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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 Third 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 October 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, 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.

2021 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 several and joint 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 “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.
- Gao Yingxin (Chairman), Zheng Wanchun (President), Li Bin (Senior Management responsible for 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 data and indicators contained in this quarterly report 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.
- The forward-looking statements about matters such as future plans in this quarterly report do not constitute substantive commitments of the Company 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 financial data

	As at the end of the Reporting Period 30 September 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	7,015,610	6,950,233	0.94
Total loans and advances to customers	4,041,139	3,853,931	4.86
Of which: Corporate loans and advances	2,309,133	2,244,856	2.86
Personal loans and advances	1,732,006	1,609,075	7.64
Total non-performing loans (NPLs)	72,220	70,049	3.10
Allowance for impairment losses on loans	105,755	97,637	8.31
Total liabilities	6,417,019	6,408,985	0.13
Total deposits from customers	3,826,903	3,728,174	2.65
Of which: Corporate deposits	3,013,861	2,961,617	1.76
Personal deposits	803,260	758,712	5.87
Other deposits	9,782	7,845	24.69
Total equity attributable to equity holders of the Bank	586,466	529,537	10.75
Total equity attributable to holders of ordinary shares of the Bank	486,610	459,677	5.86
Net assets per share attributable to holders of ordinary shares of the Bank (RMB)	11.11	10.50	5.81
			Changes in percentage points
Asset quality indicators (%)			
NPL ratio	1.79	1.82	-0.03
Allowance to NPLs	146.43	139.38	7.05
Allowance to total loans	2.62	2.53	0.09

	During the Reporting Period July-September 2021	Changes of the Reporting Period over the corresponding period of the previous year	From the beginning of the year to the end of the Reporting Period January-September 2021	Changes from the beginning of the year to the end of the Reporting Period over the corresponding period of the previous year
		Increase/ decrease (%)		Increase/ decrease (%)
Operating results (RMB million)				
Operating income	42,860	-5.20	130,635	-8.85
Net interest income	32,044	-10.97	97,797	-6.87
Net profit attributable to equity holders of the Bank	8,931	0.62	35,487	-4.93
Net profit attributable to equity holders of the Bank excluding extraordinary gain/loss items	9,033	0.16	35,593	-5.03
Net cash flow from operating activities	Not applicable	Not applicable	296,748	Not applicable
Data per share (RMB)				
Basic earnings per share	0.19	5.56	0.75	-5.06
Diluted earnings per share	0.19	5.56	0.75	-5.06
Net cash flow per share from operating activities	Not applicable	Not applicable	6.78	Not applicable
Profitability indicators (%)				
		Changes in percentage points		Changes in percentage points
Return on average assets (annualised)	0.51	-0.01	0.68	-0.06
Return on weighted average equity (annualised)	7.00	0.05	9.29	-0.73
Return on weighted average equity excluding extraordinary gain/loss items (annualised)	7.09	0.02	9.32	-0.75
Cost-to-income ratio	29.29	-0.51	24.48	1.36
Net interest spread (annualised)	1.85	-0.36	1.90	-0.33
Net interest margin (annualised)	1.93	-0.31	1.99	-0.24

Notes:

1. According to the requirements in the Notice on Strictly Implementing Accounting Standards for Enterprises and Effectively Enhancing 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 has reclassified credit card installment income from fee and commission income to interest income since 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 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.
9. Other deposits included issued 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 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. 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 items and amounts

Item (RMB million)	From the beginning of the year to the end of the Reporting Period January-September 2021	From the beginning of the previous year to the end of the Reporting Period of the previous year January-September 2020
Government subsidies	235	231
Expenses on donations	-72	-85
Net gain/loss from disposals of non-current assets	-5	39
Other net extraordinary gain/loss	-151	-228
Income tax effect of the extraordinary gain/loss	-56	-50
Extraordinary gain/loss impact, net of tax	-49	-93
Of which: Extraordinary gain/loss impact on net profit attributable to equity holders of the Bank	-106	-148
Extraordinary gain/loss impact on net profit attributable to non-controlling interests	57	55

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 key accounting data and financial indicators and explanation on such changes

Applicable Not applicable

II. Information on Shareholders

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

Total number of holders of ordinary shares as at the end of the Reporting Period	437,757	Total number of holders of preference shares whose voting rights had been restored as at the end of the Reporting Period	0
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Particulars of shareholding of the top ten holders of ordinary shares

Name of shareholder	Type of shareholder	Number of shares held (share)	Shareholding percentage (%)	Number of shares subject to restriction on sales held (share)	Shares pledged, marked or frozen	
					Status	Number (share)
HKSCC Nominees Limited	Others	8,284,622,180	18.92	-	Unknown	
Dajia Life Insurance Co., Ltd.	Domestic legal person	4,508,984,567	10.30	-	Nil	
Dajia Life Insurance Co., Ltd.	Domestic legal person	2,843,300,122	6.49	-	Nil	
China Oceanwide Holdings Group Co., Ltd.	Domestic non-state-owned legal person	2,019,182,618	4.61	-	Pledged Frozen	2,015,582,617 388,800,000
Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.	Domestic legal person	1,888,530,701	4.31	-	Pledged	1,817,802,321
New Hope Liuhe Investment Co., Ltd.	Domestic non-state-owned legal person	1,828,327,362	4.18	-	Nil	
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.	Domestic non-state-owned legal person	1,375,763,341	3.14	-	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	1,270,709,488

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

Name of shareholder	Number of shares not subject to restriction on sales held	Class of shares
HKSCC Nominees Limited	8,284,622,180	H Shares
Dajia Life Insurance Co., Ltd. – Universal Product	4,508,984,567	A Shares
Dajia Life Insurance Co., Ltd. – Traditional Product	2,843,300,122	A Shares
China Oceanwide Holdings Group Co., Ltd.	2,019,182,618	A Shares
Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.	1,888,530,701	A Shares
New Hope Liuhe Investment Co., Ltd.	1,828,327,362	A Shares
Shanghai Giant Lifetech Co., Ltd.	1,379,679,587	A Shares
Huaxia Life Insurance Co., Ltd. – Universal Insurance Product	1,375,763,341	A Shares
China Shipowners Mutual Assurance Association	1,324,284,453	A Shares
Orient Group Incorporation	1,280,117,123	A Shares

Statement on related relationships 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 action among the above shareholders.

