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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)

(USD Preference Shares Stock Code: 04609)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made by China Minsheng Banking Corp., Ltd. (the “**Company**”) 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 2021 First Quarterly Report of China Minsheng Banking Corp., Ltd. released by the Company 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
29 April 2021

As at the date of this announcement, the executive directors of the Company 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 and Mr. Yang Xiaoling; 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.

**2021 First Quarterly Report
China Minsheng Banking Corp., Ltd.**

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I. Important Notice

- 1.1 The Board of Directors (the “Board”), the Board of Supervisors and the Directors, Supervisors and Senior Management of China Minsheng Banking Corp., Ltd. (the “Company” or 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.
- 1.2 All Directors attended the board meeting to consider the quarterly report. This quarterly report was considered and approved at the eighth meeting of the eighth session of the Board of Directors of the Company on 29 April 2021. The meeting was held by means of mail voting. The meeting notice and meeting documents were sent out by email on 15 April 2021. As at the voting deadline on 29 April 2021, all 16 voting tickets sent to the Directors were collected.
- 1.3 Gao Yingxin (Chairman), Zheng Wanchun (President), Li Bin (Senior Management responsible for finance and accounting and acting person in charge of the accounting department) warrant the truthfulness, accuracy and completeness of the financial statements included in this quarterly report.
- 1.4 The financial data and indicators contained in the First Quarterly Report of the Company are unaudited and prepared in accordance with the Chinese accounting standards. Unless otherwise specified, all amounts are consolidated data of the Company and its subsidiaries (the “Group”) and are denominated in RMB.

II. Company Profile

2.1 Major financial data

	As at the end of the Reporting Period 31 March 2021	As at the end of the previous year 31 December 2020	Changes from the end of the previous year to the end of the Reporting Period
			Increase/ decrease (%)
Scale indicators (RMB million)			
Total assets	7,062,721	6,950,233	1.62
Total loans and advances to customers	4,012,773	3,853,931	4.12
Of which: Corporate loans and advances	2,355,591	2,244,856	4.93
Personal loans and advances	1,657,182	1,609,075	2.99
Total non-performing loans (NPLs)	72,106	70,049	2.94
Allowance for impairment losses on loans	101,750	97,637	4.21
Total liabilities	6,505,967	6,408,985	1.51
Total deposits from customers	3,709,011	3,728,174	-0.51
Of which: Corporate deposits	2,896,136	2,961,617	-2.21
Personal deposits	807,175	758,712	6.39
Other deposits	5,700	7,845	-27.34
Total equity attributable to equity shareholders of the Bank	545,165	529,537	2.95
Total equity attributable to ordinary shareholders of the Bank	475,305	459,677	3.40
Net assets per share attributable to ordinary shareholders of the Bank (RMB)	10.86	10.50	3.43
			Changes in percentage points
Asset quality indicators (%)			
NPL ratio	1.80	1.82	-0.02
Allowance to NPLs	141.11	139.38	1.73
Allowance to total loans	2.54	2.53	0.01

	During the Reporting Period January- March 2021	During the corresponding period of the previous year January-March 2020	Changes of the Reporting Period over the corresponding period of the previous year
Operating results (RMB million)			Increase/ decrease (%)
Operating income	43,072	49,333	-12.69
Net interest income	33,889	33,638	0.75
Net profit attributable to equity shareholders of the Bank	14,747	16,650	-11.43
Net profit attributable to equity shareholders of the Bank excluding extraordinary gain/loss items	14,757	16,710	-11.69
Net cash flow from operating activities	61,197	132,501	-53.81
Data per share (RMB)			
Basic earnings per share	0.34	0.38	-10.53
Diluted earnings per share	0.34	0.38	-10.53
Net cash flow per share from operating activities	1.40	3.03	-53.80
Profitability indicators (%)			Changes in percentage points
Return on average assets (annualised)	0.83	0.99	-0.16
Return on weighted average equity (annualised)	12.62	14.53	-1.91
Return on weighted average equity excluding extraordinary gain/loss items (annualised)	12.63	14.58	-1.95
Cost-to-income ratio	21.78	18.90	2.88
Net interest spread (annualised)	2.02	2.20	-0.18
Net interest margin (annualised)	2.10	2.19	-0.09

Notes:

1. According to the requirements in the Notice on the Strict Implementation of Accounting Standards for Enterprises and Effective Enhancement regarding Enterprises' Work on the 2020 Annual Reports (Cai Kuai [2021] No.2) (《關於嚴格執行企業會計準則切實加強企業2020年年報工作的通知》(財會[2021]2號)), the Group reclassified credit card installment income from fee and commission income to interest income from 2020. The relevant financial indicators of the comparative periods have been restated.
2. Return on average assets = net profit/average balance of total assets at the beginning and the end of the period.
3. Earnings per share and return on weighted average equity were calculated according to regulations including 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, etc.

