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中國民生銀行股份有限公司

**CHINA MINSHENG BANKING CORP., LTD.**

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

**(Stock Code: 01988)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made by China Minsheng Banking Corp., Ltd. (the “**Bank**”) pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and provisions of Inside Information in Part XIVA of the Securities and Futures Ordinance of Chapter 571 of the Laws of Hong Kong.

Please refer to the attached 2022 Third Quarterly Report of China Minsheng Banking Corp., Ltd. released by the Bank on the website of Shanghai Stock Exchange and newspapers in the PRC.

By Order of the Board  
**CHINA MINSHENG BANKING CORP., LTD.**  
**Gao Yingxin**  
*Chairman*

Beijing, PRC  
28 October 2022

*As at the date of this announcement, the Executive Directors of the Bank are Mr. Gao Yingxin, Mr. Zheng Wanchun and Mr. Yuan Guijun; the Non-Executive Directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di, Mr. Song Chunfeng, Mr. Yang Xiaoling and Mr. Zhao Peng; and the Independent Non-Executive Directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Peng Xuefeng, Mr. Liu Ningyu and Mr. Qu Xinjiu.*

# 2022 Third Quarterly Report

## China Minsheng Banking Corp., Ltd.

The Board of Directors and all Directors of the Bank warrant that there are no misstatements, misleading representations or material omissions in the contents of this announcement and shall assume legal liabilities for the truthfulness, accuracy and completeness of the contents.

### Important Notice

The Board of Directors (the “Board”), the Board of Supervisors and the Directors, Supervisors and Senior Management of China Minsheng Banking Corp., Ltd. (the “Bank”) warrant the truthfulness, accuracy and completeness of the contents of this quarterly report and that there are no misstatements, misleading representations or material omissions, and shall assume several and joint liabilities.

GAO Yingxin (Chairman), ZHENG Wanchun (President), LI Bin (person in charge of finance and accounting) and YIN Xuwen (person in charge of the accounting department) warrant the truthfulness, accuracy and completeness of the financial information included in this quarterly report.

The financial statements in the Third Quarterly Report are audited or not.

Yes  No

The financial data and indicators contained in this quarterly report are unaudited and are prepared in accordance with the Chinese accounting standards. Unless otherwise specified, all amounts are consolidated data of the Bank and its subsidiaries (the “Group”) and are denominated in Renminbi.

The forward-looking statements about matters such as future plans in this quarterly report do not constitute substantive commitments of the Bank to the investors, and the investors and related persons shall maintain sufficient risk awareness in this regard, and shall understand the difference among plans, forecasts and commitments.

# I. Major Financial Data

## (I) Major accounting data and financial indicators

|   | <b>As at<br/>the end<br/>of the<br/>Reporting<br/>Period<br/>30 September<br/>2022</b> | As at<br>the end of<br>the previous<br>year<br>31 December<br>2021 | Changes from<br>the end of the<br>previous year<br>to the end of<br>the Reporting<br>Period |
|---|--|--|---|
|   |  |  | Increase/<br>decrease<br>(%)  |
| <b>Scale indicators (RMB million)</b>   |  |  |   |
| Total assets  | <b>7,133,921</b>   | 6,952,786  | 2.61  |
| Total loans and advances to customers   | <b>4,131,418</b>   | 4,045,692  | 2.12  |
| Of which: Corporate loans and advances  | <b>2,380,709</b>   | 2,304,361  | 3.31  |
| Personal loans and advances   | <b>1,750,709</b>   | 1,741,331  | 0.54  |
| Total non-performing loans (NPLs)   | <b>72,058</b>  | 72,338   | -0.39   |
| Allowance for impairment losses on loans  | <b>101,644</b>   | 105,108  | -3.30   |
| Total liabilities   | <b>6,522,726</b>   | 6,366,247  | 2.46  |
| Total deposits from customers   | <b>4,051,398</b>   | 3,775,761  | 7.30  |
| Of which: Corporate deposits  | <b>3,097,739</b>   | 2,944,013  | 5.22  |
| Personal deposits   | <b>948,200</b>   | 825,423  | 14.87   |
| Other deposits  | <b>5,459</b>   | 6,325  | -13.69  |
| Total equity attributable to shareholders of the Bank                             | <b>598,542</b>   | 574,280  | 4.22  |
| Total equity attributable to holders of ordinary shares of the Bank               | <b>503,580</b>   | 484,316  | 3.98  |
| Net assets per share attributable to holders of ordinary shares of the Bank (RMB) | <b>11.50</b>   | 11.06  | 3.98  |
|   |  |  | Changes by<br>percentage<br>points  |
| <b>Asset quality indicators (%)</b>   |  |  |   |
| NPL ratio   | <b>1.74</b>  | 1.79   | -0.05   |
| Allowance to NPLs   | <b>141.06</b>  | 145.30   | -4.24   |
| Allowance to total loans  | <b>2.46</b>  | 2.60   | -0.14   |

|   | <b>During the Reporting Period July-September 2022</b> | Changes of the Reporting Period over the corresponding period of the previous year | <b>From the beginning of the year to the end of the Reporting Period January-September 2022</b> | Changes of the period from beginning of the year to the end of the Reporting Period over the corresponding period of the previous year |
|---|--|--|---|--|
|   |  | Increase/<br>decrease (%)  |   | Increase/<br>decrease (%)  |
| <b>Operating results (RMB million)</b>  |  |  |   |  |
| Operating income  | <b>34,397</b>  | -19.75   | <b>108,596</b>  | -16.87   |
| Net interest income   | <b>26,585</b>  | -17.04   | <b>81,408</b>   | -16.76   |
| Net profit attributable to shareholders of the Bank   | <b>9,140</b>   | 2.34   | <b>33,778</b>   | -4.82  |
| Net profit attributable to shareholders of the Bank excluding extraordinary gain/loss items | <b>9,141</b>   | 1.20   | <b>33,764</b>   | -5.14  |
| Net cash flow from operating activities   | <b>Not applicable</b>                                  | Not applicable   | <b>-12,878</b>  | Negative for the period  |
| <b>Data per share (RMB)</b>   |  |  |   |  |
| Basic earnings per share  | <b>0.19</b>  | -  | <b>0.68</b>   | -9.33  |
| Diluted earnings per share  | <b>0.19</b>  | -  | <b>0.68</b>   | -9.33  |
| Net cash flow per share from operating activities   | <b>Not applicable</b>                                  | Not applicable   | <b>-0.29</b>  | Negative for the period  |
| <b>Profitability indicators (%)</b>   |  |  |   |  |
| Return on average assets (annualised)   | <b>0.51</b>  | -  | <b>0.64</b>   | -0.04  |
| Return on weighted average equity (annualised)  | <b>6.61</b>  | -0.39  | <b>7.99</b>   | -1.30  |
| Return on weighted average equity excluding extraordinary gain/loss items (annualised)      | <b>6.61</b>  | -0.48  | <b>7.99</b>   | -1.33  |
| Cost-to-income ratio  | <b>37.08</b>   | 7.79   | <b>31.14</b>  | 6.66   |
| Net interest spread (annualised)  | <b>1.48</b>  | -0.37  | <b>1.53</b>   | -0.37  |
| Net interest margin (annualised)  | <b>1.56</b>  | -0.37  | <b>1.62</b>   | -0.37  |

Notes:

1. Return on average assets = net profit/average balance of total assets at the beginning and the end of the period.
2. Earnings per share and return on weighted average equity were calculated according to the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings Per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第 9 號 – 淨資產收益率和每股收益的計算及披露》(2010 年修訂)) promulgated by China Securities Regulatory Commission (CSRC) and other regulations.
3. Cost-to-income ratio = business and management expenses/operating income.
4. Net interest spread = average return ratio on interest-earning assets – average cost ratio of interest-bearing liabilities.
5. Net interest margin = net interest income/average balance of interest-earning assets.
6. Total loans and advances to customers, total deposits from customers and their compositions did not include accrued interests.
7. Allowance for impairment losses on loans included allowance for impairment losses on loans measured at amortised cost, and allowance for impairment losses on loans at fair value through other comprehensive income.
8. Other deposits included issued certificates of deposit, outward remittance and remittance payables.
9. NPL ratio = total NPLs/total loans and advances to customers.
10. Allowance to NPLs and allowance to total loans were calculated according to the Notice on Adjusting the Regulatory Requirements on Allowance for Impairment Losses on Loans of Commercial Banks (Yin Jian Fa (2018) No.7) (《關於調整商業銀行貸款損失準備監管要求的通知》(銀監發[2018]7 號)) promulgated by China Banking and Insurance Regulatory Commission (CBIRC). As at the end of the Reporting Period, the regulatory standards for allowance to NPLs and allowance to total loans applicable to the Group and the Bank were 130% and 1.8%, respectively. Allowance to NPLs = allowance for impairment losses on loans/total NPLs; allowance to total loans = allowance for impairment losses on loans/total loans and advances to customers.

## (II) Extraordinary gain/loss

| Item (RMB million)  | January-<br>September<br>2022 | January-<br>September<br>2021 |
|---|-------------------------------|-------------------------------|
| Government subsidies  | 168                           | 235                           |
| Expenses on donations   | -68                           | -72                           |
| Net gain/loss from disposals of non-current assets  | -1                            | -5                            |
| Other net extraordinary gain/loss   | -10                           | -151                          |
| Income tax effect of the extraordinary gain/loss  | -34                           | -56                           |
| Extraordinary gain/loss impact, net of tax  | 55                            | -49                           |
| Of which: Extraordinary gain/loss impact on net<br>profit attributable to shareholders<br>of the Bank | 14                            | -106                          |
| Extraordinary gain/loss impact on net<br>profit attributable to<br>non-controlling interests          | 41                            | 57                            |

Note: Calculated in accordance with the Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Extraordinary Gain/Loss (2008 Revision) (《公開發行證券的公司信息披露解釋性公告第 1 號——非經常性損益 (2008 年修訂)》).

