measurement Approach			
Net common equity Tier 1 capital	**969,082**	934,780	3.67
Net Tier 1 capital	**1,091,698**	1,098,660	-0.63
Net capital	**1,217,267**	1,220,932	-0.30
Common equity Tier 1 capital adequacy ratio	**13.70%**	13.74%	Decrease of 0.04 percentage point
Tier 1 capital adequacy ratio	**15.44%**	16.15%	Decrease of 0.71 percentage point
Capital adequacy ratio	**17.21%**	17.95%	Decrease of 0.74 percentage point

Capital adequacy ratios under the Weighted Approach

As at the end of the reporting period, the common equity Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Group under the Weighted Approach were 11.88%, 13.50% and 14.60%.

The Group	**31 March 2026**	31 December 2025	Increase/decrease at the end of the reporting period as compared with the end of the previous year
Capital adequacy ratios under the Weighted Approach (Note)			
Common equity Tier 1 capital adequacy ratio	**11.88%**	11.92%	Decrease of 0.04 percentage point
Tier 1 capital adequacy ratio	**13.50%**	13.90%	Decrease of 0.40 percentage point
Capital adequacy ratio	**14.60%**	15.00%	Decrease of 0.40 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 provisions of the Rules on Capital Management. Same as below.

As at the end of the reporting period, the common equity Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Company under the Weighted Approach were 11.34%, 12.77% and 13.87%, respectively.

The Company	31 March 2026	31 December 2025	Increase/decrease at the end of the reporting period as compared with the end of the previous year
Capital adequacy ratios under the Weighted Approach			
Common equity Tier 1 capital adequacy ratio	**11.34%**	11.38%	Decrease of 0.04 percentage point
Tier 1 capital adequacy ratio	**12.77%**	13.37%	Decrease of 0.60 percentage point
Capital adequacy ratio	**13.87%**	14.47%	Decrease of 0.60 percentage point

4.7 Other significant business metrics

As at the end of the reporting period, the Company had 227 million retail customers (including debit and credit card customers), representing an increase of 1.34% as compared with the end of the previous year. The balance of total assets under management (AUM) from retail customers amounted to RMB17,855.165 billion, representing an increase of RMB772.646 billion or 4.52% 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 6,216,100, representing an increase of 4.80% 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 207,492, representing an increase of 4.10% 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 RMB4.72 trillion[4], representing a decrease of 0.21% as compared with the beginning of the year, among which the balance of wealth management products under management by CMB Wealth Management amounted to RMB2.58 trillion, representing a decrease of 2.27% as compared with the end of the previous year; the scale of asset management business of China Merchants Fund amounted to RMB1.62 trillion, representing an increase of 0.62% as compared with the beginning of the year; the scale of asset management business of CIGNA & CMAM amounted to RMB339.708 billion, representing an increase of 6.68% as compared with the end of the previous year; the scale of asset management business of CMB International Capital amounted to RMB176.327 billion, representing an increase of 7.36% as compared with the end of the previous year.

4 The scale of asset management business of China Merchants Fund and CMB International Capital both included the data of their respective subsidiaries. For China Merchants Fund, the period-end data has been adjusted in accordance with regulatory reporting standards, and the period-begin data has been adjusted on the same basis.

5 Financial Statements

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in millions of RMB unless otherwise stated)

	January to March 2026	January to March 2025
Interest income	86,108	89,070
Interest expense	(30,466)	(36,074)
Net interest income	55,642	52,996
Fee and commission income	23,133	21,830
Fee and commission expense	(2,477)	(2,134)
Net fee and commission income	20,656	19,696
Other net income	9,907	10,200
Operating income	86,205	82,892
Operating expenses	(27,427)	(26,652)
Operating profit before impairment losses and taxation	58,778	56,240
Expected credit losses	(14,846)	(12,837)
Impairment losses on other assets	(2)	–
Share of profits of joint ventures	489	481
Share of profits of associates	258	358
Profit before taxation	44,677	44,242
Income tax	(6,629)	(6,729)
Profit for the period	38,048	37,513
Attributable to:		
Equity holders of the Bank	37,852	37,286
Non-controlling interests	196	227
Earnings per share		
Basic and diluted (RMB Yuan)	1.49	1.48

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in millions of RMB unless otherwise stated)

