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中國民生銀行股份有限公司

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

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

**(Stock Code: 01988)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

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

Please refer to the attached 2023 Third Quarterly Report of China Minsheng Banking Corp., Ltd. released by the Bank on the website of Shanghai Stock Exchange and newspapers in the PRC.

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

Beijing, PRC  
30 October 2023

*As at the date of this announcement, the Executive Directors of the Bank are Mr. Gao Yingxin, Mr. Zheng Wanchun and Mr. Yuan Guijun; the Non-Executive Directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di, Mr. Song Chunfeng, Mr. Yang Xiaoling and Mr. Zhao Peng; and the Independent Non-Executive Directors are Mr. Xie Zhichun, Mr. Peng Xuefeng, Mr. Qu Xinjiu, Ms. Wen Qiuju, Mr. Song Huanzheng and Mr. Yeung Chi Wai, Jason.*

# 2023 Third Quarterly Report

## China Minsheng Banking Corp., Ltd.

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

### Important Notice

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

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

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

Yes  No

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

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

# I. Major Financial Data

## (I) Major accounting data and financial indicators

	<b>As at the end of the Reporting Period 30 September 2023</b>	As at the end of the previous year 31 December 2022	Changes from the end of the previous year to the end of the Reporting Period
			Increase/ decrease (%)
<b>Scale indicators (RMB million)</b>			
Total assets	<b>7,522,077</b>	7,255,673	3.67
Total loans and advances to customers	<b>4,383,813</b>	4,141,144	5.86
Of which: Corporate loans and advances	<b>2,611,543</b>	2,399,276	8.85
Personal loans and advances	<b>1,772,270</b>	1,741,868	1.75
Total non-performing loans (NPLs)	<b>68,015</b>	69,387	-1.98
Allowance for impairment losses on loans	<b>101,488</b>	98,868	2.65
Total liabilities	<b>6,887,701</b>	6,642,859	3.69
Total deposits from customers	<b>4,226,402</b>	3,993,527	5.83
Of which: Corporate deposits	<b>3,036,604</b>	2,966,375	2.37
Personal deposits	<b>1,182,417</b>	1,020,544	15.86
Other deposits	<b>7,381</b>	6,608	11.70
Total equity attributable to holders of equity shares of the Bank	<b>621,065</b>	599,928	3.52
Total equity attributable to holders of ordinary shares of the Bank	<b>526,103</b>	504,966	4.19
Net assets per share attributable to holders of ordinary shares of the Bank (RMB)	<b>12.02</b>	11.53	4.25
			Changes by percentage points
<b>Asset quality indicators (%)</b>			
NPL ratio	<b>1.55</b>	1.68	-0.13
Allowance to NPLs	<b>149.21</b>	142.49	6.72
Allowance to total loans	<b>2.32</b>	2.39	-0.07

	<b>During the Reporting Period July-September 2023</b>	Changes of the Reporting Period over the corresponding period of the previous year	<b>From the beginning of the year to the end of the Reporting Period January-September 2023</b>	Changes of the period 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 (%)
<b>Operating results (RMB million)</b>				
Operating income	<b>34,765</b>	1.07	<b>106,304</b>	-2.11
Net interest income	<b>25,874</b>	-2.67	<b>77,208</b>	-5.16
Net profit attributable to holders of equity shares of the Bank	<b>9,800</b>	7.22	<b>33,577</b>	-0.60
Net profit attributable to holders of equity shares of the Bank excluding extraordinary gain/loss items	<b>9,900</b>	8.30	<b>33,556</b>	-0.62
Net cash flow from operating activities	<b>Not applicable</b>	Not applicable	<b>123,537</b>	Negative for the previous period
<b>Data per share (RMB)</b>				
Basic earnings per share	<b>0.21</b>	10.53	<b>0.67</b>	-1.47
Diluted earnings per share	<b>0.21</b>	10.53	<b>0.67</b>	-1.47
Net cash flow per share from operating activities	<b>Not applicable</b>	Not applicable	<b>2.82</b>	Negative for the previous period
		Changes by percentage points		Changes by percentage points
<b>Profitability indicators (%)</b>				
Return on average assets (annualised)	<b>0.52</b>	0.01	<b>0.61</b>	-0.03
Return on weighted average equity (annualised)	<b>6.83</b>	0.22	<b>7.55</b>	-0.44
Return on weighted average equity excluding extraordinary gain/loss items (annualised)	<b>6.91</b>	0.30	<b>7.55</b>	-0.44
Cost-to-income ratio	<b>37.28</b>	0.20	<b>32.07</b>	0.93
Net interest spread (annualised)	<b>1.38</b>	-0.10	<b>1.40</b>	-0.13
Net interest margin (annualised)	<b>1.46</b>	-0.10	<b>1.48</b>	-0.14

Notes:

1. Total loans and advances to customers, total deposits from customers and the compositions of which did not include accrued interests.
2. Allowance for impairment losses on loans includes allowance for impairment losses on loans measured at amortised cost, and allowance for impairment losses on loans at fair value through other comprehensive income.
3. Other deposits include issuing certificates of deposit, outward remittance and remittance payables.
4.  $\text{NPL ratio} = \text{total NPLs} / \text{total loans and advances to customers}$ .
5. 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 the former China Banking and Insurance Regulatory Commission (CBIRC). As at the end of the Reporting Period, the regulatory standards for allowance to NPLs and allowance to total loans applicable to the Group and the Bank were 130% and 1.8%, respectively. Allowance to NPLs = allowance for impairment losses on loans/total NPLs; allowance to total loans = allowance for impairment losses on loans/total loans and advances to customers.
6.  $\text{Return on average assets} = \text{net profit} / \text{average balance of total assets at the beginning and the end of the period}$ .
7. Earnings per share and return on weighted average equity were calculated according to the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (2010 Revision) 《公開發行證券的公司信息披露編報規則第9號 – 淨資產收益率和每股收益的計算及披露》(2010年修訂)) promulgated by the China Securities Regulatory Commission and other regulations.
8.  $\text{Cost-to-income ratio} = \text{business and management expenses} / \text{operating income}$ .
9.  $\text{Net interest spread} = \text{average return ratio on interest-earning assets} - \text{average cost ratio of interest-bearing liabilities}$ .
10.  $\text{Net interest margin} = \text{net interest income} / \text{average balance of interest-earning assets}$ .

## (II) Extraordinary gain/loss

Item (RMB million)	January- September 2023	January- September 2022
Government subsidies	453	168
Expenses on donations	-50	-68
Net gain/loss from disposals of non-current assets	-33	-1
Other net extraordinary gain/loss	-148	-10
Income tax effect of the extraordinary gain/loss	-112	-34
Extraordinary gain/loss impact, net of tax	110	55
Of which: Extraordinary gain/loss impact on net profit attributable to holders of equity shares of the Bank	21	14
Extraordinary gain/loss impact on net profit attributable to non-controlling interests	89	41

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

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

Applicable  Not applicable

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

Applicable  Not applicable

Item	January- September 2023	January- September 2022	Increase (%)	Main Reason
Net cash flow from operating activities (RMB million)	123,537	-12,878	Negative for the previous period	Increase in net cash inflow of
Net cash flow per share from operating activities (RMB)	2.82	-0.29		borrowings from central bank, and placements with banks and other financial institutions

## II. Information on Shareholders

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

As at the end of the Reporting Period, the total number of holders of ordinary shares was 349,024, among which, 331,159 were holders of A shares, 17,865 were holders of H shares, and there was no holder of preference shares whose voting rights had been restored.

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

Name of shareholder	Type of shareholder	Number of shares held (share)	Class of shares	Shareholding percentage (%)	Shares pledged/ marked/frozen	
					Status	Number (share)
HKSCC Nominees Limited	Other	8,285,500,476	H	18.92	Unknown	
Dajia Life Insurance Co., Ltd. – Universal Product	Domestic legal person	4,508,984,567	A	10.30	Nil	
Dajia Life Insurance Co., Ltd. – Traditional Product	Domestic legal person	2,843,300,122	A	6.49	Nil	
Tsinghua Tongfang Guoxin Investment Holding Co., Ltd.	Domestic legal person	1,888,530,701	A	4.31	Pledged	1,850,802,321
New Hope Liuhe Investment Co., Ltd.	Domestic non-state-owned legal person	1,828,327,362	A	4.18	Nil	
China Oceanwide Holdings Group Co., Ltd.	Domestic non-state-owned legal person	1,803,182,618	A	4.12	Pledged Frozen	1,803,182,617 388,800,001
Shenzhen Liye Group Co., Ltd.	Domestic non-state-owned legal person	1,474,289,863	A	3.37	Marked Pledged	1,414,382,617 949,500,000
Shanghai Giant Lifetech Co., Ltd.	Domestic non-state-owned legal person	1,379,679,587	A	3.15	Pledged	1,379,678,400
Huaxia Life Insurance Co., Ltd. – Universal Insurance Product	Domestic non-state-owned legal person	1,350,203,341	A	3.08	Nil	
China Shipowners Mutual Assurance Association	Domestic non-state-owned legal person	1,324,284,453	A	3.02	Nil	