Explanation on defining the extraordinary gain/loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Extraordinary Gain/Loss as ordinary gain/loss items

Applicable     Not applicable

## (III) Changes in major accounting data and financial indicators and explanation on such changes

Applicable     Not applicable

| Item  | January-<br>September<br>2022 | January-<br>September<br>2021 | Increase<br>(%)         | Main Reason  |
|---|-------------------------------|-------------------------------|-------------------------|--|
| Net cash flow from operating activities (RMB million)   | -12,878                       | 296,748                       | Negative for the period | Decrease in the net increase in balances from banks and other financial institutions |
| Net cash flow per share from operating activities (RMB) | -0.29                         | 6.78                          |                         |  |

## II. Information on Shareholders

### (I) Total number of holders of ordinary shares and particulars of shareholding of the top ten holders of ordinary shares

Unit: share

|  |         |   |   |
|--|---------|---|---|
| Total number of holders of ordinary shares as at the end of the Reporting Period | 398,261 | Total number of holders of preference shares whose voting rights had been restored as at the end of the Reporting Period (if any) | - |
|--|---------|---|---|

#### Particulars of shareholding of the top ten holders of ordinary shares

| Name of shareholder  | Type of shareholder                   | Number of shares held | Shareholding percentage (%) | Number of shares held subject to restriction on sales | Shares pledged, marked or frozen |               |
|--|---------------------------------------|-----------------------|-----------------------------|---|----------------------------------|---------------|
|  |                                       |                       |                             |   | Status                           | Number        |
| HKSCC Nominees Limited   | Others                                | 8,285,185,814         | 18.92                       | -   | Unknown                          |               |
| Dajia Life Insurance Co., Ltd.<br>— Universal Product            | Domestic legal person                 | 4,508,984,567         | 10.30                       | -   | Nil                              |               |
| Dajia Life Insurance Co., Ltd.<br>— Traditional Product          | Domestic legal person                 | 2,843,300,122         | 6.49                        | -   | Nil                              |               |
| Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.            | Domestic legal person                 | 1,888,530,701         | 4.31                        | -   | Pledged                          | 1,850,802,321 |
| New Hope Liuhe Investment Co., Ltd.                              | Domestic non-state-owned legal person | 1,828,327,362         | 4.18                        | -   | Nil                              |               |
| China Oceanwide Holdings Group Co., Ltd.                         | Domestic non-state-owned legal person | 1,803,182,618         | 4.12                        | -   | Pledged                          | 1,799,582,617 |
|  |                                       |                       |                             |   | Frozen                           | 388,800,001   |
|  |                                       |                       |                             |   | Marked                           | 1,410,782,617 |
| Shanghai Giant Lifetech Co., Ltd.                                | Domestic non-state-owned legal person | 1,379,679,587         | 3.15                        | -   | Pledged                          | 1,379,678,400 |
| Huaxia Life Insurance Co., Ltd.<br>— Universal Insurance Product | Domestic non-state-owned legal person | 1,350,203,341         | 3.08                        | -   | Nil                              |               |
| China Shipowners Mutual Assurance Association                    | Domestic non-state-owned legal person | 1,324,284,453         | 3.02                        | -   | Nil                              |               |
| Orient Group Incorporation                                       | Domestic non-state-owned legal person | 1,280,117,123         | 2.92                        | -   | Pledged                          | 1,251,439,488 |

## Particulars of shareholding of the top ten holders of ordinary shares not subject to restriction on sales

| Name of shareholder   | Number of shares held not subject to restriction on sales | Class and number of shares              |               |
|---|---|---|---------------|
|   |   | Class                                   | Number        |
| HKSCC Nominees Limited  | 8,285,185,814   | Overseas listed foreign invested shares | 8,285,185,814 |
| Dajia Life Insurance Co., Ltd. — Universal Product            | 4,508,984,567   | Ordinary shares in RMB                  | 4,508,984,567 |
| Dajia Life Insurance Co., Ltd. — Traditional Product          | 2,843,300,122   | Ordinary shares in RMB                  | 2,843,300,122 |
| Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.         | 1,888,530,701   | Ordinary shares in RMB                  | 1,888,530,701 |
| New Hope Liuhe Investment Co., Ltd.                           | 1,828,327,362   | Ordinary shares in RMB                  | 1,828,327,362 |
| China Oceanwide Holdings Group Co., Ltd.                      | 1,803,182,618   | Ordinary shares in RMB                  | 1,803,182,618 |
| Shanghai Giant Lifetech Co., Ltd.                             | 1,379,679,587   | Ordinary shares in RMB                  | 1,379,679,587 |
| Huaxia Life Insurance Co., Ltd. — Universal Insurance Product | 1,350,203,341   | Ordinary shares in RMB                  | 1,350,203,341 |
| China Shipowners Mutual Assurance Association                 | 1,324,284,453   | Ordinary shares in RMB                  | 1,324,284,453 |
| Orient Group Incorporation                                    | 1,280,117,123   | Ordinary shares in RMB                  | 1,280,117,123 |

Statement on the related relationship or concerted actions among the above shareholders

1. Dajia Life Insurance Co., Ltd. — Universal Product and Dajia Life Insurance Co., Ltd. — Traditional Product have the same legal person;
2. Save as mentioned above, the Bank is not aware of any related relationship or concerted actions among the above shareholders.

Statement on margin trading, short selling and refinancing engaged by the top ten holders of ordinary shares and the top ten holders of ordinary shares not subject to restriction on sales (if any)

1. The margin account of China Oceanwide Holdings Group Co., Ltd. holds 3,600,000 shares of the Bank, representing 0.0082% of total share capital of the Bank;
2. The margin account of Tsinghua Tongfang Guoxin Investment Holding Co., Ltd. holds 37,290,000 shares of the Bank, representing 0.09% of total share capital of the Bank;
3. Save as mentioned above, the Bank is not aware of any margin trading, short selling and refinancing engaged by the above shareholders.

Notes:

1. The number of shares held by holders of H shares was recorded in the register of members as kept by the H Share registrar of the Bank;
2. HKSCC Nominees Limited acted as an agent representing the total amount of H shares of the Bank held by all institutional and individual investors that registered in the account of such investors as at the end of the Reporting Period;
3. Shares held and pledged by Tsinghua Tongfang Guoxin Investment Holding Co., Ltd. included 1,368,920,000 shares transferred to “Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.—special account for pledge of convertible corporate bonds non-publicly issued to professional investors in 2022 (同方國信投資控股有限公司—2022年面向專業投資者非公開發行可交換公司債券質押專戶)” (three tranches in total) due to issuing bonds;
4. On 21 July and 29 July 2022, the 1,799,582,618 shares held by China Oceanwide Holdings Group Co., Ltd. were under waiting list freezing.



**(II) Total number of holders of preference shares and particulars of shareholding of the top ten holders of preference shares**

Unit: share

Total number of holders of preference shares  
as at the end of the Reporting Period

34

Particulars of shareholding of the top ten holders of preference shares

| Name of shareholder   | Type of shareholder | Number of shares held | Shareholding percentage (%) | Number of shares held subject to restriction on sales | Shares pledged, marked or frozen |        |
|---|---------------------|-----------------------|-----------------------------|---|----------------------------------|--------|
|   |                     |                       |                             |   | Status                           | Number |
| Bosera Fund – ICBC – Bosera – ICBC – Flexible Allocation No. 5 Specific Multi – Customer Asset Management Plan                | Others              | 20,000,000            | 10.00                       | –   | Nil                              | –      |
| Hwabao Trust Co., Ltd. – Hwabao Trust – Bao Fu Investment No. 1 Collective Fund Trust Plan                                    | Others              | 17,780,000            | 8.89                        | –   | Nil                              | –      |
| Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – General Insurance Product                        | Others              | 14,000,000            | 7.00                        | –   | Nil                              | –      |
| CCB Trust Co., Ltd. – “Qian Yuan – Ri Xin Yue Yi” Open-Ended Wealth Management Product Single Fund Trust                      | Others              | 14,000,000            | 7.00                        | –   | Nil                              | –      |
| Jiangsu International Trust Corporation Limited – JSITC – He Xiang Tian Li No.1 Collective Fund Trust Plan                    | Others              | 12,220,000            | 6.11                        | –   | Nil                              | –      |
| Guotai Junan Securities Asset Management – Huaxia Bank – Guotai Junan Jun Xiang Tian Yi No.1 Collective Asset Management Plan | Others              | 11,000,000            | 5.50                        | –   | Nil                              | –      |
| China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH                               | Others              | 10,000,000            | 5.00                        | –   | Nil                              | –      |
| Ping An Property & Casualty Insurance Company of China, Ltd. – Self-Owned Funds   | Others              | 10,000,000            | 5.00                        | –   | Nil                              | –      |

| Name of shareholder  | Type of shareholder | Number of shares held | Shareholding percentage (%) | Number of shares held subject to restriction on sales | Shares pledged, marked or frozen |        |
|--|---------------------|-----------------------|-----------------------------|---|----------------------------------|--------|
|  |                     |                       |                             |   | Status                           | Number |
| Taiping Life Insurance Co., Ltd. – Traditional – General Insurance Product – 022L – CT001SH  | Others              | 10,000,000            | 5.00                        | –   | Nil                              | –      |
| Guotai Junan Securities Asset Management – Futong • Rixin H14001 RMB Wealth Management Product – Guojun Asset Management 0638 Targeted Asset Management Contract | Others              | 10,000,000            | 5.00                        | –   | Nil                              | –      |
| BOCOM Schroder Asset Management – BOCOM – BOCOM Schroder Asset Management Zhuoyuan No. 2 Collective Asset Management Plan  | Others              | 10,000,000            | 5.00                        | –   | Nil                              | –      |

**Particulars of shareholding of the top ten holders of preference shares whose voting rights had been restored**

| Name of shareholder | Number of preference shares with restored voting rights |
|---------------------|---|
| Not involved        | –   |

**Statement on the related relationship or concerted actions among the above shareholders**

1. There was related relationship between “Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – General Insurance Product” and “Ping An Property & Casualty Insurance Company of China, Ltd. – Self-Owned Funds”.
2. Save as disclosed above, the Bank is not aware of any related relationship or concerted actions among the above holders of domestic preference shares or among the above holders of domestic preference shares and the top ten holders of ordinary shares.

### III. Other Reminders

Other important information about the operation of the Bank during the Reporting Period that investors need to pay attention to

Applicable    Not applicable

#### (I) Management discussion and analysis

The Group resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council and proactively served national strategies. In line with the Five-Year Development Plan of China Minsheng Bank (2021-2025), the Group adhered to the philosophy of prioritising stability and seeking progress in stability, promoted in-depth implementation of strategies, and pooled efforts in preventing the pandemic, stabilising growth, promoting reform and controlling risks, so as to further consolidate the development foundation of the whole Bank. It stimulated organisation vitality through deepening reform, implemented the new service philosophy of “customer first”, launched the new model of hierarchical and classified customer management, sped up the realisation of new digital finance experience, and continuously consolidated the profound base and deployed new tracks. New operation situation of stabilising development, adjusting structure and promoting transformation was revealed.

