
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you shall consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Merchants Bank Co., Ltd., you shall at once hand this circular and the related proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**CAPITAL MANAGEMENT PLAN FOR 2023-2027,
PROPOSED APPOINTMENT OF DIRECTORS OF THE
TWELFTH SESSION OF THE BOARD OF DIRECTORS
AND
NOTICE OF 2022 AGM**

The Company will convene the AGM at 9:30 a.m. on Tuesday, 27 June 2023 at the Conference Room, 5/F, China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen, Guangdong, the PRC. A notice convening the AGM is set out on pages 14 to 19 in this circular.

A form of proxy for use at the AGM is enclosed herewith and is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (www.cmbchina.com). Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM (i.e. not later than 9:30 a.m. on Monday, 26 June 2023) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

2 June 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”, “2022 AGM” or “General Meeting”	the 2022 Annual General Meeting of the Company to be held at the Conference Room, 5/F, China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen, Guangdong, the PRC on Tuesday, 27 June 2023 at 9:30 a.m.
“Articles of Association”	the Articles of Association and the Rules of Procedures of the Company, as amended from time to time
“Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“Company Law”	the Company Law of the People’s Republic of China (as amended from time to time)
“China Merchants Bank”, “Company” or “Bank”	China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (H Share Stock Code: 03968)
“Director(s)”	director(s) of the Company
“Domestic Shares”, “A Shares”	the ordinary shares in the Company’s share capital with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Shares”	overseas listed foreign shares in the Company’s ordinary share capital with a nominal value of RMB1.00 each, to be subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange

DEFINITIONS

“Independent Non-executive Director(s)” or “Independent Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	31 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the H Share(s) and Domestic Share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Supervisor(s)”	supervisor(s) of the Company

LETTER FROM THE BOARD OF DIRECTORS



招商銀行

CHINA MERCHANTS BANK

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)

Executive Director:

Wang Liang

Non-executive Directors:

Miao Jianmin

Hu Jianhua

Sun Yunfei

Zhou Song

Hong Xiaoyuan

Zhang Jian

Chen Dong

Independent Non-executive Directors:

Wong See Hong

Li Menggang

Liu Qiao

Tian Hongqi

Li Chaoxian

Shi Yongdong

Registered address:

China Merchants Bank Tower

No. 7088 Shennan Boulevard

Futian District

Shenzhen 518040

Guangdong

PRC

Principal place of business

in Hong Kong:

31F, Three Exchange Square

8 Connaught Place

Central

Hong Kong

2 June 2023

To the Shareholders

Dear Sir or Madam,

**CAPITAL MANAGEMENT PLAN FOR 2023-2027,
PROPOSED APPOINTMENT OF DIRECTORS OF THE
TWELFTH SESSION OF THE BOARD OF DIRECTORS
AND
NOTICE OF 2022 AGM**

1. INTRODUCTION

The purpose of this circular is to give you the Notice of AGM and provide you with relevant information regarding the proposals to be considered at the General Meeting.

LETTER FROM THE BOARD OF DIRECTORS

2. CAPITAL MANAGEMENT PLAN FOR 2023-2027

In order to further promote the dynamically balanced development of the “Quality, Efficiency and Scale” of the Company, in accordance with the trend of international financial regulatory reform and the latest requirements set out in the capital regulatory policy of the Chinese banking industry, the Company has prepared the Capital Management Plan for 2023-2027 of China Merchants Bank after taking into consideration its actual operating conditions and the changes in external environment.

Please refer to the Appendix to this circular for details of the Capital Management Plan for 2023-2027.

3. PROPOSED APPOINTMENT OF DIRECTORS OF THE TWELFTH SESSION OF THE BOARD OF DIRECTORS

A meeting of the Board of Directors of the Company was convened on 17 January 2023, on which the “Resolution regarding the Nomination of Mr. Huang Jian as a Non-executive Director” was reviewed and approved unanimously, agreeing to nominate Mr. Huang Jian as a candidate for Non-executive Director of the Twelfth Session of the Board of Directors of the Company, and will be proposed to the 2022 AGM for consideration and approval. If considered and approved at the General Meeting, the qualification of Mr. Huang Jian for serving as a Non-executive Director shall be submitted to the China’s banking regulatory authority for review, with his term of office being effective from the date of approval of his qualification as Director until the date of expiry of the Twelfth Session of the Board of Directors.