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|--|--|
| Statement on the related relationship or concerted actions among the above shareholders  | <ol style="list-style-type: none"> <li>1. Dajia Life Insurance Co., Ltd. – Universal Product and Dajia Life Insurance Co., Ltd. – Traditional Product have the same legal person;</li> <li>2. Save as mentioned above, the Bank is not aware of any related relationship or concerted actions among the above shareholders.</li> </ol>                   |
| Statement on margin trading, short selling and refinancing engaged by the top ten holders of ordinary shares and the top ten holders of ordinary shares not subject to restriction on sales (if any) | <ol style="list-style-type: none"> <li>1. The margin account of Shenzhen Liye Group Co., Ltd. holds 388,272,548 shares of the Bank, representing 0.89% of total share capital of the Bank;</li> <li>2. Save as mentioned above, the Bank is not aware of any margin trading, short selling and refinancing engaged by the above shareholders.</li> </ol> |

Notes:

1. The number of shares held by holders of A shares and H shares in the above table was recorded in accordance with the registers of shareholders of the Bank provided by China Securities Depository and Clearing Corporation Limited (Shanghai Branch) and Computershare Hong Kong Investor Services Limited, respectively;
2. No shareholder of the Bank held shares subject to restriction on sales;
3. Total number of the shares held by HKSCC Nominees Limited acting as an agent represents the total amount of H shares of the Bank held by all institutional and individual investors that registered in the account of such investors as at the end of the Reporting Period;
4. Shares held and pledged by Tsinghua Tongfang Guoxin Investment Holding Co., Ltd. included 1,850,802,321 shares transferred to “Tsinghua Tongfang Guoxin Investment Holding Co., Ltd. – special account for pledge of convertible corporate bonds non-publicly issued to professional investors (“同方國信投資控股有限公司 – 面向專業投資者非公開發行可交換公司債券質押專戶”)” (five tranches in total) due to issuing bonds.



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

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

33

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

Name of shareholder	Type of shareholder	Number of shares held (share)	Shareholding percentage (%)	Number of shares held subject to restriction on sales	Shares pledged/ marked/frozen	
					Status	Number
Taiping Life Insurance Co., Ltd. – Traditional – General Insurance Product – 022L – CT001SH	Others	10,000,000	5.00	–	Nil	–
Guotai Junan Securities Asset Management – Futong • Rixin H14001 RMB Wealth Management Product – Guojun Asset Management 0638 Targeted Asset Management Contract	Others	10,000,000	5.00	–	Nil	–
BOCOM Schroder Asset Management – BOCOM – BOCOM Schroder Asset Management Zhuoyuan No. 2 Collective Asset Management Plan	Others	8,800,000	4.40	–	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
Nil	–

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

There is 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 Bank is not aware of any related relationship or concerted actions among the above holders of domestic preference shares or among the above holders of domestic preference shares and the top ten holders of ordinary shares.

### III. Other Reminders

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

✓ Applicable     Not applicable

#### (I) Management discussion and analysis

The Group actively served national strategies, conscientiously implemented the decisions and arrangements of the National Financial Regulatory Administration (NFRA), strengthened confidence and strove to fully implement the new development concept, pushed forward various reforms with greater efforts, and promoted the high-quality development of the Group with innovation. The Bank pursued the main operating target of “grasping opportunities, promoting development, preventing risks and increasing revenues”, continued to deepen the restructuring of assets and liabilities, comprehensively strengthened internal risk control and management, sped up the promotion of digital transformation, accelerated the optimisation of key processes, and continued to consolidate the basic products and services, so as to effectively enhance the ability to create value for customers.

#### ***1. Generally stable profitability and lower decline rate of operating income***

The Group pushed forward the reform and transformation with greater efforts to promote the enhancement of operating value. The decline rates of operating income and net profit in the first three quarters lowered significantly as compared with the corresponding period of the previous year, and the net non-interest income maintained a growth momentum. In the first three quarters of 2023, the Group’s net profit attributable to holders of equity shares of the Bank amounted to RMB33,577 million, representing a decrease of RMB201 million, or 0.60%, as compared with the corresponding period of the previous year. The operating income amounted to RMB106,304 million, representing a decrease of RMB2,292 million, or 2.11%, as compared with the corresponding period of the previous year. The Group realised net non-interest income of RMB29,096 million, representing an increase of RMB1,908 million as compared with the corresponding period of the previous year. Of which, the fee and commission income from agency and trust services was RMB8,458 million, representing an increase of RMB1,155 million as compared with the corresponding period of the previous year. The fee and commission income from settlement and clearance services was RMB1,586 million, representing an increase of RMB339 million as compared with the corresponding period of the previous year. The proportion of net fee and commission income in the operating income increased by 0.82 percentage points as compared with the corresponding period of the previous year.

## **2. *Deepened reform and transformation and constantly optimised asset and liability structure***

The Group insisted on returning to the business origin, continued to deepen reform and transformation, and promoted the coordinated and steady development of assets and liabilities. On the asset side, the Group fully supported the real economy, increased and accelerated credit investment. Various loans accomplished higher increases as compared with the increment in the corresponding period of the previous year and increases in proportion. As at the end of the Reporting Period, total assets of the Group amounted to RMB7,522,077 million, representing an increase of RMB266,404 million, or 3.67%, as compared with the end of the previous year. Of which, total loans and advances to customers amounted to RMB4,383,813 million, representing an increase of RMB242,669 million, or 5.86%, as compared with the end of the previous year, RMB156,943 million higher as compared with the increment in the corresponding period of the previous year, which accounted for 58.28% of total assets, representing an increase of 1.21 percentage points as compared with the end of the previous year. The loans to key areas and key regions maintained rapid growth. As at the end of the Reporting Period, the balance of loans to the manufacturing industry of the Bank was RMB434,236 million, representing an increase of RMB39,728 million, or 10.07%, as compared with the end of the previous year. The balance of green credit was RMB249,978 million, representing an increase of RMB70,066 million or 38.94%, as compared with the end of the previous year. The balance of loans to the four key regions, including the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei region, and the Chengdu-Chongqing economic circle, amounted to RMB2,703,914 million, representing an increase of RMB219,812 million, or 8.85%, as compared with the end of the previous year, which was higher than the average growth rate of all loans of the Bank. On the liability side, the Group strengthened the comprehensive development of its customer groups, continued to improve its products and services, and strengthened the quality management of its liabilities. As a result, the proportion of various deposits increased and the liability structure became more steady and healthy. As at the end of the Reporting Period, total liabilities of the Group amounted to RMB6,887,701 million, representing an increase of RMB244,842 million, or 3.69%, as compared with the end of the previous year. Total deposits from customers amounted to RMB4,226,402 million, representing an increase of RMB232,875 million, or 5.83%, as compared with the end of the previous year, accounting for 61.36% of total liabilities, and an increase of 1.24 percentage points as compared with the end of the previous year. Of which, personal deposits amounted to RMB1,182,417 million, representing an increase of RMB161,873 million, or 15.86%, as compared with the end of the previous year, accounting for 27.98% of total deposits from customers, and an increase of 2.43 percentage points as compared with the end of the previous year.

### **3. *Enhanced customer group management and comprehensively improved customer service capability***

The Bank firmly implemented the strategic positionings of “a bank for NSOEs, an agile and open bank and a bank with considerate services”, improved the corporate, retail and treasury business models and deepened the layered and classified marketing system for customer groups. The Bank strove to become strategic partners and ecosystems of each other with customers, made business referrals for each other, and strengthened the integrated development of micro, small and medium enterprises (MSMEs), large enterprises and retail customers. Focusing on basic customer management, basic products and services, and basic businesses, such as payment, settlement and account opening, the Bank improved digital financial services, enhanced customer experience in an all-round way, and created value for customers continuously.

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

In the first three quarters of 2023, the Bank continued to deepen and improve the marketing system reform of corporate banking business. As a result, the development of its corporate banking business continued to improve, the dividends of reform was gradually released and all lines of business achieved steady and healthy development. As at the end of the Reporting Period, the balance of corporate deposits of the Bank amounted to RMB3,021,190 million, representing an increase of RMB70,055 million, or 2.37%, as compared with the end of the previous year. The balance of general corporate loans amounted to RMB2,343,031 million, representing an increase of RMB193,222 million, or 8.99%, as compared with the end of the previous year.

**The effectiveness of integrated development of strategic customer groups continued to enhance.** Targeting at strategic clients, the Bank implemented the new strategies for the integrated development of MSMEs, large enterprises and retail customers. While maintaining the steady growth of the size of strategic customer groups, the Bank constantly strengthened the traction of strategic clients and worked together with them to build the brand of supply chain customer conventions (客商大會). The marketing quality and efficiency had been improved continuously. As at the end of the Reporting Period, the balance of deposits from strategic clients at the head office level and the branch level of the Bank amounted to RMB1,224,713 million, representing an increase of RMB114,007 million, or 10.26%, as compared with the end of the previous year. The daily average

deposits amounted to RMB1,253,658 million, representing an increase of RMB30,335 million, or 2.48%, as compared with the previous year. The balance of all loans (including discounted bills) amounted to RMB1,139,794 million, representing an increase of RMB56,524 million, or 5.22%, as compared with the end of the previous year. In the first three quarters of 2023, the Bank hosted a total of 79 supply chain customer conventions, involving 69 core enterprises and 37 branches. The chain-based financing customers amounted to 15,472, representing an increase of 8,083 as compared with the end of the previous year.

