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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 2018 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.
Hong Qi
Chairman

Beijing, PRC
30 October 2018

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

**2018 Third Quarterly Report
China Minsheng Banking Corp., Ltd.**

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1. 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 of the Company attended the Board meeting for the review of this Quarterly Report. This Quarterly Report was considered and approved on 30 October 2018 at the twelfth meeting of the seventh session of the Board of the Company. Of the 15 Directors who were entitled to attend the meeting, four Directors attended the meeting in person and ten Directors, being Vice Chairmen Zhang Hongwei, Lu Zhiqiang and Liu Yonghao, as well as Directors Zheng Wanchun, Shi Yuzhu, Wu Di, Song Chunfeng, Weng Zhenjie, Liu Jipeng and Xie Zhichun attended the meeting by teleconference. One Director, being Director Tian Suning did not attend the meeting due to conflict with other work arrangement. Of the eight Supervisors who were entitled to attend the meeting, eight Supervisors attended the meeting as non-voting delegates.
- 1.3 Hong Qi (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 reports included in this Quarterly Report.
- 1.4 The Third Quarterly Report of the Company is unaudited.
- 1.5 The financial data and indicators contained in this Quarterly report are 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.

2. Company Profile

2.1 Major financial data

(Unit: RMB million)

Item	As at the end of the Reporting Period 30 September 2018	As at the end of the previous year 31 December 2017	Change from the end of the previous year to the end of this Reporting Period (%)
Total assets	5,965,827	5,902,086	1.08
Total equity attributable to equity shareholders of the Company	411,310	378,970	8.53
Total equity attributable to ordinary shareholders of the Company	401,418	369,078	8.76
Net assets per share attributable to ordinary shareholders of the Company (RMB)	9.17	8.43	8.78

(Unit: RMB million)

Item	During the Reporting Period July–September 2018	Change from 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 2018	Change from the beginning of the year to the end of the Reporting Period over the corresponding period of the previous year (%)
Operating income	40,235	13.26	115,652	8.93
Net interest income	19,948	-8.74	53,822	-14.53
Recovered net interest income ^{Note}	24,695	12.98	71,250	13.14
Net profit attributable to equity shareholders of the Company	13,067	7.50	42,685	6.07
Net profit attributable to equity shareholders of the Company excluding extraordinary gain/loss items	13,180	7.57	42,977	6.96
Basic earnings per share (RMB)	0.29	3.57	0.97	5.43
Diluted earnings per share (RMB)	0.29	3.57	0.97	5.43
Return on weighted average equity (%) (annualized)	13.26	Decreased by 0.31 percentage points	14.95	Decreased by 0.41 percentage points
Return on weighted average equity excluding extraordinary gain/loss items (%) (annualized)	13.37	Decreased by 0.31 percentage points	15.05	Decreased by 0.29 percentage points
Net cash flow from operating activities	Inapplicable	Inapplicable	-338,355	Negative for both periods
Net cash flow per share from operating activities (RMB)	Inapplicable	Inapplicable	-7.73	Negative for both periods

Notes:

1. The new accounting standards in relation to financial instruments commenced implementation on 1 January 2018, pursuant to which, the relevant gains from financial assets at fair value through profit or loss will no longer be recorded into interest income. During the Reporting Period and from the beginning of the year to the end of the Reporting Period, the recovered net interest income amounted to RMB24,695 million and RMB71,250 million, respectively, representing an increase of 12.98% and 13.14%, respectively, as compared with the corresponding period of the previous year.
2. The earnings per share, net cash flow per share from operating activities, and net assets per share attributable to ordinary shareholders of the Company of the comparative periods have been restated according to the number of shares transferred from capital reserve to share capital in 2017.