The biographical details of Mr. Huang Jian are set out below:

Mr. Huang Jian, born in August 1969, holds a master’s degree in Business Management from Beijing Institute of Technology and a bachelor’s degree in Economics majoring in Auditing from Capital University of Economics and Business (formerly known as Beijing Institute of Finance and Trade). He is a senior accountant. Mr. Huang currently serves as General Manager of the Capital Operation Department of China COSCO Shipping Corporation Limited, Director of COSCO SHIPPING Captive Insurance Co., Ltd., Director of Lanhai Medical Investment Co., Ltd. (a company listed on the National Equities Exchange and Quotations), Director of COSCO SHIPPING Development Co., Ltd. (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange) and Director of China Merchants Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange). He served as Deputy General Manager (person-in-charge) of the Capital Operation Department of China COSCO Shipping Corporation Limited, Director of COSCO SHIPPING Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange) and Director of Shanghai Rural Commercial Bank Co., Ltd. (a company listed on the Shanghai Stock Exchange).

LETTER FROM THE BOARD OF DIRECTORS

As far as the Company is aware, as at the Latest Practicable Date, Mr. Huang does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Huang has not been penalised by the securities regulatory authority of the State Council and other relevant authorities or punished by any stock exchange.

If Mr. Huang is elected as a Non-executive Director of the Company, he will not receive any Director remuneration. Save as disclosed above, Mr. Huang did not hold director or supervisor position in other listed public companies, nor did he have any other major appointment or qualification during the past three years. Save as disclosed above, Mr. Huang does not have any relationship with any other Directors, Supervisors, senior management or substantial shareholders of the Company.

A meeting of the Board of Directors of the Company was convened on 31 May 2023, on which the “Resolution regarding the Nomination of Mr. Zhu Jiangtao as an Executive Director” was reviewed and approved unanimously, agreeing to nominate Mr. Zhu Jiangtao as a candidate for Executive Director of the Twelfth Session of the Board of Directors of the Company by the Nomination Committee under the Board of Directors, and will be proposed to the AGM for consideration. If considered and approved at the AGM, the qualification of Mr. Zhu Jiangtao for serving as an Executive Director shall be submitted to the China’s banking regulatory authority for review, with his term of office being effective from the date of approval of his qualification as Director until the date of expiry of the Twelfth Session of the Board of Directors.

The biographical details of Mr. Zhu Jiangtao are set out below:

Mr. Zhu Jiangtao, born in December 1972, is an Executive Vice President and the Chief Risk Officer of the Company. Mr. Zhu obtained a master’s degree in Economics and is a senior economist. He joined the Company in January 2003. He served as an Assistant General Manager and Deputy General Manager of Guangzhou Branch of the Company, the General Manager of Chongqing Branch, the General Manager of the Credit Risk Management Department and the General Manager of the Risk Management Department of the Company from December 2007 to July 2020. He has served as the Chief Risk Officer of the Company since July 2020 and as an Executive Vice President of the Company since September 2021.

As far as the Company is aware, as at the Latest Practicable Date, Mr. Zhu holds 198,800 A Shares in the Company. Save as disclosed above, Mr. Zhu does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Zhu has not been penalised by the securities regulatory authority of the State Council and other departments or punished by any stock exchange.

If Mr. Zhu is elected as an Executive Director of the Company, his remuneration will be determined in accordance with relevant provisions set out in the “Policies on Remunerations of Senior Management of China Merchants Bank Co., Ltd.” passed by the Board of Directors. For the actual remuneration of the Executive Directors of the Company, please refer to the annual report of the Company. Save as disclosed above, Mr. Zhu did not hold any director or supervisor position in any other listed public companies, nor did he have any other major appointment or qualification during the last three years. Save as disclosed above, Mr. Zhu does not have any relationship with any other Directors, Supervisors or senior management or substantial Shareholders of the Company.