Statement on margin trading, short selling and refinancing engaged by the top ten shareholders and the top ten holders of shares not subject to restriction on sales

1. The margin account of China Oceanwide Holdings Group Co., Ltd. holds 3,600,000 shares of the Company, representing 0.0082% of total share capital of the Company.
2. Save as mentioned above, the Company 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 accordance with the register of members as kept by the H share registrar of the Company;
2. HKSCC Nominees Limited acted as an agent to represent the total amount of H shares held by all institutional and individual investors that registered account with it as at 30 September 2021;
3. Shares pledged by China Oceanwide Holdings Group Co., Ltd. included 388,800,000 shares frozen after the pledge.

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

As at the end of the Reporting Period, the number of holders of preference shares (or nominees) of the Company was 26.

As at the end of the Reporting Period, the number of holders of domestic preference shares (or nominees) of the Company was 25.

As at the end of the Reporting Period, particulars of shareholding of the top 10 holders of domestic preference shares (or nominees) of the Company are set out as follows:

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

25

Particulars of shareholding of the top ten holders of preference shares

Name of shareholder	Type of shareholder	Number of shares held (share)	Shareholding percentage (%)	Number of shares subject to restriction on sales held (share)	Shares pledged, frozen or marked	
					Status	Number (share)
CCB Trust Co., Ltd. – “Qian Yuan – Ri Xin Yue Yi” Open-Ended Wealth Management Single Fund Trust	Others	20,000,000	10.00	–	Nil	
Bosera Fund – ICBC – Bosera – ICBC – Flexible Allocation No. 5 Specific Multi – Customer Asset Management Plan	Others	20,000,000	10.00	–	Nil	
China Post & Capital Fund – Huaxia Bank – Huaxia Bank Co., Ltd.	Others	18,000,000	9.00	–	Nil	
CICC – ABC – CICC ABC Ruichi No. 1 Collective Asset Management 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	
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	
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 (share)
Nil	-

Statement on related relationships or concerted actions among the above shareholders	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 holders of ordinary shares.
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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. “Shareholding percentage” refers to the number of shares held by each holder of domestic preference shares as a percentage of the total number of domestic preference shares of the Company.

As at the end of the Reporting Period, the number of holders of offshore preference shares (or nominees) of the Company was 1.

As at the end of the Reporting Period, particulars of shareholding of the top 10 holder(s) of offshore preference shares (or nominees) of the Company are set out as follows:

<u>Name of shareholder</u>	<u>Type of shareholder</u>	<u>Total number of shares held (share)</u>	<u>Shareholding percentage (%)</u>	<u>Number of shares subject to restriction on sales held (share)</u>	<u>Shares pledged, frozen or marked</u>
					<u>Status</u> <u>Number (share)</u>
The Bank of New York Depository (Nominees) Limited	Overseas legal person	71,950,000	100	-	Unknown

III. Other Reminders

(I) Management discussion and analysis

The Group actively responded to the changes in the internal and external operating environments, thoroughly implemented the new development philosophy and deepened the reforms on systems and mechanisms. Focusing on the strategic positioning of “a bank for the non-state-owned enterprises (NSOEs), an agile and open bank, and a bank with considerate services”, and adhering to the customer-centric philosophy, the Group firmly served the real economy, accelerated digital transformation, further strengthened basic services and comprehensive risk management, and promoted the steady and sustainable development of business operations.

In the first three quarters of 2021, the Group realised net profit attributable to equity holders of the Bank of RMB35,487 million, representing a decrease of RMB1,842 million, or 4.93%, as compared with the corresponding period of the previous year. The Group recorded an operating income of RMB130,635 million, representing a decrease of RMB12,686 million, or 8.85%, as compared with the corresponding period of the previous year, which narrowed by 3.84 percentage points and 1.68 percentage points, respectively, as compared with the first quarter and the first half of the year. The first main reason for the decline in operating income was that the Bank proactively implemented the national policy to reduce fees and surcharges by adjusting business structure, increasing quality loan supply to key areas and key industries, and allocating more quality current assets such as treasury bonds and policy-based financial bonds, which narrowed the interest margin and brought a decrease of RMB7,558 million in net interest income as compared with the corresponding period of the previous year. The second reason was that the Bank implemented the regulatory requirements to reduce non-standardised investments, and had a decrease of RMB5,426 million in gains from non-standard investments at fair value through profits and loss, as compared with the corresponding period of the previous year. The third reason was that the bid-ask spread of debt securities decreased by RMB1,522 million as compared with the corresponding period of the previous year.

In the first three quarters of 2021, the Group’s annualised return on average assets and the annualised return on weighted average equity attributable to holders of ordinary shares of the Bank were 0.68% and 9.29%, respectively, representing decreases of 0.06 percentage points and 0.73 percentage points, respectively, as compared with the corresponding period of the previous year. Basic earnings per share was RMB0.75, representing a decrease of RMB0.04 as compared with the corresponding period of the previous year. Net assets per share attributable to holders of ordinary shares of the Bank was RMB11.11, representing an increase of RMB0.61 as compared with the end of the previous year.

1. *Continuously optimised asset and liability structure*

As at the end of the Reporting Period, total assets of the Group amounted to RMB7,015,610 million, representing an increase of RMB65,377 million, or 0.94%, as compared with the end of the previous year. Among them, total loans and advances to customers amounted to RMB4,041,139 million, representing an increase of RMB187,208 million, or 4.86%, as compared with the end of the previous year. Total liabilities amounted to RMB6,417,019 million, representing an increase of RMB8,034 million, or 0.13%, as compared with the end of the previous year. Of which, deposits from customers amounted to RMB3,826,903 million, representing an increase of RMB98,729 million, or 2.65%, as compared with the end of the previous year.

