

# CHINA MINSHENG BANKING CORP., LTD.

## Capital Composition for 2018

### APPENDIX I: CAPITAL COMPOSITION

*Unit: million (in RMB), % (data of the Group)*

<b>Core tier-1 capital (CET1 capital):</b>		<b>Amount</b>
1	Paid-in capital	43,782
2	Retained revenue	
2a	Surplus reserve	39,911
2b	General reserve	74,370
2c	Retained earnings	193,131
3	Accumulated other comprehensive income and public reserve	
3a	Capital reserve	57,470
3b	Others	1,518
4	Amount as attributable to CET1 capital during the transition period (only applicable to non-shareholding company and mark "0" for the banks which are joint stock companies)	
5	Valid portion of non-controlling interests	6,997
6	CET1 capital before regulatory adjustments	417,179
<b>CET1 capital: regulatory adjustments</b>		
7	Prudential valuation adjustments	
8	Goodwill (net of deferred tax liabilities)	201
9	Other intangible assets (excluding land use rights) (net of deferred tax liabilities)	1,192
10	Net deferred tax assets due to operation losses subject to future profits	60
11	Cash-flow hedge reserves of the projects not measured at fair value	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Unrealized gains and losses arising from the change in the fair value of debts due to the change in credit exposure	
15	Defined-benefit pension fund net assets (net of deferred tax liability)	
16	Ordinary shares held directly or indirectly by the Bank	
17	Reciprocal cross-holdings in CET1 capital instruments	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
20	Mortgage servicing rights	

21	Other deductible amount from net deferred tax assets subject future profits of the Bank	
22	Amount exceeding the 15% threshold	
23	Of which: deductible amount from significant minority interests in financial institutions	
24	Of which: deductible amount from service rights of loans secured	
25	Of which: deductible amount from other net deferred tax assets subject to future profits of the Bank	
26a	Investment on CET1 capital by financial sector entities that are under control but not subject to consolidation	
26b	Insufficiency in CET1 capital by financial sector entities that are under control but not subject to consolidation	
26c	Total amount of other deductible items of CET1 capital	
27	Other amounts deductible from tier-1 and tier-2 capital	
28	<b>Total regulatory deductions to CET1 capital</b>	1,453
29	<b>CET1 capital</b>	415,726
<b>Additional tier-1 capital (AT1 capital):</b>		
30	Directly issued qualifying AT1 instruments plus related stock surplus	9,892
31	Of which: classified as equity	9,892
32	Of which: classified as liabilities	
33	Directly issued capital instruments subject to phase out from other AT1 capital	
34	Valid portion of non-controlling interests	932
35	Of which: instruments subject to phase out	
36	<b>AT1 capital before regulatory adjustments</b>	10,824
<b>AT1 capital: regulatory adjustments</b>		
37	AT1 capital instruments directly or indirectly held by the Bank	
38	Reciprocal cross-holdings in AT1 capital instruments	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
41a	Investments in AT1 capital instruments issued by financial sector entities that are under control but not subject to consolidation	
41b	Insufficiency in AT1 capital by financial sector entities that are under control but not subject to consolidation	
41c	Other deduction in AT1 capital	
42	Regulatory deductions applied to AT1 capital due to insufficient tier-2 capital to cover deductions	
43	<b>Total regulatory deductions to AT1 capital</b>	—
44	<b>AT1 capital</b>	10,824
45	<b>Tier-1 capital (CET1 capital + AT1 capital)</b>	426,550

<b>Tier-2 capital:</b>		
46	Qualifying tier-2 capital instruments plus any related share premium	98,900
47	Capital instruments subject to phase out arrangements from tier-2 capital	8,989
48	Valid portion of non-controlling interests	1,865
49	Of which: instruments subject to phase out	
50	Surplus provision for loan impairment	19,966
51	<b>Tier-2 capital before regulatory deductions</b>	120,731
<b>Tier 2 capital: regulatory adjustments</b>		
52	Tier-2 capital directly or indirectly held by the Bank	
53	Reciprocal cross-holdings in tier-2 instruments	
54	Insignificant capital investments in tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
55	Significant capital investments in tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	
56a	Investments in tier-2 capital instruments issued by financial sector entities that are under control but not subject to consolidation	
56b	Insufficiency in Tier 2 capital by financial sector entities that are under control but not subject to consolidation	
56c	Other deduction in tier-2 capital	
57	<b>Total regulatory deductions to tier-2 capital</b>	—
58	<b>Tier-2 capital</b>	120,731
59	<b>Total capital (tier-1 capital + tier-2 capital)</b>	547,281
60	<b>Total risk-weighted assets</b>	4,656,286
<b>Capital ratios and buffers</b>		
61	National CET1 capital adequacy ratio	8.93%
62	National tier-1 capital adequacy ratio	9.16%
63	National capital adequacy ratio	11.75%
64	Institution specific buffer requirement	
65	Of which: capital conservation buffer requirement	116,407
66	Of which: bank specific countercyclical buffer requirement	
67	Of which: G-SIB buffer requirement	
68	CET1 capital available to meet buffers (as a percentage of risk weighted assets)	3.93%
<b>National minima</b>		
69	National CET1 capital adequacy ratio	5%
70	National tier-1 capital adequacy ratio	6%
71	National capital adequacy ratio	8%