In the first three quarters of 2022, the Group realised net profit attributable to shareholders of the Bank of RMB33,778 million, representing a decrease of RMB1,709 million, or 4.82%, as compared with the corresponding period of the previous year. The Group recorded an operating income of RMB108,596 million, representing a decrease of RMB22,039 million, or 16.87%, as compared with the corresponding period of the previous year. In terms of net interest income, the Group continued to optimise loan business structure, strengthen credit asset placements to high-quality customers, and reduce customers’ financing cost. The average return ratio of loans and advances to customers decreased by 51BP as compared with the corresponding period of the previous year, and the loan interest income decreased by RMB10,008 million as compared with the corresponding period of the previous year. Affected by the price fluctuations in the bond market, the interest rates of interest rate bonds and unsecured bonds newly invested declined, leading to a decrease of 22BP in the average return ratio of various investments of the Group and a decrease of RMB2,080 million in the interest income from investments as compared with the corresponding period of the previous year. In terms of net non-interest income, affected by the price fluctuations in the capital market, the investment valuation and the fund agency business scale shrank. The losses or gains from changes in fair value and the fee and commission income from agency services of the Group decreased by RMB5,937 million and RMB2,132 million as compared with the corresponding period of the previous year, respectively.

## ***1. Asset and liability structure was continuously optimised***

The Group proactively responded to the changes in the internal and external operation environment, fully promoted credit asset placements and increased support for the real economy. As at the end of the Reporting Period, total assets of the Group amounted to RMB7,133,921 million, representing an increase of RMB181,135 million, or 2.61%, as compared with the end of the previous year. Of which, loans and advances to customers totaled RMB4,131,418 million, representing an increase of RMB85,726 million, or 2.12%, as compared with the end of the previous year. The Group actively responded to national development strategy, and encouraged credit distribution to key areas and key regions. The credit structure was continuously optimised. As at the end of the Reporting Period, total loans to the manufacturing industry amounted to RMB389,563 million, representing an increase of RMB42,878 million, or 12.37%, as compared with the end of the previous year. The balance of green credit amounted to RMB162,932 million, representing an increase of RMB55,615 million, or 51.82%, as compared with the end of the previous year. The balance of loans to national key regions, such as Guangdong-Hong Kong-Macau Greater Bay Area, Yangtze River Delta, Beijing-Tianjin-Hebei and Chengdu-Chongqing, amounted to RMB2,483,856 million, representing an increase of RMB107,633 million, or 4.53%, as compared with the end of the previous year, the growth rate of which was higher than the average loan growth rate of the whole Bank.

The Group deepened customer group management, optimised products and services, and strengthened liability quality management, achieving increasing deposits and improved liability structure. As at the end of the Reporting Period, total liabilities of the Group amounted to RMB6,522,726 million, representing an increase of RMB156,479 million, or 2.46%, as compared with the end of the previous year. Total deposits from customers reached RMB4,051,398 million, representing an increase of RMB275,637 million, or 7.30%, as compared with the end of the previous year, and representing an increase of RMB176,908 million as compared with the increased amount of the corresponding period of the previous year, accounting for 62.11% of total liabilities, representing an increase of 2.80 percentage points as compared with the end of the previous year. Of which, personal deposits amounted to RMB948,200 million, representing an increase of RMB122,777 million, or 14.87%, as compared with the end of the previous year, accounting for 23.40% of total deposits from customers, representing an increase of 1.54 percentage points as compared with the end of the previous year.

## **2. *The management of customer groups was deepened and product and service capability was comprehensively improved***

The Bank maintained strategic focus, adhered to the principle of “customer-centric”, carried out in-depth analysis of customer demands, continuously improved basic product and service capability, and strengthened non-financial benefits and distinctive services for customers, so as to enhance the quality and efficiency of customer services. The Bank focused on segmented customer groups, optimised customer journeys and continuously improved corporate, retail and treasury business models.

### ***(1) Corporate banking business***

In the first three quarters of 2022, the Bank continued to deepen and improve the marketing system reform of corporate banking business, solidly pressed ahead with the transformation of service model for strategic customer group and the rebuilding of management system of basic customer group, as a result, the vitality of system reform was gradually released, and all lines of business achieved steady and healthy development. As at the end of the Reporting Period, the balance of corporate deposits of the Bank amounted to RMB3,082,545 million, representing an increase of RMB149,127 million, or 5.08%, as compared with the end of the previous year. The balance of corporate loans amounted to RMB2,377,933 million, representing an increase of RMB77,986 million, or 3.39%, as compared with the end of the previous year.

**The business scale of strategic customer group maintained rapid expansion.** Under the new marketing model of strategic customers, the Bank focused on professional services, conducted hierarchical management and implemented integrated development. Despite the complicated internal and external economic situations, the business scale of strategic customer group achieved rapid expansion, further consolidating the “cornerstone” for the growth of corporate business. As at the end of the Reporting Period, the balance of deposits of strategic clients at the head office level and the branch level of the Bank amounted to RMB1,180,501 million, representing an increase of RMB179,681 million, or 17.95%, as compared with the end of the previous year. Daily average deposits amounted to RMB1,175,430 million, representing an increase of RMB157,534 million, or 15.48%, as compared with the previous year. The balance of loans amounted to RMB1,064,107 million, representing an increase of RMB167,409 million, or 18.67%, as compared with the end of the previous year.

**The rebuilding of management system of basic customer group proceeded in an orderly manner.** The Bank pushed forward the rebuilding of management system of basic customer group in an orderly manner. Focusing on the four business models of “spot, supply chain, ecosystem and industrial park” with strategic customers as the key, by implementing the four strategies of “top-to-down driving, teamworking, comprehensive development and digital management”, the Bank continuously consolidated the supporting measures, including “team building, platform building, benefits of products, risk coordination and brand building”. In the meantime, the Bank improved services for key segmented customer groups based on the three plans of “Joint Hands Plan”, “SME Credit Plan” and “Sparks Plan”. As at the end of the Reporting Period, the number of effective corporate customers of the Bank was 293.2 thousand, representing an increase of 25.1 thousand, or 9.36%, as compared with the end of the previous year.

**The product and service system of transaction banking continued to improve.** The Bank focused on customer demand for digital upgrading, vigorously promoted settlement services of “E-Funds Collection and Payment (資金 e 收付)” and “E-Funds Supervision (資金 e 監管)”, accelerated the launching and application of online services of international businesses, comprehensively pushed forward the scale development of electronic letters of guarantee, constantly enhanced the product and service efficiency of online factoring and online bills, and introduced and promoted “E-Connect (e 點通)”, “E-Office (e 辦公)” and other services, so as to improve the service system of corporate customers. In the first three quarters of 2022, the daily average general deposits of settlement products of the Bank amounted to RMB1,060,480 million, representing an increase of RMB134,832 million, or 14.57%, as compared with the previous year. 5,227 electronic letters of guarantee were issued, representing an increase of 1,477, or 39.39%, as compared with the corresponding period of the previous year.

**Professional service capability of investment banking continued to enhance.** The Bank continuously enriched application scenarios, optimised operation models, and improved services for customer groups to meet the financial demands of customers in an all-round and diversified manner. The Bank also actively responded to the call of national policies, and continuously intensified financial support for key sectors, such as new infrastructure construction investment, those involved in strengthening and making up weak links of supply chains and industry chains, basic industries of the national economy and the reform of state-owned enterprises. As at the end of the Reporting Period, the balances of M&A loans and domestic syndicated loans (excluding M&A syndicated loans) of the Bank amounted to

RMB171,995 million and RMB105,212 million, representing increases of 17.05% and 20.07%, respectively, as compared with the end of the previous year. Focusing on serving the key national strategies, the Bank innovatively underwrote carbon neutrality bonds, green finance bonds, sustainable development-linked bonds, rural revitalisation bonds and high-growth bonds, etc. In the first three quarters of 2022, the bonds issued by the Bank amounted to RMB216,437 million, of which, the Bank underwrote 432 non-financial corporate debt financing instruments in the interbank bond market with a size of RMB200,162 million.

**Institutional business achieved steady and healthy development.**

The Bank adopted differentiated marketing and development of institutional customer group, promoted institutional business marketing in lower-tier markets, and strongly expanded the number of basic-level customers. The Bank strengthened the management of investments in local bonds, constantly enhanced bond investment efficiency, and steadily expanded local treasury cash management business and social security fund deposit business, in an aim to facilitate local social and economic development. The Bank supported intelligent administration of government departments at all levels through institutional business platform construction, deeply participated in financial fund cycling, and obtained high-quality settlement deposits. As at the end of the Reporting Period, the balance of institutional deposits of the Bank amounted to RMB785,637 million, representing an increase of RMB1,103 million as compared with the end of the previous year.

*(2) Retail banking business*

In the first three quarters of 2022, the Bank recorded operating income from retail business of RMB50,090 million, representing a decrease of 6.53% as compared with the corresponding period of the previous year, accounting for 49.01% of total operating income of the Bank, representing an increase of 5.57 percentage points as compared with the corresponding period of the previous year (accounting for 47.57% of operating income from corporate and retail businesses of the Bank, representing an increase of 4.12 percentage points as compared with the corresponding period of the previous year). Net non-interest income from retail business amounted to RMB10,311 million, representing a decrease of 14.76% as compared with the corresponding period of the previous year, accounting for 20.58% of operating income from retail business and 43.25% of net non-interest income of the Bank, representing an increase of 1.20 percentage points as compared with the corresponding period of the previous year.

As at the end of the Reporting Period, total assets of retail customers under the management of the Bank amounted to RMB2,211,324 million, representing an increase of RMB118,664 million as compared with the end of the previous year. Of which, savings deposits amounted to RMB930,050 million, representing an increase of RMB121,306 million as compared with the end of the previous year. Total amount of retail wealth management products reached RMB970,551 million, representing an increase of 3.55% as compared with the end of the previous year.

As at the end of the Reporting Period, retail loans of the Bank (including credit card overdraft business) totaled RMB1,798,052 million, representing an increase of RMB38,195 million as compared with the end of the previous year. Of which, credit card overdrafts amounted to RMB462,487 million, representing a decrease of RMB9,590 million as compared with the end of the previous year. Mortgage loans amounted to RMB582,319 million, representing a decrease of RMB9,872 million as compared with the end of the previous year.

