

# CHINA MINSHENG BANKING CORP., LTD.

## Capital Composition for 2015

### APPENDIX I: CAPITAL COMPOSITION

Unit: millions (in RMB), % (data of the Group)

<b>Core tier-1 capital (CET1 capital):</b>		<b>Amount</b>
1	Paid-in capital	36,485
2	Retained revenue	
2a	Surplus reserve	25,361
2b	General reserve	56,351
2c	Retained earnings	116,826
3	Accumulated other comprehensive income and public reserve	
3a	Capital reserve	64,744
3b	Others	1,451
4	Amount as attributable to CET1 capital during the transition period (only applicable to non-shareholding company and mark "0" for the banks which are joint stock companies)	
5	Valid portion of non-controlling interests	6,821
6	CET1 capital before regulatory adjustments	308,039
<b>CET1 capital: regulatory adjustments</b>		
7	Prudential valuation adjustments	
8	Goodwill (net of deferred tax liabilities)	
9	Other intangible assets (excluding land use rights) (net of deferred tax liabilities)	978
10	Net deferred tax assets due to operation losses subject to future profits	188
11	Cash-flow hedge reserves of the projects not measured at fair value	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Unrealized gains and losses arising from the change in the fair value of debts due to the change in credit exposure	
15	Defined-benefit pension fund net assets (net of deferred tax liability)	
16	Ordinary shares held directly or indirectly by the Bank	
17	Reciprocal cross-holdings in CET1 capital instruments	
18	Insignificant capital investments in CET1 capital Instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
19	Significant capital investments in CET1 capital Instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
20	Mortgage servicing rights	

21	Other deductible amount from net deferred tax assets subject future profits of the Bank	
22	Amount exceeding the 15% threshold	
23	Of which: deductible amount from significant minority interests in financial institutions	
24	Of which: deductible amount from service rights of loans secured	
25	Of which: deductible amount from other net deferred tax assets subject to future profits of the Bank	
26a	Investment on CET1 capital by financial sector entities that are under control but not subject to consolidation	
26b	Insufficiency in CET1 capital by financial sector entities that are under control but not subject to consolidation	
26c	Total amount of other deductible items of CET1 capital	
27	Other amounts deductible from tier-1 and tier-2 capital	
28	<b>Total regulatory deductions to CET1 capital</b>	1,166
29	<b>CET1 capital</b>	306,873
<b>Additional tier-1 capital (AT1 capital):</b>		
30	Directly issued qualifying AT1 instruments plus related stock surplus	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities	
33	Directly issued capital instruments subject to phase out from other AT1 capital	
34	Valid portion of non-controlling interests	487
35	of which: instruments subject to phase out	
36	<b>AT1 capital before regulatory adjustments</b>	487
<b>AT1 capital: regulatory adjustments</b>		
37	Investments in own AT1 capital instruments	
38	Reciprocal cross-holdings in AT1 capital instruments	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
41a	Investments in AT1 capital instruments issued by financial sector entities that are under control but not subject to consolidation	
41b	Insufficiency in AT1 capital by financial sector entities that are under control but not subject to consolidation	
41c	Other deduction in AT1 capital	
42	Regulatory deductions applied to AT1 capital due to insufficient tier-2 capital to cover deductions	
43	<b>Total regulatory deductions to AT1 capital</b>	
44	<b>AT1 capital</b>	487
45	<b>Tier-1 capital (tier-1 capital = CET1 capital + AT1 capital)</b>	307,360

<b>Tier-2 capital:</b>		
46	Qualifying tier-2 capital instruments plus any related share premium	57,570
47	Capital instruments subject to phase out arrangements from tier-2 capital	17,570
48	Valid portion of non-controlling interests	869
49	of which: instruments subject to phase out	—
50	Surplus provision for loan impairment	18,592
51	<b>Tier-2 capital before regulatory deductions</b>	<b>77,031</b>
<b>Tier 2 capital: regulatory adjustments</b>		
52	Tier-2 capital directly or indirectly held in the Bank	
53	Reciprocal cross-holdings in tier-2 instruments	
54	Insignificant capital investments in tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
55	Significant capital investments in tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
56a	Investments in tier-2 capital instruments issued by financial sector entities that are under control but not subject to consolidation	
56b	Insufficiency in Tier 2 capital by financial sector entities that are under control but not subject to consolidation	
56c	Other deduction in tier-2 capital	
57	<b>Total regulatory deductions to tier-2 capital</b>	
58	<b>Tier-2 capital</b>	<b>77,031</b>
59	<b>Total capital (tier-1 capital + tier-2 capital)</b>	<b>384,391</b>
60	<b>Total risk-weighted assets</b>	<b>3,346,232</b>
<b>Capital ratios and buffers</b>		
61	National CET1 capital adequacy ratio	9.17%
62	National tier-1 capital adequacy ratio	9.19%
63	National capital adequacy ratio	11.49%
64	Institution specific buffer requirement	
65	of which: capital conservation buffer requirement	83,656
66	of which: bank specific countercyclical buffer requirement	
67	of which: G-SIB buffer requirement	
68	CET1 capital available to meet buffers (as a percentage of risk weighted assets)	4.17%
<b>National minima</b>		
69	National CET1 capital adequacy ratio	5%
70	National tier-1 capital adequacy ratio	6%
71	National capital adequacy ratio	8%