<b>Amounts below the thresholds for deduction</b>		
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	8,085
73	Significant capital investments in CET1 capital instruments, AT1 capital instruments and tier-2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	2,020
74	Mortgage servicing rights (net of deferred tax liability)	
75	Net deferred tax assets subject to future profits of the Bank (net of deferred tax liability)	30,508
<b>Applicable caps on the inclusion of provisions in tier-2 capital</b>		
76	Provisions eligible for inclusion in tier-2 in respect of exposures subject to standardised approach	75,853
77	Cap on inclusion of provisions in tier-2 under standardised approach	53,270
78	Provisions eligible for inclusion in tier-2 in respect of exposures subject to internal ratings-based approach	
79	Cap for inclusion of provisions in tier-2 under internal ratings-based approach	
<b>Capital instruments subject to phase-out arrangements</b>		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap	
84	Current cap on tier-2 instruments subject to phase out arrangements	8,989
85	Amount excluded from tier-2 due to cap	

## **APPENDIX II: DESCRIPTION OF RELATED ITEMS**

*Unit: million (in RMB)*

	<b>Balance sheet under audited consolidated statements</b>	<b>Note</b>
Goodwill	201	a
Intangible assets	4,756	b
Deferred income tax liabilities	123	
Of which: deferred tax liabilities related to goodwill		c
Of which: deferred tax liabilities related to other intangible assets (exclusive of land use right)		d
Paid-in capital	43,782	
Of which: valid portion of CET1 capital	43,782	e
Of which: valid portion of AT1 capital		f

# APPENDIX III: CORRESPONDENCE BETWEEN BALANCE SHEET IN PUBLISHED FINANCIAL STATEMENTS AND CAPITAL COMPOSITION

Unit: million (in RMB)

CET1 capital		Amount	Note
1	Paid-in capital	43,782	e
2a	Surplus reserve	39,911	
2b	General reserve	74,370	
2c	Retained earnings	193,131	
3a	Capital reserve	57,470	
8	Goodwill (net of related tax liabilities)	201	a-c

# APPENDIX IV: MAIN FEATURES OF CAPITAL INSTRUMENTS

1	Issuer	China Minsheng Banking Corp., Ltd.									
2	Document Code	1108002	090801	090802	1428003	1528002	1628014	4609	1728016	1728023	
3	Applicable law	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	The establishment and issue of the Offshore Preference Shares and the rights and obligations (including non-contractual rights and obligations) attached to them are governed by, and shall be construed in accordance with, the PRC laws	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.	PRC/ Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and Securities Law of The People's Republic of China (《中華人民共和國證券法》), etc.
4	Regulatory treatment										
5	Of which: transition arrangement of Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》)	Included in regulatory capital (reducing annually)	Included in regulatory capital (reducing annually)	Included in regulatory capital (reducing annually)	Included in regulatory capital	Included in regulatory capital					
6	Of which: post transition arrangement of Administrative Measures on Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》)	Not included in regulatory capital	Not included in regulatory capital	Not included in regulatory capital	Included in regulatory capital	Included in regulatory capital	Included in regulatory capital	Included in regulatory capital	Included in regulatory capital	Included in regulatory capital	
7	Of which: eligible at solo/group/group&solo	Legal person/group	Legal person/group								
8	Category of instrument	Subordinated bonds	Hybrid capital bonds	Hybrid capital bonds	Tier-2 capital bonds	Tier-2 capital bonds	Tier-2 capital bonds	Offshore Preference Shares	Tier-2 capital bonds	Tier-2 capital bonds	
9	Amount recognized in regulatory capital (Unit: million)	RMB3,995	RMB3,321	RMB1,673	RMB19,983	RMB19,983	RMB19,979	Equal to RMB9,892	RMB14,983	RMB14,983	
10	Par value of instrument (Unit: million)	RMB4,000	RMB3,325	RMB1,675	RMB20,000	RMB20,000	RMB20,000	USD1,439	RMB15,000	RMB15,000	