4. Cost-to-income ratio = business and management expenses/operating income.
5. Net interest spread = average return ratio on interest-earning assets – average cost ratio of interest-bearing liabilities.
6. Net interest margin = net interest income/average balance of interest-earning assets.
7. Total loans and advances to customers, total deposits from customers and the compositions of which did not include accrued interests.
8. Allowance for impairment losses on loans includes allowance for impairment losses on loans measured at amortised cost, and allowance for impairment losses on loans at fair value through other comprehensive income.
9. Other deposits include issuing certificates of deposit, outward remittance and remittance payables.
10. NPL ratio = total NPLs/total loans and advances to customers.
11. Allowance to NPLs and allowance to total loans were calculated according to Notice on the Regulatory Requirement on Adjustment to 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. As at the end of the Reporting Period, the regulatory requirement for allowance to NPLs and allowance to total loans applicable to the Group and the Bank is 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.

2.2 Extraordinary gain/loss

Item (RMB million)	January- March 2021	January- March 2020
Government subsidies	11	25
Expenses on donations	–	-57
Net gain/loss from disposals of non-current assets	-5	–
Other net extraordinary gain/loss	-15	-29
Income tax effect of the extraordinary gain/loss	1	7
Net extraordinary gain/loss impact (after tax)	-8	-54
Of which: Extraordinary gain/loss impact on net profit attributable to equity shareholders of the Bank	-10	-60
Extraordinary gain/loss impact on net profit attributable to non-controlling interests	2	6

Note: Calculated in accordance with the Explanatory Announcement No. 1 on Information Disclosure of Companies with Publicly Issued Securities – 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)》).

2.3 Total number of shareholders, particulars of shareholding of top ten shareholders, and top ten holders of tradable shares (or holders of shares not subject to restriction on sales) as at the end of the Reporting Period

(Unit: share)

Total number of shareholders							424,790
Particulars of shareholding of top ten shareholders							
Full name of shareholder	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares subject to restriction on sales held	Shares pledged or locked-up		Type of shareholder	
				Status of shares	Number of shares		
HKSCC Nominees Limited	8,284,348,913	18.92	—	Unknown	—	Others	
Dajia Life Insurance Co., Ltd. — Universal Product	4,508,984,567	10.30	—	Nil	—	Others	
Dajia Life Insurance Co., Ltd. — Traditional Product	2,843,300,122	6.49	—	Nil	—	Others	
China Oceanwide Holdings Group Co., Ltd.	2,019,182,618	4.61	—	Pledged	2,015,582,618	Domestic non-state-owned legal person	
Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.	1,888,530,701	4.31	—	Pledged	1,865,422,321	Domestic non-state-owned legal person	
New Hope Liuhe Investment Co., Ltd.	1,828,327,362	4.18	—	Nil	—	Domestic non-state-owned legal person	
Shanghai Giant Lifetech Co., Ltd.	1,379,679,587	3.15	—	Pledged	1,379,678,400	Domestic non-state-owned legal person	
Huaxia Life Insurance Co., Ltd. — Universal Insurance Product	1,375,763,341	3.14	—	Nil	—	Domestic non-state-owned legal person	
China Shipowners Mutual Assurance Association	1,324,284,453	3.02	—	Nil	—	Domestic non-state-owned legal person	
Orient Group Incorporation	1,280,117,123	2.92	—	Pledged	1,270,709,488	Domestic non-state-owned legal person	

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

Name of shareholder	Number of tradable shares not subject to restriction on sales held	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	8,284,348,913	Overseas listed foreign invested shares	8,284,348,913
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
China Oceanwide Holdings Group Co., Ltd.	2,019,182,618	Ordinary shares in RMB	2,019,182,618
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
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	1,375,763,341	Ordinary shares in RMB	1,375,763,341
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 relationships or concerted actions among the aforesaid shareholders

Orient Group Incorporation and Huaxia Life Insurance Co., Ltd. had entered into an agreement on concerted actions. The Company is not aware of any related relationship among other aforementioned shareholders save as mentioned above.

Statement on the preference shareholders whose voting rights have been restored and the number of shares held

Nil

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 Company;
2. HKSCC Nominees Limited acted as an agent, representing the total amount of H shares held by all institutional and individual investors that registered in the account of such investors as at 31 March 2021.
3. On 29 April 2021, Orient Group Incorporation and Huaxia Life Insurance Co., Ltd. signed a “releasing agreement” for the agreement on concerted action to terminate the concerted action relationship in the Company.

2.4 Total number of holders of preference shares and particulars of shareholding of the top ten preference shareholders and the top ten holders of preference shares not subject to restriction on sales as at the end of the Reporting Period

✓ Applicable □ Inapplicable

As at the end of the Reporting Period, the number of holders of preference shares (or nominees) of the Company was 24.