	January to March 2026	January to March 2025
Profit for the period	38,048	37,513
Other comprehensive income after tax		
Items that may be reclassified subsequently to profit or loss:	(877)	(17,743)
– Share of other comprehensive income/(expense) from equity-accounted investees	160	(393)
– Net fair value gain/(loss) on financial assets measured at fair value through other comprehensive income	742	(13,998)
– Net changes in expected credit losses of financial assets measured at fair value through other comprehensive income	(259)	(2,747)
– Net movement in cash flow hedge reserve	27	(61)
– Exchange difference on translation of financial statements of foreign operations	(1,547)	(544)
Items that will not be reclassified to profit or loss:	337	619
– Net fair value gain on equity instruments designated at fair value through other comprehensive income	337	619
Other comprehensive income for the period, net of tax	(540)	(17,124)
Attributable to:		
Equity holders of the Bank	(550)	(17,093)
Non-controlling interests	10	(31)
Total comprehensive income for the period	37,508	20,389
Attributable to:		
Equity holders of the Bank	37,302	20,193
Non-controlling interests	206	196

This financial statement was approved by the Board of Directors on 28 April 2026.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in millions of RMB unless otherwise stated)

	31 March 2026	31 December 2025
Assets		
Cash	**15,462**	14,808
Precious metals	**62,193**	38,669
Balances with central banks	**568,220**	560,207
Balances with banks and other financial institutions	**222,619**	200,399
Placements with banks and other financial institutions	**491,090**	507,439
Amounts held under resale agreements	**237,225**	258,708
Loans and advances to customers	**7,206,321**	7,004,238
Financial investments at fair value through profit or loss	**737,220**	647,796
Derivative financial assets	**20,227**	18,823
Debt investments at amortised cost	**2,147,461**	2,124,951
Debt investments at fair value through other comprehensive income	**1,420,575**	1,337,950
Equity investments designated at fair value through other comprehensive income	**24,378**	24,424
Interests in joint ventures	**20,304**	20,126
Interests in associates	**13,653**	12,788
Investment properties	**959**	997
Property and equipment	**127,843**	131,524
Right-of-use assets	**14,984**	15,290
Intangible assets	**1,825**	1,922
Goodwill	**9,954**	9,954
Deferred tax assets	**92,848**	89,856
Other assets	**49,521**	49,654
Total assets	**13,484,882**	13,070,523

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Expressed in millions of RMB unless otherwise stated)

	31 March 2026	31 December 2025
Liabilities		
Borrowing from central banks	117,236	111,077
Deposits from banks and other financial institutions	1,022,207	911,699
Placements from banks and other financial institutions	282,018	250,701
Financial liabilities at fair value through profit or loss	183,153	120,499
Derivative financial liabilities	26,879	18,652
Amounts sold under repurchase agreements	111,720	95,410
Deposits from customers	10,042,123	9,924,558
Salaries and welfare payable	32,923	35,959
Tax payable	18,152	14,713
Contract liabilities	3,386	3,548
Lease liabilities	10,969	11,253
Provisions	17,823	16,919
Debt securities issued	142,484	143,487
Deferred tax liabilities	1,116	1,115
Other liabilities	182,108	130,034
Total liabilities	12,194,297	11,789,624
Equity		
Share capital	25,220	25,220
Other equity instruments	149,989	177,457
Including: Preference shares	–	27,468
Perpetual bonds	149,989	149,989
Capital reserve	65,377	65,409
Investment revaluation reserve	24,616	23,574
Hedging reserve	42	15
Surplus reserve	136,270	136,270
General reserve	163,674	163,481
Retained profits	691,777	654,512
Proposed profit appropriation	25,296	25,296
Exchange reserve	94	1,641
Total equity attributable to shareholders of the Bank	1,282,355	1,272,875
Non-controlling interests	8,230	8,024
Including: Equity attributable to non-controlling interests of ordinary shares	8,230	8,024
Total equity	1,290,585	1,280,899
Total liabilities and equity	13,484,882	13,070,523

This financial statement was approved by the Board of Directors on 28 April 2026.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in millions of RMB unless otherwise stated)

	January to March 2026	January to March 2025
Operating activities		
Profit before taxation	44,677	44,242
Adjustments for:		
– Impairment losses on loans and advances	14,858	13,630
– Impairment losses on investments and others	(10)	(793)
– Unwinding of discount on the allowances of loans and advances	(11)	(39)
– Depreciation of property and equipment and investment properties	2,916	2,775
– Depreciation of right-of-use assets	938	930
– Amortisation of other assets	147	171
– Net gains on debt securities and equity investments	(81)	(5,483)
– Interest income on investments	(23,395)	(21,974)
– Interest expense on issued debt securities	1,080	1,601
– Share of profits of associates	(258)	(358)
– Share of profits of joint ventures	(489)	(481)
– Net gains on disposal of property and equipment and other assets	(107)	(154)
– Interest expense on lease liabilities	89	113
Changes in:		
Balances with central banks	1,604	22,890
Loans and advances to customers	(186,531)	(244,305)
Other assets	(78,337)	(129,847)
Deposits from customers	123,067	222,875
Amounts due to banks and other financial institutions	158,331	134,615
Amounts due from banks and other financial institutions with original maturity over 3 months	(52,868)	(2,812)
Borrowing from central banks	6,009	48,111
Other liabilities	120,699	15,479
Net cash generated from operating activities before income tax payment	132,328	101,186
Income tax paid	(6,479)	(6,160)
Net cash generated from operating activities	125,849	95,026
Investing activities		
Payment for the purchases of investments	(556,195)	(515,015)
Proceeds from disposals and redemptions of investments	444,699	289,062
Investment income received	24,384	28,021
Payment for the purchases of property and equipment and other assets	(5,424)	(3,096)
Proceeds from the disposals of property and equipment and other assets	5,727	1,666
Payment for the acquisition of subsidiaries, associates or joint ventures	(621)	(571)
Net cash used in investing activities	(87,430)	(199,933)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(Expressed in millions of RMB unless otherwise stated)