11	Accounting classification	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Debt securities payable	Other equity instruments	Debt securities payable	Debt securities payable
12	Original date of issuance	2011-3-18	2009-3-25	2009-3-25	2014-3-18	2015-4-28	2016-8-30	2016-12-14	2017-09-12	2017-11-27
13	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Perpetual	Dated	Dated
14	Of which: original maturity date	2026-3-18	2024-3-25	2024-3-25	2024-3-20	2025-4-29	2026-8-31	—	2027-09-14	2027-11-29
15	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
16	Of which: optional call date, contingent call dates and redemption amount (Unit: million)	2021-3-18, 4,000	2019-3-25, 3,325	2019-3-25, 1,675	2019-3-20, 20,000	2020-4-29, 20,000	2021-8-31, 20,000	The first redemption date will be 2021-12-14 (full redemption or partial redemption)	2022-9-14, 15,000	2022-11-29, 15,000
17	Of which: subsequent call dates, if applicable	Nil	Nil	Nil	Nil	Nil	Nil	12/14 in every year since the first redemption date	Nil	Nil
18	Coupons/dividends									
19	Of which: fixed or floating dividend/coupon	Fixed interest rate	Fixed interest rate	Floating interest rate	Fixed interest rate	Fixed interest rate	Fixed interest rate	Floating interest rate. The dividend rate will be fixed for the dividend adjustment period (five-year period) and the interest rate will be reset every five years	Fixed interest rate	Fixed interest rate
20	Of which: Par interest rate	5.70%	5.70%	Time deposit interest rate (one year period): +3.0%	6.60%	5.40%	3.50%	The floating interest rate for the first five years will be 4.95%. If no redemption right is exercised as at the end of the five-year period, the interest rate will be reset every five years. The interest rate shall be reset based on the sum of the yield of five-year US bonds as at the date of the reset and 314.7 base point	4.70%	4.70%
21	Of which: existence of a dividend stopper	No	No	No	No	No	No	Yes	No	No
22	Of which: fully discretionary, partially discretionary or mandatory	No discretionary right	No discretionary right	No discretionary right	No discretionary right	No discretionary right	No discretionary right	Fully discretionary right	No discretionary right	No discretionary right
23	Of which: existence of step up or other incentive to redeem	No	Yes	Yes	No	No	No	No	No	No
24	Of which: cumulative or non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
25	Convertible or non-convertible	No	No	No	No	No	No	Yes	No	No

26	Of which: if convertible, the trigger event(s) of the conversion	N/A	N/A	N/A	N/A	N/A	N/A	Trigger events involving additional Tier-1 capital instruments occur, in which the CET 1 capital adequacy ratio of the Bank decreases to 5.125% or below; events involving non-sustainability occur, in which the CBIRC has decided that without a conversion or write-off of the Bank's capital, the Bank would become non-viable and relevant authorities have decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable	N/A	N/A
27	Of which: if convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	Where trigger events involving additional tier-1 capital instruments occur, the shares shall be converted fully or partially; where trigger events involving additional tier-2 capital instruments occur, the shares shall be converted fully	N/A	N/A