Particulars of shareholding of the top 10 holders of domestic preference shares (or nominees) of the Company are set out as follows (the following data were based on the registered holders of domestic preference shares as at 31 March 2021):

(Unit: share)

Total number of holders of preference shares 23

Particulars of shareholding of the top ten holders of preference shares

Full name of shareholder	Number of shares held as at the end of the Reporting Period	Percentage (%)	Class of shares held	Shares pledged or locked-up		Type of shareholder
				Status of shares	Number of shares	
CCB Trust Co., Ltd.—“Qian Yuan — Ri Xin Yue Yi” Open-Ended Wealth Management Single Fund Trust	20,000,000	10.00	Domestic preference shares	Nil	—	Others
Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-Customer Asset Management Plan	20,000,000	10.00	Domestic preference shares	Nil	—	Others
China Post & Capital Fund — Huaxia Bank — Huaxia Bank Co., Ltd.	18,000,000	9.00	Domestic preference shares	Nil	—	Others
CICC — ABC — CICC ABC Ruichi No. 1 Collective Asset Management Plan	17,780,000	8.89	Domestic preference shares	Nil	—	Others
Ping An Property & Casualty Insurance Company of China, Ltd. — Traditional — General Insurance Product	14,000,000	7.00	Domestic preference shares	Nil	—	Others
China Life Insurance Company Limited — Traditional — General Insurance Product — 005L — CT001SH	10,000,000	5.00	Domestic preference shares	Nil	—	Others
Ping An Property & Casualty Insurance Company of China, Ltd. — Self-Owned Funds	10,000,000	5.00	Domestic preference shares	Nil	—	Others
Taiping Life Insurance Co., Ltd. — Traditional — General Insurance Product — 022L — CT001SH	10,000,000	5.00	Domestic preference shares	Nil	—	Others

Full name of shareholder	Number of shares held as at the end of the Reporting Period	Percentage (%)	Class of shares held	Shares pledged or locked-up		Type of shareholder
				Status of shares	Number of shares	
China Resources SZITIC Trust Co., Ltd. – China Resources Trust • Hui Cui No. 1 Single Fund Trust	10,000,000	5.00	Domestic preference shares	Nil	—	Others
Guotai Junan Securities Asset Management – Futong • Rixin H14001 RMB Wealth Management Product – Guojun Asset Management 0638 Targeted Asset Management Contract	10,000,000	5.00	Domestic preference shares	Nil	—	Others
BOCOM Schroder Asset Management – BOCOM – BOCOM Schroder Asset Management Zhuoyuan No. 2 Collective Asset Management Plan	10,000,000	5.00	Domestic preference shares	Nil	—	Others

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

Full name of shareholder	Number of preference shares not subject to restriction on sales held as at the end of the Reporting Period	Type and number of shares	
		Type	Number
CCB Trust Co., Ltd. — “Qian Yuan — Ri Xin Yue Yi” Open-Ended Wealth Management Single Fund Trust	20,000,000	Others	20,000,000
Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-Customer Asset Management Plan	20,000,000	Others	20,000,000
China Post & Capital Fund — Huaxia Bank — Huaxia Bank Co., Ltd.	18,000,000	Others	18,000,000
CICC — ABC — CICC ABC Ruichi No. 1 Collective Asset Management Plan	17,780,000	Others	17,780,000
Ping An Property & Casualty Insurance Company of China, Ltd. — Traditional — General Insurance Product	14,000,000	Others	14,000,000
China Life Insurance Company Limited — Traditional — General Insurance Product — 005L — CT001SH	10,000,000	Others	10,000,000
Ping An Property & Casualty Insurance Company of China, Ltd. — Self-Owned Funds	10,000,000	Others	10,000,000
Taiping Life Insurance Co., Ltd. — Traditional — General Insurance Product — 022L — CT001SH	10,000,000	Others	10,000,000
China Resources SZITIC Trust Co., Ltd. – China Resources Trust • Hui Cui No. 1 Single Fund Trust	10,000,000	Others	10,000,000
Guotai Junan Securities Asset Management – Futong • Rixin H14001 RMB Wealth Management Product – Guojun Asset Management 0638 Targeted Asset Management Contract	10,000,000	Others	10,000,000
BOCOM Schroder Asset Management – BOCOM – BOCOM Schroder Asset Management Zhuoyuan No. 2 Collective Asset Management Plan	10,000,000	Others	10,000,000

Statement on the related relationships or concerted actions among the top ten holders of preference shares or among the aforesaid shareholders and top 10 ordinary shareholders Nil

Notes:

1. The number of shares held by the holders of domestic preference shares was recorded in accordance with the register of holders of domestic preference shares of the Company;
2. Based on publicly available information and after a preliminary assessment, the Company considered that 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”. Save as disclosed above, the Company is not aware of any related relationship or concerted action among the above holders of domestic preference shares or among the above holders of domestic preference shares and the top 10 ordinary shareholders;
3. “Shareholding percentage” refers to the percentage of the number of domestic preference shares held by the holders of domestic preference shares to the total number of domestic preference shares of the Company.

Particulars of shareholding of the top 10 holder(s) of offshore preference shares (or nominees) of the Company are set out as follows (the following data was based on the registered holders of the offshore preference shares as at 31 March 2021):

<i>(Unit: share)</i>							
Name of shareholder	Type of shareholder	Class of share	Changes over the Reporting Period	Shareholding percentage (%)	Number of shares held	Number of shares subject to restriction on sales held	Number of shares pledged or locked-up
The Bank of New York Depository (Nominees) Limited	Overseas legal person	Offshore preference shares	—	100	71,950,000	—	Unknown

Notes:

1. The number of shares held by the offshore preference shareholder was recorded in accordance with the register of holders of offshore preference shares of the Company;
2. As the preference shares were issued through private offering in offshore market, information of nominees of the allotted investors was recorded on the register of holders of the preference shares;
3. The Company is not aware of any related relationship or concerted action among the above holder of offshore preference shares and the top 10 shareholders of ordinary shares.