**The expansion of basic customer groups was accelerated.** Firstly, customer acquisition and activation were constantly improved. The Bank continued to optimise the end-to-end journey of payroll agency, and strengthen the synergy between corporate banking and retail banking. It perfected the customer acquisition model of issuing both credit cards and debit cards, intensified the conversion of existing customers only holding credit cards and consolidated the marketing among customer group activating credit cards at banking lobbies. The Bank comprehensively upgraded project models and benefits of shopping centres and supermarkets and enhanced the customer acquisition efficiency of co-branded cards. The Bank also continuously deepened cooperation under internet scenarios, launched the online customer acquisition model of “corporate WeChat account + electronic account”. Pan-travel ecosystem was expanded and customer acquisition efficiency was gradually improved. In the first three quarters of 2022, the number of new debit card holders was 4,152.1 thousand, representing an increase of 20.60% as compared with the corresponding period of the previous year. As at the end of the Reporting Period, the number of effective and above customers of the Bank was 4,905.0 thousand, representing an increase of 215.2 thousand, or 4.59%, as compared with the end of the previous year. Secondly, integrated marketing and customer acquisition were constantly strengthened. The Bank launched the mini programme of “Minsheng Bank Recommender”, which enabled the staffs of the Bank to carry out card marketing anytime anywhere. It also continued to deepen cooperation with leading enterprises to establish business development mechanism featuring overall benefits and win-win results among “bank, merchants and customers”. In the first three quarters of 2022, the number of new credit card customers was 2,191.8 thousand, representing an increase of 114.02% as compared with the corresponding period of the previous year.



As at the end of the Reporting Period, the number of retail customers of the Bank was 116,468.7 thousand, representing an increase of 6,330.9 thousand as compared with the end of the previous year. Of which, the number of credit card customers was 47,070.6 thousand, representing an increase of 4.88% as compared with the end of the previous year. The accumulated number of customers holding both credit card and debit card was 15,404.8 thousand. The number of retail loan customers was 2,893.2 thousand, representing an increase of 184.4 thousand as compared with the end of the previous year.

**Professional management of segmented customer groups was deepened.** Firstly, the Bank built standard management system of new retail customers with focus on customer journeys. As at the end of the Reporting Period, 81.30% of new customers added the corporate WeChat account of the Bank and 52.04% made deposits. Secondly, the Bank continued to press ahead with the construction of entrepreneur customer group service system. It expanded the expert pool and enriched exclusive wealth management products, and introduced customised expert communication services covering investments, laws and taxes, family trust and others. In the first three quarters of 2022, it had supported 34 branches to provide 417 customised services. Thirdly, the Bank comprehensively upgraded the service model of private banking centre. It launched remote expert service model and provided professional and customised solutions in accordance with demands of high-net-worth customers. The Bank planned and reshaped the physical outlets of private banking centre, built unified private banking brand, and explored new social marketing model. It also pushed forward the two-person maintenance model of private banking customers and strengthened the integrated coordination of customers of the whole Bank. Fourthly, the Bank optimised business process of family trust and intensified professional trainings. In the first three quarters of 2022, the Bank set up 1,218 new family trust plans. As at the end of the Reporting Period, the existing scale of family trust amounted to RMB10,121 million, representing an increase of 237.37% as compared with the end of the previous year.

**Products and services were improved.** Firstly, the Bank optimised and upgraded product shelf of wealth management and private banking, and strengthened the stable and healthy wealth management brand. It satisfied customers' demand of steady investments with low-volatility wealth management products and "Minsheng Bedrock Series" as the core. In terms of private equity products, the Bank selected products from leading private equity institutions, launched products of single and multiple portfolios, and provided structured, distinctive and customised services, so as to meet the diversified and all-around demands of private banking customer group. Secondly, the Bank continued to strengthen basic products and services, launched electronic social security card service, accelerated the construction of personal pension system, advanced business cooperation with

the third-party traffic platforms, and launched online declaration of balance of payment of cross-border inward remittances. Thirdly, the Bank sped up consumer finance development. In terms of mortgage business, it continued to deepen the operation strategies, intensified cooperation with strategic real estate enterprises, and optimised business process and enhanced service experience. In terms of personal consumer loans, it focused on existing high-quality customers and continued to strengthen product promotion through cross-selling within the Bank, batch customer acquisition of employees of strategic enterprise customers and others. Fourthly, the Bank advanced the construction of standard customer service system of credit card business, reshaped key customer journeys, reinforced the construction of payment scenarios, and constantly enriched utilities payment scenarios. In the first three quarters of 2022, the transaction volume of electronic payments amounted to RMB443,958 million, representing an increase of 24.63% as compared with the corresponding period of the previous year. The transaction number of electronic payment reached 961 million, representing an increase of 6.26% as compared with the corresponding period of the previous year. Fifthly, the Bank improved V+ membership benefit system by launching distinctive benefits including WeChat allowance, consumption coupons and others, initiating marketing activity of Tuesday for V+ Membership Day, improving reward points mall system, continuously enriching product categories, and realising functions such as mixed payment by reward points + cash and real-time tasks to earn reward points. The Bank also launched reward points redemption activity under the theme of “The Great Art of Dunhuang Exhibition” to enhance brand influence. 410 thousand customers have been reached through various channels. In the first three quarters of 2022, the number of clicks on the “V+ membership” area reached 17,260.9 thousand, while 831.5 thousand V + membership benefits were collected. 773.8 thousand customers redeemed merchandise in the reward points mall with 1,133.2 thousand orders. The Bank further enriched the contents of the benefit system of “Apex Privileges (非凡禮遇)” and accelerated the promotion, focused on advantageous benefits and carried out “end-to-end” customer journey optimisation projects to facilitate high-end customer acquisition and improve customer experience. Sixthly, the Bank acted in line with industry trends, referred to the best practices, and sped up the transformation and upgrading of business outlets. Seventhly, the Bank organised education and publicity campaigns targeted at key groups including new citizens, the elderly, the young, the disabled, and others, in the aim to publicise financial knowledge and unveil financial risks, 140 million people were reached in various events.

**Digitalisation empowered the management of retail customer group.** Firstly, the Bank carried out large-scale smart online management of existing customers. In the first three quarters of 2022, the Bank reached 37,401.2 thousand basic customers through various channels, and guided 4,263.6 thousand customers to complete connection, activation, level upgrading, retention and other journey nodes. The successful rate was 11.39%, 1.67 times of that of the comparative group. Secondly, the Bank continued to enhance the experience of mobile banking customers in holding wealth management products and optimised wealth management product yields display. It pushed forward the smart audio and video recording for purchasing wealth products and thoroughly realised remote smart audio and video recording for purchasing insurance, private equity, wealth management, fund, family trust, and insurance trust products through mobile banking. Thirdly, the Bank upgraded data-driven risk control model, adopted differentiated credit access and limit granting strategies, and continuously optimised customer group structure. As at the end of the Reporting Period, of all new credit card customers, customers with stable consumption<sup>1</sup> accounted for 87.90%. The approval rate of online application for the first credit card increased by 3.84 percentage points as compared with the end of the previous year. The number of registered users of Daily Life App (全民生活 APP) increased by 10.08% as compared with the end of the previous year. Fourthly, the Bank promoted the application of strategy library, improved payroll agency strategy map, and initiated payroll agency enterprise customer management strategy pilot projects in branches. As at the end of the Reporting Period, the Bank produced 2,493 strategies. Up to now, 1,092 strategies are in operation, triggering 35.39 million namelists and reaching 8,510 thousand customers. Fifthly, the Bank comprehensively promoted “Marketing Cloud 3.0”, a digital marketing activity management platform. Five pilot branches carried out special activities for increasing financial assets and MGM customer acquisition of existing long-tail customer groups. In the third quarter of 2022, the activities covered 57.5 thousand customers. Sixthly, focusing on distinctive products of small business, reward points and benefits, behaviours of Daily Life App users and others, the Bank launched 104 distinctive tags and indicators of customers, and newly developed three models for increasing effective small business customers. Seventhly, the first phase of the project of whole-process online migration and smart decision-making and approval of consumer loans was put into operation, workload of manual approvals decreased by 50% and customer experience was comprehensively enhanced. Eighthly, in terms of combating the pandemic, the Bank swiftly responded to the

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<sup>1</sup> Customers with stable consumption refers to the millennials, female and highly educated target customer groups.

mobile sales demands in the frontline and accelerated the support, application and promotion of Minsheng Mofang (民生魔方). In the first three quarters of 2022, the number of monthly active users of Mofang was 500 thousand and the usage increased by 43.11% as compared with the corresponding period of the previous year. Ninthly, the Bank constantly enriched views and portraits of retail wealth management platform customers, launched customer benefit views and three-dimensional customer views, enriched digital marketing tools and empowered the frontline sales and customer service teams of retail banking business.

As at the end of the Reporting Period, the balance of small business loans<sup>2</sup> of the Bank amounted to RMB668,070 million, representing an increase of RMB67,320 million as compared with the end of the previous year. The number of small business customers with loan balance was 429.2 thousand. The balance of inclusive small business loans of the Bank amounted to RMB537,221 million, representing an increase of RMB32,406 million as compared with the end of the previous year. Total inclusive small business loans extended by the Bank in 2022 amounted to RMB470,536 million. The average interest rate of inclusive small business loans was 4.76%. The NPL ratio of inclusive small business loans was 1.73%, representing a decrease of 0.56 percentage points as compared with the end of the previous year. 2,446 outlets of the Bank provided comprehensive financial services to small business customers.

As at the end of the Reporting Period, personal financial assets of small business amounted to RMB557,118 million, representing an increase of RMB58,663 million as compared with the end of the previous year.

**Inclusive financial services were upgraded.** Firstly, the Bank sped up online migration, reinforced the promotion of “Minsheng Small Business App (民生小微 APP)”, and further rewarded privileges and benefits for small business customers. Customers could get corresponding small business red envelopes by completing log-in, loan application, loan withdrawal and other tasks through Minsheng Small Business App. As at the end of the Reporting Period, the number of registered users of the App exceeded 770 thousand. Secondly, the Bank continued to enrich product system of small business. To better satisfy customer demands, the Bank launched and optimised various credit products on the Minsheng Small Business App, including the new version of Happy Online Loan (網樂貸) for individuals and legal persons, and merchant express loan products integrated with the UnionPay and other external data, etc. In the meantime, the Bank pushed forward the application of E-Credit Finance (信融 e), E-Procurement (採購 e), Letter of Guarantee for Customs Duties (關

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<sup>2</sup> Small business loans include small business loans to legal persons and to individual customers.

