Under the rules of Shanghai Stock Exchange on which our A shares are listed, we are required to file interim financial report containing unaudited financial statements prepared in accordance with the Accounting Standards for Business Enterprises — Basic Standards and the 38 specific accounting standards (issued by the MOF on February 15, 2006), and the implementation guidance and interpretations for the Accounting Standards for Business Enterprises subsequently released and other relevant rules and regulations issued by MOF. Because we released financial statements for the nine months ended September 30, 2009 (including financial statements for the same period in 2008) prior to the date of this prospectus, we have prepared interim financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting" and have incorporated such report in this prospectus.

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF CHINA MINSHENG BANKING CORP., LTD.
(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out in section I to V below, which comprises the condensed consolidated balance sheet of China Minsheng Banking Corp., Ltd. (the "Bank") and its subsidiaries (together, the "Group") as at September 30, 2009, the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2009, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the nine-month period ended September 30, 2009, and a summary of significant accounting policies and other explanatory notes. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PicewaterhouseCoopers
Certified Public Accountants

Hong Kong, November 13, 2009

CHINA MINSHENG BANKING CORP., LTD.

I. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in millions of Rmb unless otherwise stated)

	Note	Three months ended September 30, 2008	Three months ended September 30, 2009	Nine months ended September 30, 2008	Nine months ended September 30, 2009
Interest income	4	15,027	14,109	42,286	38,743
Interest expense	4	(6,917)	(5,369)	(19,480)	(16,053)
Net interest income		**8,110**	**8,740**	**22,806**	**22,690**
Fee and commission income	5	1,284	1,343	4,495	3,785
Fee and commission expense		(74)	(89)	(213)	(233)
Net fee and commission income		**1,210**	**1,254**	**4,282**	**3,552**
Net trading income	6	244	61	89	84
Net gain on disposal of available-for-sale securities		20	44	47	5,003
Impairment losses on assets	7	(1,413)	(532)	(3,028)	(3,383)
Operating expenses	8	(4,394)	(5,670)	(12,262)	(14,047)
Other operating expenses		(82)	(10)	(83)	(426)
Profit before income tax		**3,695**	**3,887**	**11,851**	**13,473**
Income tax expense	9	(1,067)	(1,053)	(3,177)	(3,260)
Net profit		**2,628**	**2,834**	**8,674**	**10,213**
Other comprehensive income:					
Available-for-sale securities	30	(434)	(634)	(1,631)	(3,951)
Available-for-sale securities — tax	30	215	159	527	983
Net other comprehensive income		**(219)**	**(475)**	**(1,104)**	**(2,968)**
Comprehensive income		**2,409**	**2,359**	**7,570**	**7,245**
Net profit attributable to:					
Equity holders of the Bank		2,597	2,827	8,638	10,201
Minority interest		31	7	36	12
		2,628	2,834	8,674	10,213
Comprehensive income attributable to:					
Equity holders of the Bank		2,378	2,352	7,534	7,233
Minority interest		31	7	36	12
		2,409	2,359	7,570	7,245
Earnings per share (expressed in Rmb per share)					
- basic	10	0.14	0.15	0.46	0.54
- diluted	10	0.14	0.15	0.46	0.54
Dividends					
Interim dividend declared	29	—	—	—	—
Final dividend proposed after the balance sheet date	29	—	—	—	—
		—	—	—	—

The accompanying notes presented on page 6 to 28 form an integral part of these unaudited condensed consolidated interim financial information.

CHINA MINSHENG BANKING CORP., LTD.

II. UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
(All amounts expressed in millions of Rmb unless otherwise stated)

	Note	December 31, 2008	September 30, 2009
ASSETS			
Cash and due from banks and other financial institutions	11	17,648	53,517
Precious metals		110	33
Balances with central banks	12	181,878	164,538
Trading financial assets	13	4,405	5,534
Derivative financial assets	14	1,216	420
Placements with banks and other financial institutions	15	52,408	114,381
Loans and advances to customers	16	646,475	880,008
Investment securities:			
- available-for-sale	17	53,597	52,265
- held-to-maturity	17	38,716	53,671
- loans and receivables	17	37,066	42,587
Finance lease receivables	18	5,253	13,930
Property and equipment	19	6,973	7,375
Deferred income tax assets	20	1,079	3,002
Other assets	22	7,526	11,675
Total assets		**1,054,350**	**1,402,936**
LIABILITIES			
Deposits from customers	23	785,786	1,099,483
Due to and placements from banks and other financial institutions	24	160,248	182,729
Borrowings from foreign governments		391	396
Borrowings from other financial institutions		2,600	11,850
Derivative financial liabilities	14	1,239	404
Provisions		609	1,118
Debt securities in issue	25	33,999	29,171
Deferred income tax liabilities	20	—	—
Other liabilities	26	14,806	17,374
Total liabilities		**999,678**	**1,342,525**
EQUITY			
Share capital	27	18,823	18,823
Capital reserve	27	14,768	14,768
Surplus reserve	28	2,983	2,983
General reserve	28	8,001	8,001
Retained earnings		6,009	14,704
Reserve for fair value changes of available-for-sale securities	30	3,296	328
Capital and reserves attributable to the equity holders of the Bank		53,880	59,607
Minority interest in equity		792	804
Total equity		**54,672**	**60,411**
Total liabilities and equity		**1,054,350**	**1,402,936**

The accompanying notes presented on page 6 to 28 form an integral part of these unaudited condensed consolidated interim financial information.

CHINA MINSHENG BANKING CORP., LTD.

III. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (All amounts in millions of Rmb unless otherwise stated)

		Attributable to the equity holders of the Bank							
	Note	Share capital	Capital reserve	Surplus reserve	General reserve	Retained earnings	Reserve for fair value changes of available-for-sale securities	Minority interest	Total equity
Balance at January 1, 2008		14,479	16,200	2,200	5,800	4,728	6,780	—	50,187
Comprehensive income		—	—	—	—	8,637	(1,104)	36	7,569
Capital injection		—	—	—	—	—	—	635	635
Shares issued from capital reserve	27	1,448	(1,448)	—	—	—	—	—	—
Cash dividends relating to 2007	29	—	—	—	—	(724)	—	—	(724)
Stock dividends relating to 2007	29	2,896	—	—	—	(2,896)	—	—	—
Balance at September 30, 2008		**18,823**	**14,752**	**2,200**	**5,800**	**9,745**	**5,676**	**671**	**57,667**
Balance at October 1, 2008		18,823	14,752	2,200	5,800	9,745	5,676	671	57,667
Comprehensive income		—	—	—	—	(752)	(2,380)	(28)	(3,160)
Capital injection		—	—	—	—	—	—	145	145
Appropriation to surplus reserve	28	—	—	783	—	(783)	—	—	—
Appropriation to general reserve	28	—	—	—	2,201	(2,201)	—	—	—
Other		—	16	—	—	—	—	4	20
Balance at December 31, 2008		**18,823**	**14,768**	**2,983**	**8,001**	**6,009**	**3,296**	**792**	**54,672**
Balance at January 1, 2009		18,823	14,768	2,983	8,001	6,009	3,296	792	54,672
Comprehensive income		—	—	—	—	10,201	(2,968)	12	7,245
Cash dividends relating to 2008	29	—	—	—	—	(1,506)		—	(1,506)
Balance at September 30, 2009		18,823	14,768	2,983	8,001	14,704	328	804	60,411

The accompanying notes presented on page 6 to 28 form an integral part of these unaudited condensed consolidated interim financial information.