2.5 Analysis of capital adequacy ratio and leverage ratio

The Group calculated its capital adequacy ratio (the “CAR”) in accordance with the Capital Rules for Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) (the “New Rules”) and other relevant regulatory provisions. The calculation of CAR covers the Bank and the financial institutions directly or indirectly invested by the Bank in compliance with the requirements of the New Rules. As at the end of the Reporting Period, the core tier-one CAR, tier-one CAR and CAR of the Group satisfied the requirements of the New Rules.

CARs of the Group are as follows:

Item (RMB million)	31 March 2021		31 December 2020	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	477,387	447,505	461,921	437,830
Net tier-one capital	547,810	517,358	532,348	507,682
Total net capital base	720,837	685,085	707,472	678,609
Core tier-one CAR (%)	8.59	8.55	8.51	8.52
Tier-one CAR (%)	9.86	9.88	9.81	9.88
CAR (%)	12.98	13.08	13.04	13.21

As at the end of the Reporting Period, the net tier-one capital of the Group increased by RMB15,462 million, on – and off-balance sheet assets after adjustment increased by RMB68,995 million, and the leverage ratio increased by 0.14 percentage points, as compared with the end of 2020. The leverage ratio of the Group is as follows:

Item (RMB million)	31 March 2021	31 December 2020	30 September 2020	30 June 2020
Leverage ratio (%)	7.07	6.93	6.86	6.50
Net tier-one capital	547,810	532,348	539,941	534,026
On – and off-balance sheet assets after adjustment	7,753,201	7,684,206	7,869,025	8,211,267

2.6 Liquidity coverage ratio

As at the end of the Reporting Period, the liquidity coverage ratio of the Group disclosed in accordance with the “Rules for Disclosure of Liquidity Coverage Ratio for Commercial Banks” (《商業銀行流動性覆蓋率信息披露辦法》) is as follows:

Item (RMB million)	31 March 2021	31 December 2020
Liquidity coverage ratio (%)	130.84	128.37
Qualified current assets	873,131	959,398
Net cash outflow in 30 days	667,334	747,370

2.7 Discussion and analysis on business operation

During the Reporting Period, the Group actively responded to the changes in the internal and external operating environments, implemented the new development philosophy and deepened the reforms on systems and mechanisms. In accordance with the work deployment of “expanding customer base, seeking innovation, focusing on key points, adjusting structure, accelerating transformation, controlling risk, optimising appraisal and strengthening coordination”, it adhered to the customer-centric philosophy, continued to adjust business structure, accelerated the promotion of digital transformation, further strengthened its comprehensive risk management, and established business synergy system, in an aim to push business to return to origins, and promote the sound and sustainable development.

2.7.1 Declined net profit as compared with the corresponding period of the previous year and optimised cost structure

During the Reporting Period, the Group realised net profit attributable to equity shareholders of the Bank of RMB14,747 million, representing a decrease of RMB1,903 million, or 11.43%, as compared with the corresponding period of the previous year. The Group recorded an operating income of RMB43,072 million, representing a decrease of RMB6,261 million, or 12.69%, as compared with the corresponding period of the previous year, and an increase of RMB1,442 million, or 3.46%, as compared with the fourth quarter of 2020. Of which, net interest income was RMB33,889 million, representing an increase of RMB251 million, or 0.75%, as compared with the corresponding period of the previous year, and an increase of RMB3,676 million, or 12.17%, as compared with the fourth quarter of 2020. The main reasons for the decline in operating income were: The Bank continuously reduced non-standardised investment which brought a sharp drop in the scale of the investment and the relevant yields decreased by RMB3,538 million as compared with the corresponding period of the previous year; the fluctuation of bond yields and lack of trend trading opportunities as in the market in the same period of the previous year decreased the yields by RMB2,686 million as compared with the corresponding period of the previous year; declined year-on-year average yields of loans offset the effect of increase in loan scale, so the loan interest income was basically flat as compared with the corresponding period of the previous year.

During the Reporting Period, the Group’s annualised return on average assets and annualised return on weighted average equity attributable to ordinary shareholders of the Bank were 0.83% and 12.62%, representing decreases of 0.16 and 1.91 percentage points, respectively, as compared with the corresponding period of the previous year. Basic earnings per share were RMB0.34, representing a decrease of RMB0.04 as compared with the corresponding period of the previous year.

During the Reporting Period, the Group continued to increase investment in digital finance, deposit platforms and strategic key businesses to optimise cost structure. Business and management expenses were RMB9,381 million, representing an increase of RMB59 million, or 0.63%, as compared with the corresponding period of the previous year. Cost-to-income ratio was 21.78%, representing an increase of 2.88 percentage points as compared with the corresponding period of the previous year.