LETTER FROM THE BOARD OF DIRECTORS

The above Director candidates do not have any conflict of interest with the Company, nor are they disqualified from being directors in a listed company pursuant to relevant laws and regulations or provisions. In addition, there is no other information in relation to the above Director candidates which is discloseable pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules. Save for the above, there is no other matter that needs to be brought to the attention of the shareholders of the Company.

4. AGM

A notice convening the AGM to be held at the Conference Room, 5/F, China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen, Guangdong, the PRC on Tuesday, 27 June 2023 at 9:30 a.m. is set out on pages 14 to 19 of this circular.

All votes of resolutions at the AGM will be taken by poll pursuant to the Hong Kong Listing Rules.

Closure of register of members for the AGM

In order to determine the H Shareholders who will be entitled to attend the AGM, the register of members of the H Shares of the Company will be closed from Monday, 19 June 2023 to Tuesday, 27 June 2023 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to qualify to attend the AGM, holders of H Shares of the Company whose transfer documents have not been registered must lodge the transfer documents accompanied by share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 16 June 2023. H Shareholders whose names are recorded in the register of members of the Company on Monday, 19 June 2023 are entitled to attend the AGM.

A form of proxy for use at the AGM is enclosed herewith and is also published on the website of the Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the website of the Company (www.cmbchina.com). Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be) (i.e. not later than 9:30 a.m. on Monday, 26 June 2023). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

LETTER FROM THE BOARD OF DIRECTORS

Closure of register of members for payment of final dividend for the year 2022

In order to determine the H Shareholders who will be entitled to receive the final dividend for the year ended 31 December 2022, the register of members of the H Shares of the Company will be closed from Friday, 7 July 2023 to Wednesday, 12 July 2023 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to qualify to receive the final dividend, holders of H Shares of the Company who have not had their transfer documents registered must lodge the transfer documents accompanied by share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 6 July 2023. H Shareholders whose names are recorded in the register of members of the Company on Wednesday, 12 July 2023 are entitled to receive the final dividend for the year 2022.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material respects and is not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

6. RECOMMENDATION

The Directors consider that the resolutions set out in the notice of AGM are in the interests of the Company and its Shareholders. Therefore, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM. In respect of the other resolutions proposed to be considered and approved by the Shareholders at the AGM, the Directors also consider that those resolutions are in the interests of the Company and its Shareholders, and therefore recommend the Shareholders to vote in favour of those resolutions.

Yours faithfully,
By order of the Board of Directors
China Merchants Bank Co., Ltd.
Miao Jianmin
Chairman

In order to promote the dynamically balanced development of the “Quality, Efficiency and Scale” of the Company, in accordance with the trend of international financial regulatory reform and the latest capital regulatory requirements of the Chinese banking industry, the Company has prepared the Capital Management Plan for 2023-2027 after taking into consideration its actual operating conditions and the changes in external environment.

I. BACKGROUND FOR THE CAPITAL PLANNING

(I) Domestic economy is expected to recover gradually

At present, the Chinese economy is facing threefold pressure, including shrinking demand, disrupted supply and weakening expectations, but from the perspective of internal and external environments, it is in a good position for recovery. From the perspective of external environment, some forward-looking indicators have indicated an increasing likelihood for the U.S. economy to decline, and the Fed’s cycle for interest rate hikes may come to an end in 2023, then the external liquidity environment will improve. Meanwhile, the domestic economy has begun to stabilise and rebound with elevated growth range and improved supply and demand, and the macroeconomy is turning better as a whole. From the perspective of policy, fiscal policies and monetary policies were launched in tandem to increase the economic resilience and bolster the economic development in a counter-cyclical period. For the proactive fiscal policies, they should be moderately expanded and policy efficiency should be increased; for the prudent monetary policies, they should be targeted and focus on the expansion of effective demands and the deepening of the supply-side structural reform, so as to achieve an effective improvement in the quality and a reasonable growth in the quantity of the economy.