Extraordinary gain/loss items are as follows:

(Unit: RMB million)

Item	From the beginning of the year to the end of the Reporting Period January–September 2018
Government subsidies	97
Expenses on donations	-144
Net gain/loss from disposal of non-current assets	-9
Other net extraordinary gain/loss	-237
Income tax effect of the extraordinary gain/loss	16
Net extraordinary gain/loss impact (after tax)	-277
Of which: Extraordinary gain/loss impact on net profit attributable to equity shareholders of the Company	-292
Extraordinary gain/loss impact on net profit attributable to non-controlling interests	15

2.2 Supplemental financial data

(Unit: RMB million)

Item	As at the end of the Reporting Period 30 September 2018	As at the end of the previous year 31 December 2017
Total liabilities	5,543,383	5,512,274
Total deposits from customers	3,163,923	2,966,311
Of which: Corporate deposits	2,587,846	2,455,247
Personal deposits	562,968	492,008
Outward remittance and remittance payable	2,219	6,987
Certificates of deposits	10,890	12,069
Total balance of loans and advances to customers	3,070,558	2,804,307
Of which: Corporate loans and advances	1,851,639	1,698,480
Personal loans and advances	1,218,919	1,105,827
Non-performing loans	53,712	47,889
Allowance for impairment loss on loans	86,844	74,519

Note: Allowance for impairment loss on loans includes allowance for impairment loss as measured at amortised cost and measured at fair value through other comprehensive income loans.

2.3 Analysis of capital adequacy ratio and leverage ratio

The Group calculated its capital adequacy ratio (the “CAR”) in accordance with the Capital Rules for Commercial Banks (Provisional) (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.

CARs of the Group are as follows:

Item	<i>(Unit: RMB million)</i>	
	30 September 2018	
	The Group	The Company
Net core tier-one capital	407,185	387,756
Net tier-one capital	418,032	397,625
Total net capital base	551,601	526,643
Core tier-one CAR (%)	8.77	8.73
Tier-one CAR (%)	9.01	8.95
CAR (%)	11.89	11.86

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 the Reporting Period, the balance of non-qualified tier-two capital instruments of the Company was RMB9 billion, which can be put into calculation.

As at the end of the Reporting Period, the net tier-one capital increased by RMB14,114 million, on- and off- balance sheet assets after adjustment increased by RMB293,574 million, and the leverage ratio decreased by 0.05 percentage points, as compared with the end of June 2018. The leverage ratio of the Group is as follows:

Item	<i>(Unit: RMB million)</i>			
	30 September 2018	30 June 2018	31 March 2018	31 December 2017
Leverage ratio (%)	5.93	5.98	5.87	5.81
Net tier-one capital	418,032	403,918	392,207	385,414
On- and off- balance sheet assets after adjustment	7,047,993	6,754,419	6,679,422	6,629,353

2.4 Discussion and analysis on business operation

During the Reporting Period, the Company actively responded to the adjustment and changes of the internal and external operating environment, carried out customer-centric operations and provided solid services to the real economy based on the three strategic positioning of becoming “a bank for the non-state-owned enterprises (NSOEs), a fintech-based bank and a bank of comprehensive services”. The Company also accelerated the implementation of reform and transformation, continued to consolidate the five pillars of corporate banking, retail banking, financial markets, Internet finance and comprehensive services, and continued to strengthen risk management and control and compliance operation concepts. The asset quality was basically stable, operating efficiency continued to improve, and all business operations achieved healthy and steady development.

1) Continuously improved profitability and increased operating efficiency

During the Reporting Period, the Group realised net profit attributable to equity shareholders of the Company of RMB42,685 million, representing an increase of RMB2,442 million, or 6.07%, as compared with the corresponding period of the previous year. The annualised return on average assets of the Group was 0.97%, representing an increase of 0.03 percentage points as compared with the corresponding period of the previous year. Annualised return on weighted average equity and basic earnings per share were 14.95% and RMB0.97, respectively, representing a decrease of 0.41 percentage points and an increase of RMB0.05, as compared with the corresponding period of the previous year, respectively. As at the end of the Reporting Period, net assets per share attributable to ordinary shareholders of the Company was RMB9.17, increased by RMB0.74 as compared with the end of the previous year.