In the first three quarters of 2021, the Bank promoted the growth of all loans and continued to optimise credit structure. As at the end of the Reporting Period, total loans of the Bank accounted for 58.98% of total assets, representing an increase of 2.11 percentage points as compared with the end of the previous year. The growth rates of credit facilities to key areas and key regions were significantly higher than the average of all loans of the whole Bank. Among them, loans to the manufacturing industry were RMB338,980 million, representing an increase of RMB40,523 million, or 13.58%, as compared with the end of the previous year. Inclusive small business loans (excluding discounted bills and re-discounted bills) amounted to RMB491,894 million, representing an increase of RMB43,540 million, or 9.71%, as compared with the end of the previous year. Total loans to key regions, such as Guangdong-Hong Kong-Macao Greater Bay Area, Yangtze River Delta, Beijing-Tianjin-Hebei, and Chengdu-Chongqing, etc., reached RMB2,208,137 million, representing an increase of RMB109,004 million, or 5.19%, as compared with the end of the previous year. The structure of loan customers was effectively improved. As at the end of the Reporting Period, retail loans accounted for 42.65% of all loans, representing an increase of 1.11 percentage points as compared with the end of the previous year.

The Bank actively expanded its basic customer base and strengthened the integrated management of customer groups to continuously enhance its ability in taking low-cost settlement-based deposits and promote the growth of core liabilities. As at the end of the Reporting Period, total deposits of the Bank accounted for 60.96% of total liabilities, representing an increase of 1.52 percentage points as compared with the end of the previous year. Among them, core liabilities were RMB3,592,001 million, representing an increase of RMB222,687 million, or 6.61%, as compared with the end of the previous year. Personal deposits were RMB787,418 million, representing an increase of RMB43,297 million, or 5.82%, as compared with the end of the previous year, and accounted for 20.72% of all deposits, representing an increase of 0.59 percentage points as compared with the end of the previous year. Meanwhile, the Bank tightened its management of high-cost deposits to guide the steady decline of deposit costs. As at the end of the Reporting Period, the Bank's structured deposits were RMB44,443 million, representing a decrease of RMB125,702 million, or 73.88%, as compared with the end of the previous year, accounting for 1.17% of all deposits.

2. *Steadily developed key businesses*

In the first three quarters of 2021, the Bank adhered to the “customer-centric” philosophy and built a four drivers model of consolidating retail finance, deepening medium, small and micro finance, enhancing corporate finance, and strengthening financial markets business, to promote the steady development of its key businesses.

Corporate business: Serving the real economy, focusing on customer group management, accelerating product innovation, deepening reform and transformation, and continuing to improve and expand

The Bank accelerated the reform process of its strategic customer service model and provided customers with segmented, integrated and professional quality services. As at the end of the Reporting Period, the Bank has a total of 1,514 strategic customers, with daily average deposits of RMB953,576 million, representing an increase of RMB108,113 million, or 12.79%, as compared with the previous year. The balance of outstanding loans was RMB851,318 million, representing an increase of RMB143,203 million, or 20.22%, as compared with the end of the previous year.

The Bank closely followed the national strategy, actively responded to the guidance of national policies, and strengthened product innovation and loan placement in key areas such as green finance, rural revitalisation and manufacturing industry. The Bank focused on “carbon peak” and “carbon neutral”, actively deployed the carbon finance market, explored new green finance business models, and launched four types of green finance products of “investment, financing, supply chain, and operation”. Taking the launch of the national carbon market and the services to member enterprises as the entry point, the Bank effectively combined green finance with basic customer services, and continuously iterated the carbon financial service system, resulting in rapid growth in green finance loans across the Bank. The Bank resolutely implemented the national decision and deployment on rural revitalisation by focusing on three major areas of “agriculture, rural areas and farmers”, clarifying regional strategies and customer strategies for agricultural business development, accelerating technology empowerment to build innovative service system for “agriculture, rural areas and farmers”, and launched standardised products such as “photovoltaic loans (光伏貸)” and “agriculture and animal husbandry loans (農牧貸)” to improve its financial service capacity for rural revitalisation in an all-round manner. Giving full play to the advantages of system and mechanism as a non-state-owned bank, the Bank also actively improved the level of services to the NSOEs and increased support for advanced manufacturing industry to effectively support the development of the real economy.

The Bank continued to improve basic services for small and medium-sized enterprises (SMEs) and optimise corporate account service process, and promoted the product of “E-Corporate Account-Opening (企業開戶e)” throughout the Bank to help expand the basic customer group. As at the end of the Reporting Period, the number of effective corporate customers increased by over 11% as compared with the end of the previous year. During the Reporting Period, the Bank underwrote and issued 24 innovative and featured bonds with a scale of RMB11,804 million, including China’s first “high-growth” debt financing instrument, China’s first green asset-backed notes for bus tickets through public offering, the Bank’s first sustainable development bond, the market’s first batch of bonds for the red old revolutionary base areas, China’s first NSOE carbon neutral bond, and China’s first real estate investment trusts (REITs) for public rental housing, etc..

The Bank has achieved steady growth of institutional business by strengthening its management of investment in local government bonds, promoting supply chain-based development of local government special bond projects, launching institutional business platform projects, strengthening coordination among all businesses, and improving the level of comprehensive services to institutional customers. As at the end of the Reporting Period, the number of institutional customers of the Bank was 28,314, representing an increase of 7.51% as compared with the end of the previous year. The daily average institutional deposits of the Bank was RMB873,072 million, representing an increase of RMB92,375 million, or 11.83%, as compared with the previous year.

Retail business: Taking “digitalisation + ecosystem construction” as the two drivers, continuing to enhance core competitiveness

During the Reporting Period, the Bank prioritised its retail business as a long-term, fundamental and strategic business. To implement the new three-year planning for retail business, the Bank targeted on expanding basic customer groups, enhancing basic services and improving customer experience with the two drivers of “digital intelligence + ecological scenario”, in an aim to constantly improve the segmented management of the retail customer group and promote the transformation of development and management models of retail business.

