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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 Hong Kong Laws.

Please refer to the attached 2020 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
30 October 2020

As at the date of this announcement, the executive directors of the Company are Mr. Gao Yingxin and Mr. Zheng Wanchun; the non-executive directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di and Mr. Song Chunfeng; and the independent non-executive directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Peng Xuefeng and Mr. Liu Ningyu.

2020 Third 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 the Company warrant the truthfulness, accuracy and completeness of the contents of this quarterly report and that there are no misstatements, misleading representations or material omissions in this quarterly report, and shall assume several and joint liabilities.
- 1.2 All Directors attended the board meeting to consider and approve the quarterly report. This quarterly report was considered and approved at the second meeting of the eighth session of the Board of Directors of the Company on 30 October 2020. The meeting was held by the means of mail voting. The meeting notice and meeting documents were sent out by email on 16 October 2020. As at the voting deadline on 30 October 2020, all 13 voting tickets sent to the Directors were collected.
- 1.3 Gao Yingxin (Chairman), Zheng Wanchun (President), Bai Dan (Senior Management responsible for finance and accounting) and Li Wen (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 Third 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

Item	<i>(Unit: RMB million)</i>		
	As at the end of the Reporting Period 30 September 2020	As at the end of the previous year 31 December 2019	Changes from the end of the previous year to the end of the Reporting Period (%)
Total assets	6,927,025	6,681,841	3.67
Total equity attributable to equity shareholders of the Company	532,769	518,845	2.68
Total equity attributable to ordinary shareholders of the Company	462,909	448,985	3.10
Net assets per share attributable to ordinary shareholders of the Company (RMB)	10.57	10.26	3.02

(Unit: RMB million)

Item	During the Reporting Period July–September 2020	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 2020	Changes from the beginning of the year to the end of the Reporting Period over the corresponding period of the previous year (%)
Operating income	45,213	0.76	143,321	7.66
Net interest income	30,272	17.43	85,428	19.81
Net profit attributable to equity shareholders of the Company	8,876	-36.17	37,329	-18.01
Net profit attributable to equity shareholders of the Company excluding extraordinary gain/loss items	9,019	-35.25	37,477	-17.71
Basic earnings per share (RMB)	0.18	-43.75	0.79	-24.04
Diluted earnings per share (RMB)	0.18	-43.75	0.79	-24.04
Return on weighted average equity (%) (annualised)	6.95	Decreased by 5.85 percentage points	10.02	Decreased by 4.17 percentage points
Return on weighted average equity excluding extraordinary gain/loss items (%) (annualised)	7.07	Decreased by 5.75 percentage points	10.07	Decreased by 4.12 percentage points
Net cash flow from operating activities	Inapplicable	Inapplicable	-94,504	Negative for both periods
Net cash flow per share from operating activities (RMB)	Inapplicable	Inapplicable	-2.16	Negative for both periods

Extraordinary gain/loss items are as follows:

<i>(Unit: RMB million)</i>	
Item	From the beginning of the year to the end of the Reporting Period January–September 2020
Government subsidies	231
Expenses on donations	-85
Net gain/loss from disposals of non-current assets	39
Other net extraordinary gain/loss	-228
Income tax effect of the extraordinary gain/loss	-50
Net extraordinary gain/loss impact (after tax)	-93
Of which: Extraordinary gain/loss impact on net profit attributable to equity shareholders of the Company	-148
Extraordinary gain/loss impact on net profit attributable to non-controlling interests	55

2.2 Supplemental financial data

<i>(Unit: RMB million)</i>		
Item	As at the end of the Reporting Period 30 September 2020	As at the end of the previous year 31 December 2019
Total liabilities	6,382,571	6,151,012
Total deposits from customers	3,751,360	3,604,088
Of which: Corporate deposits	2,951,792	2,878,931
Personal deposits	792,796	718,363
Outward remittance and remittance payable	3,484	2,348
Certificates of deposits	3,288	4,446
Total loans and advances to customers	3,827,421	3,487,601
Of which: Corporate loans and advances	2,235,159	2,074,677
Personal loans and advances	1,592,262	1,412,924
Non-performing loans (“NPLs”)	69,946	54,434
Allowance for impairment loss on loans	102,050	84,647

2.3 Analysis of capital adequacy ratio and leverage ratio

The Group calculates 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 Company and the financial institutions directly or indirectly invested by the Company in compliance with the requirements of the New Rules. As at the end of the Reporting Period, the CAR, core tier-one CAR and tier-one CAR of the Group satisfied the requirements of the New Rules.