CHINA MINSHENG BANKING CORP., LTD.

IV. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts expressed in millions of Rmb unless otherwise stated)

	Note	Nine months ended September 30, 2008	2009
Cash flows from operating activities			
Profit before income tax		11,851	13,473
Adjustments for:			
Impairment losses on assets		3,028	3,383
Depreciation and amortization		499	533
Gains on disposal of property and equipment and other long-term assets		(1)	(1)
Gain/(losses) from fair value changes		(310)	24
Net gains on disposal of available-for-sale securities		(47)	(5,003)
Interest expense on debt securities in issue and other financing activities		1,042	1,055
Interest income from investment securities		(4,366)	(4,052)
Payment of income tax		(2,973)	(2,078)
Net changes in operating assets and liabilities:			
Net decrease/(increase) in due from banks and other financial institutions		(129)	560
Net decrease/(increase) in precious metals		(5)	77
Net increase in restricted balances with central banks		(24,775)	(31,330)
Net increase in trading financial assets		(2,172)	(847)
Net increase in placements with banks and other financial institutions		(41,293)	(61,915)
Net increase in loans and advances to customers		(76,490)	(236,334)
Net increase in other assets		(7,668)	(13,434)
Net increase in deposits from customers		118,072	313,697
Net increase in due to and placements from banks and other financial institutions		11,699	22,481
Net increase in other liabilities		2,951	960
Net cash from operating activities		(11,087)	1,249
Cash flows from investing activities			
Proceeds from investment securities		58,727	95,882
Proceeds from disposal of property and equipment, intangible assets and other long-term assets		3	2
Purchase of investment securities		(32,921)	(108,834)
Purchase of property and equipment, intangible assets and other long-term assets		(1,218)	(1,991)
Net cash from investing activities		24,591	(14,941)
Cash flows from financing activities			
Proceeds from minority equity holders of subsidiaries		35	—
Borrowed from other financial institutions		2,250	14,267
Proceeds from issuance of debt securities		—	4,983
Cash paid for debts		—	(13,236)
Cash paid for interest		(558)	(1,035)
Cash dividends paid		(724)	(1,506)
Net cash from financing activities		1,003	3,473
Net increase/(decrease) in cash and cash equivalents		14,507	(10,219)
Cash and cash equivalents at beginning of the period		37,020	112,302
Effect of foreign exchange rate changes		(324)	100
Cash and cash equivalents at end of the period	31	51,203	102,183

The accompanying notes presented on page 6 to 28 form an integral part of these unaudited condensed consolidated interim financial information.

CHINA MINSHENG BANKING CORP., LTD.

V. NOTES TO THE INTERIM FINANCIAL INFORMATION
(All amounts in millions of Rmb unless otherwise stated)

1 GENERAL INFORMATION

China Minsheng Banking Corp., Ltd. (the "Bank") is a national joint-stock commercial bank established in the People's Republic of China ("PRC") on February 7, 1996 with the approval of the State Council of the PRC and the People's Bank of China (the "PBOC"). The Bank issued 350,000,000 ordinary shares of A-share common stock in local currency Renminbi ("Rmb") in 2000 and the shares have been listed and traded on the Shanghai Stock Exchange since 2000.

As at September 30, 2009, the Bank has 28 branches and a sub-branch in Shantou, which directly reports to the Head Office. The Bank and its subsidiaries (together the "Group") provides retail and corporate banking, leasing and fund management services in China.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2008 included in the Accountant's Report dated November 13, 2009 (the "Accountant's Report"), the text of which is set out in Appendix I to the prospectus of the Bank dated November 13, 2009 (the "Prospectus") in connection with the initial listing of shares of the Bank on the Main Board of The stock Exchange of Hong Kong Limited.

The principle accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those used in the Group's consolidated financial statements as at and for the year ended December 31, 2008 included in the Accountant's Report.

Standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted by the Group for nine months ended September 30, 2009 are as follows:

	Effective for annual periods beginning on or after
IFRS 3 (Revised) Business Combination	July 1, 2009
IAS 27 (Revised) Consolidated and Separate Financial Statements	July 1, 2009
IFRIC 17 Distribution of Non-cash Assets to Owners	July 1, 2009
IFRIC 18 Transfers of Assets From Customers	July 1, 2009
Amendment to IFRS 2 Group Cash-settled Share-based Payment Transactions	January 1, 2010
Amendment to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	January 1, 2010
Amendment to IFRS 8 Operating Segments	January 1, 2010
Amendment to IAS 1 Presentation of Financial Statements	January 1, 2010
Amendment to IAS 7 Statement of Cash Flows	January 1, 2010
Amendment to IAS 17 Leases	January 1, 2010
Amendment to Appendix to IAS 18 Revenue	July 1, 2009
Amendment to IAS 36 Impairment of Assets	January 1, 2010
Amendment to IAS 38 Intangible Assets	July 1, 2009
Amendment to IAS 39 Financial Instrument: Recognition and Measurement	July 1, 2009
Amendment to IFRIC 9 Reassessment of Embedded Derivatives	July 1, 2009
Amendment to IFRIC 16 Interpretation Hedges of a Net Investment in a Foreign Operation	July 1, 2009

The application of these standards, amendments and interpretations is not expected to have a material effect on the Group's operating results or financial position.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas susceptible to changes in essential estimates and judgments, which affect the carrying value of assets and liabilities, are set out below. It is impracticable to determine the effect of changes to either the key assumptions discussed below or other estimation uncertainties. It is possible that actual results may require material adjustments to the estimates referred to below.

(1) Impairment allowances on loans and advances

Besides impairment assessment for individually impaired loans, the Group reviews its loan portfolios to assess impairment regularly. In determining whether a provision for loan impairments should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults of borrowers. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(2) Fair value of derivative and other financial instruments

The Group establishes fair value of financial instruments with reference to a quoted market price in an active market or, if there is no active market, using valuation techniques. These valuation techniques include the use of recent arm's length transactions, observable prices for similar instruments, discounted cash flow analysis using risk-adjusted interest rates, and commonly used market pricing models. Whenever possible these models use observable market inputs and data including, for example, interest rate yield curves, foreign currency rates and option volatilities. The results of using valuation techniques are calibrated against industry practice and observable current market transactions in the same or similar instruments.

(3) Impairment of available-for-sale securities and held-to-maturity securities

The Group follows the guidance of IAS 39 in determining impairment of available-for-sale securities and held-to-maturity securities. The determination of impairment requires a high level of management judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, technological changes, credit ratings, delinquency rates, loss provision coverage and counterparty risk.

(4) Held-to-maturity securities

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. Other than in specific circumstances (e.g. sale of an insignificant amount of held-to-maturity securities at a time close to maturity), if the Group fails to hold these securities to maturity or reclassifies some of the securities to available-for-sale securities, the Group shall have to reclassify any of the remaining held-to-maturity securities as available-for-sale securities, and measure them at fair value rather than amortized cost.

(5) Taxation

In the ordinary course of business, many transactions and calculations involve uncertainties in the ultimate tax determination, and significant estimates are required in determining the provision for business tax and income tax. The Group recognizes liabilities for anticipated tax inspection issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the business tax, income tax and deferred income tax provisions in the period during which such a determination is made.

