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S&P Global
China Ratings

Press Release

China Merchants Bank Co., Ltd.'s 2026 Undated Additional Tier 1 Capital Bonds (Series 1) (Bond Connect) Rated 'AAA$_{spc}$'

BEIJING, April 8, 2026 - S&P Global (China) Ratings today announced that it has assigned its 'AAA$_{spc}$' rating to the 2026 Undated Additional Tier 1 Capital Bonds (Series 1) (Bond Connect) issued by China Merchants Bank Co., Ltd.(CMB).

We equalize the issue credit rating on the bonds with our issuer credit rating on CMB (AAA$_{spc}$/Stable), reflecting the bank's strong capital resilience under stressed scenarios and its status as a domestic systemically important bank, which plays a key role in national financial stability. We believe that, before reaching a non-viability trigger, the bank is highly likely to receive extraordinary government support, given the strong capacity and willingness of the government to provide such support.

The net proceeds from this issuance are to be used to replenish the additional tier 1 capital of CMB, in accordance with applicable laws and subject to the approval of the competent authorities.

CMB is China's largest joint-stock commercial bank. In recent years, the bank has maintained steady growth in its business scale, with total assets reaching RMB 13.07 trillion as of the end of 2025. Beyond its on-balance-sheet operations, CMB's wealth management and asset management businesses have developed steadily, leveraging its retail client base to create differentiated competitive advantages. Overall, the bank's comprehensive strength ranks among the top in the industry.

CMB's capital adequacy ratios fully meet regulatory requirements. As of the end of 2025, the bank reported a capital adequacy ratio, tier 1 capital adequacy ratio, and CET 1 capital adequacy ratio of 18.24%, 16.51%, and 14.16%, respectively, all significantly above the minimum regulatory requirements.

Although net interest margins have been under pressure in recent years, CMB's strong asset quality, ample provisions, and stable non-interest income suggest that the bank can continue to maintain profitability above the industry average. In 2025, the bank achieved a net profit of RMB 151.13 billion, with a ROE of 13.44% attributable to common shareholders, maintaining a stable level of profitability.

CMB has established a comprehensive risk management framework and has consistently maintained strong asset quality with very adequate provisions. While the overall NPL ratio for retail lending in the banking sector has risen in recent years, CMB's asset quality remains solid. As of the end of 2025, the bank's NPL ratio was 0.94%, a decrease of 0.01 percentage points from the prior year-end, and the special mention loan ratio was 1.43%, an increase of 0.14 percentage points, with credit quality above the industry average.

CMB is one of the banks with the strongest domestic deposit base, providing highly stable funding and ample liquidity at financing costs below most peers. Its deposit base effectively supports the growth of its lending business.

As a Bucket 3 domestic systemically important bank, CMB is of high importance to the central government in maintaining financial stability. We believe the central government has a strong willingness to provide support to the bank.

Credit highlights of China Merchants Bank

Key strengths	Key risks
— Largest joint-stock commercial bank with very strong business capabilities, particularly in retail operations.	— Pressure on profitability due to tightening net interest margin.
— Very strong deposit base with strong liquidity.	— Slow growth in retail business and increasing credit risk in retail lending business.
— Highly likely to receive extraordinary government support in times of crisis.	

Related Credit Rating Report:
Credit rating report: China Merchants Bank Co., Ltd.'s 2026 Undated Additional Tier 1 Capital Bonds (Series 1) (Bond Connect) Rated 'AAA_{spc}'

Related Methodologies and Research:
S&P Global (China) Ratings Financial Institutions Methodology
S&P Global (China) Ratings General Considerations On Rating Modifiers And Relative Ranking

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(Note: This document is prepared in both English and Chinese. The English translation is for reference only, and the Chinese version will prevail in the event of any inconsistency between the English version and the Chinese version.)

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