28	Of which: if convertible, the determination method of the conversion price	N/A	N/A	N/A	N/A	N/A	N/A	Initial conversion price is equivalent to the average trading price of H Shares for 20 days immediately before the date of announcement of the Board resolution in respect of the proposal of the issuance of the Offshore Preference Shares.	N/A	N/A
29	Of which: if convertible, mandatory conversion or not	N/A	N/A	N/A	N/A	N/A	N/A	Yes	N/A	N/A
30	Of which: if convertible, specify the type of converted instrument	N/A	N/A	N/A	N/A	N/A	N/A	Core tier-1 capital	N/A	N/A
31	Of which: if convertible, specify issuer of converted instrument	N/A	N/A	N/A	N/A	N/A	N/A	The Bank	N/A	N/A
32	Write-down or not	No	No	No	Yes	Yes	Yes	No	Yes	Yes
33	Of which: if write-down, trigger event(s) of the write-down	N/A	N/A	N/A	The occurrence of the earlier of the following two situations: (i) the CBIRC deciding that a write-down is necessary, without which the issuer is no longer able to sustain itself; and (ii) any relevant authorities deciding that a public sector injection of capital or equivalent support is necessary, without which the issuer is no longer able to sustain itself	The occurrence of the earlier of the following two situations: (i) the CBIRC deciding that a write-down is necessary, without which the issuer is no longer able to sustain itself; and (ii) any relevant authorities deciding that a public sector injection of capital or equivalent support is necessary, without which the issuer is no longer able to sustain itself	The occurrence of the earlier of the following two situations: (i) the CBIRC deciding that a write-down is necessary, without which the issuer is no longer able to sustain itself; and (ii) any relevant authorities deciding that a public sector injection of capital or equivalent support is necessary, without which the issuer is no longer able to sustain itself	N/A	The occurrence of the earlier of the following two situations: (i) the CBIRC deciding that a write-down is necessary, without which the issuer is no longer able to sustain itself; and (ii) any relevant authorities deciding that a public sector injection of capital or equivalent support is necessary, without which the issuer is no longer able to sustain itself	The occurrence of the earlier of the following two situations: (i) the CBIRC deciding that a write-down is necessary, without which the issuer is no longer able to sustain itself; and (ii) any relevant authorities deciding that a public sector injection of capital or equivalent support is necessary, without which the issuer is no longer able to sustain itself
34	Of which: if write-down, fully or partially	N/A	N/A	N/A	Fully	Fully	Fully	N/A	Fully	Fully
35	Of which: if write-down, permanent or temporary	N/A	N/A	N/A	Permanent	Permanent	Permanent	N/A	Permanent	Permanent
36	Of which: if temporary write-down, description of recovery mechanism of carrying amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

37	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The distribution of residual assets shall be subordinated to the depositors of the Bank and ordinary creditors but ranked ahead of additional tier-1 capital instruments and hybrid capital bonds	The distribution of residual assets shall be subordinated to the depositors of the Bank, ordinary creditors, subordinated bonds and tier-2 capital bonds and ranked ahead of additional tier-1 capital instruments	The distribution of residual assets shall be subordinated to the depositors of the Bank, ordinary creditors, subordinated bonds and tier-2 capital bonds and ranked ahead of additional tier-1 capital instruments	The distribution of residual assets shall be subordinated to the depositors of the Bank and ordinary creditors and ranked ahead of equity capital of the issuer, additional tier-1 capital instruments and hybrid capital bonds; It shall rank pari passu among other subordinated bonds in issue and to be issued which have the same position in subordination hierarchy in liquidation for the current period, and rank pari passu among the tier-2 capital bonds to be issued.	The distribution of residual assets shall be subordinated to the depositors of the Bank and ordinary creditors and ranked ahead of equity capital of the issuer, additional tier-1 capital instruments and hybrid capital bonds; It shall rank pari passu among other subordinated bonds in issue and to be issued which have the same position in subordination hierarchy in liquidation for the current period, and rank pari passu among the tier-2 capital bonds to be issued.	The distribution of residual assets shall be subordinated to the depositors of the Bank and ordinary creditors and ranked ahead of equity capital of the issuer, additional tier-1 capital instruments and hybrid capital bonds; It shall rank pari passu among other subordinated bonds in issue and to be issued which have the same position in subordination hierarchy in liquidation for the current period, and rank pari passu among the tier-2 capital bonds to be issued.	The distribution of residual assets shall be subordinated to the depositors of the Bank, ordinary creditors, subordinated bondholders, convertible bondholders, tier-2 capital bondholders and additional tier-2 capital instruments holders and ranked ahead of ordinary shareholders	The distribution of residual assets shall be subordinated to the depositors of the Bank and ordinary creditors and ranked ahead of equity capital of the issuer, additional tier-1 capital instruments and hybrid capital bonds; It shall rank pari passu among other subordinated bonds in issue and to be issued which have the same position in subordination hierarchy in liquidation for the current period, and rank pari passu among the tier-2 capital bonds to be issued.	The distribution of residual assets shall be subordinated to the depositors of the Bank and ordinary creditors and ranked ahead of equity capital of the issuer, additional tier-1 capital instruments and hybrid capital bonds; It shall rank pari passu among other subordinated bonds in issue and to be issued which have the same position in subordination hierarchy in liquidation for the current period, and rank pari passu among the tier-2 capital bonds to be issued.
38	Non-compliant transitioned features	Yes	Yes	Yes	No	No	No	No	No	No
39	Of which: if yes, please specify non-compliant features	Without write-down and convertible feature	With redemption incentive, without write-down and convertible feature	With redemption incentive, without write-down and convertible feature	N/A	N/A	N/A	N/A	N/A	N/A