4 NET INTEREST INCOME

	Nine months ended September 30, 2008	2009
Interest income:		
- Due from banks and other financial institutions	112	229
- Balances with central banks	1,659	1,383
- Placements with banks and other financial institutions	2,850	1,564
- Loans and advances to customers	33,171	31,001
- Investment securities	4,366	4,052
- Finance lease receivables	111	485
- Others	17	29
	42,286	38,743
Included within interest income:		
Interest income accrual on identified impaired financial assets	138	151
Interest expense:		
- Due to and placements from banks and other financial institutions	(4,450)	(2,633)
- Deposits from customers	(13,977)	(12,217)
- Debt securities in issue	(1,042)	(1,055)
- Others	(11)	(148)
	(19,480)	(16,053)
Net interest income	22,806	22,690

5 FEE AND COMMISSION INCOME

	Nine months ended September 30, 2008	2009
Financial advisory services	2,129	1,223
Bank card services	662	872
Credit commitments	585	655
Trust and other fiduciary services	530	432
Settlement services	306	289
Securities underwriting service	88	94
Others	195	220
Total	4,495	3,785

6 NET TRADING INCOME/(LOSS)

	Nine months ended September 30, 2008	2009
Gain on exchange rate instruments	14	211
Gain/(loss) on interest rate instruments	306	(62)
Loss on precious metal and other products	(231)	(65)
Total	89	84

7 IMPAIRMENT LOSSES ON ASSETS

	Nine months ended September 30,	
	2008	2009
Loans and advances to customers	2,535	2,893
Available-for-sale securities	435	461
Held-to-maturity securities	—	(54)
Finance lease receivables	57	116
Others	1	(33)
Total	3,028	3,383

8 OPERATING EXPENSES

	Nine months ended September 30,	
	2008	2009
Staff costs, including directors' emoluments		
- Salary, including bonus	4,350	5,190
- Social insurance	773	839
- Other benefits	724	734
Business tax and surcharges	2,170	2,023
Business development expenses	761	979
Lease expense, primarily for office	585	694
Office expenses	497	868
Depreciation	447	478
Automobile expenses	348	357
Electronic equipment operating expenses	233	414
Mailing and telegraph expenses	228	217
Travelling expenses	125	152
Conference expenses	102	103
CBRC supervisory charges	65	104
Others	854	895
Total	12,262	14,047

9 INCOME TAX EXPENSE

Taxation in the income statement represents mainland China income tax:

	Nine months ended September 30,	
	2008	2009
Current tax	3,255	4,200
Deferred tax (Note 20)	(78)	(940)
	3,177	3,260

As at September 30, 2009, the applicable income tax rate (except for Shenzhen branch) is 25% (2008: 25%). For Shenzhen branch, the applicable income tax rate is 20% (2008: 18%).

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate of the Group as follows:

	Nine months ended September 30, 2008	Nine months ended September 30, 2009
Profit before income tax	11,851	13,473
Provision for income tax calculated at statutory rates	2,920	3,356
Exempted interest income on government bonds	(353)	(337)
Non-deductible salary, entertainment and other expenses	377	101
Others	233	140
	3,177	3,260

10 EARNINGS PER SHARE

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as treasury shares.

	Nine months ended September 30, 2008	Nine months ended September 30, 2009
Profit attributable to equity holders of the Bank	8,638	10,201
Weighted average number of ordinary shares in issue (in millions)	18,823	18,823
Basic earnings per share (in Rmb)	0.46	0.54

(2) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares for the effect of all dilutive potential ordinary shares of the Bank, which are in the form of convertible debt. The convertible debt is assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense less the tax effect.

	Nine months ended September 30, 2008	Nine months ended September 30, 2009
Profit attributable to equity holders of the Bank	8,638	10,201
Interest expense on convertible debt (net of tax)	—	—
Net profit used to determine diluted earnings per share	8,638	10,201
Number of shares (in millions)		
Weighted average number of ordinary shares in issue	18,823	18,823
Adjustments for:		
Additional number of shares assuming the conversion of all the convertible bonds convert into ordinary shares (in millions)	—	—
Weighted average number of ordinary shares for diluted earnings per share (in millions)	18,823	18,823
Diluted earnings per share (in Rmb)	0.46	0.54

11 CASH AND DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	December 31, 2008	September 30, 2009
Cash	2,900	3,431
Due from banks and other financial institutions		
- Due from banks	13,930	48,682
- Due from other financial institutions	818	1,404
	17,648	53,517

12 BALANCES WITH CENTRAL BANKS

	December 31, 2008	September 30, 2009
Restricted deposits	84,457	115,787
Unrestricted deposits	97,421	48,751
	181,878	164,538

Restricted deposits are general reserve balance with central banks. As at September 30, 2009, The Group was required to maintain with the PBOC a restricted general reserve deposit equal to 13.5% of Rmb deposits (2008: 13.5%) and 5% of foreign currency deposits (2008: 5%). Unrestricted deposits are maintained with the PBOC for liquidity purposes.

Restricted balance with central banks are not available for use in the Bank's day-to-day operations.

13 TRADING FINANCIAL ASSETS

	December 31, 2008	September 30, 2009
Government and quasi-government bonds	3,069	3,624
Corporate bonds	1,336	1,910
Total	4,405	5,534

All of above bond investments are listed.

As at September 30, 2009, trading financial assets pledged as collateral under repurchase agreements signed with other banks and other financial institutions amounted to Rmb2.03 billion (2008: Rmb2.05 billion). Please refer to Note 32 for detailed information.

14 DERIVATIVE FINANCIAL INSTRUMENTS

The following derivative financial instruments are held by the Group for trading purposes:

Foreign exchange forwards represent commitments to purchase/sell foreign currencies at a future date, including undelivered spot transactions.

Interest rate and currency swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (e.g. fixed rate for floating rate).

The credit risk faced by the Group arising from derivative financial products means, if a counterparty fails to fulfill its obligation, the cost of replacement of the original contract with an additional commitment. The Group controls this risk by monitoring the nominal amount of contracts, fair value and the ability to convert to cash on a continuous basis. In order to control the level of credit risk, the Group uses similar method adopted in its credit business to measure the extent of credit exposure.

The contractual/notional amounts of financial instruments serve only as a basis for comparison with fair value instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates or equity/commodity prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair values of derivative financial instruments held are set out in the following table:

	Contract/notional Amount	Fair values	
		Assets	Liabilities
December 31, 2008			
Currency forwards	11,498	211	(266)
Currency swaps	1,531	18	—
Interest rate swaps	17,711	987	(969)
Credit default swaps	68	—	(4)
Extension options	9,015	—	—
Precious metal swaps	163	—	—
		1,216	(1,239)
September 30, 2009			
Currency forwards	10,288	68	(61)
Currency swaps	3,871	8	(35)
Interest rate swaps	16,221	343	(297)
Credit default swaps	68	—	(1)
Extension options	14,015	—	—
Precious metal swaps	1,174	1	(10)
		420	(404)

15 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	December 31, 2008	September 30, 2009
Placements with banks and other financial institutions		
- Banks	30,324	105,592
- Other financial institutions	22,176	8,823
	52,500	114,415
Less: allowance for impairment losses — individually assessed	(92)	(34)
Net	52,408	114,381

The movement of allowance for impairment losses are as follows:

	December 31, 2008	September 30, 2009
Opening balance	(94)	(92)
Releases	2	58
Ending balance	(92)	(34)

Placements with banks and other financial institutions that include balances arising from reverse repo agreements are as follows:

	December 31, 2008	September 30, 2009
Discounted bills	23,463	88,138
Government and quais-government bonds	10,450	400
Corporate loans	1,400	2,500
Total	35,313	91,038

16 LOANS AND ADVANCES TO CUSTOMERS

	December 31, 2008	September 30, 2009
Loans to corporate entities		
- Corporate loans	475,185	678,254
- Discounted bill	63,931	61,333
- Others	10,673	7,762
Subtotal	549,789	747,349
Loans to individuals		
- Mortgage loans	87,401	98,110
- Credit cards	12,727	13,660
- Others	8,443	34,424
Subtotal	108,571	146,194
Loan and advances to customers, gross	658,360	893,543
Less: allowance for impairment losses		
- Individually assessed	(3,990)	(4,397)
- Collectively assessed	(7,895)	(9,138)
	(11,885)	(13,535)
Loan and advances to customers, net	646,475	880,008

As at September 30, 2009, loans to corporate customers and discounted bills pledged as collateral under repurchase agreements with other banks and other financial institutions amounted to Rmb0.11 billion (2008: Rmb5.45 billion). (Please refer to Note 32 for detailed information.)