During the Reporting Period, operating income of the Group recorded at RMB115,652 million, representing an increase of RMB9,477 million, or 8.93%, as compared with the corresponding period of the previous year. Cost-to-income ratio was 26.64%, representing a decrease of 1.58 percentage points as compared with the corresponding period of the previous year.

2) Steadily expanded business scale and continuously optimized business structure

As at the end of the Reporting Period, the Group's total assets amounted to RMB5,965,827 million, representing an increase of RMB63,741 million, or 1.08%, as compared with the end of the previous year. Loans and advances to customers totaled RMB3,070,558 million, representing an increase of RMB266,251 million, or 9.49%, as compared with the end of the previous year. Of which, retail loans amounted to RMB1,218,919 million, accounting for 39.70%, up 0.27 percentage points over the end of the previous year. Small business loans exceeded RMB400,000 million to RMB412,490 million, representing an increase of RMB39,228 million as compared with the end of the previous year. Total liabilities were RMB5,543,383 million, representing an increase of RMB31,109 million, or 0.56%, as compared with the end of the previous year. Total deposits from customers

reached RMB3,163,923 million, representing an increase of RMB197,612 million, or 6.66%, as compared with the end of the previous year. Of which, the balance of savings deposits was RMB562,968 million, representing an increase of RMB70,960 million, or 14.42%, as compared with the end of the previous year, which accounted for 17.79% of total deposits from customers, representing an increase of 1.20 percentage points as compared with the end of the previous year. Interbank liabilities (including interbank deposit certificates) were RMB1,586,835 million, accounting for 28.63%, representing a decrease of 3.27 percentage points as compared with the end of the previous year.

3) Generally stable asset quality and continually improved risk resistance capabilities

During the Reporting Period, the Group continued to improve the construction of comprehensive risk management system, strengthen risk monitoring and early-warning mechanism, and intensify the collection and disposal of non-performing assets, which had contributed to a generally stable asset quality and continually improved risk resistance capabilities.

As at the end of the Reporting Period, the outstanding non-performing loans (“NPLs”) of the Group amounted to RMB53,712 million, representing an increase of RMB5,823 million as compared with the end of the previous year. The NPL ratio was 1.75%, representing an increase of 0.04 percentage points as compared with the end of the previous year. The allowances to NPLs and total loans were 161.68% and 2.83%, respectively, representing increases of 6.07 percentage points and 0.17 percentage points as compared with the end of the previous year, respectively.

2.5 Total number of shareholders, particulars of shareholdings of top ten shareholders, 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

385,987

Particulars of shareholdings of top ten shareholders

Name of shareholders (full name)	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 shareholders
HKSCC Nominees Limited	8,282,035,206	18.92	—	Unknown	—	Others
Anbang Life Insurance Inc. — Steady Investment Portfolio	2,843,300,122	6.49	—	Nil	—	State-owned legal person
China Oceanwide Holdings Group Co., Ltd.	2,019,182,618	4.61	—	Pledged	2,015,582,617	Domestic non-state-owned legal person
Anbang Property Insurance Inc. — Traditional Products	1,998,270,758	4.56	—	Nil	—	State-owned legal person
Anbang Insurance Group Co., Ltd. — Traditional Insurance Products	1,967,213,926	4.49	—	Nil	—	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	1,314,284,476	3.00	—	Nil	—	Domestic non-state-owned legal person
Orient Group Incorporation	1,280,117,123	2.92	—	Pledged	1,279,999,488	Domestic non-state-owned legal person