The table below sets out the CAR of the Group:

(Unit: RMB million)

Item	30 September 2020	
	The Group	The Company
Net core tier-one capital	469,111	444,030
Net tier-one capital	539,941	513,880
Total net capital base	717,897	687,242
Core tier-one CAR (%)	8.57	8.47
Tier-one CAR (%)	9.86	9.80
CAR (%)	13.11	13.11

Capital instruments entitled for the preferential policy during the transitional period: According to the applicable requirements under the New Rules, non-qualified tier-two capital instruments issued by commercial banks before 12 September 2010 may be entitled to the preferential policy of a progressive deduction of book value by 10% per annum starting from 1 January 2013. As at the end of the Reporting Period, the balance of non-qualified tier-two capital instruments of the Company applicable for calculation was RMB4 billion.

As at the end of the Reporting Period, the net tier-one capital increased by RMB5,915 million, on- and off-balance sheet assets after adjustment decreased by RMB342,242 million, and the leverage ratio increased by 0.36 percentage points, as compared with the end of June 2020. The leverage ratio of the Group is as follows:

(Unit: RMB million)

Item	30 September 2020	30 June 2020	31 March 2020	31 December 2019
Leverage ratio (%)	6.86	6.50	6.81	6.87
Net tier-one capital	539,941	534,026	544,650	525,959
On- and off-balance sheet assets after adjustment	7,869,025	8,211,267	7,996,624	7,658,421

2.4 Liquidity coverage ratio

The table below sets out the liquidity coverage ratio of the Group:

Item	(Unit: RMB million)
	30 September 2020
Liquidity coverage ratio (%)	118.98
Qualified current assets	950,688
Net cash outflow in 30 days	799,052

2.5 Discussion and analysis on business operation

During the Reporting Period, the Company thoroughly implemented the decisions deployed by the CPC Central Committee and the State Council. In active response to the changing domestic and international operating environment, and adhering to the three strategic positionings of becoming “a bank for the non-state-owned enterprises (“NSOEs”), a fintech-based bank and a bank of comprehensive services”, the Company effectively promoted and implemented the overall work deployment of deepening reforms, promoting development, restructuring business, controlling risks, boosting growth, ensuring compliance, consolidating brand and enhancing Party building. Under the customer-centric philosophy, the Company strengthened services to the real economy. Steady and healthy operations and advancement of all businesses have been achieved with expanded business scale and strengthened financial risk prevention and control.

2.5.1 Stable performance and enhanced operating efficiency

During the Reporting Period, operating income of the Group recorded at RMB143,321 million, representing an increase of RMB10,193 million, or 7.66%, as compared with the corresponding period of the previous year. Net interest margin was 2.14%, representing an increase of 0.06 percentage points as compared with the corresponding period of the previous year. Profit before allowance amounted to RMB106,385 million, representing an increase of RMB7,964 million, or 8.09%, as compared with the corresponding period of the previous year. Mainly due to the increased allowance and strengthened disposal of assets, the Group realised net profit attributable to equity shareholders of the Company of RMB37,329 million, representing a decrease of RMB8,200 million, or 18.01%, as compared with the corresponding period of the previous year. During the Reporting Period, annualised return on average assets and annualised return on weighted average equity attributable to ordinary shareholders of the Company were 0.74% and 10.02%, representing decreases of 0.26 percentage points and 4.17 percentage points, respectively, as compared with the corresponding period of the previous year. Basic earnings per share was RMB0.79. As at the end of the Reporting Period, net assets per share attributable to ordinary shareholders of the Company was RMB10.57.

While expanding investments in key areas, the Company effectively controlled operating costs. During the Reporting Period, cost to income ratio of the Group was 23.12%, representing a decrease of 0.59 percentage points as compared with the corresponding period of the previous year.