**The management model of basic customer groups supported business development.** The Bank focused on the implementation of the new system for basic customer groups, further released the new momentum of the basic customer groups, and continuously enhanced the support and contribution of the new system to the transformation and development of corporate business. In the first three quarters of 2023, the Bank focused on the “points, chains, ecosystems and parks” and created seven thematic and featured business models for basic customer groups to support the high-quality development of businesses. The Bank continued to enrich the non-financial benefit system of the basic customer groups, iterate on the basis of the four series of “operation, intelligence, benefits and home”, and has built a benefit system for the basic customer groups that covered full life-cycle of the customer groups and accompanying full journey with the customers. The Bank continued to carry out the marketing campaign of “Park Visits (園區萬里行)”, introduced solutions for parks, optimised the “Easy Park (園易)” series of products, and provided new samples, new paradigms, new models and new mechanisms for the development of the park customer group, and enhanced the competitiveness and influence of the brand in the market. The Bank optimised and improved the digital marketing mechanism, created a full-scenario, full-journey and full life-cycle digital application model for the management of the relevant customer groups, and has built an integrated digital and intelligent management platform for MSMEs, large enterprises and retail customers to improve full-process and closed-loop marketing management. As at the end of the Reporting Period, the balance of loans to the “dedicated, refined, distinctive and innovative (DRDI)” customer groups was RMB73,451 million, representing an increase of 53.08% as compared with the end of the previous year, while the balance of loans to small and medium-sized enterprises (SMEs) of the basic customer groups was RMB804,495 million, representing an increase of 17.37% as compared with the end of the previous year.



**The high-quality development of institutional business advanced steadily.** Focusing on high-quality and sustainable development, the Bank insisted on serving national strategies, adhered to the customer-centric philosophy, and took qualification-building and platform construction as the starting points. The Bank strove to become the first-choice bank of comprehensive financial services for administrative agencies, public institutions, social organisations and other institutional customers. As at the end of the Reporting Period, the Bank had 33,224 institutional customers, representing an increase of 9.27% as compared with the end of the previous year. **The Bank promoted strategic cooperation and reinforced basic-level marketing.** The Head Office led a special team to carry out marketing of medical insurance business in four key regions, and signed strategic cooperation agreements with the Chongqing Municipal People’s Government and other local governments. The Bank actively participated in and supported the successful issuance of overseas bonds of the Shenzhen Municipal People’s Government. At the same time, the Bank strengthened basic-level marketing, deeply cultivated grassroots administrative institutions in districts, counties, townships, streets and communities, as well as hospitals, schools, sports, publishing and other segments, so as to consolidate customer foundation, and broaden service scope. **The Bank optimised comprehensive services and fulfilled social responsibilities.** The Bank strengthened sci-tech output to institutional customers, and realised deep binding of settlement fund scenarios. Relying on platform cooperation, the Bank facilitated the digital transformation of institutional customers of all types at all levels. The Bank continued to increase investment in platform projects. As at the end of the Reporting Period, the Bank had 373 platform projects in operation, cumulatively served 1,040 institutional customers of all types at all levels. In the first three quarters of 2023, the balance of daily average deposits from the project managed amounted to RMB92,145 million. The Bank underwrote and invested in local government bonds, and strongly supported local governments in ensuring people’s livelihood and economic development.

**The transaction banking product and service system improved constantly.** Focusing on the settlement and financing pain points in the process of digital transformation of enterprises, the Bank continued to enhance the handling experience of standardised products for the basic needs of customers, accelerated the iteration of functions such as account opening and management, daily fund collection, payment and control, and financing for transaction scenarios. The Bank continued to enhance the competitiveness of high-frequency products, such as tax payment, payroll agency, cross-border remittance, and e-letters of guarantee (e-LG), and realised the fully online operation of domestic letter of credit. The Bank launched the fully online and pure credit product of E-Export Finance (出口e融) to serve the financing of micro- and small-sized export enterprises. The Bank promoted the construction of a new generation bill system to achieve batch reach and in-depth management of MSME customer groups. The Bank improved the differentiated competitiveness of integrated financial solutions for interbank cash management, cross-border capital pool and the Bills Butler (票據管家), and provided customised services for large-sized clients. In the first three quarters of 2023, the daily average balance of general deposits of the Bank's settlement customers amounted to RMB1,277,477 million, representing an increase of RMB179,755 million, or 16.38%, as compared with the previous year. The Bank issued 9,666 e-LG, representing an increase of 4,439, or 84.92%, as compared with the corresponding period of the previous year.

**The professional service capacity of investment banking continued to enhance.** The Bank focused on key areas, strengthened investment-research empowerment, enriched application scenarios, optimised operation models, and satisfied customers' financial needs in an all-round and diversified manner. The Bank actively served key national strategies, increased credit investment in new energy construction, new infrastructure investment and new industry development, upgraded and iterated innovative products, and strengthened the financial support for the DRDI sci-tech innovation customer groups. As at the end of the Reporting Period, the balance of M&A loans of the Bank amounted to RMB178,016 million, representing an increase of 1.11% as compared with the end of the previous year. The balance of domestic syndicated loans (excluding M&A syndicated loans) amounted to RMB167,440 million, representing an increase of 49.17% as compared with the end of the previous year. In the first three quarters of 2023, the Bank underwrote 575 debt financing instruments of non-financial enterprises in the interbank market, with an amount of RMB265,536 million.



## (2) Retail banking business

In the first three quarters of 2023, the Bank recorded RMB46,740 million operating income from retail business, representing a decrease of 6.69% as compared with the corresponding period of the previous year, accounting for 46.88% of the operating income of the Bank, representing a decrease of 2.13 percentage points as compared with the corresponding period of the previous year (accounting for 47.92% of the operating income from corporate and retail businesses of the Bank, representing an increase of 0.35 percentage points, as compared with the corresponding period of the previous year). Net non-interest income from retail business of the Bank amounted to RMB9,099 million, representing a decrease of 11.75% as compared with the corresponding period of the previous year, accounting for 19.47% of the operating income from retail business. The net non-interest income from retail business accounted for 37.56% of the net non-interest income of the Bank, representing a decrease of 5.69 percentage points as compared with the corresponding period of the previous year.

As at the end of the Reporting Period, total assets of retail customers under the management of the Bank<sup>1</sup> amounted to RMB2,709,213 million, representing an increase of RMB140,286 million as compared with the end of the previous year. Of which, savings deposits amounted to RMB1,161,710 million, representing an increase of RMB159,649 million, or 15.93%, as compared with the end of the previous year. Total amount of retail wealth management products was RMB843,908 million, representing a decrease of 5.98% as compared with the end of the previous year. Total assets of private banking customer<sup>2</sup> amounted to RMB740,190 million, representing an increase of 6.81% as compared with the end of the previous year.

As at the end of the Reporting Period, total retail loans of the Bank (including credit card overdraft business) amounted to RMB1,885,973 million, representing an increase of RMB86,815 million as compared with the end of the previous year. Of which, credit card overdrafts amounted to RMB477,327 million, representing an increase of RMB14,539 million as compared with the end of the previous year. The balance of mortgage loans amounted to RMB549,601 million, representing a decrease of RMB20,795 million as compared with the end of the previous year. The balance of Easy Loan (民易贷) amounted to RMB45,190 million, representing an increase of RMB8,235 million as compared with the end of the previous year.

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<sup>1</sup> The statistical information on total assets of retail customers under the management of the Bank added in the scale of non-guarantee money of retail customers of the Bank at third-party institutions.

<sup>2</sup> Private banking customers refer to the individual customers of the Bank with RMB6 million (inclusive) or above monthly and daily average scale of financial assets.

**High-quality customer acquisition capacity enhanced continuously.**

Firstly, the Bank strengthened customer development by combining organic growth-oriented customer acquisition and external expansion-oriented customer acquisition, deepened the integration and coordination mechanism, strengthened the construction of payroll agency service system for strategic clients, MSMEs and large enterprises, launched the new feature of batch card issuance for payroll agency services, and explored the exchange of clues in the connected marketing of corporate and private banking customers. The Bank optimised the process of issuing debit and credit cards together. The “UnionPay Customer Acquisition Benefits Platform” covered all branches in the Chinese mainland, with upgraded Internet, travel and parent-child ecosystem services. Secondly, the Bank continued to carry out personal pension customer acquisition and marketing, strengthened product allocation, and deployed special marketing activities around account opening and funds transfer. As at the end of the Reporting Period, total number of personal pension accounts of the Bank was 1,492,100, representing an increase of 1,096,900 as compared with the end of the previous year. Thirdly, the Bank enhanced the effect of coordinated customer acquisition. The Bank optimised the integrated marketing process of joint issuance of debit and credit cards, upgraded the function of “immediate use of card (即時用卡)”, and enabled “instant application, immediate use and prompt benefits” for applying credit card at bank lobbies, and realised the embedded and one-click marketing of debit and credit cards. As at the end of the Reporting Period, the Bank issued a total of 71,280,700 credit cards, representing an increase of 4.56% as compared with the end of the previous year.