2.7.2 Adjusted asset and liability structure and steady business development

During the Reporting Period, the Bank continued to adjust its business structure. On the asset side, all types of loans maintained rapid growth and took higher proportion in total assets. Credit structure continued to be optimised, and credit supplies to key areas supported by the regulatory policies, such as small business, manufacturing industry, fintech and green development, all increased as compared with the corresponding period of the previous year, at growth rates higher than the average credit growth rate of the Bank. Loan supplies to key businesses such as supply chain finance and high-quality projects of central enterprises and state-owned enterprises also increased, with growing proportion of high-rating quality loans. On the liability side, the customer base was consolidated, the number of effective customers constantly grew, high-cost deposits significantly decreased, the scale of core liabilities increased, and the cost ratio of deposits continued to decline. As at the end of the Reporting Period, total assets of the Group amounted to RMB7,062,721 million, representing an increase of RMB112,488 million, or 1.62%, as compared with the end of the previous year. Loans and advances to customers totaled RMB4,012,773 million, representing an increase of RMB158,842 million, or 4.12%, as compared with the end of the previous year, accounting for 56.82% of the total assets, representing an increase of 1.37 percentage points as compared with the end of the previous year. Total liabilities amounted to RMB6,505,967 million, representing an increase of RMB96,982 million, or 1.51%, as compared with the end of the previous year. Total deposits from customers reached RMB3,709,011 million, representing a decrease of RMB19,163 million, or 0.51%, as compared with the end of the previous year. Of which, personal deposits amounted to RMB807,175 million, representing an increase of RMB48,463 million, or 6.39%, as compared with the end of the previous year, accounting for 21.76% of deposits from customers, representing an increase of 1.41 percentage points as compared with the end of the previous year.

2.7.3 Consolidated customer base and steady development of key businesses

During the Reporting Period, the Bank adhered to the “customer-centric” philosophy and strengthened the cultivation of basic customer groups and integrated services for strategic customer groups to promote the steady development of key businesses.

In terms of corporate business, the Bank reformed the service model for strategic clients by establishing the Strategic Clients Department to serve as the marketing and service department for all strategic clients. In accordance with the concept of “coordination, professionalism, high efficiency and value”, the Bank carried out “head office-to-head office” marketing to high-quality clients based on the namelist system, and provided segmented, integrated and professional quality services. As at the end of the Reporting Period, the Bank had a total of 1,515 strategic clients. Daily average deposits reached RMB798,241 million, representing an increase of 1.92% as compared with the previous year. Total loans amounted to RMB725,925 million, representing an increase of 14.18% as compared with the end of the previous year.

In terms of retail business, the Bank adhered to the idea of “internal growth + external expansion” to acquire retail customers by taking multiple measures. As at the end of the Reporting Period, the Bank had 80,508.5 thousand retail customers, representing an increase of 566.2 thousand as compared with the end of the previous year. Of which, the number of Gold and higher level customers amounted to 1,271.4 thousand, representing an increase of 54.5 thousand as compared with the end of the previous year. The Bank promoted wealth management business by focusing on the product series such as Minsheng Bedrock (民生磐石) and Minsheng Preference (民生優選). Financial assets of individual customers amounted to RMB1,990,990 million, representing an increase of RMB80,774 million as compared with the end of the previous year. Financial assets of retail small business customers amounted to RMB454,526 million, representing an increase of RMB35,569 million as compared with the end of the previous year. With intensified services for inclusive finance, total retail small business loans reached RMB544,348 million, representing an increase of RMB32,483 million as compared with the end of the previous year, and total inclusive small business loans amounted to RMB473,130 million. During the Reporting Period, total supply of inclusive small business loans recorded RMB130,803 million at an average interest rate of 5.51%, representing a decrease of 0.41 percentage points as compared with the previous year. All business units of the 885 sub-branches (including business departments) and 141 small business sub-branches of the Bank provided stable financial services to small business customers.

In terms of financial institutions business, the Bank strengthened the unified management of admittance and credit lines of financial institution clients. It focused on key clients and key client groups in key regions to identify high-quality resources of financial institutions, and improved the segmented, classified and refined management of clients. The Bank also promoted the upgrading of the “Interbank e+” platform and the CRM system, as well as the construction of factor markets system, to support the transformation towards client group-based operation and precise marketing, which had achieved steady result.

2.7.4 Accelerated transformation of digital finance and technology empowerment on business development

Taking “digital finance” as the main tool and “technology empowerment on business” as the main purpose, the Bank continuously optimised technology governance and data governance and intensified the construction of scenario ecosystem to enhance digital marketing, digital risk control, and digital operation capabilities. It vigorously promoted the service solution of open bank-based “Minsheng Cloud • Agency Book Keeping” (民生雲•代賬) and established business cooperation with 17 platforms during the Reporting Period. It also deepened digital operations and improved customer tagging and portrait systems to provide customised services to both individual and enterprise customers. As at the end of the Reporting Period, the numbers of retail online platform users, corporate online platform users and direct bank customers reached 84,502.7 thousand, 2,697.7 thousand and 33,997.6 thousand, representing increases of 2,118.0 thousand, 60.9 thousand and 724.6 thousand, respectively, as compared with the end of the previous year. Financial assets under management amounted to RMB136,991 million, representing an increase of RMB21,239 million as compared with the end of the previous year.