税保函), Government Procurement Fast Loan (政採快貸), Factory Building Mortgage (廠房按揭), Sci-Tech Innovation Loan (科創貸) and other products in small business. Thirdly, the Bank continued to enhance comprehensive services for small business customers, carried out the “Small Steps to Big Success Plan (星火燎原計劃)”, and cultivated customer groups with core values through providing customised, distinctive and special products and services for the start-ups and growing small and micro enterprises of the Plan, striving to become the host bank of small business customers.

**Fees and surcharges were reduced to bail out enterprises in difficulties.** The Bank resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council, stuck to the political awareness and inclusive nature of finance, implemented the policy package of the State Council to stabilise economy, coordinated the pandemic prevention and control and the economic and social development, and increased support for the key areas and weak links of the real economy. Firstly, the Bank increased customer care, found out difficulties and financial service demands of customers in daily operations in a timely manner, and provided differentiated and precise solutions and support. Secondly, the Bank continued to adopt measures including adjustment to repayment plans, deferred principal repayment, and remote video contract signing, for areas heavily stricken by the pandemic, which effectively mitigated crowd massing risk during the pandemic. Thirdly, the Bank actively streamlined fee and surcharge-reduction items, thoroughly screened charging standards, and formulated fee and surcharge-reduction policies and measures covering bank account services, RMB transfers and remittances, bills, electronic banking, banking card-swiping, etc. Fourthly, the Bank proactively lowered the guiding prices for loans to small and micro enterprises in sectors hit hard by the pandemic, such as retail, transportation and logistics, catering, accommodation, tourism, culture and others, so as to further benefit the real economy.

**Fintech supported the development of small business.** Firstly, the Bank introduced data from external platforms, conducted in-depth identification and analysis of customers with improved customer portraits, and developed accurate clues for targeted marketing, so as to constantly enhance the digital marketing capability of small business. Secondly, the Bank promoted the construction of digital risk control system, sped up the construction of small business credit risk management system from aspects of innovating approval model, optimising loan process, introducing external data and establishing legal person risk control system, and completed the design and optimisation of the application of risk control strategies for key products.

### *(3) Treasury business*

#### **Implementing new operation philosophy and enhancing comprehensive contribution of financial institution customer group**

The Bank followed the philosophy of “integrated management of financial institution customer group”, continuously publicised reform and transformation and promoted the comprehensive implementation of transformation, constantly improved the working mechanisms of unified marketing and unified credit granting, pushed forward the marketing of key financial institution customers in an orderly manner and expanded the credit granting coverage of financial institution customers, and continuously improved comprehensive services for financial institution customers. As a result, the customer base was constantly consolidated. In the first three quarters of 2022, the Bank explored asset business opportunities, optimised the structure of liabilities of financial institutions business and achieved steady and healthy development of financial institutions business while meeting the requirements of internal liquidity and regulatory indicators. As at the end of the Reporting Period, demand deposits of financial institutions business amounted to RMB389,665 million, representing an increase of 11.46% as compared with the end of the previous year.

#### **Constantly enhancing investment and trading capabilities of financial markets business and optimising products and services**

In terms of fixed-income business, to regulate and strengthen bond-related business, increase comprehensive profitability, and effectively prevent risks, the Bank firmly deepened reform on its bond investment business. By building a market-oriented and professional fixed-income service platform, the Bank has created an integrated Minsheng fixed-income brand covering investment, trading, sales, agency and other financial markets services. The Bank continued to improve investment and trading capabilities, responded actively to the demands of corporate entities, and strove to increase the liquidity and profitability of bond portfolios. As at the end of the Reporting Period, the bond assets of the Bank amounted to RMB1.75 trillion, of which, RMB bond assets and foreign currency bond assets were RMB1.63 trillion and USD17,116 million, respectively.

In terms of foreign exchange business, to advocate the philosophy of exchange rate risk neutral among customers, the Bank proactively guided corporate customers to take hedging and asset preservation as the core objectives for exchange rate risk management through training and communication activities. By strengthening the research and development of foreign exchange risk hedging products and sharing market information, the Bank provided corporate customers with exchange rate hedging tools aligned better with the market environment. The Bank enriched the offering of foreign exchange products for customers, introduced new trading tools

such as American options, Asian options and others, and continuously enhanced the service efficiency for corporate customers in foreign exchange risk hedging. In addition, the Bank improved its pricing and market-making capabilities for domestic foreign exchange derivatives. In the first three quarters of 2022, the transaction volume of forward settlement and sale of foreign currencies and RMB foreign exchange swap in the interbank foreign exchange market amounted to USD951,110 million, and the transaction volume of RMB foreign exchange option amounted to USD125,520 million.

In terms of precious metals business, the Bank adhered to the “customer-centric” concept, actively carried out inclusive finance and strove to enhance customer experience. It offered online and offline gold products and services and served as an integrated service platform encompassing “trading, risk hedging, stocking, physical gold, investment, wealth management, and financing”. In the first three quarters of 2022, the trading volume of gold price matching (including proprietary and agency business) under the precious metals business of the Bank totaled 522.02 tons, with trading amount of RMB204,495 million. The trading volume of gold price asking totaled 708.47 tons, with trading amount of RMB277,242 million, and the trading volume of silver price matching (including proprietary and agency business) totaled 2,082.70 tons, with trading amount of RMB9,671 million. By trading amount, the Bank was one of the top ten interbank traders at Shanghai Gold Exchange, one of the most active proprietary traders of precious metals in Shanghai Futures Exchange and one of the most important gold importers in China.

### **Consolidating basic service capability and building a full-scenario custody bank serving customer journeys**

The Bank continued to push forward the reform and transformation of custody business, optimise business structure, and facilitate the reshaping of custody services from business philosophy, operation process and products and services. It pooled resources to develop mainstream custody products and devoted itself to building a full-scenario custody bank serving customer journeys. As at the end of the Reporting Period, the size of custody business of the Bank amounted to RMB12.45 trillion, representing an increase of RMB1.36 trillion as compared with the end of the previous year. In the first three quarters of 2022, the custody business delivered a profit of RMB1,529 million. Of which, profit from custody business of securities investment funds reached RMB677 million, representing an increase of 33.93% as compared with the corresponding period of the previous year, maintaining rapid growth in two consecutive years.

In terms of pension business, the Bank highly valued the development of pension business including corporate annuity and occupational annuity in accordance with the strategic layout of the national pension system, and actively established layout in the personal pension business of the third pillar. Based on customer demands, the Bank consolidated the coordinated marketing mechanism of “customer group + product”, continued to enhance its duty performance capability for annuity business, and provided enterprises and public institutions as well as individual customers with high-quality pension management services, and realised healthy development of pension business of the whole Bank. As at the end of the Reporting Period, total corporate annuity under the custody of the Bank amounted to RMB48,701 million and the number of corporate annuity personal accounts reached 171.5 thousand.

### **3. *Digital transformation entered the phase of full promotion and acceleration***

In the first three quarters of 2022, the Bank constantly deepened the all-around digital transformation, continued to construct eco-bank and intelligent bank, and gave full play to the advantage of technology empowerment. The digital operation and management capability of the Bank was significantly strengthened.

#### *(1) Substantial breakthroughs were made in the construction of eco-bank and intelligent bank*

**Breakthroughs have been made in expanding service boundary and integrating service connotation of eco-bank. In terms of corporate operation ecosystem**, the Bank continued to innovate “E-Procurement Data-Based Credit Enhancement (採購e數據增信)” and “E-Order (訂單e)” models and upgrade the smart risk control system of supply chains, and introduced new products including “E-Procurement Strong Credit Enhancement (採購e強增信)”, “E-Credit Finance Group Model (信融e集團模式)”, “Smart Approval of Low-risk Credit Related to Bills Discounting (銀票貼現低風險授信智能審批)”, “Supply Chain-related Bills (供應鏈票據)”, etc. Solid progress has been achieved in the integrated development of micro, small, medium, large and retail customers. **In terms of intelligent government administration ecosystem**, the Bank launched the product of “Government Procurement Express Loan (政採快貸)” for Fujian, Shandong, Chongqing, Shaanxi and other provinces and cities. **In terms of internet-based open ecosystem**, the Bank launched online exclusive financing product for small and micro merchants under e-commerce ecosystem, significantly enhancing the financial service efficiency for small and micro enterprises. **In terms of personal life ecosystem**, starting with the exclusive online consumer loans, the Bank provided comprehensive financial services including financing, account, wealth management, settlements, etc. **In terms of centralised business operation**, the Bank established teams for centralised operation of E-Credit Finance and E-Bills Finance, significantly enhancing business operation efficiency.



**Process optimisation and smart reform of operation model of intelligent bank was under solid progress. In terms of digital marketing,** the continuous large-scale application of real-time data empowered the marketing and customer acquisition of the frontline employees and the all-around application of corporate WeChat accounts improved the Bank’s capabilities for managing private traffic and serving customers. **In terms of digital products,** the Bank introduced “Salary and Benefit Express (薪福通)” of transaction banking, the new payment agency model for medical insurance and social security, launched different versions of mobile banking exclusive for rural revitalisation and for parent-child services, pioneered to support direct salary payment in e-CNY by enterprises through banking accounts, innovated e-CNY-related applications on mobile banking including “One-Click to Check e-CNY Wallet (一鍵查數幣錢包)”, and introduced the new service of “Independent Book Keeping Cloud (自主記賬雲)”<sup>3</sup>. **In terms of digital risk control,** the Bank comprehensively advanced the construction of smart risk control system, built the unified panoramic view of risks, optimised AI algorithm to upgrade anti-fraud and anti-money laundering systems, and launched the non-retail customer association graph. **In terms of digital operation,** the Bank applied smart voice, virtual digital human and other technologies to continuously upgrade the “zero-contact services” experience of remote banking. The “Remote Expert (遠程專家)” service provided comprehensive and professional answers “face-to-face”. The upgraded “Account Robot (賬戶機器人)” functions further expanded account opening channels. Customer services were upgraded through business outlets transformation. Five intelligent bank experience stores were built, significantly strengthening customer service connection and innovating intelligent experience. **In terms of digital decision-making,** the Bank launched finance and accounting management system 3.0, established smart analysis system based on AI + BI, constructed eight decision-making management and data application platforms covering asset and liability, comprehensive budget, capital management, pricing management, cost management, smart operation analysis, tax management and management accounting. As at the end of the Reporting Period, the Bank had 100,855.2 thousand users of online retail platform, representing an increase of 7.80% as compared with the end of the previous year, of which, 24,095.8 thousand were monthly active users, representing an increase of 0.68% as compared with the corresponding period of the previous year. The Bank had 3,217.3 thousand users of online corporate platform, representing an increase of 8.29% as compared with the end of the previous year. The number of customers using bank-enterprise direct connect was 3,965, representing an increase of 18.61% as

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<sup>3</sup> Independent Book Keeping Cloud service enabled users to enjoy the financial cloud services integrating bills, finance, taxes and fees via visiting the dedicated section of “Industry Applications” of corporate mobile banking. The “Good Accountant Standard Version (好會計標準版)” product launched in the first batch included functions such as smart cash management, receipt management, financial statements, invoice management, tax declaration, etc.

compared with the end of the previous year. In the first three quarters of 2022, the size of daily average deposits of customers using bank-enterprise direct connect per annum amounted to RMB928,612 million, representing an increase of 25.65% as compared with the corresponding period of the previous year.