As at the end of the Reporting Period, the number of retail customers of the Bank was 128,092,100, representing an increase of 6,259,800 as compared with the end of the previous year. Of which, the number of retail customers with financial assets (AUM) of RMB1,000 and above was 11,093,300, representing an increase of 420,300 as compared with the end of the previous year. The number of private banking customers was 55,476, representing an increase of 7.73% as compared with the end of the previous year. The number of credit card customers was 50,245,200, representing an increase of 5.06% as compared with the end of the previous year. The total number of customers holding both credit card and debit card was 16,216,900. The number of retail loan customers was 3,169,700, representing an increase of 230,900 as compared with the end of the previous year.

**Specialised management of segmented customer groups was deepened.** Firstly, the Bank improved the standardised management system for segmented customer groups, and strengthened the product adaptation, process optimisation and thematic activities for such segmented market customer groups as payroll agency, senior citizens and small business. As at the end of the Reporting Period, the cumulative number of customers added the corporate Weixin account of the Bank reached 10,601,200, representing an increase of 3,196,200 as compared with the end of the previous year. Secondly, the Bank enriched the featured services for “the elderly and the junior”, organised the “Happy Enjoyment” activities for the aged customers, promoted the optimisation of the elderly version of mobile banking App, and upgraded the “Future Star (未來之星)” parent-child service plan. In the third quarter, 25,100 families were covered by non-financial activities such as financial quotient, public welfare and sports. Thirdly, the Bank enhanced the professional capability of serving wealth management customer groups, deepened standardised process management, formulated the new standard operation procedure (SOP) manual for standardised operations of the wealth management teams, and optimised process evaluation and assessment. The Bank upgraded the mobile banking functional areas, optimised customer service experience, and enhanced the synergy between product strategy and channel promotion. Fourthly, the Bank continued to upgrade the featured business model of the Private Banking Centre, promoted the full coverage of customers of the Private Banking Centre, and increased the support for exclusive products, Apex privileges, remote experts and personalised services. The Bank launched the “private banking lounge (私人會客廳)” service to provide customers with one-stop comprehensive services. In the “2023 Top 100 Private Banking Centres” contest organised by the *Retail Banking* magazine, seven private banking centres of the Bank were successfully included, contributing to rising market reputation and brand influence. Fifthly, the Bank built up the entrepreneurial customer service system of “Minsheng Intelligent Butler (民生慧管家)”, expanded and enriched the shelf of personalised services and products, and carried out refined promotion and operation. The Bank enhanced the experience of remote expert consulting services, and launched mobile banking services targeting at popular topics such as taxation, education, family inheritance and law, and provided 460 consulting services to customers in the first three quarters of 2023. Sixthly, the Bank accelerated the upgrading of community finance, established a comprehensive management and coordinated marketing mechanism, strengthened product training, accelerated the construction of property and consumption ecosystems, and organised non-financial activities on a regular basis. Seventhly, the Bank deepened the management of existing credit card customer groups. The Bank laid out early warning for active cardholder churn, carried out targeted promotion and precise marketing activities. The Bank strengthened the placement of installments, optimised the limit-granting and pricing strategy. The Bank iterated the rules for installments reservation and early repayment of installments, and achieved growth in installment transactions of credit card consumption for six consecutive months.

**Products and services were improved.** Firstly, the Bank continued to deepen the brand system of “steady wealth management” to provide customers with full life-cycle, one-stop and steady asset allocation. The Bank upgraded the service of “Daily Profit + Daily Treasure (天天利+天天寶)” to meet customers’ liquidity needs and bring in new funds. The Bank continued to increase the allocation of protective insurance. During the Reporting Period, the premium scale of protective insurance increased by 71.80% as compared with the corresponding period of the previous year. The family trust system of “Cloud Trust” was promoted. As at the end of the Reporting Period, the existing scale of family trusts and insurance fund trusts doubled, as compared with the end of the previous year, to RMB21,947 million, with an increase of RMB10,983 million. Secondly, the Bank enhanced the service experience of basic customer groups, expanded the 95568 electronic account operation services, and improved the success rate of debit card issuance. The Bank launched the special section for cross-border finance for mobile banking, supported personal foreign exchange business, and maintained a leading position in the industry in terms of the transaction volume of the Cross-Border Wealth Management Connect (跨境理財通). The Bank improved the account risk management mechanism, and responded quickly to the customer demands of transaction limits adjustment. Thirdly, the Bank continued to deepen the transformation of consumer credit business, implemented the interest rate adjustment policy for mortgage loans, and efficiently responded to customer needs. The Bank continued to optimise the product functions, business processes, and modeling strategies of the product of “Easy Loan”, the balance of which was RMB2,274 million higher as compared with the increment in the corresponding period of the previous year. The number of credit-granting customers increased by 15.20% as compared with the end of the previous year. The Bank launched the sub-product of “Easy Owners” to support community finance. The automobile consumer loan achieved full-scale development. Fourthly, the Bank issued new products, such as Juneyao Airlines Visa edition, to explore the innovative integration of consumption scenarios and retail financial services. Fifthly, the Bank further deepened the transformation of outlets, and facilitated the initial transformation of lobby staff into all-round staff integrating operation, service and marketing. The Bank launched the remote expert video service, created the model rooms for upgrading the image of outlets, launched the network service monitoring system for outlets, and upgraded the intelligent operation platforms and intelligent equipment. Sixthly, the Bank strengthened customer benefits management, carried out credit card linked repayment and time-limited financial asset level enhancement activities, and launched mobile banking bill payment coupons and red envelopes for credit card installment. In the first three quarters of 2023, the new V+ members of the Bank increased by 352,700. The Bank continued to optimise the service process of the VIP benefits of “Apex Privileges”, integrated and optimised the App and telephone reservation channels, and provided agency reservation services, so as to create ultimate and attentive customer experience. As at the end of the Reporting Period, the retention rate of private banking

customers was increased by 11.03% through the upgraded VIP benefits of “Apex Privileges”. Seventhly, the Bank enriched the construction of payment ecosystem scenarios, cooperated with leading internet platforms to promote card binding for fast payment, and supported the featured marketing campaigns of “Preferential Minsheng Day (聚惠民生日)” at the branches.

As at the end of the Reporting Period, the balance of small business loans of the Bank amounted to RMB779,294 million, representing an increase of RMB95,853 million as compared with the end of the previous year, RMB28,533 million higher as compared with the increment in the corresponding period of the previous year. The number of small business customers with balance of loans was 722,500, representing an increase of 73,800 as compared with the end of the previous year. The balance of inclusive small business loans of the Bank amounted to RMB603,712 million, representing an increase of RMB54,661 million as compared with the end of the previous year, RMB22,255 million higher as compared with the increment in the corresponding period of the previous year. The number of inclusive small business customers with balance of loans was 499,400, representing an increase of 96,400, as compared with the end of the previous year. In the first three quarters of 2023, the average interest rate of inclusive small business loans was 4.67%. As at the end of the Reporting Period, the NPL ratio of inclusive small business loans was 1.08%, representing a decrease of 0.62 percentage points as compared with the end of the previous year. 2,464 outlets of the Bank provided comprehensive financial services to micro and small customers.

**The connotation of inclusive financial services was enriched.** Firstly, the Bank accelerated the construction of online channels by building the combined advantages of “Weixin Mini Programme + Minsheng Small Business App”, launching the Minsheng Small Business App 3.0, redesigning the client software, and launching the convenient functions such as bills and tax payment. The Bank launched a new Minsheng Small Business Mini Programme, which provided a one-stop solution for customers to apply for loans, measure the credit lines, and make referrals. As at the end of the Reporting Period, the number of Minsheng Small Business App users exceeded 1.54 million. Secondly, the Bank launched the unsecured loan product of “Minsheng Benefits (民生惠)” and promoted it throughout the Bank. The Bank actively granted credit to new and existing micro and small enterprises (MSEs), constructed a new risk control base on the basis of data models, and had made new breakthroughs in customer acquisition and risk control models after realising automatic approval and intelligent post-lending management. Thirdly, the Bank innovated and iterated the micro and small product system, optimised the functions of key products such as plant mortgage, large amount value-added loan, Photovoltaic Loan (光伏貸), Cotton Grower Loan (棉農貸), local Agricultural Loan Express (農貸通), Revitalisation Loan (振興貸), and put on line the business of secured pledged loan, the Ru Yi Loan



(如意貸) that supports medium- and long-term flexible repayment, the Beidahuang Agricultural Reclamation Loan Express (北大荒農墾農貸通) and the foreign exchange derivatives for small businesses, so as to effectively satisfy the diversified financing needs of micro and small customers. Fourthly, the Bank implemented the regulatory requirement of “going to enterprises to improve confidence and optimise service” and continued to carry out the campaign of “Going to Enterprises (民生進萬企)” nationwide, with more than 8 thousand special marketing activities for various types of micro and small customers, to satisfy the financial needs of MSEs in an all-round way. Fifthly, the Bank effectively solved the financing difficulties of sci-tech innovation and manufacturing MSEs through digitalised and scenario-based financial services, injecting driving force into the development of sci-tech innovation and manufacturing MSEs.