Top ten holders of shares not subject to restriction on sales

Name of shareholder	Number of tradable shares not subject to restriction on sales	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	8,282,035,206	Overseas listed foreign invested shares	8,282,035,206
Anbang Life Insurance Inc. — Steady Investment Portfolio	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
Anbang Property Insurance Inc. — Traditional Products	1,998,270,758	Ordinary shares in RMB	1,998,270,758
Anbang Insurance Group Co., Ltd. — Traditional Insurance Products	1,967,213,926	Ordinary shares in RMB	1,967,213,926
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	1,314,284,476	Ordinary shares in RMB	1,314,284,476
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	Anbang Insurance Group Co., Ltd. is the controlling shareholder of Anbang Life Insurance Inc. and Anbang Property Insurance Inc. Orient Group Incorporation and Huaxia Life Insurance Co., Ltd. signed a concerted action agreement on 29 June 2016. Save as above, the Company is not aware of any related relationship among other shareholders mentioned above.		

Notes:

1. The number of shares held by H shareholders 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 2018.

2.6 Number of holder of preference shares and particulars of shareholdings of the top ten preference shareholder(s) and top ten holder(s) of preference shares not subject to restriction on sales as at the end of the Reporting Period

✓ Applicable □ Inapplicable

Unit: share

Total number of holder of preference shares

1

Particulars of shareholdings of the top ten holder(s) of preference shares

Name of shareholders (full name)	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	
The Bank of New York Mellon Depository (Nominees) Limited	71,950,000	100	Offshore preference shares	Unknown	—	Foreign Shareholder

Particulars of shareholdings of the top ten holder(s) of preference shares not subject to restriction on sales

Name of shareholder	Number of preference shares not subject to restriction on sales held as at the end of the Reporting Period	Class and number of shares	
		Class	Number
The Bank of New York Mellon Depository (Nominees) Limited	71,950,000	Others	71,950,000

Statement on the related relationship or concerted action among the top ten preference shareholder(s), the aforesaid shareholder and the top ten ordinary share holders

Unknown

Notes:

1. The number of shares held by the preference shareholder was recorded according to the register of members of the preference shares of the Company.
2. As the preference shares were issued through private offering in the overseas market, information of nominees of the allotted investors were based on the register of members of the preference shares.

3. Major Events

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

✓ Applicable Inapplicable

In 2017, the Ministry of Finance successively promulgated five revised accounting standards for business enterprises including the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 — Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 — Hedge Accounting, the Accounting Standards for Business Enterprises No. 37 — Presentation of Financial Instruments (the “New Standard for Financial Instruments”), and the Accounting Standards for Business Enterprises No. 14 — Income, and required the implementation of enterprises listed both at home and abroad to be started on 1 January 2018. The Company has executed the above-mentioned standards when preparing the financial statements. Please refer to the announcements on changes in accounting standards of the Company for the relevant matter and the impacts.

(Unit: RMB million)

Item	30 September 2018	31 December 2017	Change from the end of the previous year (%)	Main reason
Precious metals	7,171	20,836	-65.58%	Decrease in business scale of precious metals leasing
Placements with banks and other financial institutions	207,226	143,205	44.71%	Increase in business scale of placements with banks and other financial institutions

Item	30 September 2018	31 December 2017	Change from the end of the previous year (%)	Main reason
Financial assets at fair value through profit or loss	394,953	74,601		
Financial assets at fair value through other comprehensive income	369,407	—		Application of the New Standards for Financial Instruments, readjustment of items in the statements due to re-classification of investment business
Available-for-sale financial assets	—	378,889		
Financial assets at amortised cost	1,152,853	—		
Held-to-maturity investments	—	708,244		
Loans and receivables	—	974,163		
Derivative financial assets	36,166	18,734	93.05%	Currency swap and increase in fair value of derivative contracts of precious metals
Financial assets purchased under resale agreements	78,750	52,812	49.11%	Increase in business scale of bonds purchased under re-sale agreement
Long-term equity investments	—	21	Nil for this period	Disposal of long-term equity investments of subsidiaries
Financial liabilities at fair value through profit or loss	1,229	3,373	-63.56%	Decrease in selling scale of debt securities lending business
Financial assets sold under repurchase agreements	67,971	107,522	-36.78%	Decrease in business scale of bonds and notes sold under repurchase agreements
Provisions	1,577	809	94.93%	Application of the New Standards for Financial Instruments and increase in provision of impairment losses on off-balance sheet assets