In terms of ecological scenario, the Bank cooperated with third parties to carry out digital operations, explored the realisation of online scenario-based customer acquisition and management through digital cooperation with leading internet companies, in an aim to build a new internet-based customer group management ecosystem with “traffic + data + scenario” as the core, and gradually form a digital customer group management system of multilateral cooperation. The Bank accelerated the ecosystem-based customer acquisition, and successively launched featured co-branded cards for niche customer groups and special debit cards for key regions, such as the Yangtze River Delta. The Bank has given priorities to the integrated and coordinated operations between corporate banking and private banking, and launched the payroll agency projects for large enterprise groups with over 1,000 headcount.

In terms of digital intelligence, the Bank accelerated the promotion of its corporate WeChat account and customer operation system, and has initially established a community-oriented management model for retail customer groups that adapted to it. As at the end of the Reporting Period, the Bank had a total of 1.65 million customers of its corporate WeChat account. The marketing through AI-based intelligent outbound calls continued to be carried out. With the participation of 21 branches, 56 batches of such outbound calls were made, reaching 534.2 thousand customers. The Bank established an intelligent remote guidance mechanism for business halls and set up an online and offline service system of “one-click consultation, online guidance and coordinated optimisation” for help requests, and solved 57 issues with a resolution rate of 95% in the first month of operation. The Bank deepened data governance, iterated and optimised platforms and tools to continuously improve the management platform, while developing the OWNER system for key issues of retail business, in an aim to consolidate basic support for digital management.

In terms of strengthening products and platforms, the Bank has been ready to launch the business of “Cross-Border Wealth Management Express (跨境理財通)” as well as to provide the relevant system support, business management, consumer protection, service support and team training. The construction of the retail customer rights and interests system has been accelerated. The first phase of the debit card rewards point shopping mall was put online in mobile banking, so was the first phase of the VIP Apex rewards (貴賓非凡禮遇), which provided 33 rights and interests in four segments including “Apex Travel (非凡出行)”, “Apex Health Care (非凡康養)”, “Apex Sports (非凡運動)” and “Apex Life (非凡生活)”. As at the end of the Reporting Period, there were more than 300 types rewards items in the mall, 5.5 times of the previous version. The daily average redemption volume of the mall increased more than 4 times as compared with before the launch. The overall operation of the mall was steady and efficient. The functions and services of basic products continued to be optimised, while basic deposit products were upgraded, and the services for foreign exchange, third party depository, account and electronic social security card have been continuously improved. The Bank established a normalised working mechanism for the rectification of internet-based loans and launched the online “Easy Loan 1.0 (民易貸 1.0)” with new visual layout in the dedicated page on the mobile banking app. The Bank innovated credit loan products for small and micro customers, strengthened online and batch customer acquisition model, optimised and vigorously promoted small business credit products such as Micro Credit Loan (信用微貸), Happy Online Loan (網樂貸), Photovoltaic Loan (光伏貸) and Value-Adding Loan (增值貸).

In the first three quarters of 2021, operating income of retail business of the Bank recorded RMB53,592 million, representing a decrease of 0.28% as compared with the corresponding period of the previous year, accounting for 43.45% of the Bank's corporate and retail operating income, representing an increase of 5.58 percentage points as compared with the corresponding period of the previous year. Net non-interest income from retail business amounted to RMB12,096 million, representing a decrease of 4.46% as compared with the corresponding period of the previous year, accounting for 22.57% of operating income from its retail business, and 42.05% of net non-interest income of the Bank, representing an increase of 5.36 percentage points as compared with the corresponding period of the previous year.

As at the end of the Reporting Period, the Bank had 109,660.9 thousand retail customers¹, representing an increase of 4,182.2 thousand as compared with the end of the previous year. Among them, the number of small business customers was 15,053.9 thousand, representing an increase of 1,275.6 thousand as compared with the end of the previous year. The number of credit card customers was 44,122.0 thousand, representing an increase of 1,024.1 thousand as compared with the end of the previous year. The number of customers holding both credit cards and debit cards was 18,643.7 thousand, representing an increase of 804.9 thousand during the Reporting Period. The number of retail loan customers was 2,635.9 thousand, representing an increase of 252.2 thousand as compared with the end of the previous year.

As at the end of the Reporting Period, total assets of retail customers under management of the Bank amounted to RMB2,082,826 million, representing an increase of RMB172,610 million as compared with the end of the previous year. Among them, savings deposits amounted to RMB787,418 million, representing an increase of RMB43,297 million as compared with the end of the previous year. Retail wealth management products amounted to RMB889,386 million, representing an increase of 11.53% as compared with the end of the previous year. Sales of personal wealth management products amounted to RMB2,176,407 million, representing a decrease of 20.75% as compared with the corresponding period of the previous year. In the first three quarters of 2021, agency sales of non-monetary public funds amounted to RMB140,072 million, representing an increase of 38.45% as compared with the corresponding period of the previous year. Agency sales of trust products amounted to RMB6,157 million, representing a decrease of 65.73% as compared with the corresponding period of the previous year. Income from insurance agency amounted to RMB11,257 million, representing a decrease of 29.57% as compared with the corresponding period of the previous year. As at the end of the Reporting Period, financial assets of small business customers of the Bank amounted to RMB486,897 million, representing an increase of RMB67,940 million as compared with the end of the previous year. Personal deposits of small business customers amounted to RMB198,038 million, representing an increase of RMB22,560 million as compared with the end of the previous year.

¹ The number of retail customers includes retail customers of branch outside the Chinese mainland.