2.5.2 Proactive measures in fighting against the pandemic, resuming work and serving the real economy

During the Reporting Period, the Company provided more credit support to the manufacturing industry and NSOEs, and assisted medium, small and micro enterprises in resuming work and production, which created favourable conditions for boosting economy, stabilising operations of enterprises and securing employment. Firstly, the Company expanded credit distribution. Credit facilities to the manufacturing industry, market entities and small and micro enterprises were increased to support the pandemic prevention and control and the infrastructure construction in relation to people's livelihood. Secondly, the Company reduced the financing cost of customers. It continued to deepen the loan prime rate reform and introduced a series of preferential policies for small business customers in settlements, pricing and interest and fee reduction and exemption, so as to lower the effective loan interest rate of enterprises. Thirdly, the Company optimised service procedures. It promoted online migration of services and introduced greater approval authorisation in extended loan maturity management, business restructuring and penalty interest reduction and exemption, so as to simplify procedures and enhance efficiency. Fourthly, the Company improved the NSOE service system. It continued to optimise classified and segmented services to strategic NSOEs, niche NSOEs and small and medium-sized NSOEs, in an aim to provide comprehensive and professional financial solutions.

As at the end of the Reporting Period, the Company had 860 strategic NSOE customers, representing an increase of 32.31% as compared with the end of the previous year. Daily average deposits amounted to RMB492,887 million, representing an increase of 36.97% as compared with the previous year. Total loans amounted to RMB539,536 million, representing an increase of 23.61% as compared with the end of the previous year. Total loans to small and micro enterprises amounted to RMB500,891 million, representing an increase of 12.67% as compared with the end of the previous year. Inclusive loans to small and micro enterprises totaled RMB443,913 million with 318.6 thousand customers having outstanding loans. In the first three quarters, a total of RMB420,886 million inclusive loans was granted to small and micro enterprises, with an average interest rate of 5.95%, which decreased by 0.60 percentage points as compared with that of the previous year. All 872 sub-branches (including business departments) and 135 small business sub-branches of the Company provided stable financial services to small business customers.

2.5.3 Coordinated development of asset and liability business and continuous advancement of digital transformation

During the Reporting Period, the business scale of the Company continued to expand with coordinated development of asset and liability business. As at the end of the Reporting Period, total assets of the Group amounted to RMB6,927,025 million, representing an increase of RMB245,184 million, or 3.67%, as compared with the end of the previous year. Total loans and advances to customers amounted to RMB3,827,421 million, representing an increase of RMB339,820 million, or 9.74%, as compared with the end of the previous year. Total liabilities recorded RMB6,382,571 million, representing an increase of RMB231,559 million, or 3.76%, as compared with the end of the previous year. Total deposits from customers amounted to RMB3,751,360 million, representing an increase of RMB147,272 million, or 4.09%, as compared with the end of the previous year.

Under the strategic vision of becoming a digitalised bank empowered by technologies, the Company highlighted the goals of fintech strategy, strengthened technological service capability and implemented the fintech strategy with focus on scenario-based ecosystem, data empowerment and innovation layout. Meanwhile, it comprehensively improved the digitalised risk management system by establishing three risk control systems, namely real-time risk control, scenario-based risk control and intelligent risk control, so as to enhance the integrated risk identification and management of the Group. On the one hand, focusing on key business areas, the Company innovated services and built up ecosystems. For the intelligent NSOE ecosystem, the Company realised agile development based on the corporate comprehensive service platform. For the intelligent retail ecosystem, the Company further enriched the scenarios and promoted classified customer group management. For the intelligent inter-bank ecosystem, the Company established IT platforms to support the reform of business models. As a result, online businesses such as internet finance, direct bank and remote bank achieved fast development with strengthened digital service capabilities and improved customer experience. On the other hand, concentrating on 5G, blockchain, distributed system and other cutting-edge technologies, the Company strengthened the applications of emerging technologies and innovations, intensified the synergy between technology and businesses, promoted its intelligent and digital transformation, and enhanced intelligent marketing, intelligent risk control and intelligent operation, aiming to build up an open, cooperative and win-win financial ecosystem. As a result, more functions have been added to the 5G-based mobile banking, and new functions of intelligent banking in the experience stores were developed. The development of distributed core system was completed with expanded production system, to satisfy the requirements of business growth in the coming five to ten years.