(1) Analysis of loans and advances to customers by collective and individual assessment

	Loans and advances for which allowance is collectively assessed	Identified impaired loans and advances			
		For which allowance is collectively assessed	For which allowance is individually assessed	Subtotal	Total
December 31, 2008					
Gross loans and advances					
- Loans to corporate entities	542,534	535	6,720	7,255	549,789
- Loans to individuals	107,905	666	—	666	108,571
Allowance for impairment losses	(7,186)	(709)	(3,990)	(4,699)	(11,885)
Loans and advances to customers, net	643,253	492	2,730	3,222	646,475

	Loans and advances for which allowance is collectively assessed	Identified impaired loans and advances			
		For which allowance is collectively assessed	For which allowance is individually assessed	Subtotal	Total
September 30, 2009					
Gross loans and advances					
- Loans to corporate entities	740,985	165	6,199	6,364	747,349
- Loans to individuals	145,273	921	—	921	146,194
Allowance for impairment losses	(8,393)	(745)	(4,397)	(5,142)	(13,535)
Loans and advances to customers, net	877,865	341	1,802	2,143	880,008

(2) Loans to corporations by industries

	December 31, 2008 Amount	(%)	September 30, 2009 Amount	(%)
Manufacturing	103,132	18	138,008	18
Real estate	90,158	15	101,444	13
Transportation, warehousing and postal service	69,840	13	81,066	11
Leasing and commercial services	51,045	9	95,368	13
Production and supply of electronic power, gas and water	46,761	9	52,386	7
Water conservancy, environment and public utilities management	40,262	7	64,327	8
Mining	28,601	5	42,980	6
Wholesale and retail	25,811	5	50,403	7
Construction	25,307	5	28,926	4
Financial services	25,135	5	18,015	2
Education and community services	14,290	3	22,609	3
Public administration and social organizations	13,942	3	36,302	5
Information transmission, IT service and software industry	4,960	1	4,176	1
Others	10,545	2	11,339	2
Total	549,789	100	747,349	100

(3) Loans and advances analyzed by guarantee type:

	December 31, 2008	September 30, 2009
Unsecured loans	173,421	255,529
Guaranteed loans	150,383	206,577
Secured loan		
- Collateralized loans	220,754	310,454
- Pledged loans	113,802	120,983
Total	658,360	893,543

(4) Movement of allowance for impairment losses

	Loans to corporate entities		Loans to individuals	
	Individual assessment	Collective assessment	Collective assessment	Total
Balance at January 1, 2008	3,494	3,250	919	7,663
New allowances	1,802	3,481	489	5,772
Releases	(86)	—	—	(86)
Reclassification	95	(95)	—	—
Amounts written off during the year as uncollectible	(1,200)	(16)	(124)	(1,340)
Unwinding of discount on allowance	(164)	—	—	(164)
Recovery after write-off	56	—	—	56
Exchange differences	(7)	(7)	(2)	(16)
Balance at December 31, 2008	3,990	6,613	1,282	11,885
Balance at January 1, 2009	3,990	6,613	1,282	11,885
New allowances	1,169	1,101	709	2,979
Releases	(86)	—	—	(86)
Reclassification	145	(145)	—	—
Amounts written off and exempted during the period as uncollectible	(728)	(50)	(372)	(1,150)
Unwinding of discount on allowance	(151)	—	—	(151)
Recovery after write-off	58	—	—	58
Balance at September 30, 2009	4,397	7,519	1,619	13,535

17 INVESTMENT SECURITIES

	December 31, 2008	September 30, 2009
Available-for-sale securities	53,597	52,265
Held-to-maturity securities	38,716	53,671
Loans and receivables	37,066	42,587
	129,379	148,523
Analyzed as follows:		
- Listed in Hong Kong	2,708	2,878
- Listed outside Hong Kong	84,788	100,456
- Unlisted	41,883	45,189
	129,379	148,523

As at September 30, 2009, Investment securities pledged as collateral under agreements signed with banks and other financial institutions amounted to Rmb3.26 billion (2008:Rmb3.30 billion). Such agreements included interest rate swap contracts, issuance of convertible bonds, issuance of guarantees, and negotiated deposits. Please refer to Note 33 for detailed information.

The Bank did not make any reclassification of investment securities during the year ended December 31, 2008 and nine months ended September 30, 2009.

(1) Available-for-sale securities

	December 31, 2008	September 30, 2009
Debt securities at fair value		
Government and quasi-government bonds		
- listed in Hong Kong	2,467	2,634
- listed outside Hong Kong	34,770	35,703
- unlisted	1,333	855
Financial institutions bonds		
- listed in Hong Kong	68	72
- listed outside Hong Kong	737	638
- unlisted	2,422	1,234
Corporate bonds		
- listed outside Hong Kong	7,948	10,941
- unlisted	91	—
	49,836	52,077
Equity securities at fair value		
Financial institutions securities		
- listed outside Hong Kong	3,633	63
- unlisted	125	125
Corporate securities		
- listed outside Hong Kong	3	—
	3,761	188
	53,597	52,265

For the nine months ended September 30, 2009, the Group's fair value changes relating to impaired available-for-sale securities amounted to Rmb1,059 million (2008: Rmb599 million), which have been charged to the income statement.

In the first half of 2009, the Bank disposed of its equity securities of Haitong Securities Co, Ltd ("Haitong Securities"). The balance of equity securities of Haitong Securities held by the Bank were Rmb3.09 billion as at December 31, 2008. Net gain of Rmb4.90 billion was recognized in the income statement for nine months ended September 30, 2009.

(2) Held-to-maturity securities

	December 31, 2008	September 30, 2009
Government and quasi-government bonds		
- listed in Hong Kong	173	172
- listed outside Hong Kong	37,228	47,271
- unlisted	7	—
Financial institutions bonds		
- listed outside Hong Kong	478	446
- unlisted	884	388
Corporate bonds		
- listed outside Hong Kong	—	5,394
Gross	38,770	53,671
Less: allowance for impairment losses - individually assessed	(54)	—
Net	38,716	53,671

(3) Loans and receivables

	December 31, 2008	September 30, 2009
Government and quasi-government bonds	20,792	25,913
Financial institution bonds	7,890	11,190
Financial institutions entrust products	8,384	5,484
Total	37,066	42,587

All of above loans and receivables are unlisted.

18 FINANCE LEASE RECEIVABLES

	December 31, 2008	September 30, 2009
Finance lease receivables	5,991	16,012
Less: unearned finance income	(681)	(1,909)
	5,310	14,103
Less: allowance for impairment losses — collectively assessed	(57)	(173)
Net	5,253	13,930

Movement of allowance for impairment losses are as follows:

	Year ended December 31, 2008	Nine months ended September 30, 2009
Opening balance	—	(57)
New allowances	(57)	(116)
Ending balance	(57)	(173)

As at September 30, 2009, finance lease receivables pledged as collateral under repurchase and borrowings agreements with other banks and financial institutions amounted to Rmb3.15 billion (2008: Rmb1.47 billion). (Please refer to Note 32 for detailed information.)