2.7.5 Improved business coordination and integrated operations

During the Reporting Period, the Group further improved the group-oriented management system by formulating integrated strategic plans, coordinating resource allocation and establishing sharing mechanism, to achieve coordination of product, service and management between the Bank and its subsidiaries. The Group continued to perfect the cross-selling and business coordination system of “One Minsheng” and the relevant supporting mechanism, to facilitate coordination between different departments, Head Office and branches, in regard to key customer groups, key businesses and key regions. It promoted regional integration, cross-border synergy and business coordination between the Bank and its subsidiaries, in an aim to improve capabilities of comprehensive financial services and cultivate a business model with complementary advantages.

2.7.6 Improved risk management and stable asset quality

During the Reporting Period, the Group comprehensively improved risk management capabilities by strengthening credit risk management, refining risk management system, promoting intelligent risk control, tightening asset quality control and improving risk measurement and early warning capabilities. As at the end of the Reporting Period, total NPLs of the Group was RMB72,106 million, representing an increase of RMB2,057 million, or 2.94%, as compared with the end of the previous year. The NPL ratio was 1.80%, representing a decrease of 0.02 percentage points as compared with the end of the previous year. Allowance to NPLs and allowance to total loans were 141.11% and 2.54%, representing increases of 1.73 percentage points and 0.01 percentage points, as compared with the end of the previous year, respectively.

Item (RMB million)	31 March 2021		31 December 2020		Increase (%)
	Amount	% of total	Amount	% of total	
Performing loans	3,940,667	98.20	3,783,882	98.18	4.14
Of which: Pass	3,826,858	95.36	3,669,206	95.20	4.30
Special-mentioned	113,809	2.84	114,676	2.98	-0.76
NPLs	72,106	1.80	70,049	1.82	2.94
Of which: Substandard	20,695	0.52	25,023	0.65	-17.30
Doubtful	32,252	0.80	24,477	0.64	31.76
Loss	19,159	0.48	20,549	0.53	-6.76
Total	<u>4,012,773</u>	<u>100.00</u>	<u>3,853,931</u>	<u>100.00</u>	4.12

III. Major Events

3.1 Significant changes in key accounting items and financial indicators of the Company and explanation on such changes

✓ Applicable □ Inapplicable

(Unit: RMB million)

Balance sheet	31 March 2021	31 December 2020	Increase (%)	Main reason
Precious metals	10,709	6,782	57.90	Increase in business scales of raw gold
Financial assets held under resale agreements	32,100	21,464	49.55	Increase in the business scale of bonds held under resale agreements
Other liabilities	44,384	32,316	37.34	Increase in funds pending to liquidation
Other comprehensive income	-971	-1,849	Negative for both periods	Impact of changes in fair value of financial assets at fair value through other comprehensive income

Income statement	January – March 2021	January – March 2020	Increase (%)	Main reason
Investment gains	1,248	11,474	Total of the three -80.85	Decrease in scale of financial assets at fair value through profit or loss as compared with the corresponding period of the previous year, and impacts of market prices, etc.
Gains/(loss) from changes in fair value	245	-5,010		
Foreign exchange (loss)/gains	-154	529		
Impairment losses on other assets	203	3	6,666.67	Increase of impairment losses on repossessed assets
Non-operating income	8	15	-46.67	Changes in non-operating income and expenses
Non-operating expenses	29	101	-71.29	
Loss/gain of non-controlling interests	-131	161	Negative for the current period	Decrease in profits of subsidiaries for the current period

3.2 Development and impacts of significant events and analysis and explanation on the solutions

Applicable Inapplicable

3.3 Undertakings unfulfilled within the time limit during the Reporting Period

Applicable Inapplicable

3.4 Warning and explanation on the anticipated accumulated losses from the beginning of the year to the end of the following Reporting Period or on significant changes over the corresponding period of the previous year

Applicable Inapplicable

Legal Representative, Chairman: Gao Yingxin
China Minsheng Banking Corp., Ltd.
29 April 2021

IV. Appendices

4.1 Financial statements

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 31 March 2021
(Expressed in millions of Renminbi, unless otherwise stated)

Assets	The Group		The Bank	
	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Cash and balances with central bank	357,232	401,525	353,992	397,828
Balances with banks and other financial institutions	56,960	52,084	42,371	38,654
Precious metals	10,709	6,782	10,709	6,782
Placements with banks and other financial institutions	205,051	221,908	230,223	247,103
Derivative financial assets	35,263	42,285	35,263	42,285
Financial assets held under resale agreements	32,100	21,464	31,498	18,933
Loans and advances to customers	3,937,617	3,782,297	3,917,077	3,762,333
Financial investments				
– Financial assets at fair value through profit or loss	334,904	322,480	328,761	316,265
– Financial assets measured at amortised cost	1,338,770	1,328,048	1,333,713	1,322,636
– Financial assets at fair value through other comprehensive income	452,853	470,122	440,209	458,466
Long-term receivables	127,866	127,853	—	—
Long-term equity investments	2	2	7,381	7,381
Fixed assets	50,533	49,757	21,924	21,023
Intangible assets	4,923	4,938	4,117	4,123
Right-of-use assets	10,690	10,849	10,523	10,639
Deferred income tax assets	52,178	50,033	50,068	48,144
Other assets	55,070	57,806	35,638	37,758
Total assets	<u>7,062,721</u>	<u>6,950,233</u>	<u>6,853,467</u>	<u>6,740,353</u>