**The customer acquisition and attraction model for MSEs was innovated.** Firstly, the Bank widely promoted the “Honeycomb Plan (蜂巢計劃)” for MSEs, strengthened the development of the projects with distinct branch characteristics, and organised and carried out the “Honeycomb Action” thematic marketing to provide customised and featured services for high-quality customer groups in regionally featured scenarios. Secondly, the Bank relied on core enterprises to realise integrated acquisition of MSMEs, large enterprises and retail customers, provided a series of online convenient financing services, such as “E-Credit Finance (信融e)”, “E-Sales on Credit(賒銷e)”, “E-Procurement (採購e)”, which radiated the upstream and downstream of supply chains and the customer groups in industrial chains, and achieved positive results in exploring the integrated batch acquisition model of MSMEs, large enterprises and retail customers. Thirdly, through the “supply chain customer conventions”, the Bank realised customer attraction under the comprehensive service mode. By linking branches across the country to organise a series of “supply chain customer conventions”, the Bank provided its core enterprise clients and various industrial chain segments with a comprehensive service model of “finance + intelligence + commerce”, in order to attract and expand customers in the industrial chain segments through the platforms and realise win-win cooperation with enterprises.

**The comprehensive customer service capacity was enhanced.** Firstly, initial achievements were made in the construction of manager teams for SME customer groups. As at the end of the Reporting Period, the Bank established the MSE customer service teams in 31 branches with over 600 persons involved. Through matching basic customer product packages, launching on-line operation tools, allocating resources such as special salaries, rights and interests, the Bank achieved good results. Secondly, the Bank built new customer acquisition scenarios, upgraded the refined management of settlement customer groups, enriched the customer acquisition scenarios for industry applications, improved the batch customer acquisition ability of platforms, increased the linkage between settlement and credit granting, and strengthened the construction of merchant finance

and value-added service system, so as to further extend the breadth and depth of the management of payment and settlement customer groups. Thirdly, the Bank integrated products and services, vigorously promoted the service of “Go With You (與你同行)”, and carried out the dual butler services of customer managers of small business and wealth management managers to enhance customer service experience and become the host bank for more small business customers.

**Fin-tech supported small business development.** Firstly, the Bank conducted smart risk management. The micro and small credit risk management system (MCS system) was officially launched and publicised in the whole bank to improve the online and intelligent level of MSE credit business and enhance operational efficiency and customer experience. Secondly, the Bank continued to strengthen cooperation with external data platforms, conducted in-depth recognition and identification of customers, produced precise marketing clues, and enhanced the digital marketing capability of small business. Thirdly, the Bank insisted on the value creation from compliance management, precisely seized the nature of regulatory policies and regulations of small business, and facilitated high-quality business development with compliance capability.

**Digitalisation empowered retail customer group management.** Firstly, the Bank deployed business strategies in a large scale and intelligence-based manner, implemented integrated online and offline journey management, promoted the construction of intelligent marketing systems and coordinated management of clues, and provided good services to new customers and existing customers. During the Reporting Period, the Bank reached a total of 129,850 thousand customers, covered 32,280 thousand customers, and conducted 2,296 marketing activities with assistance of the online systems. Secondly, the Bank accelerated the user growth and sharing fission of the Daily Life App (全民生活App), iterated and upgraded the functions of smart and comprehensive search and the App cashier desk, and increased large scale application of emerging technologies such as AI, big data and VR. Thirdly, the Bank optimised the smart customer management system, and customised management plans for different customer groups in accordance with their consumption capability. The Bank introduced natural language processing (NLP) technology to capture customer demands for services such as card issuance and installment in real time, established consumption labels for customer groups, promoted the antecedent value management capabilities, so as to continuously optimise customer journey management.

### (3) *Treasury business*

The Bank firmly adhered to the “customer-centric” transformation direction, and actively worked on the management of interbank customer groups, the enhancement of capacity of financial markets agency products, and the reshaping of asset custody business. The Bank strengthened the effectiveness of integrated marketing and promoted the smooth and orderly development of various financial markets businesses.

**New management concepts were implemented to enhance the comprehensive contribution of interbank customer groups.** The Bank implemented the concept of integrated management of interbank customer groups, strengthened the refined management of “classified management and layered risks”, focused on the integrated marketing of key customers, deepened the layered management of interbank customers, continuously improved the level of integrated service for interbank customers, and strove to enhance the integrated contribution of interbank customer groups. In the first three quarters of 2023, the Bank coordinated to meet the two targets of satisfying the requirements of both internal liquidity and regulatory indicators, seized the market opportunities to effectively promote asset placement, strengthened liability cost management, and continued to optimise the asset-liability structure to achieve steady development of the interbank business.

**Investment and trading capacities of the financial markets business were enhanced to facilitate the high-quality development of the real economy.** In terms of fixed-income business, the Bank deepened the business reform to improve portfolio management. The Bank deepened the reform of its bond investment business and created an integrated Minsheng fixed-income brand for investment, trading, sales and agency businesses. On the one hand, the Bank improved the market-oriented, professional and standardised management of bond business. By appropriately arranging product maturity terms, strengthening portfolio structure adjustments, and making focused allocation of treasury bonds, local government bonds, policy financial bonds and high-rating unsecured bonds, the Bank effectively improved the liquidity and profitability of bond portfolios. On the other hand, the Bank implemented the philosophy of “finance for the people”, supported the high-quality development of the real economy, proactively participated in the investments in themed bonds and asset-backed securitisation products related to green finance, “carbon neutrality” and rural revitalisation, and served the transformation and upgrading of the real economy.



In terms of foreign exchange business, based on serving the real economy, the Bank continuously advocated the philosophy of exchange rate risk neutrality and continued to guide clients to enhance their awareness of exchange rate risk management. By taking measures such as strengthening the research and development of foreign exchange risk hedging products, optimising and upgrading business systems, and expanding information sharing with customers, the Bank continued to improve customer service efficiency, reduce the cost of enterprises in information acquisition and risk hedging transactions, and provided corporate clients with high-quality exchange rate risk hedging services. At the same time, the Bank actively performed its obligations as a foreign exchange market maker, served various types of financial institutions, and satisfied the business needs of small and medium financial institutions in foreign exchange settlement and sale, and foreign exchange trading and risk hedging.

In terms of precious metals business, the Bank proactively established the integrated and comprehensive service platform encompassing “physical object, stocking, investment, trading, risk hedging, wealth management and financing”. As for retail business, the Bank applied digital means to promote the innovation of products and channels, empowered the full life journey of individual customers, and grew together with them. As for corporate business, starting from customer demands, the Bank provided services including gold leasing, price risk hedging, agency trading of precious metals, agency sales of precious metals products and clearing bank, so as to meet the production demands of enterprises in the gold industry chain, and support the development of the real economy. Meanwhile, as one of the top 10 market makers in the interbank price asking market of Shanghai Gold Exchange, and one of the gold-medal winner market makers of gold futures in Shanghai Futures Exchange, the Bank proactively fulfilled its responsibilities of a market maker in the interbank gold price asking market of Shanghai Gold Exchange and the market of Shanghai Futures Exchange, and prudently conducted proprietary trading within the risk limits. In the first three quarters of 2023, the trading volume of gold of the Bank amounted to 1,061.68 tons with the trading amount reaching RMB473,511 million. The trading volume of silver amounted to 1,748.95 tons with the trading amount reaching RMB10,118 million.

**The strategy of remodeling the custody business was comprehensively promoted to create a premier custody bank with industry characteristics.** In terms of asset custody business, the Bank tightly focused on the positioning of a premier custody bank with industry characteristics, centred on the core products of asset management and the featured brand businesses to promote the high-quality development of asset custody business. As at the end of the Reporting Period, the assets under custody of the Bank amounted to RMB12.02 trillion. Of which, the custody scale of public funds and insurance funds reached RMB1,116,047 million and RMB458,724 million, respectively, representing increases of 2.09% and 33.99%, respectively, as compared with the end of the previous year. The Bank newly launched the fund sales supervision service of “Xin Guan +” for independent third-party fund sales institutions to create a new business cooperation model of “becoming customers, scenarios and ecosystems of each other”, based on the service concept of integration and symbiosis. In the first three quarters of 2023, the Bank was awarded the “Best Asset Custody Bank of the Year” by the *Financial Times* and the “2023 Tianji Award for Outstanding Asset Custody Bank of the Year” by the *Securities Times*.

In terms of pension business, the Bank strengthened the internal coordination mechanisms, enriched the product and service spectrum, enhanced the level of service performance, improved the value-added service capabilities, and promoted the diversified development of pension business. As at the end of the Reporting Period, the number of personal accounts under corporate annuity account management business reached 245 thousand, representing an increase of 39.92% as compared with the end of the previous year. During the Reporting Period, the first commercial pension product custody business of the Bank was formally launched. In the first three quarters of 2023, the Bank was awarded the “Innovative Bank in Pension Financial Services” by the *Sina Finance* and the “2023 Pension Management Institution of the Year” by *The Economic Observer*.

#### **4. Digital Transformation was promoted comprehensively**

In the first three quarters of 2023, the Bank accelerated its digital transformation, strengthened the overall management of the leading group for digital transformation, promoted the implementation of sci-tech planning and data strategy, established the digital transformation evaluation system, conducted research on the smart application of large models on financial scenarios, and gave full play to the promotional, amplifying and multiplying effects of digital technology on business transformation and upgrading, to effectively support the high-quality development of the Bank.

