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招商銀行股份有限公司

**CHINA MERCHANTS BANK CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(H Share Stock Code: 03968)**

**(Preference Share Stock Code: 04614)**

## **ANNOUNCEMENT ON AUTHORISATION TO ISSUE CAPITAL BONDS**

The 22nd meeting (the “**Meeting**”) of the Eleventh Session of the Board of Directors of China Merchants Bank Co., Ltd. (the “**Company**” or “**China Merchants Bank**”) was held on 19 March 2021, where, among other things, the “Resolution on Authorisation to Issue Capital Bonds” was passed.

The Board of Directors of the Company (the “**Board**”) considered and approved the “Resolution on Authorisation to Issue Capital Bonds” and agreed that:

### **I. The issuance plan of the capital bonds**

- (I) Types of instruments: the issuable capital bonds include undated capital bonds with write-down clause and tier 2 capital bonds with write-down clause, which shall satisfy the requirements under the Administrative Measures on Capital of Commercial Banks (Trial), Guiding Opinions of China Banking Regulatory Commission on Commercial Banks’ Innovation on Capital Instruments, Opinions on Further Supporting Commercial Banks’ Innovation on Capital Instruments and other laws, regulations and regulatory documents.
- (II) Issue size: the total issue size of the aforementioned capital bonds shall not exceed the equivalent of RMB150.0 billion (the “**Total Issue Size**”).

For the part not exceeding the equivalent of RMB70.0 billion in the aforementioned issue size (the “**Substitute Issue Size**”), the Company may decide to exercise the right to redeem one or more of the existing capital instruments of the Company (as shown in the table below) in the future, and issue capital bonds not exceeding the Substitute Issue Size pursuant to the requirements of this resolution; for the remaining part not exceeding the equivalent of RMB80.0 billion in the Total Issue Size with the Substitute Issue Size excluded, the Company may issue capital bonds based on actual situation and pursuant to the requirements of this resolution.

<b>Abbreviated name of bonds</b>	<b>Bond code/ Stock code</b>	<b>Issue year</b>
12 CMB Subordinated Debt (12招行次級債)	1211003	2012
Zhao Yin You 1 (招銀優1)	360028	2017
CMB 17USDPREF	04614	2017
18 China Merchants Bank Tier 2 01 (18招商銀行二級01)	1828015	2018

(III) The undated capital bonds with write-down clause shall satisfy the following requirements:

1. Redemption option: the Company shall be entitled to redeem the undated capital bonds in whole or in part with the approval of the regulatory authorities after 5 years from the date of issuance;
2. Means of loss absorption: upon the occurrence of the triggering events specified in the issuing document(s), losses will be absorbed in full or in part by means of write-down;
3. Term: consistent with the duration of the ongoing operation of the Company;
4. Coupon interest rate: shall be determined with reference to the market interest rate;
5. Use of proceeds: to include in the additional tier 1 capital of the Company in due course according to the applicable laws and subject to the approval of the regulatory authorities;
6. Issue place: may be issued in the domestic or overseas markets.

(IV) The tier 2 capital bonds with write-down clause shall satisfy the following requirements:

1. Redemption option: the Company shall be entitled to redeem the undated capital bonds in whole or in part with the approval of the regulatory authorities after 5 years from the date of issuance;
2. Means of loss absorption: upon the occurrence of the triggering events specified in the issuing document(s), losses will be absorbed in full or in part by means of write-down;
3. Term: not less than 5 years;
4. Coupon interest rate: shall be determined with reference to the market interest rate;
5. Use of proceeds: to include in the tier 2 capital of the Company in due course according to the applicable laws and subject to the approval of the regulatory authorities;
6. Issue place: may be issued in the domestic or overseas markets.

- (V) Validity period of the resolution: from the date of approval of this resolution at the General Meeting to 31 December 2023.

## **II. Matters relating to authorisation**

- (I) Authorisation in connection with the issuance of capital bonds.

It will be proposed at the General Meeting to authorise the Board to initiate the issuance of the capital bonds with the aforementioned issue size of not more than RMB150.0 billion under the framework and principles as considered and passed at the General Meeting, determine the type of instruments to be utilised in the issuance either in one or multiple tranches, formulate specific issuance plan for such type of instruments based on the issue size to be applied to the relevant regulatory authorities, and handle all the matters regarding such issuance of capital bonds. It will also be proposed at the General Meeting to authorise the Board, which may authorise the senior management of the Company to determine issuance of capital bonds within the Substitute Issue Size not exceeding RMB70.0 billion accumulatively pursuant to the requirements of this resolution if the Company decides to exercise the right to redeem one or more of the existing capital instruments of the Company.

Such authorisation includes but not limited to the following:

1. Determining the issue size to be applied to the regulatory authority, the method to determine the issue window, the method to determine the issue targets, the method of issuance, the issue places, types of currencies, and the method to determine the coupon interest rate.
2. Determining the specific issue tranche of each tranche of capital bonds, actual issue amount, specific issue time, actual issue targets, the specific contents of issue terms, final interest rate of issuance, final bond price, dealing with the registration and depository of the bonds, applying for listing of the bonds, conducting the negotiations on the issuance of the capital bonds and signing relevant legal documents.
3. Reporting to relevant regulatory authorities on the issuance of the capital bonds, and making appropriate adjustments to the issuance plan, reporting documents, bond name, formulation of the terms and other matters relating to the capital bonds in accordance with the provisions and approval requirements stipulated by relevant regulatory authorities.
4. Other specific matters relating to the issuance of the capital bonds.

The term for the relevant authorisation to be granted by the General Meeting to the Board and the term for the relevant authorisation to be delegated by the Board to the senior management of the Company shall commence from the date of approval by the General Meeting to 31 December 2023.

(II) Authorisation in connection with the matters during the term of the capital bonds.

It will be proposed at the General Meeting to authorise the Board, which may delegate the authorisation to the senior management of the Company to exercise the full power to handle related matters during the term of each tranche of capital bonds based on actual circumstances and under the framework and principles as considered and passed at the General Meeting from the completion date of the issuance of such tranche of capital bonds. The specific contents and scope of the authorisation shall include but not limited to, the arrangement for payment of principal and interest, the exercise of the redemption option subject to the redemption conditions and making write-downs upon the occurrence of the triggering events as agreed.

It is agreed at the Meeting that the resolution shall be submitted to the 2020 Annual General Meeting of the Company for consideration and the passing of such resolution shall be approved by more than two-thirds of the voting rights held by the Shareholders (including their proxies) with voting rights attending the 2020 Annual General Meeting.

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

19 March 2021

*As at the date of this announcement, the executive directors of the Company are Tian Huiyu, Liu Jianjun and Wang Liang; the non-executive directors of the Company are Miao Jianmin, Fu Gangfeng, Zhou Song, Hong Xiaoyuan, Zhang Jian, Su Min, Wang Daxiong and Luo Sheng; and the independent non-executive directors of the Company are Leung Kam Chung, Antony, Zhao Jun, Wong See Hong, Li Menggang, Liu Qiao and Tian Hongqi.*