(II) Increasing financial support to the real economy

2023-2027 is a crucial period for comprehensively building a modern socialist country. It’s clearly proposed in the report to the Party’s 20th National Congress that high-quality development is the top priority for comprehensively building a modern socialist country. To achieve this goal, guided by macro policies, finance, being the lifeblood of the real economy, will continue to increase its support for the real economy and assist the quality economic development. As the core of China’s financial system, commercial banks should focus on serving the real economy, continuously optimise the credit structure, and provide targeted support for key areas and weak links of the real economy, including increasing the lending to manufacturing industry, and strengthening support for small- and micro-sized enterprises, scientific and technological innovation, green development and other policy-oriented sectors. In addition, under the background of interest rate liberalisation and surrendering benefits to the real economy, interest spread of banks has become narrower, and the endogenous capital replenishment capabilities have been challenged. Commercial banks need to adapt to the new situation and challenges, improve their asset and liability management, keep the bottom line of risks, constantly adjust and optimise their business structure, maintain balanced growth of capital and business so as to achieve quality development.

(III) More emphasis on prudent regulation and risk control

Preventing and mitigating major risks, in particular financial risks, is the top priority of the central government, and stringent regulatory requirements are important measures for the effective prevention and mitigation of financial risks. In recent years, the regulatory authorities have deepened the rectification of market disorders in the banking industry, maintained a trend of stringent regulatory requirements, severely punished violations of laws and regulations, urged commercial banks to return to their origins and focus on their main businesses, and enhance the overall ability of the financial system to serve the real economy. In terms of capital regulations, regulatory documents such as the “Additional Regulatory Requirements for Systemically Important Banks (Trial)” (《系統重要性銀行附加監管規定(試行)》) and the “Measures for the Management of Total Loss-Absorbing Capacity of Global Systemically Important Banks” (《全球系統重要性銀行總損失吸收能力管理辦法》) have been promulgated in succession, forming a more mature system of prudent regulation; the Measures for the Capital Management of Commercial Banks (Draft for Comments) (《商業銀行資本管理辦法(徵求意見稿)》) which was amended based on the finalised plan of Basel III is soliciting public opinions and proposed to be fully implemented in China on 1 January 2024. The amended capital regulation standards and measurement rules will be stricter and the refinement degree of measurement will increase significantly, which will have a profound influence on the operational mode, business structure, risk management, internal control and governance, system data and others of commercial banks.

(IV) Achieving high-quality development by creating a “value creation bank”

Currently, the business environment and regulatory policies faced by commercial banks are undergoing major changes. The financial service needs of customers are becoming more diversified and comprehensive, and the ESG concept has been given more attention to and applied more widely. In this background, the Company came up with the development vision of “building the best value creation bank with innovation-driven development, leading model and distinguished features” in its strategy during the 14th Five-year Plan period, devoted to creating diversified value for its customers, employees, shareholders, partners and the society. This is not only to meet the Company’s needs for deeply practicing its concept of “financing for the people, financing for the country and financing for the good” (金融為民、金融報國、金融向善) and creating a world-leading modern commercial bank, but to strategically deepen its “retail bank and light-model bank” strategy in the new development stage. The Company will maintain a strategic determination and lead itself to make a new breakthrough, with creating a “value creation bank” as its strategic goal.

II. CAPITAL PLANNING TARGETS

The Company has set capital planning targets based on the following principles: firstly, based on the regulatory bottom line and combined with the assessment on the internal capital adequacy, leave room for capital buffer to ensure compliance with regulatory requirements; secondly, according to its development and strategic needs, set reasonable capital targets to keep its market price stable and maintain its competitive edges over peers. Under the above principles, the Company mainly considered the following factors when setting the capital adequacy ratio targets.

Pursuant to the capital requirements of China's banking regulatory authorities and the additional capital requirements of the "Additional Regulatory Requirements for Systemically Important Banks (Trial)", core tier-1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio of the Company shall be not less than 8.25%, 9.25% and 11.25%, respectively. Combined with the additional capital requirements of the second pillar and stress test and comprehensively considering the impact of the Measures for Capital Management of Commercial Banks (Draft for Comments) promulgated on 18 February 2023, the capital planning targets of the Company for 2023-2027 are set as follows: core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio and capital adequacy ratio shall reach and remain above 10.0%, 11.0% and 13.0%, respectively, during the planning period. After that, the Company will conduct retrospective testing and dynamic assessment on the impact of the risk situation, model adjustment or regulatory policies when preparing capital planning on a rolling basis, and adjust measurement standards and planning targets when necessary.