As at the end of the Reporting Period, the number of users of corporate online platform and the number of users of retail online platform of the Company reached 2,559.8 thousand and 78,885.0 thousand, representing increases of 249.5 thousand and 8,473.2 thousand, respectively, as compared with the end of the previous year. The number of direct bank customers was 32,365.2 thousand with financial assets of RMB114,989 million under the management of the Company.

2.5.4 Strengthened asset disposal and stable asset quality

During the Reporting Period, the Group intensified the overall risk management, improved internal control and compliance management system and effectively controlled and prevented risks in key areas. Meanwhile, it strengthened collection and disposal of non-performing assets in a more efficient way.

As at the end of the Reporting Period, the Group's non-performing loan (NPL) balance was RMB69,946 million, representing an increase of RMB15,512 million as compared with the end of the previous year. The NPL ratio was 1.83%, representing an increase of 0.27 percentage points as compared with the end of the previous year. Allowance to NPL was 145.90%, representing a decrease of 9.60 percentage points as compared with the end of the previous year. Allowance to total loans was 2.67%, representing an increase of 0.24 percentage points as compared with the end of the previous year. The allowance to NPL and allowance to total loans were calculated according to the Notice on Adjusting Regulatory Requirement on Allowance for Impairment Losses on Loans of Commercial Banks (《關於調整商業銀行貸款損失準備監管要求的通知》) (Yin Jian Fa [2018] No.7) promulgated by China Banking and Insurance Regulatory Commission.

2.6 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

415,785

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 Status of shares	Number of shares	Type of shareholder
HKSCC Nominees Limited	8,277,454,352	18.91	—	Unknown	—	Others
Dajia Life Insurance Co., Ltd. — Universal Insurance Product	4,508,984,567	10.30	—	Nil	—	Unknown
Dajia Life Insurance Co., Ltd. — Traditional Product	2,843,300,122	6.49	—	Nil	—	Unknown
China Oceanwide Holdings Group Co., Ltd.	2,019,182,618	4.61	—	Pledged	2,015,582,617	Domestic non-state-owned legal person
Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.	1,865,558,336	4.26	—	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	1,261,309,488	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	8,277,454,352	Overseas listed foreign invested shares	8,277,454,352
Dajia Life Insurance Co., Ltd. — Universal Insurance 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.	1,865,558,336	Ordinary shares in RMB	1,865,558,336
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 30 September 2020;

2.7 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 21.

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 30 September 2020):

(Unit: share)

Total number of holders of domestic preference shares

20

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	
Bosera Fund — ABC — Agricultural Bank of China Limited	30,000,000	15.00	Domestic preference shares	Nil	—	Others
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
Ping An Property & Casualty Insurance Company of China, Ltd. — Traditional — General Insurance Product	14,000,000	7.00	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 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
China CITIC Bank Corporation Limited — Hui Ying Series of CITIC Wealth Management Products	10,000,000	5.00	Domestic preference shares	Nil	—	Others
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

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
Bosera Fund — ABC — Agricultural Bank of China Limited	30,000,000	Ordinary shares in RMB	30,000,000
CCB Trust Co., Ltd.— “Qian Yuan — Ri Xin Yue Yi” Open-Ended Wealth Management Single Fund Trust	20,000,000	Ordinary shares in RMB	20,000,000
Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-Customer Asset Management Plan	20,000,000	Ordinary shares in RMB	20,000,000
China Post & Capital Fund — Huaxia Bank — Huaxia Bank Co., Ltd.	18,000,000	Ordinary shares in RMB	18,000,000
Ping An Property & Casualty Insurance Company of China, Ltd. — Traditional — General Insurance Product	14,000,000	Ordinary shares in RMB	14,000,000
China Life Insurance Company Limited — Traditional — General Insurance Product — 005L — CT001SH	10,000,000	Ordinary shares in RMB	10,000,000
Ping An Property & Casualty Insurance Company of China, Ltd. — Self-Owned Funds	10,000,000	Ordinary shares in RMB	10,000,000
Taiping Life Insurance Co., Ltd. — Traditional — General Insurance Product — 022L — CT001SH	10,000,000	Ordinary shares in RMB	10,000,000
China CITIC Bank Corporation Limited — Hui Ying Series of CITIC Wealth Management Products	10,000,000	Ordinary shares in RMB	10,000,000
China Resources SZITIC Trust Co., Ltd. — China Resources Trust • Hui Cui No. 1 Single Fund Trust	10,000,000	Domestic listed foreign invested shares	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 “Bosera Fund — ABC — Agricultural Bank of China Limited” and “Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-Customer Asset Management Plan”; 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 does not know if there is 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 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 were based on the registered holder of offshore preference shares as at 30 September 2020):