Item	30 September 2018	31 December 2017	Change from the end of the previous year (%)	Main reason
Other comprehensive income	-294	-4,662	Negative for both periods	Application of the New Standards for Financial Instruments and the impact of changes in fair value of financial assets at fair value through other comprehensive income

Item	January– September 2018	January– September 2017	Change from the corresponding period of the previous year (%)	Main reason
Fee and commission expenses	2,970	4,691	-36.69%	Decrease in commission expenses of payment settlement and agency
Investment gains	8,124	2,677	203.47%	After the application
Gains/(losses) from changes in fair value	14,431	-1,403	Negative for the previous period	of the New Standards for Financial Instruments, income through the holding of financial assets at fair value through the profit or loss was booked into net non-interest income, and impact of exchange rate fluctuation
Exchange (losses)/gains	-149	2,710	Negative for this period	
Other gains	97	238	-59.24%	Decrease in tax return
Non-operating income	30	217	-86.18%	Changes in the amount of extraordinary items
Non-operating expenses	411	212	93.87%	
Non-controlling shareholder gains/losses	473	864	-45.25%	Impact of profits of subsidiaries

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	Hong Qi
Date	30 October 2018

4. Appendices

4.1 Financial statements

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2018
(Expressed in millions of Renminbi, unless otherwise stated)

Assets	The Group		The Bank	
	30 September 2018 (Unaudited)	31 December 2017 (Audited)	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Cash and balances with central bank	377,177	442,938	374,075	438,071
Balances with banks and other financial institutions	66,003	75,257	55,910	50,149
Precious metals	7,171	20,836	7,171	20,836
Placements with banks and other financial institutions	207,226	143,205	226,681	145,705
Financial assets at fair value through profit or loss	394,953	74,601	391,851	71,957
Positive fair value of derivatives	36,166	18,734	36,126	18,696
Financial assets held under resale agreements	78,750	52,812	73,285	47,855
Interest receivables	41,400	39,664	40,747	39,096
Loans and advances to customers	2,984,419	2,729,788	2,969,364	2,714,957
Financial assets at fair value through other comprehensive income	369,407	—	364,786	—
Available-for-sale financial assets	—	378,889	—	377,315
Financial assets at amortised cost	1,152,853	—	1,145,118	—
Held-to-maturity investments	—	708,244	—	708,244
Loans and receivables	—	974,163	—	967,600
Long-term receivables	115,083	101,304	—	—
Long-term equity investments	—	21	5,385	5,385
Fixed assets	43,959	45,987	19,045	19,265
Intangible assets	4,888	4,915	3,709	3,704
Deferred income tax assets	29,708	29,162	28,664	28,205
Other assets	56,664	61,566	33,292	36,856
Total assets	5,965,827	5,902,086	5,775,209	5,693,896

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2018
(continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Liabilities and shareholders' equity	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Liabilities				
Borrowings from central bank	365,910	335,173	365,500	334,500
Deposits from banks and other financial institutions	1,001,459	1,138,531	1,008,182	1,147,170
Placements from banks and other financial institutions	150,805	177,462	149,155	177,462
Financial liabilities at fair value through profit or loss	1,229	3,373	1,138	3,373
Borrowings from other financial institutions	122,201	146,999	—	—
Negative fair value of derivatives	22,204	18,076	22,185	18,057
Financial assets sold under repurchase agreements	67,971	107,522	65,861	107,390
Deposits from customers	3,163,923	2,966,311	3,136,347	2,936,021
Employee benefits payable	10,751	11,638	10,507	11,288
Tax payable	12,737	15,395	12,257	14,806
Interest payable	42,718	42,276	41,334	40,925
Provisions	1,577	809	1,577	808
Debt securities issued	541,057	501,927	536,070	500,929
Deferred income tax liabilities	64	65	—	—
Other liabilities	38,777	46,717	20,973	28,977
Total liabilities	<u>5,543,383</u>	<u>5,512,274</u>	<u>5,371,086</u>	<u>5,321,706</u>