(1) *Construction of eco-bank and intelligent bank*

**For eco-bank, the application of data-based credit enhancement scenarios was strengthened, and the comprehensive financial services continued to improve. In terms of supply chain finance ecosystem,** the Bank continued to enrich the product system of “Minsheng E-Chain (民生E鏈)”, iterated and upgraded the supply chain data-based credit enhancement financing products, added new fast credit products, such as “Goods Supply Fast Loan (供貨快貸)”, and created exclusive credit products for international business and the DRDI customer groups, such as the “E-Export Finance” and the “E-Easy Innovation Loan (易創e貸)”. **In terms of the MSMEs ecosystems,** the Bank created the “E-Minsheng Family (民生e家)”, an smart and convenient one-stop digital platform for enterprise management, provided customers with integrated services for business, accounting and finance, covering application scenarios such as personnel management, financial management and corporate management. **In terms of government administration ecosystems,** the Bank continued to invest in the construction of projects, such as mobile payment for medical insurance in Beijing and the social security cards in Jiangsu Province.

**For intelligent bank, the business upgrading was empowered by technology, and the effect of smart applications was significant. In terms of digital marketing,** the Bank built the corporate Weixin wealth desk, realised the synchronisation of marketing clue data from multiple ends. The Bank constructed the digital marketing system for individuals and legal persons of small businesses, provided accurate and flexible customer group selection functions and supported the full-channel and multi-wave cyclical marketing. The Bank built the base for the corporate rewards points system, and put on-line the management function of corporate customer rewards points activities. **In terms of digital risk control,** the Bank continued to build the smart risk control system, constructed the smart decision-making system for active credit granting, the smart measurement of customer limits and the smart risk detection. The Bank continued to optimise products, such as “Minsheng Benefits” (legal persons and individuals) in line with the characteristics of MSEs to promote the rapid growth of inclusive finance business. The Bank launched the smart collateral management centre, and continuously improved the timeliness and accuracy of monitoring and early warning. The Bank upgraded the capital chain governance and anti-fraud platform, strengthened proactive risk prevention and mitigation for the early warning and monitoring platform of “Windbell (風鈴)”. **In terms of digital operation,** the centralised operation of corporate lending business and the establishment of online lending review mode effectively improved the business processing efficiency and risk prevention level. The Bank has built the characteristics label system for corporate accounts and comprehensively applied account robots. The Bank built the blockchain-based electronic platforms for letters and certificates and improved the convenience of such businesses.

(2) *Enhanced bank-wide digital transformation foundation*

**Upgraded channel service capability and customer experience.**

For mobile banking, the Bank established wealth scenarios, set up smart ledger systems, upgraded security services, and launched the parent-child sub-accounts of “Future Star”. The Bank also improved the customer benefits system, and brought improvement of customer experience with digital services. The Bank vigorously optimised the online corporate financial service systems, realised the whole-process online management of corporate online banking limits, and improved the service model of “Human + Digitalisation”, and enhanced the convenience and security of online corporate banking platform. As at the end of the Reporting Period, the number of users of the online retail banking platform of the Bank amounted to 111,683,300, representing an increase of 7.82% as compared with the end of the previous year. The number of users of the online corporate banking platform was 3,511,000, representing an increase of 7.13%, as compared with the end of the previous year. For remote banking, the Bank continued to improve service satisfaction. The “Enterprise Cloud Counter (企業雲櫃台)”, the remote empowerment platform and the eco-finance agile operation platform realised remote service empowerment for all customer groups, all processes and multi-scenario applications. With the “on-site acceptance, remote processing, and human-machine coordination”, the three-dimensional service of community finance of the Bank was upgraded.

**Improved cloud-based service capability and quality and efficiency of agile delivery.**

The Bank continued to expand the pilot hybrid deployment of Cloud Native with further improved resource utilisation rate. The Bank built the Development Security Operations (DevSecOps) platform, embedded security capabilities into the entire R&D and operation processes, and obtained the “Enhanced Level” certificate of the Trusted Service Management (TSM) Trusted R&D and Operation Security Capability Maturity Assessment of the China Academy of Information and Communications Technology.

**Integration of data lake and data warehouse consolidated the smart foundation, data governance and data asset management were upgraded.**

The Bank formulated the plan and the promotion strategy for the construction of large models, and set up the professional teams for implementation. The first batch of scenario-based computing power resources were put in place. The connection of data lake with business intelligent (BI) platform further enriched data supply scenarios. The large-scale application of feature store with thousand-dimensional features was completed. The Bank carried out data security classification and grading to provide information protection support for individual customers. The Bank formulated the basic management policy framework for data asset management and formed the first batch of premier data assets.

## **5. *Enhanced risk management capability with steady and bettering asset quality***

In the first three quarters of 2023, the Group adhered to the concept of “internal risk control is the core competitiveness” and strengthened its management foundation in eight areas, including structure, institution, process, system, personnel, execution, supervision and culture, and formed the virtuous cycle of “audit, evaluation, rectification and improvement”, so as to continuously improve the internal risk control system, and steadily enhance the overall risk management capability. **Firstly, the Bank gave play to the leading role of risk preference and credit policies.** The Bank resolutely implemented the requirements of national strategies and regulatory policies, gave full play to the guiding role of risk preference and credit policies in business development and risk prevention and control, and continuously adjusted and optimised the credit structure. **Secondly, the Bank released the output of the credit approval system reform for corporate clients.** Through the implementation of mechanisms such as one review and one approval, collective decision-making by experts and sunshine communication, the approval quality and efficiency of the Bank were continuously improved. The Bank promoted the standardised, automated and smart approval in an orderly manner, intensified industry research and project review, provided strong support for the business development in key areas, and strictly controlled new risks. **Thirdly, the Bank improved the post-lending and post-investment management mechanisms for corporate clients.** The Bank built a three-layer management structure of “execution”, “management” and “supervision”, and enhanced the quality and efficiency of post-lending management by strengthening the responsibility of post-lending management in the first line of defense and tightening the supervision and inspection in the second line of defense. **Fourthly, the Bank improved the integrated asset preservation management system.** The Bank adhered to the concept of non-performing assets management, optimised incentives and constraints and resource allocation mechanisms, improved the asset preservation management system of “integration of head office and branches, full business coverage and professional collection” and fully adopted market-oriented means to implement policies to enhance the effectiveness of collection and disposal. **Fifthly, the Bank promoted digital transformation and accelerated the construction of intelligent risk control.** Empowered by digital technology and in accordance with the objectives of “unified planning, unified management and unified demand”, the Bank accelerated the construction of smart risk control through establishing project management mechanisms. **Sixthly, the Bank continued to strengthen employee behaviour management.** A grid-based management system for employees was established, and a series of employee behaviour rectification activities were carried out to monitor abnormal behaviour on a regular basis.

As at the end of the Reporting Period, total NPLs and the NPL ratio of the Group continued to decline, realising “double decreases” for four quarters in a row, and the asset quality maintained the tendency of getting better in stability. Total NPLs of the Group amounted to RMB68,015 million, representing a decrease of RMB1,372 million as compared with the end of the previous year. The NPL ratio was 1.55%, representing a decrease of 0.13 percentage points as compared with the end of the previous year. The allowance to NPLs was 149.21%, representing an increase of 6.72 percentage points as compared with the end of the previous year. The allowance to total loans was 2.32%, representing a decrease of 0.07 percentage points as compared with the end of the previous year.

Item (RMB million)	30 September 2023		31 December 2022		Changes(%)
	Total loans	% of total	Total loans	% of total	
<b>Performing loans</b>	<b>4,315,798</b>	<b>98.45</b>	4,071,757	98.32	5.99
Of which: Pass	<b>4,198,915</b>	<b>95.78</b>	3,952,037	95.43	6.25
Special-mentioned	<b>116,883</b>	<b>2.67</b>	119,720	2.89	-2.37
<b>NPLs</b>	<b>68,015</b>	<b>1.55</b>	69,387	1.68	-1.98
Of which: Substandard	<b>27,254</b>	<b>0.62</b>	27,729	0.67	-1.71
Doubtful	<b>23,783</b>	<b>0.54</b>	23,107	0.56	2.93
Loss	<b>16,978</b>	<b>0.39</b>	18,551	0.45	-8.48
<b>Total</b>	<b>4,383,813</b>	<b>100.00</b>	4,141,144	100.00	5.86



## (II) Capital adequacy ratio and leverage ratio

In the first three quarters of 2023, the minimum requirements of the NFRA on the Group and the Bank's core tier-one capital adequacy ratio (CAR), the tier-one CAR and the CAR were 5%, 6%, and 8%, respectively. Based on the aforesaid minimum capital requirements, provisions of reserve capital, counter-cyclical capital and additional paid-in capital should also be made at the ratios of 2.5%, 0%, and 0.25%, respectively. During the Reporting Period, the core tier-one CAR, the tier-one CAR, and the CAR of the Group and the Bank should be no less than 7.75%, 8.75%, and 10.75%, respectively.