As at the end of the Reporting Period, the Bank's retail loans and credit card overdraft business totaled RMB1,713,310 million, representing an increase of RMB121,118 million as compared with the end of the previous year. Among them, small business loans amounted to RMB570,846 million, representing an increase of RMB58,981 million as compared with the end of the previous year. Credit card loans amounted to RMB468,680 million, representing an increase of 1.38% as compared with the end of the previous year. Mortgage loans amounted to RMB570,427 million, representing an increase of RMB58,853 million as compared with the end of the previous year. Non-mortgage consumer loans amounted to RMB103,357 million, representing a decrease of RMB3,087 million as compared with the end of the previous year. Of which, the outstanding balance of Easy Loan (民易貸), the new consumer finance product, was RMB30,678 million, representing an increase of RMB8,101 million as compared with the end of the previous year.

During the Reporting Period, a total of RMB502,045 million small business loans were released. Inclusive small business loans amounted to RMB491,894 million, and the number of accounts with loan balances was 346.2 thousand. In the first three quarters of 2021, a total of RMB427,609 million inclusive small business loans were released, with an average interest rate of 5.29%, representing a decrease of 0.72 percentage points as compared with the previous year.

As at the end of the Reporting Period, the Bank's retail NPLs (including credit card business) amounted to RMB27,806 million, representing a decrease of RMB3,450 million as compared with the end of the previous year, and an increase of RMB525 million in the third quarter. The retail NPL ratio was 1.62%, representing a decrease of 0.34 percentage points as compared with the end of the previous year. The special-mention retail loans amounted to RMB19,128 million, with a special-mention loan ratio of 1.12%, representing a decrease of 0.24 percentage points as compared with the end of the previous year. In the first three quarters of 2021, 65.13% of the Bank's new retail NPLs (excluding credit card business) were secured loans. As at the end of the Reporting Period, the outstanding balance of the above secured loans was RMB3,877 million.

As at the end of the Reporting Period, the NPL ratio of retail small business loans was 2.02%, representing a significant decrease of 0.78 percentage points as compared with the end of the previous year. The NPL ratio of small business loans issued since 2019 was 1.25%, showing a significant improvement in the quality of new customer groups. The NPLs of inclusive small business loans amounted to RMB11,038 million, with a NPL ratio of 2.24%, representing a decrease of 0.86 percentage points as compared with the end of the previous year.

As at the end of the Reporting Period, the NPLs of credit card business amounted to RMB14,032 million, representing a decrease of 7.56% as compared with the end of the previous year, with an NPL ratio of 2.99%, representing a decrease of 0.29 percentage points as compared with the end of the previous year. The special-mention loans amounted to RMB9,837 million, representing a decrease of 24.39% as compared with the end of the previous year. The overdue loans amounted to RMB23,869 million, representing a decrease of 15.33% as compared with the end of the previous year, showing decreases in both amount and proportion of special-mention loans, NPLs and overdue loans. In the first three quarters of 2021, the amount of new overdue loans of credit card business decreased by 17.50% as compared with the corresponding period of the previous year.

As at the end of the Reporting Period, the NPL ratio of mortgage loans was 0.25%, representing an increase of 0.03 percentage points as compared with the end of the previous year. The NPL ratio of non-mortgage consumer loans was 0.82%, representing an increase of 0.23 percentage points as compared with the end of the previous year. The NPL ratio of Easy Loan, the new consumer finance product of non-mortgage consumer loans, was 0.40%, representing a decrease of 0.44 percentage points as compared with the end of the previous year.

Financial markets business: Promoting transformation of inter-bank customer group management and businesses with “new concepts, new positioning and new methods”, continuously facilitating all-round and orderly implementation of all tasks

The Bank adhered to the “customer-centric” philosophy and continued to improve the working mechanisms of unified marketing and credit extension. As a result, the coverage rate of effective customers continued to improve and the customer base continued to consolidate. The Bank actively optimised the structure of inter-bank liabilities, promoted the development of demand inter-bank liabilities while reducing costs across the Bank, and achieved steady and healthy development of inter-bank businesses.

The Bank adhered to the principle of “taking deposits as the backbone” in carrying out custody business, and actively adjusted the business structure by making trade-offs, and achieved a historic breakthrough in the custody scale of publicly offered funds, as well as a steady growth in the scale of fund supervision business, which contributed to the growth of core liabilities of the whole Bank and guaranteed the steady and high quality development of custody business. As at the end of the Reporting Period, assets under custody of the Bank amounted to RMB10.78 trillion. In the first three quarters of 2021, the daily average deposits under custody amounted to RMB211,141 million, representing an increase of RMB15,115 million, or 7.71%, as compared with the previous year.

The Bank continued to improve its core capabilities in product research and development, sales promotion and investment management, and achieved steady growth of wealth management scale. On the basis of full coverage of mainstream product types, the Bank issued differentiated products for corporate customers, high-net-worth customers, elderly customers and other customer groups to explore new business growth points. The Bank made up for short-term corporate products of domestic and foreign currencies, increased the supply of private equity products, and issued regular dividend distribution products for the first time. The Bank strengthened sales promotion and mobilised channel marketing vitality through the issuance of exclusive regional products. Adhering to the target of absolute returns and by strictly controlling withdrawal, the level of product performance maintained strong competitiveness in the market. As at the end of the Reporting Period, the scale of wealth management products was RMB975,696 million, representing an increase of 13.30% as compared with the end of the previous year.

3. Accelerated digital transformation

Focusing on the strategic objective of becoming “a digital bank with agility, efficiency, ultimate customer experience and value growth”, the Bank implemented the digital financial transformation in an orderly manner by innovating product and service models, and significantly improved the levels of digital, intelligent and scenario-based service capabilities and risk management. The Bank launched the Mobile Banking 6.0, and created an intelligent mobile financial service platform with AR/VR technologies, which combined online and offline services and integrated functions including smart search, smart calendar, smart marketing and smart voice. The digital RMB system was launched and successfully connected to the People’s Bank of China to support the recharging of digital wallets through the Bank’s mobile banking app and redeem digital RMB. In the meantime, the Bank continued to evolve the enterprise-level architecture by keeping upgrading the new supply chain financial platform, the B-, C-, and G-end risk control scenario platform, and the retail and non-retail risk management platform. In accordance with the Data Security Law (《數據安全法》), the Bank applied new technologies to strengthen data security protection by building privacy computing platform to optimise the security of applications such as external data exchange and anonymous data inquiry, and replacing passwords with multiple identity authentication security technologies to improve digital identity management and control capabilities.