**Customer journeys were reshaped to support the management of key customer groups and the enhancement of customer experience.**

The Bank reshaped the VIP benefits and payroll agency journeys in an end-to-end manner, and launched exclusive benefits for payroll agency customer group and new customers. The Bank deepened the two-model research and development system, namely the refined model and the agile model, and further improved its capabilities of product innovation and market response.

*(2) Improvement in data capability and technological capability consolidated digitalisation infrastructure*

**The Bank strove to improve four data capabilities namely data governance, data quality, data infrastructure and data platform, and organised a series of lectures under “Data Open Day” to advance digital culture construction.**

The Bank established a complete set of data policy protection system and data accountability mechanism. It further unified data standards to manage and control data quality, and intensified the management of data assets. In the meantime, the Bank also promoted the IT innovation of data warehouse and the construction of data lake to build a new enterprise-level data infrastructure. The Bank strengthened the construction of data application platforms, and stepped up efforts to establish real-time data system, large-scale machine learning platform, AI middle platform and graph database.

**Five technological capabilities including “architecture management, cloud native, tools platform, automatic operation and maintenance and data security” were continuously improved.**

The Bank pushed forward the enterprise-level architecture planning project to formulate the management methods, framework, tools and standards of enterprise-level architecture, clarified and promoted the technology system of cloud native and completed the cloud native restructuring of retail business risk management and other modules. It launched a new generation of service governance pipeline and continued to integrate and accelerate version iteration, built DevOps tool set to enhance automatic operation and maintenance, implemented requirements for customer privacy protection and data security and improved data security management and technology level at various stages including collection, transmission and usage, etc.

#### 4. *Internal risk control management was consolidated and asset quality was constantly improved*

In the first three quarters of 2022, the Group made continuous efforts to consolidate the internal risk control system featuring “one core (一核)”, “two systems (兩系)”, “good management of people, business and money (三管齊下)” and “four beams and eight pillars (四樑八柱)”, and comprehensively enhance risk management capability. It insisted on promoting high-quality development of the Group, proactively implemented the guiding opinions of the State on adjusting credit structure, and constantly optimised asset structure. It consolidated the achievements of credit approval system reform, reshaped post-loan and post-investment management systems, reinforced the management responsibility of the “first line of defense”, strengthened risk prevention and control in key fields, and reduced loans to and actively exited from customers with risks. It continued to intensify the collection and disposal of non-performing assets and enhance the disposal quality and efficiency based on “one account multiple policies”, in an aim to ensure the continuous improvement in asset quality.

As at the end of the Reporting Period, total NPLs and the NPL ratio of the Group both decreased as compared with the end of the previous year. Total NPLs of the Group amounted to RMB72,058 million, representing a decrease of RMB280 million as compared with the end of the previous year; the NPL ratio was 1.74%, representing a decrease of 0.05 percentage points as compared with the end of the previous year. The ratios of loans overdue for over 90 days and 60 days to total NPLs were both less than 100%. Allowance to NPLs was 141.06%, representing a decrease of 4.24 percentage points as compared with the end of the previous year. Allowance to total loans was 2.46%, representing a decrease of 0.14 percentage points as compared with the end of the previous year.

| Item (RMB million)      | 30 September 2022 |               | 31 December 2021 |            | Changes(%) |
|-------------------------|-------------------|---------------|------------------|------------|------------|
|                         | Total loans       | % of total    | Total loans      | % of total |            |
| <b>Performing loans</b> | <b>4,059,360</b>  | <b>98.26</b>  | 3,973,354        | 98.21      | 2.16       |
| Of which: Pass          | <b>3,942,460</b>  | <b>95.43</b>  | 3,858,057        | 95.36      | 2.19       |
| Special-mentioned       | <b>116,900</b>    | <b>2.83</b>   | 115,297          | 2.85       | 1.39       |
| <b>NPLs</b>             | <b>72,058</b>     | <b>1.74</b>   | 72,338           | 1.79       | -0.39      |
| Of which: Substandard   | <b>27,014</b>     | <b>0.65</b>   | 24,198           | 0.60       | 11.64      |
| Doubtful                | <b>24,518</b>     | <b>0.59</b>   | 26,043           | 0.64       | -5.86      |
| Loss                    | <b>20,526</b>     | <b>0.50</b>   | 22,097           | 0.55       | -7.11      |
| <b>Total</b>            | <b>4,131,418</b>  | <b>100.00</b> | 4,045,692        | 100.00     | 2.12       |

## (II) Capital adequacy ratio and leverage ratio

The minimum requirements of the CBIRC on the Group and the Bank's core tier-one capital adequacy ratio (CAR), tier-one CAR and the CAR were 5%, 6%, and 8%, respectively. Based on the aforesaid minimum capital requirements, provisions of reserve capital, counter-cyclical capital and additional paid-in capital should also be made at the ratios of 2.5%, 0%, and 0%, respectively. During the Reporting Period, the core tier-one CAR, tier-one CAR, and the CAR of the Group and the Bank should be no less than 7.5%, 8.5%, and 10.5%, respectively.

As at the end of the Reporting Period, the Group's core tier-one CAR, tier-one CAR, and the CAR were 9.10%, 10.83% and 13.30%, respectively, representing an increase of 0.06 percentage points, an increase of 0.10 percentage points, and a decrease of 0.34 percentage points, respectively, as compared with the end of the previous year. The table below sets out the CARs of the Group and the Bank:

| Item (RMB million)        | 30 September 2022 |          | 31 December 2021 |          |
|---------------------------|-------------------|----------|------------------|----------|
|                           | The Group         | The Bank | The Group        | The Bank |
| Net core tier-one capital | 505,442           | 474,116  | 486,552          | 456,364  |
| Net tier-one capital      | 601,464           | 569,073  | 577,079          | 546,320  |
| Total net capital base    | 738,691           | 701,985  | 733,703          | 698,418  |
| Core tier-one CAR (%)     | 9.10              | 9.06     | 9.04             | 8.96     |
| Tier-one CAR (%)          | 10.83             | 10.87    | 10.73            | 10.72    |
| CAR (%)                   | 13.30             | 13.41    | 13.64            | 13.71    |

As at the end of the Reporting Period, the leverage ratio of the Group was 7.54%, representing an increase of 0.26 percentage points as compared with the end of June 2022. The leverage ratio of the Group is as follows:

| Item (RMB million)                               | 30 September 2022 | 30 June 2022 | 31 March 2022 | 31 December 2021 |
|--|-------------------|--------------|---------------|------------------|
| Leverage ratio (%)                               | 7.54              | 7.28         | 7.47          | 7.60             |
| Net tier-one capital                             | 601,464           | 593,865      | 590,823       | 577,079          |
| On-and off-balance sheet assets after adjustment | 7,980,689         | 8,157,324    | 7,904,655     | 7,596,574        |

### (III) Liquidity coverage ratio

As at the end of the Reporting Period, the liquidity coverage ratio of the Group was 129.07%, exceeding the regulatory requirements by 29.07 percentage points. The Group had an adequate reserve of high-quality current assets and was well positioned to resist short-term liquidity risk.

| Item (RMB million)           | <u>30 September<br/>2022</u> | <u>31 December<br/>2021</u> |
|------------------------------|------------------------------|-----------------------------|
| Liquidity coverage ratio (%) | <b>129.07</b>                | 133.42                      |
| High-quality current assets  | <b>1,006,797</b>             | 956,827                     |
| Net cash outflow in 30 days  | <b>780,052</b>               | 717,163                     |

### (IV) Corporate governance

During the Reporting Period, the Bank thoroughly implemented the national macro financial policies and regulatory requirements, further promoted the integration of the CPC's leadership with its corporate governance, stepped up efforts to promote strategic reform and transformation, continued to optimise the operation mode of the duty performance of the Board and its special committees and the Board of Supervisors and its special committees, enhanced duty performance quality and efficiency, and constantly explored corporate governance system with Minsheng features. Independent Directors understood the operation and management of the Bank through various means, such as conducting special surveys, attending office in the Bank and attending special meetings of Independent Directors, proactively attended the Board meetings and meetings of the special committees of the Board, gave independent opinions, supervised the compliant operation of the Board and protected the legitimate rights and interests of stakeholders. During the Reporting Period, the External Supervisors of the Bank performed their supervisory duties in a faithful, diligent, law-abiding and compliant manner, upheld professional ethics, and actively attended meetings of the Board of Supervisors and meetings of the special committees of the Board of Supervisors, attended the Board meetings and meetings of the special committees of the Board as non-voting delegates, participated in supervision and surveys, studied conscientiously various proposals and special reports, gave independent, professional and objective supervisory opinions and advice, and promoted the Bank to proactively perform its social responsibilities, protect the legitimate rights and interests of stakeholders and accelerate the high-quality development of the Bank.