19 PROPERTY AND EQUIPMENT

	Buildings	Leasehold improvements	Office equipment	Motor vehicles	Construction in progress	Total
December 31, 2008 Original cost	3,472	1,262	2,408	200	2,518	9,860
Accumulated depreciation	(490)	(785)	(1,502)	(110)	—	(2,887)
Net value	2,982	477	906	90	2,518	6,973
September 30, 2009						
Original cost	3,853	1,521	2,645	214	2,507	10,740
Accumulated depreciation	(577)	(935)	(1,721)	(132)	—	(3,365)
Net value	3,276	586	924	82	2,507	7,375

	Buildings	Leasehold improvements	Office equipment	Motor vehicles	Construction in progress	Total
Net book value of balance at January 1, 2008	2,506	429	866	85	2,501	6,387
Additions	320	221	345	34	273	1,193
Transfer in/(out)	256	—	—	—	(256)	—
Disposals	—	—	(4)	(1)	—	(5)
Depreciation charge	(100)	(173)	(301)	(28)	—	(602)
Net book value of balance at December 31, 2008	2,982	477	906	90	2,518	6,973
Net book value of balance at January 1, 2009	2,982	477	906	90	2,518	6,973
Additions	69	260	237	14	301	881
Transfer in/(out)	312		—	—	(312)	—
Disposals	—	(1)	—	—		(1)
Depreciation charge	(87)	(150)	(219)	(22)	—	(478)
Net book value of balance at September 30, 2009	3,276	586	924	82	2,507	7,375

The carrying value of buildings and leasehold improvements is analyzed based on the remaining terms of the leases as follows:

	December 31, 2008	September 30, 2009
Held outside Hong Kong		
on long-term lease (over 50 years)	121	164
on medium-term lease (10-50 years)	3,332	3,685
on short-term lease (less than 10 years)	6	13
	3,459	3,862

20 DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. Deferred income tax is provided in full, using the liability method, on all temporary differences.

The movement on the deferred income tax account is as follows:

	Year ended December 31, 2008	Nine months ended September 30, 2009
Opening balance	(1,306)	1,079
Recognized in the income statement	1,215	940
Tax charged directly to equity	1,170	983
Ending balance	1,079	3,002

The movement in deferred income tax assets and liabilities during the Relevant Periods, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Assets impairment allowance	Fair value losses	Others	Total
At January 1, 2008	930	626	52	1,608
Charged to the income statement	1,132	(53)	73	1,152
Charged directly to equity	—	(230)	—	(230)
At December 31, 2008	2,062	343	125	2,530
At January 1, 2009	2,062	343	125	2,530
Charged to the income statement	571	(207)	363	727
Charged directly to equity	—	53	—	53
At September 30, 2009	2,633	189	488	3,310

Deferred income tax liabilities

	Fair value gains	Others	Total
At January 1, 2008	(2,854)	(60)	(2,914)
Charged to the income statement	3	60	63
Charged directly to equity	1,400	—	1,400
At December 31, 2008	(1,451)	—	(1,451)
At January 1, 2009	(1,451)	—	(1,451)
Charged to the income statement	213	—	213
Charged directly to equity	930	—	930
At September 30, 2009	(308)	—	(308)

21 INVESTMENT IN SUBSIDIARIES

	December 31, 2008	September 30, 2009
Minsheng Financial Leasing Co., Ltd.	2,600	2,600
Minsheng Royal Fund Management Co., Ltd.	120	120
Cixi Minsheng Township Bank Co., Ltd.	35	35
Pengzhou Minsheng Township Bank Co., Ltd.	20	20
	2,775	2,775

Name	Date of incorporation	Place of incorporation and operation	Principal activities	Registered Capital	Nature of legal entity	Interest held*
Minsheng Financial Leasing Co., Ltd.	April 2, 2008	Tianjin, China	Leasing	3,200	Limited company	81.25%
Minsheng Royal Fund Management Co., Ltd.	November 3, 2008	Guangdong, China	Fund management	200	Limited company	60%
Cixi Minsheng Township Bank Co., Ltd.	December 30, 2008	Ningbo, China	Commercial bank	100	Limited company	35%
Pengzhou Minsheng Township Bank Co., Ltd.	September 12, 2008	Sichuan, China	Commercial bank	55	Limited company	36.36%

* All interests in subsidiaries are directly held. The Bank owns the majority of the voting rights in the board of directors of Cixi Minsheng Township Bank Co., Ltd and Pengzhou Minsheng Township Bank Co., Ltd. which enables the Bank to govern their financial and operating policies. These two companies are treated as subsidiaries and are included in the unaudited condensed consolidated interim financial information.

22 OTHER ASSETS

	December 31, 2008	September 30, 2009
Interest receivable	3,402	3,624
Prepayments	2,515	6,198
Repossessed assets	945	934
Deferred assets	133	65
Others	531	854
	7,526	11,675

23 DEPOSITS FROM CUSTOMERS

	December 31, 2008	September 30, 2009
Deposits from corporate entities		
- Demand	295,597	440,823
- Time	352,275	464,618
Deposits from individuals		
- Demand	33,599	44,089
- Time	102,669	148,545
Inward remittance and temporary deposits	1,646	1,408
	785,786	1,099,483

As at September 30, 2009, Deposits of Rmb120.34 billion (2008: Rmb108.95 billion) were included in customer accounts held as collaterals for acceptances, letters of credit, letters of guarantee and other transactions.

24 DUE TO AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	December 31, 2008	September 30, 2009
Due to and placements from banks and other financial institutions		
- Due to and placements from banks	95,084	63,575
- Due to and placements from other financial institutions	65,164	119,154
Total	160,248	182,729

Included in due to and placements from banks and other financial institutions are amounts received from counterparties under repurchase agreements categorized as follows:

	December 31, 2008	September 30, 2009
Repurchase of:		
- Discounted bills	5,231	—
- Trading assets	2,000	2,000
- Loans and advances to customers	214	114
- Finance lease receivables	567	2,347
Total	8,012	4,461

25 Debt securities in issue

	December 31, 2008	September 30, 2009
Financial bonds(1)	22,459	12,077
Subordinated bonds(2)	7,252	7,522
Hybrid capital bonds(3)	4,288	9,572
	33,999	29,171

(1) Financial bonds

	December 31, 2008	September 30, 2009
2006 Rmb10 billion Financial Bonds with fixed rate — 3 years	10,173	—
2007 Rmb6 billion Financial Bonds with floating rate — 3 years	6,142	6,039
2007 Rmb6 billion Financial Bonds with floating rate — 5 years	6,144	6,038
	22,459	12,077

Pursuant to the CBRC and the PBOC's approval, the bank issued the following financial bonds:

The tranche of 2006 financial bonds was issued with a term of 3 years at a fixed interest rate of 2.88%; interest is paid annually.

The tranche of 2007 financial bonds with a term of 3 years bears a floating rate based on the one-year PBOC time deposit rate set at each interest payment date plus a spread of 0.61% per annum. The tranche of 2007 financial bonds with a term of 5 years bears a floating rate based on the one-year PBOC time deposit rate set at each interest payment date plus a spread of 0.76% per annum. Interest is paid annually.