The Bank further consolidated its “one operation” platform and accelerated integrated business support through enhancing centralised operations and service extension of subsidiaries. Customer satisfaction of remote bank continued to improve with the offering of “bigger font version” of mobile app interface and “one-click access” services to the elderly customers, which satisfied customer demands for convenience and tailor-made services. Using intelligent technology to upgrade the capabilities of “cloud-based operations”, such as witnessing, account opening and mortgage, the Bank improved the quality and efficiency of account and settlement services. By promoting the construction of smart outlets and accelerating the installation of new intelligent equipment, the Bank comprehensively improved customer experience of financial service.

As at the end of the Reporting Period, the number of retail online platform users of the Bank was 89,724.6 thousand, representing an increase of 13.74% as compared with the end of the same period of the previous year. Of which, the number of monthly active users on retail online platform was 23,934.1 thousand, representing an increase of 23.11% as compared with the end of the same period of the previous year. The Bank had 2,900.5 thousand users of corporate online platform, representing an increase of 13.31% as compared with the end of the same period of the previous year. Transaction volume of corporate online banking amounted to RMB48.22 trillion, representing an increase of 11.96% as compared with the corresponding period of the previous year. The number of bank-enterprise direct connect customers was 3,112, representing an increase of 33.05% as compared with the end of the same period of the previous year, with annual daily average deposits of RMB739,022 million, representing an increase of 34.95% as compared with the corresponding period of the previous year. The number of mobile payment transactions via debit cards (type I accounts) amounted to 39,005.9 thousand, representing an increase of 48.37% as compared with the corresponding period of the previous year, with total transaction volume of RMB27,477 million, representing an increase of 17.20% as compared with the corresponding period of the previous year.

4. *Asset quality remained stable*

During the Reporting Period, the Group continued to strengthen credit risk management, promoted the reform of credit approval system, enhanced early warning capabilities, actively withdrew from customers of high-risk exposure, and strictly controlled the increase of non-performing assets. In the meantime, the Group continued to strictly classify assets, prudently make allowances, and accelerated the collection and disposal of existing non-performing assets. During the Reporting Period, the Group's asset quality indicators have been steadily improved, and the risk resistance and offset capabilities have been continuously enhanced. As at the end of the Reporting Period, total NPLs of the Group amounted to RMB72,220 million, representing an increase of RMB2,171 million as compared with the end of the previous year. The NPL ratio was 1.79%, representing a decrease of 0.03 percentage points as compared with the end of the previous year. The percentages of loans overdue for more than 90 days and more than 60 days to NPLs were both less than 100%. The allowance to NPLs and the allowance to total loans were 146.43% and 2.62%, respectively, representing an increase of 7.05 percentage points and an increase of 0.09 percentage points, respectively, as compared with the end of the previous year.

Item (RMB million)	30 September 2021		31 December 2020		Increase (%)
	Amount	% of total	Amount	% of total	
Performing loans	3,968,919	98.21	3,783,882	98.18	4.89
Of which: Pass	3,839,855	95.02	3,669,206	95.20	4.65
Special-mention	129,064	3.19	114,676	2.98	12.55
NPLs	72,220	1.79	70,049	1.82	3.10
Of which: Substandard	20,954	0.52	25,023	0.65	-16.26
Doubtful	28,641	0.71	24,477	0.64	17.01
Loss	22,625	0.56	20,549	0.53	10.10
Total	4,041,139	100.00	3,853,931	100.00	4.86

(II) Analysis of capital adequacy ratio and leverage ratio

As at the end of the Reporting Period, the Group's core tier-one capital adequacy ratio (CAR) was 8.83%, representing an increase of 0.32 percentage points as compared with the end of the previous year. The tier-one CAR was 10.65%, representing an increase of 0.84 percentage points as compared with the end of the previous year. The CAR was 13.45%, representing an increase of 0.41 percentage points as compared with the end of the previous year. The CARs of the Group and the Bank are as follows:

Item (RMB million)	30 September 2021		31 December 2020	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	488,984	458,360	461,921	437,830
Net tier-one capital	589,454	558,213	532,348	507,682
Total net capital base	744,454	708,242	707,472	678,609
Core tier-one CAR (%)	8.83	8.73	8.51	8.52
Tier-one CAR (%)	10.65	10.63	9.81	9.88
CAR (%)	13.45	13.48	13.04	13.21

As at the end of the Reporting Period, the leverage ratio of the Group was 7.62%, representing an increase of 0.12 percentage points as compared with the end of June 2021. The leverage ratio of the Group is as follows:

Item (RMB million)	30	30 June	31 March	31
	September 2021	2021	2021	December 2020
Leverage ratio (%)	7.62	7.50	7.07	6.93
Net tier-one capital	589,454	579,531	547,810	532,348
On- and off-balance sheet assets after adjustment	7,738,516	7,727,571	7,753,201	7,684,206

(III) Liquidity coverage ratio

As at the end of the Reporting Period, the liquidity coverage ratio of the Group was 129.75%, 29.75 percentage points higher than the regulatory compliance requirement, and 1.38 percentage points higher than the end of the previous year. The liquidity indicators remained stable.