## IV. Quarterly Financial Statements

### (I) Type of auditing opinions

Applicable     Not applicable

### (II) Financial statements

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Balance Sheets as at 30 September 2022**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|   | The Group               |                        | The Bank                |                        |
|---|-------------------------|------------------------|-------------------------|------------------------|
|   | 30<br>September<br>2022 | 31<br>December<br>2021 | 30<br>September<br>2022 | 31<br>December<br>2021 |
| Assets  | Unaudited               | Audited                | Unaudited               | Audited                |
| Cash and balances with central bank                                 | 324,168                 | 361,302                | 321,193                 | 357,855                |
| Balances with banks and other financial institutions                | 63,800                  | 92,546                 | 40,956                  | 72,964                 |
| Precious metals   | 20,829                  | 13,189                 | 20,829                  | 13,189                 |
| Placements with banks and other financial institutions              | 160,782                 | 158,768                | 188,347                 | 191,108                |
| Derivative financial assets   | 59,690                  | 27,461                 | 59,512                  | 27,461                 |
| Financial assets held under resale agreements                       | 6,485                   | 1,362                  | 5,996                   | 823                    |
| Loans and advances to customers                                     | 4,059,776               | 3,967,679              | 4,038,731               | 3,945,707              |
| Financial investments   | 2,153,093               | 2,034,433              | 2,125,567               | 2,009,836              |
| – Financial assets at fair value through profit or loss             | 358,889                 | 300,684                | 353,098                 | 294,753                |
| – Financial assets measured at amortised cost                       | 1,344,313               | 1,298,220              | 1,342,933               | 1,296,413              |
| – Financial assets at fair value through other comprehensive income | 449,891                 | 435,529                | 429,536                 | 418,670                |
| Long-term receivables   | 110,356                 | 122,716                | –                       | –                      |
| Long-term equity investments  | –                       | 2                      | 13,381                  | 8,381                  |
| Fixed assets  | 55,444                  | 52,191                 | 24,107                  | 23,319                 |
| Intangible assets   | 5,283                   | 5,286                  | 4,526                   | 4,503                  |
| Right-of-use assets   | 9,965                   | 10,736                 | 9,761                   | 10,520                 |
| Deferred income tax assets  | 53,534                  | 51,904                 | 51,069                  | 48,983                 |
| Other assets  | 50,716                  | 53,211                 | 31,560                  | 40,218                 |
| <b>Total assets</b>   | <b>7,133,921</b>        | <b>6,952,786</b>       | <b>6,935,535</b>        | <b>6,754,867</b>       |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Balance Sheets as at 30 September 2022 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|  | The Group        |                  | The Bank         |                  |
|--|------------------|------------------|------------------|------------------|
|  | 30               | 31               | 30               | 31               |
|  | September        | December         | September        | December         |
| <b>Liabilities and shareholders' equity</b>                | <b>2022</b>      | <b>2021</b>      | <b>2022</b>      | <b>2021</b>      |
|  | Unaudited        | Audited          | Unaudited        | Audited          |
| <b>Liabilities</b>   |                  |                  |                  |                  |
| Borrowings from central bank                               | 173,289          | 279,787          | 172,679          | 278,835          |
| Balances from banks and other financial institutions       | 1,065,284        | 1,230,334        | 1,070,906        | 1,237,985        |
| Placements from banks and other financial institutions     | 92,393           | 64,024           | 81,296           | 54,077           |
| Financial liabilities at fair value through profit or loss | 2,342            | 2,856            | 2,342            | 2,856            |
| Borrowings from other financial institutions               | 108,839          | 114,461          | –                | –                |
| Derivative financial liabilities                           | 60,813           | 26,114           | 60,813           | 26,018           |
| Financial assets sold under repurchase agreements          | 81,861           | 36,485           | 72,408           | 26,624           |
| Deposits from customers                                    | 4,103,231        | 3,825,693        | 4,069,020        | 3,797,630        |
| Lease liabilities  | 9,547            | 10,225           | 9,334            | 10,011           |
| Employee benefits payable                                  | 12,157           | 12,907           | 11,767           | 12,336           |
| Tax payable  | 8,146            | 13,485           | 7,745            | 12,513           |
| Provisions   | 2,177            | 2,250            | 2,176            | 2,250            |
| Debt securities issued                                     | 764,196          | 711,024          | 764,196          | 710,092          |
| Deferred income tax liabilities                            | 230              | 247              | –                | –                |
| Other liabilities  | 38,221           | 36,355           | 21,528           | 18,929           |
| <b>Total liabilities</b>                                   | <b>6,522,726</b> | <b>6,366,247</b> | <b>6,346,210</b> | <b>6,190,156</b> |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Balance Sheets as at 30 September 2022 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

| <b>Liabilities and shareholders' equity<br/>(continued)</b>  | <b>The Group</b> |           | <b>The Bank</b>  |           |
|--|------------------|-----------|------------------|-----------|
|  | <b>30</b>        | 31        | <b>30</b>        | 31        |
|  | <b>September</b> | December  | <b>September</b> | December  |
|  | <b>2022</b>      | 2021      | <b>2022</b>      | 2021      |
|  | <b>Unaudited</b> | Audited   | <b>Unaudited</b> | Audited   |
| <b>Shareholders' equity</b>                                  |                  |           |                  |           |
| Share capital  | <b>43,782</b>    | 43,782    | <b>43,782</b>    | 43,782    |
| Other equity instruments                                     | <b>94,962</b>    | 89,964    | <b>94,962</b>    | 89,964    |
| Of which: Preference shares                                  | <b>19,975</b>    | 19,975    | <b>19,975</b>    | 19,975    |
| Perpetual bonds  | <b>74,987</b>    | 69,989    | <b>74,987</b>    | 69,989    |
| Capital reserve  | <b>58,149</b>    | 58,149    | <b>57,880</b>    | 57,880    |
| Other comprehensive income                                   | <b>(591)</b>     | 385       | <b>(200)</b>     | 686       |
| Surplus reserve  | <b>51,843</b>    | 51,843    | <b>51,843</b>    | 51,843    |
| General reserve  | <b>87,075</b>    | 87,013    | <b>85,278</b>    | 85,278    |
| Retained earnings  | <b>263,322</b>   | 243,144   | <b>255,780</b>   | 235,278   |
| <b>Total equity attributable to shareholders of the Bank</b> | <b>598,542</b>   | 574,280   | <b>589,325</b>   | 564,711   |
| <b>Equity attributable to non-controlling interests</b>      | <b>12,653</b>    | 12,259    |                  |           |
| <b>Total shareholders' equity</b>                            | <b>611,195</b>   | 586,539   | <b>589,325</b>   | 564,711   |
| <b>Total liabilities and shareholders' equity</b>            | <b>7,133,921</b> | 6,952,786 | <b>6,935,535</b> | 6,754,867 |

GAO Yingxin  
Legal Representative, Chairman

ZHENG Wanchun  
Vice Chairman, President

LI Bin  
Person in charge of finance and  
accounting

YIN Xuwen  
Person in charge of the  
accounting department

(Company seal)