(2) Subordinated bonds

	December 31, 2008	September 30, 2009
2004 Rmb4.315 billion Subordinated Bonds with fixed rate — 10 years(i)	4,351	4,516
2004 Rmb1.485 billion Subordinated Bonds with floating rate — 10 years(ii)	1,500	1,566
2005 Rmb1.4 billion Subordinated Bonds with fixed rate — 10 years (iii)	1,401	1,440
	7,252	7,522

Pursuant to relevant approvals from the PBOC and the CBRC, the Bank issued the following subordinated bonds:

(i) The fixed-rate subordinated bonds issued in 2004 have a maturity of 10 years, with a fixed coupon rate of 5.1% per annum for the first five years, payable annually. The Bank has the option to redeem all of the bonds at face value on November 1, 2009. If the Bank does not exercise this option, the annual coupon rate of the bonds for the second 5-year period shall be the original coupon rate plus 3% per annum, and shall remain fixed through to the maturity date.

(ii) The floating-rate subordinated bonds issued in 2004 have a maturity of 10 years, with a floating rate based on the one-year PBOC time deposit rate set at each interest payment date plus a spread of 2.4% per annum for the first five years, payable annually. The Bank has the option to redeem all or part of the bonds at face value on November 1, 2009. If the Bank does not exercise this option, the floating rate for the second 5-year period shall be the original spread plus 0.5% per annum.

(iii) The fixed-rate subordinated bonds issued in 2005 have a maturity of 10 years, with a fixed coupon rate of 3.68% per annum for the first five years, payable annually. The Bank has the option to redeem all or part of the bonds at face value on December 26, 2010. If the Bank does not exercise this option, the annual coupon rate of the bonds for the second 5-year period shall be the original coupon rate plus 3% per annum.

These bonds are subordinated to all other claims on the assets of the Bank, except those of the Hybrid capital bonds holders and the equity holders. In the calculation of the Bank's capital adequacy ratio, these bonds qualify for inclusion as supplementary capital.

There were no defaults of principal and interest or other breaches with respect to these bonds from the issuance of these bonds.

(3) Hybrid capital bonds

	December 31, 2008	September 30, 2009
2006 Rmb3.3 billion Hybrid Capital Bonds with fixed rate — 15 years(i)	3,291	3,416
2006 Rmb1 billion Hybrid Capital Bonds with floating rate — 15 years(ii)	997	1,029
2009 Rmb3.325 billion Hybrid Capital Bonds with fixed rate — 15 years(iii)	—	3,412
2009 Rmb1.625 billion Hybrid Capital Bonds with floating rate — 15 years(iv)	—	1,715
	4,288	9,572

Pursuant to relevant approvals from the PBOC and the CBRC, the Bank issued the following hybrid capital bonds:

(i) The fixed-rate hybrid capital bonds issued in 2006 have a maturity of 15 years, with a fixed coupon rate of 5.05% per annum for the first 10 years, payable annually. The Bank has the option to redeem all or part of the bonds at face value on December 28, 2016. If the Bank does not exercise this option, the annual coupon rate of the bonds for the next 5 years shall be the original coupon rate plus a spread of 3% per annum, and shall remain fixed through to the maturity date.

(ii) The floating-rate hybrid capital bonds issued in 2006 have a maturity of 15 years, with a floating rate based on the one-year PBOC time deposit rate set at each interest payment date plus a spread of 2% per annum for the first 10 years, payable annually. The Bank has the option to redeem all or part of the bonds at face value on December 28, 2016. If the Bank does not exercise this option, the floating rate of the bonds for the next 5 years shall be the original spread plus 1% per annum.

(iii) The fixed-rate hybrid capital bonds issued in 2009 have a maturity of 15 years, with a fixed coupon rate of 5.70% per annum for the first 10 years, payable annually. The Bank has the option to redeem all or part of the bonds at face value on March 26, 2019. If the Bank does not exercise this option, the annual coupon rate of the bonds for the next 5 years shall be the original coupon rate plus a spread of 3% per annum, and shall remain fixed through to the maturity date.

(iv) The floating-rate hybrid capital bonds issued in 2009 have a maturity of 15 years, with a floating rate based on the one-year PBOC time deposit rate set at each interest payment date plus a spread of 3% per annum for the first 10 years, payable annually. The Bank has the option to redeem all or part of the bonds at face value on March 26, 2019. If the Bank does not exercise this option, the floating rate of the bonds for the next 5 years shall be the original spread plus 2% per annum.

These bonds are subordinated to all other claims on the assets of the Bank, except those of the equity holders. In the calculation of the Bank's capital adequacy ratio, these bonds qualify for inclusion as supplementary capital.

There were no defaults of principal and interest or other breaches with respect to these bonds during the Relevant Periods. These bonds are unsecured.

26 OTHER LIABILITIES

	December 31, 2008	September 30, 2009
Interest payable	6,999	6,268
Items in the process of clearance and settlement	1,678	1,465
Income tax payable	1,238	3,360
Other tax payable	1,274	1,024
Payroll and welfare payable	972	2,943
Unrealized gains	877	858
Guarantee deposits for finance lease	360	972
Others	1,408	484
	14,806	17,374

27 SHARE CAPITAL AND CAPITAL RESERVE

As at September 30, 2009, the total number of authorized ordinary shares is 18.82 billion shares with a par value of Rmb1 yuan per share (2008: 18.82 billion shares), among which 0.93 billion shares were restricted on sale (2008: 0.93 billion shares). All issued shares are fully paid.

Capital reserve is Rmb14.768 billion as at September 30, 2009 (2008: 14.768 billion), which mainly comprises capital premium.

28 SURPLUS RESERVE AND GENERAL RESERVE

(1) Surplus reserve

Under relevant PRC laws, the Bank is required to transfer 10% of its net profit, as determined under PRC GAAP, to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of such reserve has reached 50% of the share capital. Subject to the approval of the equity holders, the statutory surplus reserve can be used for replenishing the accumulated losses or increasing the Bank's share capital. The statutory surplus reserve amount used to increase the share capital is limited to a level where the balance of Statutory surplus reserve after such capitalization is not less than 25% of the share capital.

The Bank appropriated nil (2008: Rmb0.78 billion) for the nine months ended September 30, 2009.

(2) General reserve

Pursuant to circulars issued by the MOF in 2005, the Bank is required to establish and maintain a general reserve within equity, through the appropriation of income to address unidentified potential impairment losses. The general reserve should not be less than 1% of the aggregate amount of risk assets as defined by this policy. Effective from July 1, 2005, the general reserve should be provided in full within three years. In no case could the transitional period exceed five years.

The Bank appropriated nil (2008: Rmb2.2 billion) to the general reserve for the nine months ended September 30, 2009.

Pursuant to circulars issued by the MOF in 2007, Minsheng Leasing contributed Rmb0.78 million, or 1% of its net profit to general reserve for the year ended December 31, 2008, including Rmb0.63 million attributable to the Bank.

29 DIVIDENDS

In respect of 2008, cash dividend of Rmb1,506 million (0.08 per share and before tax) was approved.

In respect of nine months ended September 30, 2009, no dividend was approved.