III. CAPITAL REPLENISHMENT PLANNING

Adhering to the principle of replenishing capital mainly through internal resources and partially through external supply, the Company makes overall arrangements between the internal and external replenishment and raises funds through multi-channels in multiple ways, so as to maintain a stable capital adequacy ratio.

(I) Internal replenishment

Enhancing profitability. Profitability is a key factor for the accumulation of self-generated capital. During the planning period, the Company will, with creating a value creation bank as its strategic goal, optimise its business structure and customer structure, attach importance to the further exploration on existing business and growth quality, exert great efforts on the management and control of liability costs, improve risk pricing ability, increase the proportion of non-interest income, reasonably control financial costs, improve cost-effectiveness and maintain sufficient provision to ensure the sustainable supply of self-generated capital.

Maintaining stable dividend distribution policy. The Company will formulate reasonable dividend policies to balance the relationship between dividends distribution and long-term returns to shareholders and properly enhance capital accumulation, on the premise of ensuring maximum shareholders' interests, to meet the need for maintaining capital adequacy. On the premise of complying with the prevailing laws and regulations as well as the regulatory authorities' requirements on capital adequacy ratio, the Company's annual cash dividend will, in principle, not be lower than 30% of net profit after tax attributable to holders of ordinary shares audited pursuant to the PRC Generally Accepted Accounting Principles in the same year, and will be flexibly adjusted in accordance with the profit for the period and implementation of the capital planning, to practically enhance the reasonable investment returns of shareholders and keep the consistency and stability of the dividend distribution policy.

(II) External replenishment

Comprehensively considering various capital instruments to carry out capital replenishment in a scientific and reasonable manner. The Company has been striving to broaden its financing channels and balance the structure and timing of capital instrument replenishment, to constantly enlarge its gross capital as a whole as well as optimise and improve its capital structure. During the planning period, in line with the regulatory requirements and capital market conditions, the Company will, in accordance with the capital financing authorisation approved by the Board of Directors and the general meeting of shareholders, make timely decisions when there is a need for capital replenishment, and organise scientific and reasonable replenishment, closely follow up the policies and practices related to capital instruments at home and abroad, and conduct in-depth study of various financing methods, including but not limited to ordinary shares, preference shares, perpetual bonds, tier-2 capital bonds, Total Loss-Absorbing Capacity ("TLAC") instruments and other capital instruments, to form a diversified capital replenishment mechanism to increase capital strength constantly and optimise capital structure.

Substantial shareholders' promises on and support for capital replenishment. According to regulatory requirements and the Articles of Association, the substantial shareholders of the Company have made written promises to support the Board of Directors in preparing a reasonable capital planning to ensure that the Company's capital constantly meet the regulatory requirements. When the Company's capital adequacy ratio is below the statutory standards, the substantial shareholders of the Company will support the measures that the Board of Directors proposed for improving the capital adequacy ratios, i.e. increasing core tier-1 capital and other ways of capital replenishment to ensure the capital adequacy ratios to meet the regulatory requirements within the time limit.

IV. CAPITAL MANAGEMENT STRATEGY

In order to ensure that the business development, profit growth and capital constraints in the next few years all meet the planning targets, the Company plans to take the following management supporting measures:

The first is to closely keep abreast of the implementation of the international regulatory rules, and reinforce the connection between capital planning and budget management. The Company is to carefully estimate the asset quality, profit growth and capital market volatility in accordance with the external business environment, and the implementation for finalised plan of Basel III taken into account; it will prepare and implement a plan for capital management on a rolling basis, dynamically balance capital demand and capital supply, and improve the ability of capital to withstand risks; it will also reinforce the connection between capital planning and comprehensive budget management, and realise optimised capital allocation through comprehensive budget management to guide, regulate, control and restrain the allocation of assets and liabilities and financial resources, and ensure the realisation of annual capital management targets.