**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Income Statements**  
**for the 9 Months Ended 30 September 2022**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|   | The Group                     |                               | The Bank                      |                               |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | January-<br>September<br>2022 | January-<br>September<br>2021 | January-<br>September<br>2022 | January-<br>September<br>2021 |
|   | Unaudited                     | Unaudited                     | Unaudited                     | Unaudited                     |
| <b>1. Operating income</b>  | <b>108,596</b>                | 130,635                       | <b>102,206</b>                | 123,374                       |
| Net interest income   | <b>81,408</b>                 | 97,797                        | <b>78,367</b>                 | 94,609                        |
| Interest income   | <b>197,874</b>                | 211,083                       | <b>191,234</b>                | 204,055                       |
| Interest expenses   | <b>(116,466)</b>              | (113,286)                     | <b>(112,867)</b>              | (109,446)                     |
| Net fee and commission income   | <b>14,370</b>                 | 18,524                        | <b>14,057</b>                 | 17,843                        |
| Fee and commission income   | <b>18,180</b>                 | 22,430                        | <b>17,548</b>                 | 21,428                        |
| Fee and commission expenses   | <b>(3,810)</b>                | (3,906)                       | <b>(3,491)</b>                | (3,585)                       |
| Investment gains  | <b>10,005</b>                 | 8,041                         | <b>10,084</b>                 | 7,913                         |
| Of which: Gains from disposals of the financial assets measured at amortised cost | <b>905</b>                    | 699                           | <b>903</b>                    | 718                           |
| Other gains   | <b>220</b>                    | 290                           | <b>99</b>                     | 118                           |
| (Losses)/Gains from changes in fair value   | <b>(3,898)</b>                | 2,039                         | <b>(3,557)</b>                | 2,146                         |
| Foreign exchange gains  | <b>2,848</b>                  | 389                           | <b>2,904</b>                  | 395                           |
| Other business income   | <b>3,643</b>                  | 3,555                         | <b>252</b>                    | 350                           |
| <b>2. Operating expenses</b>  | <b>(72,579)</b>               | (92,394)                      | <b>(66,570)</b>               | (86,215)                      |
| Tax and surcharges  | <b>(1,343)</b>                | (1,397)                       | <b>(1,280)</b>                | (1,301)                       |
| Business and management expenses  | <b>(33,818)</b>               | (31,973)                      | <b>(32,371)</b>               | (30,815)                      |
| Impairment losses on credit   | <b>(34,681)</b>               | (56,523)                      | <b>(32,336)</b>               | (53,493)                      |
| Impairment losses on other assets   | <b>(558)</b>                  | (549)                         | <b>(529)</b>                  | (547)                         |
| Other business expenses   | <b>(2,179)</b>                | (1,952)                       | <b>(54)</b>                   | (59)                          |
| <b>3. Operating profit</b>  | <b>36,017</b>                 | 38,241                        | <b>35,636</b>                 | 37,159                        |
| Add: Non-operating income   | <b>89</b>                     | 29                            | <b>82</b>                     | 26                            |
| Less: Non-operating expenses  | <b>(161)</b>                  | (233)                         | <b>(157)</b>                  | (230)                         |
| <b>4. Total profit</b>  | <b>35,945</b>                 | 38,037                        | <b>35,561</b>                 | 36,955                        |
| Less: Income tax expenses   | <b>(1,908)</b>                | (2,257)                       | <b>(1,628)</b>                | (1,987)                       |
| <b>5. Net profit</b>  | <b>34,037</b>                 | 35,780                        | <b>33,933</b>                 | 34,968                        |
| Net profit attributable to shareholders of the Bank                               | <b>33,778</b>                 | 35,487                        | <b>33,933</b>                 | 34,968                        |
| Profit or loss attributable to non-controlling interests                          | <b>259</b>                    | 293                           |                               |                               |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Income Statements**  
**for the 9 Months Ended 30 September 2022 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|  | <u>The Group</u>                       |  | <u>The Bank</u>                        |  |
|--|--|--|--|--|
|  | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> |
|  | <u>Unaudited</u>                       | <u>Unaudited</u>                       | <u>Unaudited</u>                       | <u>Unaudited</u>                       |
| <b>6. Other comprehensive income, net of tax</b>   | <b>(738)</b>                           | 3,337                                  | <b>(886)</b>                           | 3,206                                  |
| Other comprehensive income attributable to shareholders of the Bank, net of tax  | <b>(1,029)</b>                         | 3,262                                  | <b>(886)</b>                           | 3,206                                  |
| Other comprehensive income that will not be reclassified subsequently to profit or loss  |  |  |  |  |
| Changes in fair value of non-tradable equity instruments designated as measured at fair value through other comprehensive income | <b>(359)</b>                           | 4                                      | -                                      | -                                      |
| Other comprehensive income that may be reclassified subsequently to profit or loss   |  |  |  |  |
| Financial assets at fair value through other comprehensive income  |  |  |  |  |
| Changes in fair value  | <b>(649)</b>                           | 2,303                                  | <b>117</b>                             | 2,174                                  |
| Allowance for impairment losses on credit  | <b>(721)</b>                           | 906                                    | <b>(987)</b>                           | 931                                    |
| Effective hedging portion of gains or losses arising from cash flow hedging instruments  | <b>10</b>                              | 17                                     | <b>10</b>                              | 17                                     |
| Exchange difference on translating foreign operations  | <b>690</b>                             | 32                                     | <b>(26)</b>                            | 84                                     |
| Other comprehensive income attributable to non-controlling interests, net of tax   | <b>291</b>                             | 75                                     |  |  |
| <b>7. Total comprehensive income</b>   | <b><u>33,299</u></b>                   | <u>39,117</u>                          | <b><u>33,047</u></b>                   | <u>38,174</u>                          |
| Comprehensive income attributable to shareholders of the Bank  | <b>32,749</b>                          | 38,749                                 | <b>33,047</b>                          | 38,174                                 |
| Comprehensive income attributable to non-controlling interests   | <b><u>550</u></b>                      | <u>368</u>                             |  |  |
| <b>8. Basic and diluted earnings per share (RMB)</b>   | <b><u>0.68</u></b>                     | <u>0.75</u>                            |  |  |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2022**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|  | <u>The Group</u>                       |  | <u>The Bank</u>                        |  |
|--|--|--|--|--|
|  | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> |
|  | <u>Unaudited</u>                       | <u>Unaudited</u>                       | <u>Unaudited</u>                       | <u>Unaudited</u>                       |
| <b>1. Cash flows from operating activities</b>   |  |  |  |  |
| Net increase in deposits from customers and balances from banks and other financial institutions | <b>110,348</b>                         | 491,421                                | <b>102,159</b>                         | 494,338                                |
| Net increase in borrowings from central bank   | –                                      | 6,057                                  | –                                      | 6,400                                  |
| Net decrease in balances with central bank, banks and other financial institutions               | –                                      | 4,060                                  | –                                      | 4,980                                  |
| Net decrease in financial assets held for trading purposes                                       | <b>21,946</b>                          | 7,777                                  | <b>23,489</b>                          | 5,046                                  |
| Net decrease in placements with banks and other financial institutions                           | –                                      | 29,901                                 | –                                      | 18,199                                 |
| Net increase in placements from banks and other financial institutions                           | <b>28,227</b>                          | –                                      | <b>27,101</b>                          | –                                      |
| Net decrease in financial assets held under resale agreements                                    | –                                      | 13,658                                 | –                                      | 11,713                                 |
| Net increase in financial assets sold under repurchase agreements                                | <b>45,233</b>                          | –                                      | <b>45,683</b>                          | –                                      |
| Cash received from interests, fees and commissions   | <b>185,012</b>                         | 192,395                                | <b>178,484</b>                         | 184,857                                |
| Net cash received from other operating activities  | <b>24,735</b>                          | 21,188                                 | <b>18,658</b>                          | 17,296                                 |
| <b>Subtotal of cash inflows from operating activities</b>  | <b>415,501</b>                         | 766,457                                | <b>395,574</b>                         | 742,829                                |
| Net increase in loans and advances to customers  | <b>(120,171)</b>                       | (223,011)                              | <b>(121,033)</b>                       | (219,975)                              |
| Net decrease in borrowings from central bank   | <b>(106,533)</b>                       | –                                      | <b>(106,192)</b>                       | –                                      |
| Net increase in balances with central bank, banks and other financial institutions               | <b>(1,476)</b>                         | –                                      | <b>(1,244)</b>                         | –                                      |
| Net increase in placements with banks and other financial institutions                           | <b>(22,197)</b>                        | –                                      | <b>(15,749)</b>                        | –                                      |
| Net decrease in placements from banks and other financial institutions                           | –                                      | (90,797)                               | –                                      | (94,719)                               |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2022 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|   | <u>The Group</u>                       |  | <u>The Bank</u>                        |  |
|---|--|--|--|--|
|   | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> |
|   | <u>Unaudited</u>                       | Unaudited                              | <u>Unaudited</u>                       | Unaudited                              |
| Net increase in financial assets held under resale agreements     | (5,114)                                | –                                      | (5,168)                                | –                                      |
| Net decrease in financial assets sold under repurchase agreements | –                                      | (19,428)                               | –                                      | (22,613)                               |
| Cash payment for interests, fees and commissions                  | (102,112)                              | (87,728)                               | (98,145)                               | (83,957)                               |
| Cash payment to and payment for employees                         | (22,008)                               | (21,044)                               | (20,991)                               | (20,192)                               |
| Tax payments  | (19,808)                               | (23,058)                               | (19,305)                               | (22,063)                               |
| Net cash payment in other operating activities                    | (28,960)                               | (4,643)                                | (22,073)                               | (615)                                  |
| <b>Subtotal of cash outflows from operating activities</b>        | <b>(428,379)</b>                       | (469,709)                              | <b>(409,900)</b>                       | (464,134)                              |
| <b>Net cash flow from operating activities</b>                    | <b>(12,878)</b>                        | 296,748                                | <b>(14,326)</b>                        | 278,695                                |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2022 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|   | <b>The Group</b>                       |                               | <b>The Bank</b>                        |                               |
|---|--|-------------------------------|--|-------------------------------|
|   | <b>January-<br/>September<br/>2022</b> | January-<br>September<br>2021 | <b>January-<br/>September<br/>2022</b> | January-<br>September<br>2021 |
|   | <b>Unaudited</b>                       | Unaudited                     | <b>Unaudited</b>                       | Unaudited                     |
| <b>2. Cash flows from investing activities</b>  |  |                               |  |                               |
| Proceeds from sale and redemption of investments  | <b>700,184</b>                         | 964,733                       | <b>679,351</b>                         | 952,174                       |
| Proceeds from investment gains  | <b>52,494</b>                          | 44,660                        | <b>51,750</b>                          | 44,251                        |
| Proceeds from disposal of fixed assets, intangible assets and other long-term assets    | <b>2,892</b>                           | 6,493                         | <b>1,088</b>                           | 2,599                         |
| <b>Subtotal of cash inflows from investing activities</b>                               | <b>755,570</b>                         | 1,015,886                     | <b>732,189</b>                         | 999,024                       |
| Cash payment for investments  | <b>(856,338)</b>                       | (879,509)                     | <b>(832,895)</b>                       | (860,556)                     |
| Cash payment for investments in subsidiaries  | -                                      | -                             | <b>(5,000)</b>                         | -                             |
| Cash payment for purchase of fixed assets, intangible assets and other long-term assets | <b>(9,548)</b>                         | (9,247)                       | <b>(4,429)</b>                         | (2,491)                       |
| <b>Subtotal of cash outflows from investing activities</b>                              | <b>(865,886)</b>                       | (888,756)                     | <b>(842,324)</b>                       | (863,047)                     |
| <b>Net cash flow from investing activities</b>  | <b>(110,316)</b>                       | 127,130                       | <b>(110,135)</b>                       | 135,977                       |
| <b>3. Cash flows from financing activities</b>  |  |                               |  |                               |
| Proceeds from issue of other equity instruments   | <b>4,998</b>                           | 29,996                        | <b>4,998</b>                           | 29,996                        |
| Proceeds from issue of debt securities  | <b>612,723</b>                         | 519,605                       | <b>612,723</b>                         | 518,756                       |
| <b>Subtotal of cash inflows from financing activities</b>                               | <b>617,721</b>                         | 549,601                       | <b>617,721</b>                         | 548,752                       |
| Cash repayment of debts   | <b>(569,933)</b>                       | (897,222)                     | <b>(569,083)</b>                       | (893,222)                     |
| Cash payment for dividends and profits or interests payable of debt securities          | <b>(17,814)</b>                        | (17,516)                      | <b>(17,602)</b>                        | (17,243)                      |
| Cash payment in other financing activities  | <b>(2,771)</b>                         | (2,716)                       | <b>(2,651)</b>                         | (2,876)                       |
| <b>Subtotal of cash outflows from financing activities</b>                              | <b>(590,518)</b>                       | (917,454)                     | <b>(589,336)</b>                       | (913,341)                     |
| <b>Net cash flow from financing activities</b>  | <b>27,203</b>                          | (367,853)                     | <b>28,385</b>                          | (364,589)                     |

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2022 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

|  | <u>The Group</u>                       |  | <u>The Bank</u>                        |  |
|--|--|--|--|--|
|  | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> | <u>January-<br/>September<br/>2022</u> | <u>January-<br/>September<br/>2021</u> |
|  | <u>Unaudited</u>                       | <u>Unaudited</u>                       | <u>Unaudited</u>                       | <u>Unaudited</u>                       |
| <b>4. Effect of exchange rate changes on cash and cash equivalents</b> | <b>8,473</b>                           | (526)                                  | <b>7,621</b>                           | (492)                                  |
| <b>5. Net (decrease)/increase in cash and cash equivalents</b>         | <b>(87,518)</b>                        | 55,499                                 | <b>(88,455)</b>                        | 49,591                                 |
| Add: Cash and cash equivalents at the beginning of the year            | <b>163,418</b>                         | 157,919                                | <b>152,228</b>                         | 152,241                                |
| <b>6. Cash and cash equivalents at the end of the period</b>           | <b>75,900</b>                          | 213,418                                | <b>63,773</b>                          | 201,832                                |

GAO Yingxin  
Chairman of the Board of Directors  
China Minsheng Banking Corp., Ltd.  
28 October 2022