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 31 March 2021
(continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Liabilities and shareholders' equity	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Liabilities				
Borrowings from central bank	294,976	292,352	293,864	291,132
Deposits from banks and other financial institutions	1,157,704	911,350	1,165,676	920,751
Placements from banks and other financial institutions	122,968	158,371	116,665	153,093
Financial liabilities at fair value through profit or loss	3,289	3,293	3,191	2,679
Borrowings from other financial institutions	128,515	131,018	—	—
Derivative financial liabilities	32,722	42,675	32,465	42,418
Financial assets sold under repurchase agreements	55,016	65,318	47,596	56,606
Deposits from customers	3,747,032	3,768,151	3,715,969	3,736,667
Lease liabilities	10,245	10,267	10,076	10,090
Employee benefits payable	8,704	10,877	8,237	10,328
Tax payable	25,884	22,979	24,998	22,180
Provisions	1,990	2,021	1,990	2,020
Debt securities issued	872,421	957,880	868,244	953,754
Deferred income tax liabilities	117	117	—	—
Other liabilities	44,384	32,316	28,248	18,105
Total liabilities	6,505,967	6,408,985	6,317,219	6,219,823

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 31 March 2021
(continued)

(Expressed in millions of Renminbi, unless otherwise stated)

Liabilities and shareholders' equity (continued)	The Group		The Bank	
	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Shareholders' equity				
Share capital	43,782	43,782	43,782	43,782
Other equity instruments	69,860	69,860	69,860	69,860
Of which: Preference shares	29,867	29,867	29,867	29,867
Perpetual bonds	39,993	39,993	39,993	39,993
Capital reserve	57,419	57,419	57,150	57,150
Other comprehensive income	(971)	(1,849)	(795)	(1,679)
Surplus reserve	48,479	48,479	48,479	48,479
General reserve	86,620	86,599	85,029	85,029
Retained earnings	239,976	225,247	232,743	217,909
Total equity attributable to equity shareholders of the Bank	545,165	529,537	536,248	520,530
Non-controlling interests	11,589	11,711	11,589	11,711
Total shareholders' equity	556,754	541,248	536,248	520,530
Total liabilities and shareholders' equity	7,062,721	6,950,233	6,853,467	6,740,353

Gao Yingxin
Legal Representative, Chairman

Zheng Wanchun
Vice Chairman, President

Li Bin
Senior Management responsible
for finance and accounting
and acting person in charge
of the accounting department

(Company seal)

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements for the 3 Months
Ended 31 March 2021

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months ended 31 March		3 months ended 31 March	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating income	43,072	49,333	41,145	47,394
Net interest income	33,889	33,638	32,945	32,737
Interest income	70,841	73,708	68,591	71,476
Interest expenses	(36,952)	(40,070)	(35,646)	(38,739)
Net fee and commission income	6,920	7,730	6,675	7,427
Fee and commission income	8,173	8,714	7,830	8,338
Fee and commission expenses	(1,253)	(984)	(1,155)	(911)
Investment gains	1,248	11,474	1,199	11,479
Of which: Gains from disposals of the financial assets at amortised cost	—	214	—	270
Other gains	30	31	26	11
Gains/(loss) from changes in fair value	245	(5,010)	287	(4,960)
Foreign exchange (loss)/gains	(154)	529	(155)	543
Other business income	894	941	168	157
2. Operating expenses	(26,165)	(29,222)	(23,925)	(27,803)
Tax and surcharges	(457)	(510)	(417)	(475)
Business and management expenses	(9,381)	(9,322)	(8,990)	(8,967)
Impairment losses on credit	(15,516)	(18,750)	(14,283)	(18,334)
Impairment losses on other assets	(203)	(3)	(203)	(3)
Other business expenses	(608)	(637)	(32)	(24)
3. Operating profit	16,907	20,111	17,220	19,591
Add: Non-operating income	8	15	6	14
Less: Non-operating expenses	(29)	(101)	(29)	(99)
4. Total profit	16,886	20,025	17,197	19,506
Less: Income tax expenses	(2,270)	(3,214)	(2,363)	(3,103)
5. Net profit	14,616	16,811	14,834	16,403
Net profit attributable to equity shareholders of the Bank	14,747	16,650		
Profit or loss attributable to non-controlling interests	(131)	161		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements for the 3 Months
Ended 31 March 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months ended 31 March		3 months ended 31 March	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
6. Other comprehensive income, net of tax	893	1,766	884	2,144
Other comprehensive income attributable to equity shareholders of the Bank, net of tax	883	1,871	884	2,144
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	5	(135)	—	—
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	666	1,526	681	1,730
Allowance for impairment losses on credit	111	433	113	428
Effective hedging portion of gains or losses arising from cash flow hedging instruments	6	—	6	—
Exchange difference on translating foreign operations	95	47	84	(14)
Other comprehensive income attributable to non-controlling interests, net of tax	10	(105)		
7. Total comprehensive income	15,509	18,577	15,718	18,547
Comprehensive income attributable to equity shareholders of the Bank	15,630	18,521		
Comprehensive income attributable to non-controlling interests	(121)	56		
8. Basic and diluted earnings per share (RMB)	0.34	0.38		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 3 Months Ended 31 March 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months ended 31 March		3 months ended 31 March	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Cash flow from operating activities				
Net increase in deposits from customers and deposits from banks and other financial institutions	225,066	279,437	224,240	280,403
Net increase in borrowings from central bank	2,092	50,000	2,200	50,000
Net increase in placements from banks and other financial institutions	—	15,320	—	15,519
Net decrease in balances with central bank and balances with banks and other financial institutions	4,652	10,027	11,159	3,621
Net decrease in financial assets held for trading purposes	14,632	—	13,348	—
Net decrease in placements with banks and other financial institutions	10,946	—	11,929	—
Net decrease in financial assets held under resale agreements	—	19,818	—	17,703
Cash received from interests, fee and commissions	65,009	66,127	62,746	63,954
Net cash received in relation to other operating activities	10,557	16,711	10,296	19,362
Subtotal of cash inflow from operating activities	332,954	457,440	335,918	450,562