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Balance Sheets as at 30 September 2018
(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
	2018	2017	2018	2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Shareholders' equity				
Share capital	43,782	36,485	43,782	36,485
Other equity instruments				
Of which: Preference shares	9,892	9,892	9,892	9,892
Capital reserve	57,555	64,753	57,150	64,447
Other comprehensive income	(294)	(4,662)	(349)	(4,866)
Surplus reserve	34,914	34,914	34,914	34,914
General reserve	74,355	74,168	73,129	73,129
Retained earnings	191,106	163,420	185,605	158,189
Total equity attributable to equity shareholders of the Company	411,310	378,970	404,123	372,190
Non-controlling interests	11,134	10,842	—	—
Total shareholders' equity	422,444	389,812	404,123	372,190
Total liabilities and shareholders' equity	5,965,827	5,902,086	5,775,209	5,693,896

Hong Qi
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 2018

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating income				
Interest income	174,490	170,136	167,907	164,165
Interest expenses	(120,668)	(107,163)	(115,364)	(102,729)
Net interest income	53,822	62,973	52,543	61,436
Fee and commission income	39,137	40,869	37,770	39,512
Fee and commission expenses	(2,970)	(4,691)	(2,701)	(4,408)
Net fee and commission income	36,167	36,178	35,069	35,104
Investment gains	8,124	2,677	8,101	2,323
Gains/(losses) from changes in fair value	14,431	(1,403)	14,444	(1,456)
Foreign exchange (losses)/gains	(149)	2,710	(148)	2,701
Other business income	3,160	2,802	900	747
Other gains	97	238	62	101
Total operating income	115,652	106,175	110,971	100,956
2. Operating expenses				
Tax and surcharges	(1,210)	(1,102)	(1,149)	(1,062)
Operation and management expenses	(30,814)	(29,964)	(29,719)	(28,880)
Impairment losses on assets	(30,263)	(24,646)	(29,524)	(24,001)
Other business expenses	(1,451)	(1,305)	(62)	(21)
Total operating expenses	(63,738)	(57,017)	(60,454)	(53,964)
3. Operating profit	51,914	49,158	50,517	46,992
Add: Non-operating income	30	217	21	168
Less: Non-operating expenses	(411)	(212)	(409)	(211)
4. Total profit	51,533	49,163	50,129	46,949
Less: Income tax expenses	(8,375)	(8,056)	(7,993)	(7,592)
5. Net profit	43,158	41,107	42,136	39,357
Net profit attributable to equity shareholders of the Company	42,685	40,243	42,136	39,357
Net profit attributable to non-controlling interests	473	864	—	—

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements for the 9 Months Ended
30 September 2018 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
6. Other comprehensive income	2,794	(1,379)	2,965	(968)
Other comprehensive income attributable to equity shareholders of the Company, net of tax	2,879	(1,204)	2,965	(968)
Items that may be reclassified subsequently to profit or loss				
Net gains from debt securities at fair value through other comprehensive income	2,763	—	2,901	—
Changes in fair value of available-for-sale financial assets	—	(1,514)	—	(1,562)
Effective hedging portion of (losses)/gains arising from cash flow hedging instruments	(5)	664	(5)	664
Exchange difference on translating foreign operations	121	(354)	69	(70)
Other comprehensive income attributable to non-controlling interests, net of tax	(85)	(175)	—	—
7. Total comprehensive income	45,952	39,728	45,101	38,389
Total comprehensive income attributable to equity shareholders of the Company	45,564	39,039	45,101	38,389
Total comprehensive income attributable to non-controlling interests	388	689	—	—
8. Earnings per share (RMB)				
Basic earnings per share	0.97	0.92		
Diluted earnings per share	0.97	0.92		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements for the 3 Months
from July to September 2018