The second is to optimise economic capital management, and take full advantage of the critical role of capital management in strategy implementation. The Company will adhere to a prudent risk appetite and controls the growth pace of risk assets within a reasonable range; with creating a value creation bank as its strategic goal, the Company will continuously optimise the capital allocation strategy, strengthen the asset-liability portfolio management, and use the portfolio optimisation strategy to promote business structure adjustment. The Company will also improve the capital return management mechanism while adhering to the overall customer contribution evaluation system and the performance appraisal mechanism with economic value added (EVA) and risk-adjusted return on capital (RAROC) as the core, and promote the value exploitation and potential exertion of the overall business resource portfolio to continuously improve the level of capital returns; finally, the Company will continue to enhance the capital management expertise of its subsidiaries and optimise the Group's resource allocation mechanism.

The third is to master the essence of regulation, and strengthen and perfect the internal capital adequacy assessment mechanism. The Company will closely follow the progress of international and domestic capital regulatory reform and promote the application of new regulations to achieve smooth connection between regulatory reform and internal management so as to guarantee the smoothness of capital adequacy ratio, deepen the digital transformation of capital management and consolidate the basic works for measurement to reasonably reflect the nature of various risks, and maintain high efficiency and accuracy of measurement, monitoring and analysis of capital adequacy ratio; the Company will also regulate and perfect the management process and mechanism of the second pillar, optimise internal capital adequacy assessment procedures, fully identify, measure and assess various risks and regularly assess the capital adequacy and risk-resistant ability, monitor risks, capital and liquidity on a timely basis, establish a capital emergency plan mechanism and continuously improve the capital management system.

The fourth is to promote the innovation of capital instruments and build a diversified capital replenishment mechanism. The Company will take an active part in the market-based issuance of capital instruments, broaden the diversified financing channels, so as to attract more investors to participate in bank capital financing, enhance the liquidity of capital instruments and reduce the difficulty of issuance and improve the Bank's yield curve; the Company will closely monitor the development of other banks and financial institutions, actively and steadily carry out research on TLAC and other innovative capital instruments, and appropriately use various capital instruments such as bonds and share to continuously enhance capital strength and optimise capital structure.

The fifth is to strengthen the overall management of external capital financing of subsidiaries and continuously improve the capital financing capacity and efficiency of subsidiaries by adhering to the principle of endogenous replenishment to promote subsidiaries to improve capital utilisation efficiency and realise endogenous capital. The Company strengthened the external capital replenishment capability, encouraged subsidiaries to participate in the capital market, and reduced the consumption of the Company's net capital through the issuance of non-core tier-1 capital instruments. The Company improved the workflow mechanism, guided the subsidiaries to update their capital financing plans on a rolling basis, and continued to optimise internal capital management.

NOTICE OF 2022 ANNUAL GENERAL MEETING

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



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)

NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Board of Directors of China Merchants Bank Co., Ltd. (hereinafter referred to as the “**Company**” or “**China Merchants Bank**”) has decided to hold its Annual General Meeting for 2022 (the “**Meeting**”) on Tuesday, 27 June 2023. The details of the Meeting are provided as follows:

I. CONVENING OF THE MEETING

(1) Time of the Physical Meeting

The Meeting will commence at 9:30 a.m. on Tuesday, 27 June 2023.

(2) Venue of the Physical Meeting

The Meeting will be held at the Conference Room, 5/F, China Merchants Bank Tower, No. 7088 Shennan Boulevard, Futian District, Shenzhen, Guangdong, the PRC.

(3) Convenor

The Meeting will be convened by the Board of Directors of the Company.

(4) Way of Conducting the Meeting

The Meeting will be conducted by way of physical voting and online voting (among which, online voting is for the shareholders of A Shares only).

NOTICE OF 2022 ANNUAL GENERAL MEETING

(5) Attendees

1. All shareholders of A Shares of “China Merchants Bank” (600036) whose names appear on the register of members, kept by China Securities Depository and Clearing Corporation Limited, Shanghai Branch, as at the close of A Share trading session on the Shanghai Stock Exchange on the afternoon of Monday, 19 June 2023 (hereinafter referred to as “**Shareholders of A Shares**”);
2. All H Shareholders of “China Merchants Bank” (03968) whose names appear on the register of members of H Shares, kept by Computershare Hong Kong Investor Services Limited on Monday, 19 June 2023 (hereinafter referred to as “**H Shareholders**”);
3. The proxies appointed by the above shareholders;
4. The directors, supervisors and senior management of the Company; and
5. The intermediate agents engaged by the Company and the guests invited by the Board of Directors of the Company.