As at the end of the Reporting Period, the Group's core tier-one CAR, the tier-one CAR, and the CAR were 9.05%, 10.71% and 12.85%, respectively, representing decreases of 0.12 percentage points, 0.20 percentage points, and 0.29 percentage points, respectively, as compared with the end of the previous year. The table below sets out the CARs of the Group and the Bank:

Item (RMB million)	30 September 2023		31 December 2022	
	The Group	The Bank	The Group	The Bank
Net core tier-one capital	526,161	492,353	505,978	473,481
Net tier-one capital	622,222	587,311	601,999	568,437
Total net capital base	746,719	708,063	725,136	687,392
Core tier-one CAR (%)	9.05	8.91	9.17	9.06
Tier-one CAR (%)	10.71	10.63	10.91	10.88
CAR (%)	12.85	12.81	13.14	13.16

As at the end of the Reporting Period, the leverage ratio of the Group was 7.43%, representing an increase of 0.14 percentage points as compared with the end of June 2023. The leverage ratio of the Group is as follows:

Item (RMB million)	30 September 2023	30 June 2023	31 March 2023	31 December 2022
Leverage ratio (%)	7.43	7.29	7.39	7.46
Net tier-one capital	622,222	615,595	620,321	601,999
On-and off-balance sheet assets after adjustment	8,371,927	8,450,150	8,392,807	8,067,379

### (III) Liquidity coverage ratio

As at the end of the Reporting Period, the liquidity coverage ratio of the Group was 129.26%, exceeding the regulatory requirements by 29.26 percentage points. The Group had an adequate reserve of high-quality current assets and was well positioned to resist short-term liquidity risk.

<b>Item (RMB million)</b>	<b>30 September 2023</b>	31 December 2022
Liquidity coverage ratio (%)	<b>129.26</b>	134.89
High-quality current assets	<b>1,066,235</b>	1,003,957
Net cash outflow in 30 days	<b>824,905</b>	744,278

### (IV) Corporate governance

During the Reporting Period, the Bank conscientiously implemented national decisions and arrangements and the regulatory requirements, continuously promoted organic integration of the Party's leadership with its corporate governance. The Bank constantly improved the structure of corporate governance with statutory powers and responsibilities, performance of own duties, coordinated operation, and effective checks and balances, innovated and optimised the working mechanism of Independent Directors, promoted the accreditation of the qualifications of Independent Directors, put into use the digital management system for duty performance of the Board of Directors and the Board of Supervisors, so as to further enhance the quality and efficiency of their duty performance and improve corporate governance in all aspects. The external supervisors of the Bank gave full play to their professional capabilities and advantages, independently and objectively expressed supervisory opinions on key supervisory areas in relation to finance, risk, internal control and compliance, and safeguarded the legitimate rights and interests of stakeholders.



## 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 2023**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	The Group		The Bank	
	30 September 2023 Unaudited	31 December 2022 Audited	30 September 2023 Unaudited	31 December 2022 Audited
<b>Assets</b>				
Cash and balances with central bank	<b>345,881</b>	338,552	<b>342,906</b>	335,491
Balances with banks and other financial institutions	<b>60,379</b>	88,705	<b>38,879</b>	69,476
Precious metals	<b>28,760</b>	25,167	<b>28,760</b>	25,167
Placements with banks and other financial institutions	<b>188,204</b>	182,434	<b>215,943</b>	209,923
Derivative financial assets	<b>33,545</b>	33,878	<b>33,396</b>	33,711
Financial assets held under resale agreements	<b>9,539</b>	3,010	<b>6,285</b>	2,551
Loans and advances to customers	<b>4,317,740</b>	4,072,982	<b>4,294,819</b>	4,051,123
Financial investments	<b>2,220,799</b>	2,225,870	<b>2,183,975</b>	2,199,557
– Financial assets at fair value through profit or loss	<b>300,811</b>	389,070	<b>276,435</b>	380,523
– Financial assets measured at amortised cost	<b>1,524,156</b>	1,363,589	<b>1,523,970</b>	1,362,676
– Financial assets at fair value through other comprehensive income	<b>395,832</b>	473,211	<b>383,570</b>	456,358
Long-term receivables	<b>115,792</b>	111,456	–	–
Long-term equity investments	–	–	<b>13,413</b>	13,381
Fixed assets	<b>50,201</b>	49,813	<b>18,914</b>	19,015
Construction in progress	<b>8,378</b>	7,851	<b>5,693</b>	5,214
Intangible assets	<b>5,707</b>	5,554	<b>4,976</b>	4,799
Right-of-use assets	<b>9,886</b>	9,893	<b>9,662</b>	9,620
Deferred income tax assets	<b>58,422</b>	55,701	<b>55,839</b>	53,037
Other assets	<b>68,844</b>	44,807	<b>49,379</b>	29,548
<b>Total assets</b>	<b><u>7,522,077</u></b>	<b><u>7,255,673</u></b>	<b><u>7,302,839</u></b>	<b><u>7,061,613</u></b>

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Balance Sheets as at 30 September 2023 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	The Group		The Bank	
	30 September 2023 <u>Unaudited</u>	31 December 2022 Audited	30 September 2023 <u>Unaudited</u>	31 December 2022 Audited
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Borrowings from central bank	228,478	144,801	228,137	144,357
Balances from banks and other financial institutions	1,194,901	1,382,807	1,207,640	1,394,915
Placements from banks and other financial institutions	103,967	96,234	97,786	83,630
Financial liabilities at fair value through profit or loss	18,935	1,915	3,258	1,645
Borrowings from other financial institutions	112,100	105,229	–	–
Derivative financial liabilities	34,045	32,675	34,045	32,675
Financial assets sold under repurchase agreements	201,615	104,140	188,514	92,095
Deposits from customers	4,289,221	4,051,592	4,252,258	4,016,971
Lease liabilities	9,448	9,426	9,227	9,148
Employee benefits payable	12,918	14,414	12,400	13,825
Tax payable	10,193	9,079	9,656	8,129
Provisions	2,417	2,456	2,417	2,455
Debt securities issued	629,138	648,107	622,832	648,107
Deferred income tax liabilities	211	236	–	–
Other liabilities	40,114	39,748	24,776	24,181
<b>Total liabilities</b>	<u><u>6,887,701</u></u>	<u><u>6,642,859</u></u>	<u><u>6,692,946</u></u>	<u><u>6,472,133</u></u>

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Balance Sheets as at 30 September 2023 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

<b>Liabilities and shareholders' equity (continued)</b>	<b>The Group</b>		<b>The Bank</b>	
	<b>30</b>	31	<b>30</b>	31
	<b>September</b>	December	<b>September</b>	December
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>Unaudited</b>	Audited	<b>Unaudited</b>	Audited
<b>Shareholders' equity</b>				
Share capital	<b>43,782</b>	43,782	<b>43,782</b>	43,782
Other equity instruments	<b>94,962</b>	94,962	<b>94,962</b>	94,962
Of which: Preference shares	<b>19,975</b>	19,975	<b>19,975</b>	19,975
Perpetual bonds	<b>74,987</b>	74,987	<b>74,987</b>	74,987
Capital reserve	<b>58,149</b>	58,149	<b>57,880</b>	57,880
Other comprehensive income	<b>696</b>	(612)	<b>645</b>	(438)
Surplus reserve	<b>55,276</b>	55,276	<b>55,276</b>	55,276
General reserve	<b>90,759</b>	90,494	<b>86,911</b>	86,911
Retained earnings	<b>277,441</b>	257,877	<b>270,437</b>	251,107
	<b>621,065</b>	599,928	<b>609,893</b>	589,480
<b>Total equity attributable to holders of equity shares of the Bank</b>				
<b>Equity attributable to non-controlling interests</b>	<b>13,311</b>	12,886		
<b>Total shareholders' equity</b>	<b>634,376</b>	612,814	<b>609,893</b>	589,480
<b>Total liabilities and shareholders' equity</b>	<b>7,522,077</b>	7,255,673	<b>7,302,839</b>	7,061,613

GAO Yingxin  
Legal Representative, Chairman

ZHENG Wanchun  
Vice Chairman, President

LI Bin  
Person in charge of  
finance and accounting

YIN Xuwen  
Person in charge of the  
accounting department

(Company seal)