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months from July to September		3 months from July to September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Operating income				
Interest income	60,364	57,003	58,200	54,919
Interest expenses	(40,416)	(35,145)	(38,744)	(33,546)
Net interest income	19,948	21,858	19,456	21,373
Fee and commission income	12,946	13,494	12,519	12,909
Fee and commission expenses	(1,106)	(1,793)	(1,002)	(1,693)
Net fee and commission income	11,840	11,701	11,517	11,216
Investment gains	846	56	859	47
Gains/(losses) from changes in fair value	2,961	(2,580)	2,944	(2,629)
Foreign exchange gains	3,579	3,397	3,593	3,406
Other business income	1,041	974	178	274
Other gains	20	119	16	—
Total operating income	40,235	35,525	38,563	33,687
2. Operating expenses				
Tax and surcharges	(429)	(349)	(390)	(335)
Operation and management expenses	(12,725)	(12,403)	(12,365)	(12,034)
Impairment losses on assets	(10,732)	(7,507)	(10,624)	(7,216)
Other business expenses	(541)	(425)	(40)	(12)
Total operating expenses	(24,427)	(20,684)	(23,419)	(19,597)
3. Operating profit	15,808	14,841	15,144	14,090
Add: Non-operating income	9	34	7	28
Less: Non-operating expenses	(170)	(163)	(169)	(164)
4. Total profit	15,647	14,712	14,982	13,954
Less: Income tax expenses	(2,342)	(2,219)	(2,191)	(2,123)
5. Net profit	13,305	12,493	12,791	11,831
Net profit attributable to equity shareholders of the Company	13,067	12,155	12,791	11,831
Net profit attributable to non-controlling interests	238	338	—	—

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Income Statements for the 3 Months
from July to September 2018 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	3 months from July to September		3 months from July to September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
6. Other comprehensive income	1,122	(882)	1,027	(598)
Other comprehensive income attributable to equity shareholders of the Company, net of tax	1,103	(742)	1,027	(598)
Items that may be reclassified subsequently to profit or loss				
Net gains from debt securities at fair value through other comprehensive income	1,033	—	1,022	—
Changes in fair value of available-for-sale financial assets	—	(516)	—	(535)
Effective hedging portion of losses arising from cash flow hedging instruments	(12)	(51)	(12)	(51)
Exchange difference on translating foreign operations	82	(175)	17	(12)
Other comprehensive income attributable to non-controlling interests, net of tax	19	(140)	—	—
7. Total comprehensive income	<u>14,427</u>	<u>11,611</u>	<u>13,818</u>	<u>11,233</u>
Total comprehensive income attributable to equity shareholders of the Company	14,170	11,413	13,818	11,233
Total comprehensive income attributable to non-controlling interests	<u>257</u>	<u>198</u>	<u>—</u>	<u>—</u>
8. Earnings per share (RMB)				
Basic earnings per share	0.29	0.28		
Diluted earnings per share	<u>0.29</u>	<u>0.28</u>		

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2018

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Cash flow from operating activities				
Net increase in deposits from customers and deposits from banks and other financial institutions	60,540	—	61,338	—
Net decrease in balances with central bank and balances with banks and other financial institutions	47,421	148,413	46,269	146,630
Cash received from interests, fee and commissions	171,683	156,271	165,312	149,634
Net increase in borrowings from central bank	30,737	12,231	31,000	12,000
Net decrease in placements with banks and other financial institutions	—	26,489	—	27,892
Net increase in placements from banks and other financial institutions	—	90,191	—	86,791
Net decrease in financial assets held under resale agreements	—	44,123	—	50,563
Net increase in financial assets sold under repurchase agreements	—	29,869	—	30,313
Net decrease in trading accounts of financial assets at fair value through profit or loss	—	15,370	—	16,699
Cash received in relation to other operating activities	28,235	43,138	22,652	11,915
Subtotal of cash inflow from operating activities	338,616	566,095	326,571	532,437