II. MATTERS TO BE CONSIDERED AND APPROVED AT THE MEETING

The following resolutions will be considered and approved at the Meeting:

ORDINARY RESOLUTIONS

1. **Work Report of the Board of Directors for the year 2022;**
2. **Work Report of the Board of Supervisors for the year 2022;**
3. **Annual Report for the year 2022 (including the Audited Financial Report);**
4. **Audited Financial Statements for the year 2022;**
5. **Proposal regarding the Profit Appropriation Plan for the year 2022 (including the distribution of final dividend) (note 1);**
6. **Resolution regarding the Engagement of Accounting Firms for the year 2023 (note 2);**
7. **Related Party Transaction Report for the year 2022;**
8. **Capital Management Plan for 2023-2027 (note 3);**

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9. **Proposal regarding Election of Mr. Huang Jian as a Non-executive Director of the Twelfth Session of the Board of Directors of China Merchants Bank** (*note 3*); and
10. **Proposal regarding Election of Mr. Zhu Jiangtao as an Executive Director of the Twelfth Session of the Board of Directors of China Merchants Bank** (*note 3*).

The following reports will be delivered at the Meeting:

1. The evaluation report on duty performance of the Directors for the year 2022;
2. The evaluation report on duty performance of the Supervisors for the year 2022;
3. Independent Directors' annual work and cross-appraisal report for the year 2022;
4. External Supervisors' annual work and cross-appraisal report for the year 2022;
5. The evaluation report on duty performance of the senior management members for the year 2022; and
6. The evaluation report on the conduct of the substantial shareholders for the year 2022.

Notes:

1. The Company proposes to declare a cash dividend not less than 30% of the net profit attributable to the ordinary shareholders of the Company of RMB132.775 billion (as shown in the audited consolidated financial statements of the Company for the year 2022 prepared under the PRC GAAP). Details of the Profit Appropriation Plan are set out below:
 - (1) 10% of the audited net profit of RMB128.484 billion of the Company for the year 2022, equivalent to RMB12.848 billion, will be appropriated to the statutory surplus reserve in accordance with the relevant requirements of the "Company Law of the People's Republic of China".
 - (2) 1.5% of the amount of the increased balance of the Company's assets that bearing risks and losses at the end of the period, equivalent to RMB15.025 billion, will be appropriated to the general reserve in accordance with the relevant requirements of the "Administrative Measures for the Provision of Reserves of Financial Enterprises" (金融企業準備金計提管理辦法) promulgated by the Ministry of Finance.
 - (3) The risk reserve for mutual fund custody business of RMB264 million is accrued at 2.5% of the Company's custodian fee income of mutual funds by the end of 2022.
 - (4) Based on the total share capital of A Shares and H Shares on the record date for implementation of the profit appropriation, the Company will pay a cash dividend of RMB1.738 (tax included) for every share to all registered shareholders of the Company. The cash dividend will be denominated and declared in RMB, payable in RMB for the Shareholders of A Shares and in HKD for the H Shareholders. The actual appropriation amount in HKD will be calculated based on the average RMB/HKD benchmark rates to be released by the People's Bank of China for the week before the date of the general meeting (including the day of the general meeting). The retained profit will be carried forward to the next year.
 - (5) The Company did not transfer any capital reserve into share capital in 2022.

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2. The Company proposes to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) as the domestic accounting firm of the Company and its domestic subsidiaries for 2023 and Deloitte Touche Tohmatsu as well as other relevant overseas members of Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) as the international accounting firms of the Company and its overseas subsidiaries for 2023. The terms of office of the above engagements shall be one year.

The audit fees shall not exceed RMB37.22 million, which are the aggregate of the audit fees of each of the subsidiaries of the Group within the accounting consolidation scope of the financial statements of the Company and the Group. If there are new entities to be included into the scope of consolidation or changes in the actual audit demands of existing entities during the year, and in consideration of the impact of exchange rate fluctuations, the final actual payment amount may be slightly different from such amount.