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Income Statements**  
**for the 9 Months Ended 30 September 2023**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	<b>The Group</b>		<b>The Bank</b>	
	<b>January- September 2023</b>	January- September 2022	<b>January- September 2023</b>	January- September 2022
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
<b>1. Operating income</b>	<b>106,304</b>	108,596	<b>99,710</b>	102,206
Net interest income	<b>77,208</b>	81,408	<b>75,482</b>	78,367
Interest income	<b>200,386</b>	197,874	<b>194,246</b>	191,234
Interest expenses	<b>(123,178)</b>	(116,466)	<b>(118,764)</b>	(112,867)
Net fee and commission income	<b>14,933</b>	14,370	<b>13,470</b>	14,057
Fee and commission income	<b>19,246</b>	18,180	<b>17,587</b>	17,548
Fee and commission expenses	<b>(4,313)</b>	(3,810)	<b>(4,117)</b>	(3,491)
Investment gains	<b>11,513</b>	10,005	<b>11,230</b>	10,084
Of which: Gains from disposals of the financial assets measured at amortised cost	<b>863</b>	905	<b>856</b>	903
Other gains	<b>507</b>	220	<b>191</b>	99
Losses from changes in fair value	<b>(1,408)</b>	(3,898)	<b>(1,047)</b>	(3,557)
Foreign exchange (losses)/gains	<b>(51)</b>	2,848	<b>5</b>	2,904
Other business income	<b>3,602</b>	3,643	<b>379</b>	252
<b>2. Operating expenses</b>	<b>(70,504)</b>	(72,579)	<b>(65,254)</b>	(66,570)
Tax and surcharges	<b>(1,475)</b>	(1,343)	<b>(1,391)</b>	(1,280)
Business and management expenses	<b>(34,096)</b>	(33,818)	<b>(32,621)</b>	(32,371)
Impairment losses on credit	<b>(31,686)</b>	(34,681)	<b>(30,409)</b>	(32,336)
Impairment losses on other assets	<b>(806)</b>	(558)	<b>(801)</b>	(529)
Other business expenses	<b>(2,441)</b>	(2,179)	<b>(32)</b>	(54)
<b>3. Operating profit</b>	<b>35,800</b>	36,017	<b>34,456</b>	35,636
Add: Non-operating income	<b>106</b>	89	<b>104</b>	82
Less: Non-operating expenses	<b>(273)</b>	(161)	<b>(267)</b>	(157)
<b>4. Total profit</b>	<b>35,633</b>	35,945	<b>34,293</b>	35,561
Less: Income tax expenses	<b>(1,796)</b>	(1,908)	<b>(1,278)</b>	(1,628)
<b>5. Net profit</b>	<b>33,837</b>	34,037	<b>33,015</b>	33,933
Net profit attributable to holders of equity shares of the Bank	<b>33,577</b>	33,778	<b>33,015</b>	33,933
Profit or loss attributable to non- controlling interests	<b>260</b>	259		

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Income Statements**  
**for the 9 Months Ended 30 September 2023 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	The Group		The Bank	
	January- September 2023	January- September 2022	January- September 2023	January- September 2022
	Unaudited	Unaudited	Unaudited	Unaudited
<b>6. Other comprehensive income, net of tax</b>	<b>1,436</b>	(738)	<b>1,083</b>	(886)
Other comprehensive income attributable to holders of equity shares of the Bank, net of tax	<b>1,249</b>	(1,029)	<b>1,083</b>	(886)
Other comprehensive income that will not be reclassified subsequently to profit or loss				
Changes in fair value of non-tradable equity instruments designated as measured at fair value through other comprehensive income	<b>478</b>	(359)	<b>428</b>	–
Other comprehensive income that may be reclassified subsequently to profit or loss				
Financial assets at fair value through other comprehensive income				
Changes in fair value	<b>437</b>	(649)	<b>747</b>	117
Allowance for impairment losses on credit	<b>171</b>	(721)	<b>(74)</b>	(987)
Effective hedging portion of gains or losses arising from cash flow hedging instruments	<b>22</b>	10	<b>22</b>	10
Exchange difference on translating foreign operations	<b>141</b>	690	<b>(40)</b>	(26)
Other comprehensive income attributable to non-controlling interests, net of tax	<b>187</b>	291		
<b>7. Total comprehensive income</b>	<b>35,273</b>	33,299	<b>34,098</b>	33,047
Comprehensive income attributable to holders of equity shares of the Bank	<b>34,826</b>	32,749	<b>34,098</b>	33,047
Comprehensive income attributable to non-controlling interests	<b>447</b>	550		
<b>8. Basic and diluted earnings per share (RMB)</b>	<b>0.67</b>	0.68		

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2023**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	<b>The Group</b>		<b>The Bank</b>	
	<b>January- September 2023</b>	January- September 2022	<b>January- September 2023</b>	January- September 2022
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
<b>1. Cash flows from operating activities</b>				
Net increase in deposits from customers and balances from banks and other financial institutions	<b>42,678</b>	110,348	<b>40,813</b>	102,159
Net increase in borrowings from central bank	<b>82,337</b>	–	<b>82,440</b>	–
Net decrease in balances with central bank, banks and other financial institutions	<b>13,557</b>	–	<b>17,830</b>	–
Net decrease in financial assets held for trading purposes	<b>42,621</b>	21,946	<b>42,168</b>	23,489
Net decrease in placements with banks and other financial institutions	<b>82,250</b>	–	<b>55,663</b>	–
Net increase in placements from banks and other financial institutions	<b>7,306</b>	28,227	<b>13,669</b>	27,101
Net increase in financial assets sold under repurchase agreements	<b>97,508</b>	45,233	<b>96,421</b>	45,683
Cash received from interests, fees and commissions	<b>178,069</b>	185,012	<b>170,744</b>	178,484
Net cash received from other operating activities	<b>20,866</b>	24,735	<b>12,960</b>	18,658
<b>Subtotal of cash inflows from operating activities</b>	<b>567,192</b>	415,501	<b>532,708</b>	395,574
Net increase in loans and advances to customers	<b>(267,132)</b>	(120,171)	<b>(265,973)</b>	(121,033)
Net decrease in borrowings from central bank	–	(106,533)	–	(106,192)
Net increase in balances with central bank, banks and other financial institutions	–	(1,476)	–	(1,244)
Net increase in placements with banks and other financial institutions	–	(22,197)	–	(15,749)

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2023 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	<u>The Group</u>		<u>The Bank</u>	
	<u>January- September 2023</u>	<u>January- September 2022</u>	<u>January- September 2023</u>	<u>January- September 2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Net increase in financial assets held under resale agreements	(6,527)	(5,114)	(3,732)	(5,168)
Cash payment for interests, fees and commissions	(105,732)	(102,112)	(101,161)	(98,145)
Cash payment to and payment for employees	(23,459)	(22,008)	(22,391)	(20,991)
Tax payments	(13,566)	(19,808)	(12,551)	(19,305)
Net cash payment for other operating activities	<u>(27,239)</u>	<u>(28,960)</u>	<u>(34,293)</u>	<u>(22,073)</u>
<b>Subtotal of cash outflows from operating activities</b>	<u><b>(443,655)</b></u>	<u><b>(428,379)</b></u>	<u><b>(440,101)</b></u>	<u><b>(409,900)</b></u>
<b>Net cash flow from operating activities</b>	<u><b>123,537</b></u>	<u><b>(12,878)</b></u>	<u><b>92,607</b></u>	<u><b>(14,326)</b></u>

**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2023 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	The Group		The Bank	
	January- September 2023	January- September 2022	January- September 2023	January- September 2022
	Unaudited	Unaudited	Unaudited	Unaudited
<b>2. Cash flows from investing activities</b>				
Proceeds from redemption of investments	1,059,178	700,184	987,315	679,351
Proceeds from investment gains	44,841	52,494	43,824	51,750
Net cash from disposal of fixed assets, intangible assets and other long-term assets	1,259	2,892	737	1,088
<b>Subtotal of cash inflows from investing activities</b>	<b>1,105,278</b>	755,570	<b>1,031,876</b>	732,189
Cash payment for investments	(1,096,583)	(856,338)	(1,013,314)	(832,895)
Cash payment for investments in subsidiaries	-	-	(32)	(5,000)
Cash payment for purchase of fixed assets, intangible assets and other long-term assets	(5,926)	(9,548)	(2,831)	(4,429)
<b>Subtotal of cash outflows from investing activities</b>	<b>(1,102,509)</b>	(865,886)	<b>(1,016,177)</b>	(842,324)
<b>Net cash flow from investing activities</b>	<b>2,769</b>	(110,316)	<b>15,699</b>	(110,135)
<b>3. Cash flows from financing activities</b>				
Proceeds from issue of other equity instruments	-	4,998	-	4,998
Proceeds from issue of debt securities	565,045	612,723	557,995	612,723
<b>Subtotal of cash inflows from financing activities</b>	<b>565,045</b>	617,721	<b>557,995</b>	617,721
Cash for debt repayment	(590,578)	(569,933)	(590,578)	(569,083)
Cash payment for dividends and profits or interests payable of debt securities	(15,304)	(14,584)	(14,481)	(14,372)
Payment for interests of perpetual bonds	(3,440)	(3,230)	(3,440)	(3,230)
Cash payment for other financing activities	(2,756)	(2,771)	(2,682)	(2,651)
<b>Subtotal of cash outflows from financing activities</b>	<b>(612,078)</b>	(590,518)	<b>(611,181)</b>	(589,336)
<b>Net cash flow from financing activities</b>	<b>(47,033)</b>	27,203	<b>(53,186)</b>	28,385



**China Minsheng Banking Corp., Ltd.**  
**Consolidated and the Bank's Statements of Cash Flows**  
**for the 9 Months Ended 30 September 2023 (continued)**  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	The Group		The Bank	
	January- September 2023	January- September 2022	January- September 2023	January- September 2022
	Unaudited	Unaudited	Unaudited	Unaudited
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,216</b>	8,473	<b>1,016</b>	7,621
<b>5. Net increase in cash and cash equivalents</b>	<b>80,489</b>	(87,518)	<b>56,136</b>	(88,455)
Add: Cash and cash equivalents at the beginning of the year	<b>128,305</b>	163,418	<b>119,411</b>	152,228
<b>6. Cash and cash equivalents at the end of the period</b>	<b>208,794</b>	75,900	<b>175,547</b>	63,773

Adjustment on related items of financial statements of the beginning of the year when implementing new accounting standards or interpretations to the standards for the first time in 2023

Applicable     Not applicable

GAO Yingxin  
Chairman of the Board of Directors  
China Minsheng Banking Corp., Ltd.  
30 October 2023