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2018 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended		9 months ended	
	30 September		30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net increase in loans and advances to customers	(296,563)	(335,604)	(295,937)	(335,309)
Net decrease in deposits from customers and deposits from banks and other financial institutions	—	(439,622)	—	(436,196)
Net decrease in placements from banks and other financial institutions	(26,657)	—	(28,307)	—
Net increase in placements with banks and other financial institutions	(52,210)	—	(69,165)	—
Net decrease in financial assets sold under repurchase agreements	(39,347)	—	(41,325)	—
Net increase in financial assets purchased under resale agreement	(25,922)	—	(25,414)	—
Net increase in trading accounts of financial assets at fair value through profit or loss	(21,146)	—	(22,438)	—
Cash paid for interests, fee and commissions	(105,123)	(90,291)	(99,631)	(85,932)
Cash paid to and paid for employees	(17,513)	(16,337)	(16,680)	(15,444)
Taxes paid	(18,869)	(16,789)	(18,323)	(16,193)
Cash paid in relation to other operating activities	(73,621)	(35,204)	(33,412)	(21,029)
Subtotal of cash outflow from operating activities	(676,971)	(933,847)	(650,632)	(910,103)
Net cash flow from operating activities	(338,355)	(367,752)	(324,061)	(377,666)

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2018 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended		9 months ended	
	30 September		30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
2. Cash flow from investing activities				
Cash received from sale and redemption of investments	1,236,090	2,173,069	1,234,248	2,161,522
Cash received from investment returns	50,984	63,560	50,486	63,095
Net cash received from subsidiaries and other business units	—	330	—	—
Cash received from disposal of fixed assets, intangible assets and other long-term assets	2,002	1,064	66	16
Subtotal of cash inflow from investing activities	1,289,076	2,238,023	1,284,800	2,224,633
Cash paid for investments	(982,069)	(1,956,303)	(973,952)	(1,941,151)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(3,580)	(8,092)	(1,894)	(1,435)
Subtotal of cash outflow from investing activities	(985,649)	(1,964,395)	(975,846)	(1,942,586)
Net cash flow from investing activities	303,427	273,628	308,954	282,047

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2018 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended		9 months ended	
	30 September		30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
3. Cash flow from financing activities				
Cash received from investments	179	—	—	—
Of which: cash received from investments of non-controlling shareholders in subsidiaries	179	—	—	—
Cash proceeds from issue of debt securities	864,913	580,665	860,925	579,665
Subtotal of cash inflow from financing activities	865,092	580,665	860,925	579,665
Cash paid for repayment of debts	(836,695)	(542,791)	(836,695)	(542,791)
Cash paid for distribution of dividends, profit or interests payable of debt securities	(10,679)	(15,588)	(10,604)	(15,573)
Subtotal of cash outflow from financing activities	(847,374)	(558,379)	(847,299)	(558,364)
Net cash flow from financing activities	17,718	22,286	13,626	21,301

China Minsheng Banking Corp., Ltd.
Consolidated and the Bank's Statements of Cash Flows
for the 9 Months Ended 30 September 2018 (continued)

(Expressed in millions of Renminbi, unless otherwise stated)

	The Group		The Bank	
	9 months ended 30 September		9 months ended 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
4. Effect of changes in foreign exchange rate on cash and cash equivalents	1,574	(1,963)	1,471	(1,952)
5. Net changes in cash and cash equivalents	(15,636)	(73,801)	(10)	(76,270)
Add: Cash and cash equivalents at the beginning of the period	109,099	171,303	86,204	162,462
6. Cash and cash equivalents at the end of the period	93,463	97,502	86,194	86,192

4.2 Audit reports

Applicable Inapplicable