	January to March 2026	January to March 2025
Financing activities		
Proceeds from the issuance of negotiable interbank certificates of deposit	**1,982**	19,156
Proceeds from the issuance of certificates of deposits and other debt securities	**34,127**	20,364
Proceeds from the issuance of debt securities	**2,495**	5,000
Proceeds from other financing activities	**4,968**	9,196
Repayment of negotiable interbank certificates of deposit	**(5,995)**	(76,260)
Repayment of certificates of deposit and other debt securities	**(23,676)**	(20,148)
Repayment of debt securities	**(7,960)**	(3,993)
Payment for lease liabilities	**(1,058)**	(1,106)
Payment for dividends distribution	**(25,548)**	–
Interest paid on financing activities	**(1,230)**	(864)
Repayment for other financing activities	**(4,775)**	–
Net cash used in financing activities	**(26,670)**	(48,655)
Net increase/(decrease) in cash and cash equivalents	**11,749**	(153,562)
Cash and cash equivalents as at 1 January	**709,822**	756,527
Effect of foreign exchange rate changes	**(1,106)**	(74)
Cash and cash equivalents as at 31 March	**720,465**	602,891
Cash flows from operating activities include:		
Interest received	**62,005**	67,856
Interest paid	**34,934**	46,340

This financial statement was approved by the Board of Directors on 28 April 2026.

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 countries and regions. The average liquidity coverage ratio of the Group was 177.89% in the first quarter of 2026, representing an increase of 2.38 percentage points as compared with the previous quarter, and remaining generally stable. The Group's liquidity coverage ratio at the end of the first quarter of 2026 was 187.29%, 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 first quarter of 2026 is set out below.

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

Serial No.		Unweighted amount	Weighted amount
Stock of high-quality liquid assets			
1	**Total stock of high-quality liquid assets**	/	**2,878,446**
Cash outflows			
2	Retail and small business customers deposits, of which:	4,892,402	431,834
3	Stable deposits	1,148,125	57,406
4	Less stable deposits	3,744,277	374,428
5	Unsecured wholesale funding, of which:	5,219,357	1,841,463
6	Operational deposits (excluding correspondent banks)	2,823,561	696,736
7	Non-operational deposits (including all counterparties)	2,387,942	1,136,873
8	Unsecured debt issuance	7,854	7,854
9	Secured funding	/	108
10	Additional requirements, of which:	2,651,415	767,274
11	Cash outflows arising from derivative contracts and other transactions arising from related collateral requirements	643,986	643,986
12	Cash outflows arising from secured debt instruments funding	–	–
13	Undrawn committed credit and liquidity facilities	2,007,429	123,288
14	Other contractual obligations to extend funds	122,938	122,938
15	Other contingent funding obligations	4,406,150	133,314
16	**Total cash outflows**	/	3,296,931
Cash inflows			
17	Secured lending (including reverse repo and securities borrowing)	228,529	226,781
18	Contractual inflows from fully performing loans	1,187,982	805,790
19	Other cash inflows	643,784	643,323
20	**Total cash inflows**	**2,060,295**	**1,675,894**
			Adjusted value
21	**Total stock of high-quality liquid assets**		**2,878,446**
22	**Net cash outflows**		**1,621,037**
23	**Liquidity coverage ratio**		**177.89%**

Notes:

(1) Data in the above table is a simple arithmetic average of the 90-day value in the latest quarter.

(2) The high-quality liquid assets in the above table comprise cash, central bank reserve available under stress conditions, as well as the bonds that meet 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.

28 April 2026

As at the date of this announcement, the executive directors of the Company are Wang Liang and Zhong Desheng; the shareholder directors (non-executive directors) of the Company are Miao Jianmin, Shi Dai, Deng Renjie, Jiang Chaoyang, Zhu Eric Liwei, Huang Jian and Ma Xianghui; and the independent non-executive directors of the Company are Tian Hongqi, Shi Yongdong, Li Jian, Wong Yuk Shan and Lu Liping.