<b>Amounts below the thresholds for deduction</b>		
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	3,961
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	3,382
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	15,695
<b>Applicable caps on the inclusion of provisions in tier-2 capital</b>		
76	Provisions eligible for inclusion in tier-2 in respect of exposures subject to standardised approach	52,998
77	Cap on inclusion of provisions in tier-2 under standardised approach	38,153
78	Provisions eligible for inclusion in tier-2 in respect of exposures subject to internal ratings-based approach	
79	Cap for inclusion of provisions in tier-2 under internal ratings-based approach	
<b>Capital instruments subject to phase-out arrangements</b>		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap	
84	Current cap on tier-2 instruments subject to phase out arrangements	17,570
85	Amount excluded from tier-2 due to cap	1,730

## **APPENDIX II: DESCRIPTION OF RELATED ITEMS**

*Unit: million (in RMB)*

	<b>Balance sheet under audited consolidated statements</b>	<b>Note</b>
Goodwill		a
Intangible assets	5,293	b
Deferred income tax liabilities		
Of which: deferred tax liabilities related to goodwill		c
Of which: deferred tax liabilities related to other intangible assets (exclusive of land use right)		d
Paid-in capital	36,485	
Of which: valid portion of CET1 capital	36,485	e
Of which: valid portion of AT1 capital:		f

# APPENDIX III: CORRESPONDENCE BETWEEN BALANCE SHEET IN PUBLISHED FINANCIAL STATEMENTS AND CAPITAL COMPOSITION

Unit: million (in RMB)

CET1 capital		Amount	Note
1	Paid-in capital	36,485	e
2a	Surplus reserve	25,361	
2b	General reserve	56,351	
2c	Retained earnings	116,826	
3a	Capital reserve	64,744	
8	Goodwill (net of related tax liabilities)		a-c

# APPENDIX IV: MAIN FEATURES OF CAPITAL INSTRUMENTS

1	Issuer	China Minsheng Banking Corp., Ltd.							
2	Document code								
3	Applicable laws	Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》)							
4	Regulatory treatment								
	Of which: transition arrangement of Capital Rules for Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》)	Tier-2 Capital instruments subject to phase out arrangements	Tier-2 Capital instruments subject to phase out arrangements	Tier-2 Capital instruments subject to phase out arrangements	Tier-2 Capital instruments subject to phase out arrangements	Tier-2 Capital instruments subject to phase out arrangements	Tier-2 Capital Instruments subject to phase out arrangements	Included in regulatory capital	Included in regulatory capital
	Of which: post transition arrangement of Capital Rules for Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》)	Not included in regulatory capital	Not included in regulatory capital	Not included in regulatory capital	Not included in regulatory capital	Not included in regulatory capital	Not included in regulatory capital	Included in regulatory capital	Included in regulatory capital
	Of which: eligible at solo/group/group & solo	Legal person	Legal person	Legal person	Legal person	Legal person	Legal person	Legal person	Legal person
5	Category of instrument	Subordinated bonds	Subordinated bonds	Hybrid capital bonds	Hybrid capital bonds	Hybrid capital bonds	Hybrid capital bonds	Tier-2 capital bonds	Tier-2 capital bonds
6	Amount recognized in regulatory capital (Unit: million)	4,200	2,800	2,310	700	2,328	1,173	20,000	20,000
7	Par value of instrument (Unit: million)	6,000	4,000	3,300	1,000	3,325	1,675	20,000	20,000
8	Accounting classification	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable
9	Original date of issuance	2011-3-18	2011-3-18	2006-12-26	2006-12-26	2009-3-25	2009-3-25	2014-3-18	2015-4-28
10	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
	Of which: original maturity date	2021-3-18	2026-3-18	2021-12-28	2021-12-28	2024-3-25	2024-3-25	2024-3-20	2025-4-29
11	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Of which: optional call date, contingent call dates and redemption amount (Unit: million)	2016/3/18, 6000	2021/3/18, 4000	2016/12/28, 3300	2016/12/28, 1000	2019/3/25, 3325	2019/3/25, 1675	2019/3/20, 20000	2020/4/29, 20000
	Of which: subsequent call dates, if applicable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

12	Coupons/dividends								
	Of which: fixed or floating coupon/dividend	Fixed interest rate	Fixed interest rate	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate	Fixed interest rate	Fixed interest rate
	Of which: Par interest rate	5.50%	5.70%	5.05%	One-year time deposit interest rate + 2.0%	5.70%	One-year time deposit interest rate + 3.0%	6.60%	5.40%
	Of which: existence of a dividend stopper	No	No	No	No	No	No	No	No
	Of which: fully discretionary, partially discretionary or mandatory	No discretionary right	No discretionary right	No discretionary right	No discretionary right	No discretionary right	No discretionary right	No discretionary right	No discretionary right
	Of which: existence of step up or other incentive to redeem	No	No	Yes	Yes	Yes	Yes	No	No
	Of which: cumulative or noncumulative	noncumulative	noncumulative	noncumulative	noncumulative	noncumulative	noncumulative	noncumulative	noncumulative
13	Convertible or non-convertible	No	No	No	No	No	No	No	No
14	Write-down feature	No	No	No	No	No	No	No	No
15	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Presented after other liabilities but before equity capital and hybrid capital bonds	Presented after other liabilities but before equity capital and hybrid capital bonds	Presented after long-term subordinated bonds but before equity capital	Presented after long-term subordinated bonds but before equity capital	Presented after long-term subordinated bonds but before equity capital	Presented after long-term subordinated bonds but before equity capital	Presented after other liabilities but before equity capital and hybrid capital bonds	Presented after other liabilities but before equity capital and hybrid capital bonds
16	Non-compliant transitioned features	Yes	Yes	Yes	Yes	Yes	Yes	No	No
	Of which: if yes, please specify non-compliant features	Without write-down and convertible feature	Without write-down and convertible feature	With redemption incentive, without write-down and convertible feature	With redemption incentive, without write-down and convertible feature	With redemption incentive, without write-down and convertible feature	With redemption incentive, without write-down and convertible feature		