3. For details, please refer to the circular of the Company dated 2 June 2023 (the “Circular”).

III. REGISTRATION OF THE MEETING

Registration Matters for H Shareholders

1. *Closure of Register of Members of H Shares*

Closure of register of members for the Meeting of 2022

In order to determine the H Shareholders who will be entitled to attend the Meeting, the register of members of the Company will be closed from Monday, 19 June 2023 to Tuesday, 27 June 2023 (both days inclusive), during which period no transfer of shares will be registered.

In order to be qualified to attend the Meeting, the holders of H Shares of the Company whose transfer documents have not been registered must lodge the transfer documents accompanied by share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 16 June 2023. H Shareholders whose names are recorded in the register of members of the Company on Monday, 19 June 2023 are entitled to attend the Meeting.

Closure of register of members for payment of final dividend for the year 2022

In order to determine the H Shareholders entitled to receive the final dividend for the year ended 31 December 2022, the register of members of the Company will be closed from Friday, 7 July 2023 to Wednesday, 12 July 2023 (both days inclusive), during which period no transfer of shares will be registered.

In order to be qualified to receive the final dividend, holders of H Shares of the Company who have not had their transfer documents registered must lodge the transfer documents accompanied by share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 6 July 2023. H Shareholders whose names are recorded in the register of members of the Company on Wednesday, 12 July 2023 are entitled to receive the final dividend for the year 2022.

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2. *Registration of Attendance*

A qualified H share holder or shareholder proxy entitled to attend the Meeting shall produce his/her ID card for registration. In case of corporate shareholder, its legal representative or other authorised representative appointed by resolutions of its board of directors or its governing body can attend the Meeting. Such authorised representative shall produce for registration a copy of the resolutions of the board of directors or the governing body appointing him/her.

3. *Requirements for Proxies on Registration and Documents to be Provided when Voting*

- (1) Any shareholder of H Shares entitled to participate in and vote at the Meeting may appoint one or more persons as his/her proxy/proxies to participate in and vote at the Meeting on his/her behalf. A proxy may not necessarily be a shareholder of the Company.
- (2) A shareholder of H Shares shall appoint a proxy in writing. The shareholder of H Shares or his/her attorney duly authorised in writing shall sign the proxy form. If the shareholder of H Shares is a domestic legal entity, the proxy form must be under its company seal and signed by its legal representative; if the shareholder of H Shares is an overseas legal entity, the proxy form must be either under its company seal or signed by its director(s) or the attorney(s) duly authorised by its board of directors. If the proxy form is signed by the attorney duly authorised by the shareholder of H Shares, the power of attorney authorising that person to sign or other authorisation document(s) shall be notarised.
- (3) The proxy form, together with the power of attorney or other authorisation document(s) (if any) must be delivered by the shareholder of H Shares to the H Share Registrar of the Company no later than 24 hours before the time designated for holding the Meeting (i.e. not later than 9:30 a.m. on Monday, 26 June 2023) or any adjournment thereof (as the case may be). The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and Tel: +852 2862 8555 (9:00 to 18:00 on weekdays).
- (4) Completion and return of the proxy form shall not preclude an H Share Shareholder from attending and voting in person at the Meeting with the documents listed in the above Item 2 "Registration of Attendance". If an H Share Shareholder attends and votes in person at the meeting after he/she appointed a proxy, the appointment shall be deemed to have been terminated and the proxy form held by his/her proxy shall be deemed to be invalid.

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IV. OTHER MATTERS

1. All shareholders and proxies of the shareholders attending the Meeting shall take care of their own transportation fee, accommodation and other related expenses.
2. As at the date of this notice, the Executive Director of the Company is Wang Liang; the Non-executive Directors of the Company are Miao Jianmin, Hu Jianhua, Sun Yunfei, Zhou Song, Hong Xiaoyuan, Zhang Jian and Chen Dong; and the Independent Non-executive Directors of the Company are Wong See Hong, Li Menggang, Liu Qiao, Tian Hongqi, Li Chaoxian and Shi Yongdong.

By order of the Board of Directors of
China Merchants Bank Co., Ltd.
Miao Jianmin
Chairman

2 June 2023