Item (RMB million)	30 September	31 December
	2021	2020
Liquidity coverage ratio (%)	129.75	128.37
Qualified current assets	941,424	959,398
Net cash outflow in 30 days	725,548	747,370

(IV) Corporate governance

During the Reporting Period, the Bank actively implemented the “Code of Corporate Governance of Banking and Insurance Institutions (《銀行保險機構公司治理準則》)”, continued to promote the in-depth integration of the CPC’s leadership with its corporate governance, revised and improved the policy system of corporate governance, and continued to optimise the operation mechanism and duty performance mode of the Board of Directors and its special committees, the Board of Supervisors and its special committees. In the third quarter of 2021, among the major shareholders of the Bank, Long Prosper Capital Company Limited, a related company of China Oceanwide Holdings Group Co., Ltd., passively reduced 269,557,500 ordinary shares it held with the Bank. After that, Long Prosper Capital Company Limited held 138,442,500 ordinary shares of the Bank. China Oceanwide Holdings Group Co., Ltd. and its related companies held 2,770,163,588 ordinary shares of the Bank, accounting for 6.33% of the Bank’s total share capital. During the Reporting Period, the Bank explored the establishment of a special meeting mechanism for Independent Directors, who performed relevant duties in strict compliance with the relevant regulations of the China Banking and Insurance Regulatory Commission and the Articles of Association of the Company. The External Supervisors of the Bank actively attended meetings, participated in researches and investigations, and independently expressed their opinions, and performed their supervisory duties by upholding professional ethics and complying with laws and regulations in a faithful and diligent manner. The Bank integrated the Asset and Liability Management Department and the Finance and Accounting Department to establish the Treasury and Finance Department, newly established the Ecosystem Finance Department and the Data Management Department, and removed the Supply Chain Finance SBU and the Direct Bank SBU, in an aim to support the establishment of relevant digital strategy institutions on the prerequisite of maintaining simplified department settings.

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 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Assets				
Cash and balances with central bank	378,093	401,525	375,430	397,828
Balances with banks and other financial institutions	97,216	52,084	80,047	38,654
Precious metals	12,702	6,782	12,702	6,782
Placements with banks and other financial institutions	221,032	221,908	253,817	247,103
Derivative financial assets	18,255	42,285	18,255	42,285
Financial assets held under resale agreements	7,795	21,464	7,203	18,933
Loans and advances to customers	3,962,283	3,782,297	3,939,348	3,762,333
Financial investments				
– Financial assets at fair value through profit or loss	310,569	322,480	304,039	316,265
– Financial assets measured at amortised cost	1,251,313	1,328,048	1,246,820	1,322,636
– Financial assets at fair value through other comprehensive income	461,618	470,122	445,579	458,466
Long-term receivables	128,048	127,853	–	–
Long-term equity investments	2	2	7,381	7,381
Fixed assets	51,311	49,757	21,682	21,023
Intangible assets	5,072	4,938	4,284	4,123
Right-of-use assets	10,667	10,849	10,576	10,639
Deferred income tax assets	52,972	50,033	50,697	48,144
Other assets	46,662	57,806	33,117	37,758
Total assets	7,015,610	6,950,233	6,810,977	6,740,353

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Liabilities and shareholder's equity	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Liabilities				
Borrowings from central bank	299,538	292,352	298,661	291,132
Deposits from banks and other financial institutions	1,307,592	911,350	1,315,185	920,751
Placements from banks and other financial institutions	67,208	158,371	57,996	153,093
Financial liabilities at fair value through profit or loss	6,718	3,293	6,718	2,679
Borrowings from other financial institutions	119,789	131,018	–	–
Derivative financial liabilities	17,929	42,675	17,792	42,418
Financial assets sold under repurchase agreements	45,222	65,318	33,700	56,606
Deposits from customers	3,873,771	3,768,151	3,846,704	3,736,667
Lease liabilities	10,229	10,267	10,136	10,090
Employee benefits payable	10,991	10,877	10,460	10,328
Tax payable	16,589	22,979	16,111	22,180
Provisions	1,988	2,021	1,988	2,020
Debt securities issued	592,324	957,880	591,475	953,754
Deferred income tax liabilities	286	117	–	–
Other liabilities	46,845	32,316	27,128	18,105
Total liabilities	6,417,019	6,408,985	6,234,054	6,219,823

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	43,782	43,782	43,782	43,782
Other equity instruments	99,856	69,860	99,856	69,860
Of which: Preference shares	29,867	29,867	29,867	29,867
Perpetual bonds	69,989	39,993	69,989	39,993
Capital reserve	57,419	57,419	57,150	57,150
Other comprehensive income	1,408	(1,849)	1,527	(1,679)
Surplus reserve	48,479	48,479	48,479	48,479
General reserve	86,746	86,599	85,029	85,029
Retained earnings	248,776	225,247	241,100	217,909
Total equity attributable to equity holders of the Bank	586,466	529,537		
Equity attributable to non-controlling interests	12,125	11,711		
Total shareholders' equity	598,591	541,248	576,923	520,530
Total liabilities and shareholders' equity	7,015,610	6,950,233	6,810,977	6,740,353