	Year ended December 31, 2008	Nine months ended September 30, 2009
Dividends payable to equity holders of the Bank attributable to the year/period		
Proposed final dividend	1,506	—
Dividends payable to equity holders of the Bank attributable to the previous financial year, approved and paid during the year		
Final dividend paid	3,620	1,506

30 RESERVE FOR FAIR VALUE CHANGES OF AVAILABLE-FOR-SALE SECURITIES

	Year ended December 31, 2008	Nine months ended September 30, 2009
Opening balance	6,780	3,296
Change in fair value of available-for-sale securities	(5,306)	(1,619)
Less: deferred income tax	1,333	403
Transfer to profit or loss upon disposal	53	(2,787)
Less: deferred income tax	(13)	693
Impairment losses on available-for-sale	599	455
Less: deferred income tax	(150)	(113)
Ending balance	3,296	328

31 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows consists of the following:

	December 31, 2008	September 30, 2009
Cash	2,900	3,431
Unrestricted balance with central banks	97,421	48,751
Original maturity within 3 months:		
- Due from banks and other financial institutions	11,781	47,679
- Government and quasi-government bonds	200	2,322
	112,302	102,183

32 CONTINGENT LIABILITIES AND COMMITMENTS

(1) Credit commitments

	December 31, 2008	September 30, 2009
Acceptances	145,005	215,978
Letters of guarantee	49,029	49,408
Unused credit card limits	28,140	29,844
Letters of credit	8,250	12,462
Irrevocable loan commitments	6,000	5,153
Finance lease commitments	475	953
	236,899	313,798

(2) Operating lease commitments

Future minimum lease payments on operating leases are summarized as follows:

	December 31, 2008	September 30, 2009
Less than 1 year	625	539
1 to 5 years	1,610	1,946
Later than 5 years	379	416
	2,614	2,901

(3) Assets pledged

	December 31, 2008	September 30, 2009
Trading assets (Note 13)	2,047	2,032
Loans to corporate customers and discounted bills (Note 16)	5,445	114
Investment securities (Note 17)	3,305	3,261
Finance lease receivables (Note 18)	1,470	3,146
	12,267	8,553

Assets are pledged as collateral under repurchase agreements with other banks and financial institutions, interest rate swaps contracts, convertible bonds issued, letters of guarantee issued and negotiated deposits taken.

Mandatory reserve deposits are also held with the PBOC in accordance with statutory requirements (Note 12). These deposits are not available to finance the Bank's day-to-day operations.

The pledged assets accepted by the Group in relation to repurchase agreement can be sold and re-pledged. As at September 30, 2009, the fair values of such accepted pledged assets were Rmb88.14 billion (2008: Rmb23.46 billion). Furthermore, the fair value for the pledged assets sold by the Group but with the obligation to return such pledged assets at the expiration date was nil (2008: Rmb3.11 billion).

(4) Capital commitments

	December 31, 2008	September 30, 2009
Property and equipment		
- Contracted but not provided for	755	3,817
- Authorized but not contracted for	118	350
Equity investment		
- Contracted but not provided for	2,340	—
- Authorized but not contracted for	—	35
	3,213	4,202

The Group's management is confident that future net revenues and funding will be sufficient to cover these commitments.

(5) Security underwriting

	December 31, 2008	September 30, 2009
Short-term financing bills	2,900	6,150

(6) Certificate Treasury Bonds redemption commitments

The Bank is entrusted by the MOF to underwrite certain Certificate Treasury Bonds. The investors of Certificate Treasury Bonds have the option to redeem the bonds at par any time prior to maturity, and the Bank is committed to repurchase those bonds at the redemption price. The redemption price is the par value of the Certificate Treasury Bonds plus unpaid interest in accordance with the early redemption arrangement. As at September 30, 2009, the principal of the bonds amounted to Rmb4.19 billion (2008: Rmb3.71 billion). The original maturities of these bonds vary from 1 to 5 years. As the deposit base rate established by PBOC is currently lower than the yields on all issue of Certificate Treasury Bonds, management expects the amount of redemption before the maturity dates of those bonds will not be material.

(7) Legal proceedings

There were a number of outstanding litigation matters against the Group as at December 31, 2008 and September 30, 2009. After considering professional advice received, the Group's management believes such litigation will not cause significant losses to the Group.

33 RELATED PARTY TRANSACTIONS

Related parties of the Group refer to entities controlled or, jointly controlled by or under significant influence of the Group; entities that control, jointly control or have significant influence over the Group; or entities with which the Group is under control, joint control or significant influence of another party. Related parties can be individuals or enterprises. Related parties that have significant influence on the Group include: companies controlled or significantly influenced by members of the Board of Directors and the Board of Supervisors, senior management or their related persons, the subsidiaries of these companies, and major shareholders with the power to influence the operating decision-making or financial policies of the Group.

The terms of transactions with related parties were in accordance with the terms of the underlying agreements arranged in the ordinary course of the Group's business.

(1) Loans granted to related parties

	Year ended December 31, 2008	Nine months ended September 30, 2009
Opening balance	1,653	1,814
Loans granted during the year/period	920	1,633
Loan repayments during the year/period	(759)	(1,665)
Ending balance	1,814	1,782
Interest income earned	99	64

As at September 30, 2009, there is no impaired loan identified among the above related party loans (2008: nil).

As at September 30, 2009, guaranteed loans which amounted to Rmb1.30 billion (2008: Rmb1.18 billion) and collateralized loans amounted to Rmb0.48 billion (2008: Rmb0.63 billion) were included in the above loans to related parties.

During the nine months ended September 30, 2009, the interest rates ranges of loans granted to related parties are 5.15% — 6.14% (2008: 5.20% — 6.14%).

(2) Deposits taken from related parties

	Year ended December 31, 2008	Nine months ended September 30, 2009
Opening balance	2,544	19,908
Deposits taken during the year/period	108,215	33,576
Deposits repaid during the year/period	(90,851)	(12,257)
Ending balance	19,908	41,227

During the nine months ended September 30, 2008 and September 30, 2009, the interest expenses incurred on the related parties' deposits were not material.

(3) In addition to the above loans granted to related parties:

	December 31, 2008	September 30, 2009
Due to and placements from banks and other financial institutions	1,263	2,558
Loans guaranteed by related parties	1,106	1,301
Acceptance issued for related parties	464	70
Bills purchased under resale agreement by related parties	100	11
Related-party bills discounted by the Group	2	5
Investment securities issued by related parties	—	150

All the above related parties transactions do not have significant impact on the unaudited condensed consolidated interim financial information.

(4) Services provided by related parties

The Bank purchased life insurance contracts from China Life Insurance Company a shareholder who owns over 5% of the Bank's share, as supplementary retirement benefit for employees. The Bank pays related insurance fees periodically according to the contracts.

(5) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including directors, supervisors and executive officers.

The Group enters into banking transactions with directors and key management personnel in the ordinary course of business arranged in the ordinary course of the Group's business. These include loans and deposits, which are carried out at rates in accordance with the terms of the underlying agreements. As at September 30, 2009, loans outstanding to the key management amounted to Rmb6 million, which have been included in the above loans granted to related parties (2008: nil).

During the nine months ended September 30, 2009, salaries and other short-term benefits paid to the key management personnel amounted to Rmb42 million (2008: Rmb64 million). No post-employment benefits, termination benefits or other long-term benefits were provided to the key management personnel during the nine months ended September 30, 2009 (in 2008: nil).

34 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by Presidents and special management committees responsible for making strategic decisions. Presidents and special management committees consider the business from both geographic segment and business segment perspective.

The Group's businesses operate in four main geographical areas within the mainland China.