Unit: share

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 Mellon 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 offshore preference shares;
3. The Company does not know if there is any related relationship or concerted action among the above holder of offshore preference shares and the top 10 ordinary shareholders.

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	30 September 2020	31 December 2019	Changes (%)	Main reason
Precious metals	8,190	15,237	-46.25	Decrease in business scales of raw gold and precious metals leasing
Derivative financial assets	21,098	31,100	-32.16	Decrease in fair value of derivative contracts of precious metals and foreign exchanges
Financial assets held under resale agreements	5,334	65,799	-91.89	Decrease in the scale of bonds held under resale agreements
Long-term equity investments	2	3	-33.33	Changes in long-term equity investments of subsidiaries
Deferred income tax assets	47,065	36,050	30.55	Impact of increase in the allowance for impairment losses on assets
Borrowings from central bank	276,357	198,843	38.98	Increase in borrowings from central bank
Other comprehensive income	-2,180	2,227	Negative for the period	Impact of changes in fair value of financial assets at fair value through other comprehensive income

Income statement	January– September 2020	January– September 2019	Changes (%)	Main reason
Investment gains	15,848	16,559		Increases in the price difference between bonds purchase and sales and gains from fund dividends,
(Loss)/gains from changes in fair value	-1,969	38		and impact of price fluctuation on gains or losses of fair value and foreign exchanges
Foreign exchange gains	1,028	2,324	-21.21	
Other gains	286	104	175.00	Increase in tax returns
Impairment losses on credit	62,465	43,136	44.81	Increase in impairment losses on loans
Impairment losses on other assets	1,130	123	818.70	Increase in impairment losses on repossessed assets
Non-operating expenses	360	121	197.52	Increase in donations and fines
Income tax expenses	4,897	9,052	-45.90	Decrease in taxable income

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

Name of the Company	China Minsheng Banking Corp., Ltd.
Legal Representative	Gao Yingxin
Date	30 October 2020

IV. Appendices

4.1 Financial statements

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2020
(Expressed in millions of Renminbi, unless otherwise stated)

Assets	The Group		The Bank	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash and balances with central bank	356,369	371,155	353,359	367,624
Balances with banks and other financial institutions	63,834	53,180	49,066	40,593
Precious metals	8,190	15,237	8,190	15,237
Placements with banks and other financial institutions	231,915	248,565	255,356	271,553
Derivative financial assets	21,098	31,100	21,098	31,100
Financial assets held under resale agreements	5,334	65,799	4,626	61,354
Loans and advances to customers	3,754,868	3,430,427	3,737,297	3,412,819
Financial investments				
— Financial assets at fair value through profit or loss	381,299	528,338	374,000	521,145
— Financial assets measured at amortised cost	1,313,563	1,143,079	1,307,406	1,138,021
— Financial assets at fair value through other comprehensive income	487,512	512,888	472,561	501,382
Long-term receivables	124,744	116,593	—	—
Long-term equity investments	2	3	7,336	6,634
Fixed assets	53,414	49,900	21,032	20,826
Intangible assets	4,700	4,707	3,873	3,849
Right-of-use assets	10,886	11,094	10,650	10,881
Deferred income tax assets	47,065	36,050	45,575	34,569
Other assets	62,232	63,726	38,858	39,609
Total assets	6,927,025	6,681,841	6,710,283	6,477,196