Gao Yingxin
Legal Representative, Chairman

Zheng Wanchun
Vice Chairman, President

Li Bin
Senior Management responsible
for 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 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	January- September 2021	January- September 2020	January- September 2021	January- September 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating income	130,635	143,321	123,374	136,677
Net interest income	97,797	105,011	94,609	102,167
Interest income	211,083	219,820	204,055	213,166
Interest expenses	(113,286)	(114,809)	(109,446)	(110,999)
Net fee and commission income	18,524	20,269	17,843	18,877
Fee and commission income	22,430	23,973	21,428	22,356
Fee and commission expenses	(3,906)	(3,704)	(3,585)	(3,479)
Investment gains	8,041	15,848	7,913	15,935
Of which: Gains from disposals of the financial assets measured at amortised cost	699	254	718	406
Other gains	290	286	118	114
Gains/(loss) from changes in fair value	2,039	(1,969)	2,146	(1,948)
Foreign exchange gains	389	1,028	395	1,033
Other business income	3,555	2,848	350	499
2. Operating expenses	(92,394)	(100,218)	(86,215)	(95,382)
Tax and surcharges	(1,397)	(1,533)	(1,301)	(1,435)
Business and management expenses	(31,973)	(33,129)	(30,815)	(32,073)
Impairment losses on credit	(56,523)	(62,465)	(53,493)	(60,676)
Impairment losses on other assets	(549)	(1,130)	(547)	(1,108)
Other business expenses	(1,952)	(1,961)	(59)	(90)
3. Operating profit	38,241	43,103	37,159	41,295
Add: Non-operating income	29	47	26	44
Less: Non-operating expenses	(233)	(360)	(230)	(353)
4. Total profit	38,037	42,790	36,955	40,986
Less: Income tax expenses	(2,257)	(4,897)	(1,987)	(4,495)
5. Net profit	35,780	37,893	34,968	36,491
Net profit attributable to equity holders of the Bank	35,487	37,329		
Net profit attributable to non-controlling interests	293	564		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements
for the 9 Months Ended 30 September 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	January- September 2021	January- September 2020	January- September 2021	January- September 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
6. Other comprehensive income, net of tax	3,337	(4,409)	3,206	(4,377)
Other comprehensive income attributable to equity holders of the Bank, net of tax	3,262	(4,401)	3,206	(4,377)
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	4	9	-	-
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	2,303	(4,704)	2,174	(4,733)
Allowance for impairment losses on credit	906	425	931	420
Effective hedging portion of gains or losses arising from cash flow hedging instruments	17	(2)	17	(2)
Exchange difference on translating foreign operations	32	(129)	84	(62)
Other comprehensive income attributable to non-controlling interests, net of tax	75	(8)		
7. Total comprehensive income	39,117	33,484	38,174	32,114
Comprehensive income attributable to equity holders of the Bank	38,749	32,928		
Comprehensive income attributable to non-controlling interests	368	556		
8. Basic and diluted earnings per share (RMB)	0.75	0.79		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2021
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	January- September 2021	January- September 2020	January- September 2021	January- September 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Cash flows from operating activities				
Net increase in deposits from customers and deposits from banks and other financial institutions	491,421	108,871	494,338	106,864
Net increase in borrowings from central bank	6,057	75,069	6,400	74,600
Net decrease in balances with central bank and balances with banks and other financial institutions	4,060	–	4,980	–
Net decrease in financial assets held for trading purposes	7,777	–	5,046	–
Net decrease in placements with banks and other financial institutions	29,901	–	18,199	–
Net decrease in financial assets held under resale agreements	13,658	60,419	11,713	56,701
Cash received from interests, fees and commissions	192,395	201,599	184,857	194,214
Net cash received from other operating activities	21,188	24,611	17,296	19,423
Subtotal of cash inflows from operating activities	766,457	470,569	742,829	451,802
Net increase in loans and advances to customers	(223,011)	(374,312)	(219,975)	(374,239)
Net decrease in placements from banks and other financial institutions	(90,797)	(7,556)	(94,719)	(10,119)
Net increase in balances with central bank and balances with banks and other financial institutions	–	(4,274)	–	(6,783)
Net increase in placements with banks and other financial institutions	–	(7,132)	–	(4,359)
Net decrease in financial assets sold under repurchase agreements	(19,428)	(8,733)	(22,613)	(14,400)
Net increase in financial assets held for trading purposes	–	(5,113)	–	(1,585)
Cash payment for interests, fees and commissions	(87,728)	(94,471)	(83,957)	(90,726)
Cash payment to and payment for employees	(21,044)	(19,812)	(20,192)	(19,019)
Tax payments	(23,058)	(26,240)	(22,063)	(25,405)
Net cash payment in other operating activities	(4,643)	(17,430)	(615)	(7,223)
Subtotal of cash outflows from operating activities	(469,709)	(565,073)	(464,134)	(553,858)
Net cash flow from operating activities	296,748	(94,504)	278,695	(102,056)

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	January- September 2021 <u>(Unaudited)</u>	January- September 2020 <u>(Unaudited)</u>	January- September 2021 <u>(Unaudited)</u>	January- September 2020 <u>(Unaudited)</u>
2. Cash flows from investing activities				
Proceeds from sale and redemption of investments	964,733	993,128	952,174	974,455
Proceeds from investment gains	44,660	59,034	44,251	58,338
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	6,493	459	2,599	405
Subtotal of cash inflows from investing activities	1,015,886	1,052,621	999,024	1,033,198
Cash payment for investments	(879,509)	(985,256)	(860,556)	(965,563)
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	(9,247)	(6,454)	(2,491)	(1,708)
Subtotal of cash outflows from investing activities	(888,756)	(992,412)	(863,047)	(967,973)
Net cash from investing activities	127,130	60,209	135,977	65,225
3. Cash flows from financing activities				
Proceeds from issue of other equity instruments	29,996	-	29,996	-
Proceeds from issue of debt securities	519,605	668,744	518,756	668,744
Subtotal of cash inflows from financing activities	549,601	668,744	548,752	668,744
Cash repayment of debts	(897,222)	(637,430)	(893,222)	(636,430)
Cash payment for dividends and profits or interests payable of debt securities	(17,516)	(24,520)	(17,243)	(24,216)
Cash payment in other financing activities	(2,716)	(2,815)	(2,876)	(2,611)
Subtotal of cash outflows from financing activities	(917,454)	(664,765)	(913,341)	(663,257)
Net cash from financing activities	(367,853)	3,979	(364,589)	5,487

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2021 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>The Group</u>		<u>The Bank</u>	
	<u>January- September 2021</u>	<u>January- September 2020</u>	<u>January- September 2021</u>	<u>January- September 2020</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
4. Effect of exchange rate changes on cash and cash equivalents	(526)	(1,379)	(492)	(1,303)
5. Net increase/(decrease) in cash and cash equivalents	55,499	(31,695)	49,591	(32,647)
Add: Cash and cash equivalents at the beginning of the year	<u>157,919</u>	<u>144,650</u>	<u>152,241</u>	<u>135,445</u>
6. Cash and cash equivalents at the end of the period	<u>213,418</u>	<u>112,955</u>	<u>201,832</u>	<u>102,798</u>

(III) 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 Not applicable

Gao Yingxin
Chairman
Board of Directors
China Minsheng Banking Corp., Ltd.
29 October 2021