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 3 Months Ended 31 March 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>The Group</u>		<u>The Bank</u>	
	<u>3 months ended 31 March</u>		<u>3 months ended 31 March</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Net increase in loans and advances to customers	(166,030)	(222,218)	(165,510)	(222,247)
Net decrease in placements from banks and other financial institutions	(35,556)	—	(36,574)	—
Net increase in placements with banks and other financial institutions	—	(29,414)	—	(23,390)
Net increase in financial assets held under resale agreements	(10,655)	—	(12,581)	—
Net decrease in financial assets sold under repurchase agreements	(9,936)	(16,486)	(9,083)	(19,782)
Net increase in financial assets held for trading purposes	—	(7,284)	—	(6,118)
Cash payment for interests, fee and commissions	(30,200)	(32,897)	(29,172)	(31,722)
Cash payment to and payment for employees	(8,708)	(8,283)	(8,432)	(7,937)
Taxes payment	(5,456)	(4,903)	(5,350)	(4,425)
Net cash payment in relation to other operating activities	(5,216)	(3,454)	(2,995)	(3,246)
Subtotal of cash outflow from operating activities	(271,757)	(324,939)	(269,697)	(318,867)
Net cash flow used for operating activities	61,197	132,501	66,221	131,695

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 3 Months Ended 31 March 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months ended 31 March 2021 (Unaudited)	2020 (Unaudited)	3 months ended 31 March 2021 (Unaudited)	2020 (Unaudited)
2. Cash flow from investing activities				
Proceeds from sale and redemption of investments	245,831	313,120	240,463	305,929
Proceeds from investment income	19,495	18,319	19,376	18,088
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	21	398	(4)	234
Subtotal of cash inflow from investing activities	265,347	331,837	259,835	324,251
Cash payment for investments	(272,701)	(428,805)	(265,514)	(421,679)
Repurchase of shares by subsidiaries	(3)	(63)	—	—
Cash payment for purchasing non-controlling interests in subsidiaries	—	(702)	—	(702)
Cash payment for purchase of fixed assets, intangible assets and other long-term assets	(1,546)	(1,721)	(1,493)	(641)
Subtotal of cash outflow from investing activities	(274,250)	(431,291)	(267,007)	(423,022)
Net cash flow generated from investing activities	(8,903)	(99,454)	(7,172)	(98,771)
3. Cash flow from financing activities				
Proceeds from issue of debt securities	211,232	230,956	211,232	230,956
Subtotal of cash inflow from financing activities	211,232	230,956	211,232	230,956
Repayment of debts	(300,904)	(305,946)	(300,904)	(305,946)
Cash payment for dividends and profits or interests payable of debt securities	(2,640)	(3,365)	(2,640)	(3,365)
Cash payment in other financing related activities	(839)	(835)	(813)	(809)
Subtotal of cash outflow from financing activities	(304,383)	(310,146)	(304,357)	(310,120)
Net cash flow generated from financing activities	(93,151)	(79,190)	(93,125)	(79,164)

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 3 Months Ended 31 March 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>The Group</u>		<u>The Bank</u>	
	<u>3 months ended 31 March</u>		<u>3 months ended 31 March</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
4. Effect of exchange rate changes on cash and cash equivalents	398	925	366	876
5. Net increase in cash and cash equivalents	(40,459)	(45,218)	(33,710)	(45,364)
Add: Cash and cash equivalents at the beginning of the period	160,709	144,650	152,241	135,445
6. Cash and cash equivalents at the end of the period	120,250	99,432	118,531	90,081

4.2 Adjustment on related items of financial statements of the beginning of the year when implementing new lease standards for the first time in 2021

Applicable Inapplicable

4.3 Explanation to the comparative data at the early stage of retrospective adjustment when implementing new lease standards for the first time in 2021

Applicable Inapplicable

4.4 Audit reports

Applicable Inapplicable