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2020
(continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Liabilities and shareholders' equity	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Liabilities				
Borrowings from central bank	276,357	198,843	275,453	198,408
Deposits from banks and other financial institutions	989,488	1,028,395	995,397	1,035,501
Placements from banks and other financial institutions	126,784	134,659	122,100	132,555
Financial liabilities at fair value through profit or loss	5,402	5,184	2,988	1,971
Borrowings from other financial institutions	135,157	132,295	—	—
Derivative financial liabilities	22,616	17,793	22,490	17,665
Financial assets sold under repurchase agreements	93,039	101,705	82,122	96,477
Deposits from customers	3,788,686	3,637,034	3,758,295	3,607,543
Lease liabilities	10,304	10,420	10,103	10,227
Employee benefits payable	10,769	10,663	10,315	10,244
Tax payable	23,944	22,362	23,518	21,612
Provisions	2,050	1,603	2,050	1,602
Debt securities issued	859,903	817,225	855,827	812,089
Deferred income tax liabilities	125	125	—	—
Other liabilities	37,947	32,706	25,878	20,654
Total liabilities	6,382,571	6,151,012	6,186,536	5,966,548

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2020
(continued)

(Expressed in millions of Renminbi, unless otherwise stated)

Liabilities and shareholders' equity (continued)	The Group		The Bank	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	(Unaudited)	(Audited)	(Unaudited)	(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	57,483	57,411	57,150	57,150
Other comprehensive income	(2,180)	2,227	(2,300)	2,077
Surplus reserve	45,162	45,162	45,162	45,162
General reserve	81,772	81,657	80,224	80,224
Retained earnings	236,890	218,746	229,869	212,393
Total equity attributable to equity shareholders of the Company	532,769	518,845	523,747	510,648
Non-controlling interests	11,685	11,984	—	—
Total shareholders' equity	544,454	530,829	523,747	510,648
Total liabilities and shareholders' equity	6,927,025	6,681,841	6,710,283	6,477,196

Gao Yingxin
Legal Representative, Chairman

Zheng Wanchun
President

Bai Dan
Senior Management responsible
for finance and accounting

Li Wen
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 2020

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating income				
Interest income	200,237	186,369	193,583	180,032
Interest expense	(114,809)	(115,068)	(110,999)	(110,507)
Net interest income	85,428	71,301	82,584	69,525
Fee and commission income	43,556	42,835	41,939	41,749
Fee and commission expenses	(3,704)	(3,352)	(3,479)	(3,026)
Net fee and commission income	39,852	39,483	38,460	38,723
Investment gains	15,848	16,559	15,935	16,465
Of which: Gains from disposals of the financial assets at amortised cost	254	657	406	647
Other gains	286	104	114	63
(Loss)/gains from changes in fair value	(1,969)	38	(1,948)	125
Foreign exchange gains	1,028	2,324	1,033	2,318
Other business income	2,848	3,319	499	496
Total operating income	143,321	133,128	136,677	127,715
2. Operating expenses				
Tax and surcharges	(1,533)	(1,264)	(1,435)	(1,160)
Business and management expenses	(33,129)	(31,558)	(32,073)	(30,414)
Impairment losses on credit	(62,465)	(43,136)	(60,676)	(42,498)
Impairment losses on other assets	(1,130)	(123)	(1,108)	(122)
Other business expenses	(1,961)	(1,803)	(90)	(33)
Total operating expenses	(100,218)	(77,884)	(95,382)	(74,227)
3. Operating profit	43,103	55,244	41,295	53,488
Add: Non-operating income	47	39	44	38
Less: Non-operating expenses	(360)	(121)	(353)	(111)
4. Total profit	42,790	55,162	40,986	53,415
Less: Income tax expense	(4,897)	(9,052)	(4,495)	(8,635)
5. Net profit	37,893	46,110	36,491	44,780
Net profit attributable to equity shareholders of the Company	37,329	45,529	36,491	44,780
Profit or loss attributable to non-controlling interests	564	581	—	—