(1) Northern China — Including Minsheng Leasing the Headquarters in Beijing as well as the following branches: Beijing, Taiyuan, Shijiazhuang and Tianjin;

(2) Eastern China — Including Cixi Minsheng Township Bank Co., Ltd. and the following branches: Shanghai, Hangzhou, Ningbo, Nanjing, Jinan, Suzhou, Wenzhou, Qingdao, Hefei and Nanchang;

(3) Southern China — Including Minsheng Royal Fund Management Co., Ltd and the following branches: Fuzhou, Guangzhou, Shenzhen, Quanzhou, Shantou and Xiamen;

(4) Other locations — Including Pengzhou Minsheng Township Bank Co., Ltd. and the following branches: Xi'an, Dalian, Chongqing, Chengdu, Kunming, Wuhan, Changsha, Zhengzhou and Changchun.

The Group derives its revenue primarily from corporate banking, private banking and treasury business.

	Northern China	Eastern China	Southern China	Other locations	Inter-segment elimination	Total
Nine months ended September 30, 2008						
External Interest income	8,403	6,423	4,213	3,767	—	22,806
Inter-segment Interest (expense)/income	(2,809)	1,566	821	422	—	—
Net interest income	5,594	7,989	5,034	4,189	—	22,806
Fee and commission income	3,062	782	382	269	—	4,495
Fee and commission expense	(90)	(35)	(52)	(36)	—	(213)
Net fee and commission income	2,972	747	330	233	—	4,282
Operating expense	(4,424)	(3,819)	(2,094)	(1,925)	—	(12,262)
Impairment losses on assets	(1,028)	(526)	(458)	(1,016)	—	(3,028)
Net other income/(expenses)	25	(3)	25	6	—	53
Total profit	3,139	4,388	2,837	1,487	—	11,851

	Northern China	Eastern China	Southern China	Other locations	Inter-segment elimination	Total
December 31,2008						
Segment assets	671,727	335,333	163,954	170,199	(287,942)	1,053,271
Unallocated						1,079
Total assets						1,054,350
Segment liabilities	(633,845)	(327,846)	(159,454)	(166,475)	287,942	(999,678)
Depreciation and amortization	293	156	124	105	—	678
Capital expenditure	902	503	20	336	—	1,761
Credit commitments	82,193	92,831	25,302	36,573	—	236,899

	Northern China	Eastern China	Southern China	Other locations	Inter-segment elimination	Total
Nine months ended September 30, 2009						
External Interest income	9,105	6,483	2,379	4,723	—	22,690
Inter-segment Interest (expense)/income	(1,594)	911	687	(4)	—	—
Net interest income	7,511	7,394	3,066	4,719	—	22,690
Fee and commission income	2,441	748	336	260	—	3,785
Fee and commission expense	(107)	(50)	(52)	(24)	—	(233)
Net fee and commission income	2,334	698	284	236	—	3,552
Operating expense	(5,290)	(4,319)	(2,051)	(2,387)	—	(14,047)
Impairment losses on assets	(1,438)	(1,133)	(74)	(738)	—	(3,383)
Net other income/(expenses)	4,756	(26)	(4)	(65)	—	4,661
Total profit	7,873	2,614	1,221	1,765	—	13,473

	Northern China	Eastern China	Southern China	Other locations	Inter-segment elimination	Total
September 30, 2009						
Segment assets	917,414	454,712	202,492	241,316	(416,001)	1,399,933
Unallocated						3,002
Total assets						1,402,935
Segment liabilities	(874,642)	(447,161)	(199,471)	(237,252)	416,001	(1,342,525)
Depreciation and amortization	203	128	83	95	—	509
Capital expenditure	1,593	183	89	117	—	1,982
Credit commitments	112,762	107,324	35,146	58,566	—	313,798

The pricing of these transactions is based on market deposit rates, lending rates and market rates. The transfer price takes into account the specific features and maturities of the product. The profit or loss reported to Presidents and special management committees is measured in a manner consistent with that in the condensed consolidated statement of comprehensive income.

The amounts provided to Presidents and special management committees with respect to total assets and total liabilities are measured in a manner consistent with that in the condensed consolidated balance sheet. Deferred income tax assets and liabilities are not allocated to segments.

The segment information by business type provided to Presidents and special management committees is as follow:

	Nine months ended September 30,	
	2008	2009
Total operating income		
Corporate banking business	19,068	18,729
Retail banking business	4,449	3,532
Treasury business	3,430	3,464
Other business and unallocated	277	5,604
Total	27,224	31,329

	December 31, 2008	September 30, 2009
Segment assets		
Corporate banking business	540,374	736,025
Retail banking business	107,706	144,988
Treasury business	388,528	488,143
Other business and unallocated	17,742	33,780
Total	1,054,350	1,402,936

35 MATURITY ANALYSIS

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	Total
December 31, 2008								
Financial Liabilities:								
Deposits from customers	404,990	44,301	84,457	165,613	85,660	765	—	785,786
Due to and placements from banks and other financial institutions	44,563	17,247	41,179	52,759	4500	—	—	160,248
Borrowings from other financial institutions	—	500	2,100	—	—	—	—	2,600
Debt securities in issue	—	—	—	10,530	11,982	11,487	—	33,999
Other financial liabilities	—	373	7,189	3,463	1,036	765	—	12,826
Total financial liabilities	449,553	62,421	134,925	232,365	103,178	13,017	—	995,459
Financial Assets:								
Cash and due from banks and other financial institutions	11,797	1,484	2,025	2,342	—	—	—	17,648
Balances with central banks	181,878	—	—	—	—	—	—	181,878
Placements with banks and other financial institution	—	29,293	14,949	7,296	870	—	—	52,408
Loans and advances to customers	—	37,712	77,581	272,225	139,131	110,108	9,718	646,475
Investment securities								
- available-for-sale	—	719	1,833	11,717	21,126	18,202	—	53,597
- held-to-maturity	50	—	—	4,350	27,574	6,742	—	38,716
- loans and receivables	6	—	615	5,621	24,564	6,260	—	37,066
Finance lease receivables	—	85	250	991	3,927	—		5,253
Other financial assets	110	879	4,161	1,227	4,856	732	16	11,981
Total financial assets	193,841	70,172	101,414	305,769	222,048	142,044	9,734	1,045,022

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	Total
September 30, 2009								
Financial Liabilities:								
Deposits from customers	489,218	203,406	136,176	185,514	84,803	366	—	1,099,483
Due to and placements from banks and other financial institutions	32,981	91,866	27,266	3,516	27,100	—	—	182,729
Borrowings from other financial institutions	—	—	500	10,700	650	—	—	11,850
Debt securities in issue	—	—	—	6,039	6,038	17,094	—	29,171
Other financial liabilities	—	180	7,590	1,163	1,232	524	—	10,689
Total financial liabilities	522,199	295,452	171,532	206,932	119,823	17,984	—	1,333,922
Financial Assets:								
Cash and due from banks and other financial institutions	21,243	29,089	1,143	2,041	1	—	—	53,517
Balances with central banks	164,538	—	—	—	—	—	—	164,538
Placements with banks and other financial institution	—	53,126	48,370	11,985	900	—	—	114,381
Loans and advances to customers	—	41,578	57,354	354,016	255,570	164,145	7,345	880,008
Investment securities								
- available-for-sale	—	1,095	3,388	5,961	26,936	14,885	—	52,265
- held-to-maturity	—	772	3,185	10,484	32,373	6,857	—	53,671
- loans and receivables	—	323	57	29,231	3,566	9,410	—	42,587
Finance lease receivables	—	833	447	2,546	9,783	—	321	13,930
Other financial assets	36	2,887	4,539	4,648	3,755	593	—	16,458
Total financial assets	185,817	129,703	118,483	420,912	332,884	195,890	7,666	1,391,355