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements for the 9 Months Ended
30 September 2020 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
6. Other comprehensive income, net of tax	(4,409)	1,126	(4,377)	873
Other comprehensive income attributable to equity shareholders of the Company, net of tax	(4,401)	1,012	(4,377)	873
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	9	24	—	—
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	(4,704)	144	(4,733)	211
Allowance for impairment losses on credit	425	752	420	728
Effective hedging portion of gains or losses arising from cash flow hedging instruments	(2)	(48)	(2)	(48)
Exchange difference on translating foreign operations	(129)	140	(62)	(18)
Other comprehensive income attributable to non-controlling interests, net of tax	(8)	114	—	—
7. Total comprehensive income	33,484	47,236	32,114	45,653
Total comprehensive income attributable to equity shareholders of the Company	32,928	46,541	32,114	45,653
Total comprehensive income attributable to non-controlling interests	556	695	—	—
8. Earnings per share (RMB)				
Basic earnings per share	0.79	1.04		
Diluted earnings per share	0.79	1.04		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements
for the 3 Months from July to September 2020
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months from July to September		3 months from July to September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating income				
Interest income	66,563	63,501	64,259	61,280
Interest expenses	(36,291)	(37,723)	(35,024)	(36,175)
Net interest income	30,272	25,778	29,235	25,105
Fee and commission income	12,894	13,400	12,352	13,002
Fee and commission expenses	(1,468)	(1,199)	(1,352)	(1,099)
Net fee and commission income	11,426	12,201	11,000	11,903
Investment gains	2,230	7,994	2,285	7,949
Of which: Gains from disposals of the financial assets at amortised cost	61	293	127	283
Other gains	53	31	45	27
Losses from changes in fair value	(298)	(2,929)	(340)	(2,909)
Foreign exchange gains	553	612	544	595
Other business income	977	1,185	162	136
Total operating income	45,213	44,872	42,931	42,806
2. Operating expenses				
Tax and surcharges	(528)	(429)	(500)	(366)
Business and management expenses	(13,475)	(13,169)	(13,115)	(12,748)
Impairment losses on credit	(19,451)	(13,823)	(18,955)	(13,580)
Impairment losses on other assets	(1,127)	—	(1,105)	—
Other business expenses	(724)	(666)	(83)	(8)
Total operating expenses	(35,305)	(28,087)	(33,758)	(26,702)
3. Operating profit	9,908	16,785	9,173	16,104
Add: Non-operating income	9	15	8	15
Less: Non-operating expenses	(210)	(61)	(207)	(59)
4. Total profit	9,707	16,739	8,974	16,060
Less: Income tax expenses	(594)	(2,597)	(437)	(2,446)
5. Net profit	9,113	14,142	8,537	13,614
Net profit attributable to equity shareholders of the Company	8,876	13,906	8,537	13,614
Profit or loss attributable to non-controlling interests	237	236	—	—

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements
for the 3 Months from July to September 2020 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months from		3 months from	
	July to September		July to September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
6. Other comprehensive income, net of tax	(2,640)	289	(2,718)	228
Other comprehensive income attributable to equity shareholders of the Company, net of tax	(2,650)	243	(2,718)	228
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	34	38	—	—
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	(2,626)	(269)	(2,796)	(97)
Allowance for impairment losses on credit	116	335	128	332
Effective hedging portion of gains or losses arising from cash flow hedging instruments	(1)	(31)	(1)	(31)
Exchange difference on translating foreign operations	(173)	170	(49)	24
Other comprehensive income attributable to non-controlling interests, net of tax	10	46	—	—
7. Total comprehensive income	6,473	14,431	5,819	13,842
Total comprehensive income attributable to equity shareholders of the Company	6,226	14,149	5,819	13,842
Total comprehensive income attributable to non-controlling interests	247	282	—	—
8. Earnings per share (RMB)				
Basic earnings per share	0.18	0.32		
Diluted earnings per share	0.18	0.32		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2020
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Cash flows generated from operating activities				
Net increase in deposits from customers and deposits from banks and other financial institutions	108,871	221,676	106,864	220,069
Net decrease in balances with central bank and balances with banks and other financial institutions	—	14,122	—	11,596
Cash received from interests, fee and commissions	201,599	179,394	194,214	172,802
Net increase in borrowings from central bank	75,069	—	74,600	—
Net decrease in placements with banks and other financial institutions	—	31,931	—	31,217
Net decrease in financial assets held under resale agreements	60,419	17,856	56,701	17,889
Net increase in financial assets sold under repurchase agreements	—	79,070	—	74,380
Net cash received in other operating activities	24,611	16,688	19,423	10,920
Subtotal of cash inflow from operating activities	470,569	560,737	451,802	538,873

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2020 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended		9 months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net increase in loans and advances to customers	(374,312)	(287,462)	(374,239)	(285,259)
Net increase in balances with central bank and balances with banks and other financial institutions	(4,274)	—	(6,783)	—
Net decrease in placements from banks and other financial institutions	(7,556)	(56,137)	(10,119)	(56,906)
Net decrease in borrowings from central bank	—	(151,983)	—	(151,937)
Net increase in placements with banks and other financial institutions	(7,132)	—	(4,359)	—
Net decrease in financial assets sold under repurchase agreements	(8,733)	—	(14,400)	—
Net increase in financial assets held for trading purposes	(5,113)	(31,239)	(1,585)	(29,112)
Cash payment for interests, fee and commissions	(94,471)	(95,374)	(90,726)	(90,481)
Cash payment to and payment for employees	(19,812)	(19,393)	(19,019)	(18,609)
Taxes paid	(26,240)	(14,512)	(25,405)	(13,724)
Net cash payment in other operating activities	(17,430)	(24,293)	(7,223)	(18,412)
Subtotal of cash outflow from operating activities	<u>(565,073)</u>	<u>(680,393)</u>	<u>(553,858)</u>	<u>(664,440)</u>
Net cash generated from operating activities	<u>(94,504)</u>	<u>(119,656)</u>	<u>(102,056)</u>	<u>(125,567)</u>

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2020 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
2. Cash flows generated from investing activities				
Proceeds from sale of investments	993,128	973,429	974,455	964,325
Proceeds from redemption of investments	59,034	60,353	58,338	59,680
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	459	425	405	32
Subtotal of cash inflow from investing activities	1,052,621	1,034,207	1,033,198	1,024,037
Cash payment for investments	(985,256)	(1,029,614)	(965,563)	(1,018,278)
Cash payment for investments in subsidiaries or other business units	(702)	(3)	(702)	(238)
Cash payment for purchase of fixed assets, intangible assets and other long-term assets	(6,454)	(6,073)	(1,708)	(1,913)
Subtotal of cash outflow from investing activities	(992,412)	(1,035,690)	(967,973)	(1,020,429)
Net cash generated from investing activities	60,209	(1,483)	65,225	3,608

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2020 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended		9 months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
3. Cash flows from financing activities				
Capital injection by holders of other equity instruments	—	40,000	—	40,000
Capital contribution from non-controlling interests to subsidiaries	—	20	—	—
Proceeds from issue of debt securities	668,744	693,280	668,744	693,280
Subtotal of cash inflow from financing activities	668,744	733,300	668,744	733,280
Repayment of debts	(637,430)	(623,453)	(636,430)	(623,453)
Dividends and profits distributed or interests paid on debt securities issued	(24,520)	(21,419)	(24,216)	(21,118)
Cash payment in other financing activities	(2,815)	(2,101)	(2,611)	(2,032)
Subtotal of cash outflow from financing activities	(664,765)	(646,973)	(663,257)	(646,603)
Net cash generated from financing activities	3,979	86,327	5,487	86,677

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2020 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
4. Effect of exchange rate changes on cash and cash equivalents	<u>(1,379)</u>	<u>1,568</u>	<u>(1,303)</u>	<u>1,509</u>
5. Net changes in cash and cash equivalents	(31,695)	(33,244)	(32,647)	(33,773)
Add: Cash and cash equivalents at the beginning of the period	<u>144,650</u>	<u>138,026</u>	<u>135,445</u>	<u>125,067</u>
6. Cash and cash equivalents at the end of the period	<u>112,955</u>	<u>104,782</u>	<u>102,798</u>	<u>91,294</u>

4.2 Adjustment on related items of financial statements of the beginning of the year when implementing new revenue standards and new lease standards for the first time in 2020

☐ Applicable ☒ Inapplicable

4.3 Explanation to the comparative data at the early stage of retrospective adjustment when implementing new revenue standards and new lease standards for the first time in 2020

☐ Applicable ☒ Inapplicable

4.4 Audit reports

☐ Applicable ☒ Inapplicable