

**2018 Annual Report**  
**Zhejiang Mintai Commercial Bank Co., Ltd.**  
**(Summary)**

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## **Important Notice**

The Board of Directors, Board of Supervisors, Directors, Supervisors and senior management of the Company confirm that the contents in this report have no false representations, misleading statements or material omissions, and they will individually and collectively accept legal responsibility for truthfulness, accuracy and completeness of such contents.

The Annual Report was considered and passed on the ninth meeting of the fourth Board of Directors of the Company, which was held on April 24, 2019.

When being used in the Annual Report, “the Company”, “the Bank”, “Zhejiang Mintai Commercial Bank” and “Mintai Bank” collectively refer to Zhejiang Mintai Commercial Bank Co., Ltd.; while “the Group” refers to Zhejiang Mintai Commercial Bank Co., Ltd. and its subsidiaries.

The financial data and indicators set out in the Annual Report are prepared according to China’s accounting standards. Unless otherwise specified, the financial data and indicators herein are presented in RMB and reflect the Company’s performance on a consolidated basis.

The annual financial report of the Company has been audited by Pan-China Certified Public Accountants LLP (Hereinafter referred to as “Pan-China Certified Public Accountants”) in accordance with Auditing Standards for CPAs of China. Pan-China Certified Public Accountants issued an unqualified audit report.

The Board of Directors of Zhejiang Mintai Commercial Bank Co., Ltd.

Jiang Jianfa, Chairman of the Board of Directors, Yang Xiaobo, President, Zhao Qinfen, Vice President in charge of financial affairs, and Xiong Xuejuan, Head of the Financial Management Department warrant the truthfulness, accuracy and completeness of the financial statements in the Report.

# Chapter I Brief Introduction

## 1 Brief Introduction

- (1) Legal Chinese Name of the Company: 浙江民泰商业银行股份有限公司

(Abbreviated as: Zhejiang Mintai Commercial Bank, hereinafter referred to as “the Company”)

Legal English Name of the Company: ZHE JIANG MINTAI COMMERCIAL BANK CO., LTD.

- (2) Legal Representative: Jiang Jianfa

- (3) Secretary to the Board of Directors: Qi Yulin

Mailing Address: Hanjia International Building, No.8, Dangui Street, Qianjiang New City, Jianggan District, Hangzhou City, Zhejiang Province, China

Tel: 0086-0571-81915305

Fax: 0086-0571-81915329

Email: [mintaibank@126.com](mailto:mintaibank@126.com)

- (4) Registered Address: No. 168, Sanxing Avenue, Taiping Street, Wenling City, Zhejiang Province, China

Postcode: 317500

Website: <http://www.mintaibank.com>

Customer Service Hotline and Complaint: 95343

- (5) Newspaper designated to disclose information: Shanghai Financial News

Place of maintenance of annual report: Office of the Board of Directors of the Company

- (6) Other Related Information

Date of Registration: August 14, 2006

Unified Social Credit Code of Corporate Legal Person Business License: 91330000148315981B

Financial License Number: B0161H233100001

The Auditor: Pan-China Certified Public Accountants LLP

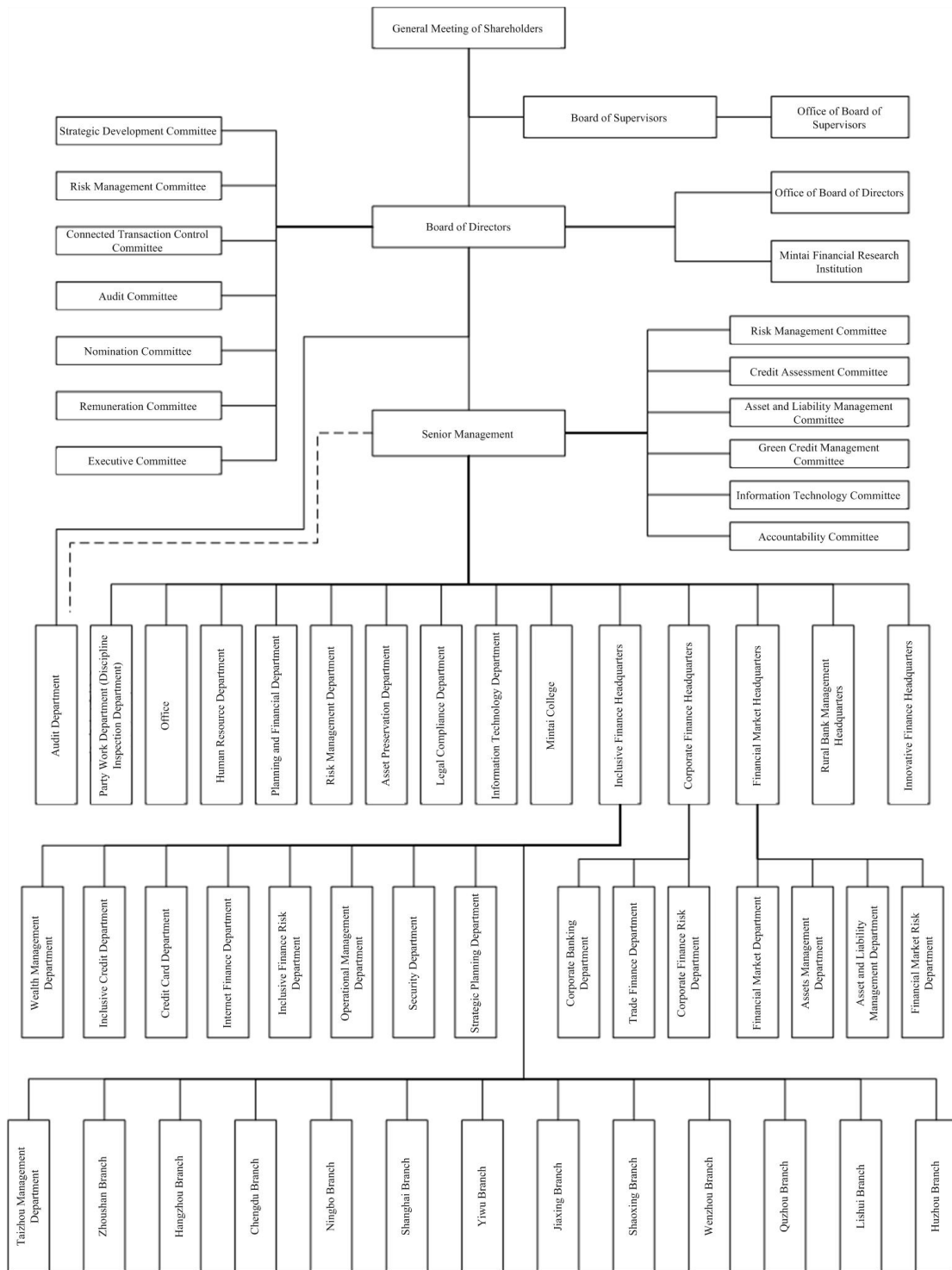
Office Address: Tower B, Huarun Plaza, No.1366, Qianjiang Road, Hangzhou City

The Legal Adviser: AllBright Law Offices

Office Address: Floor 12, Huacheng International Development Mansion, No.308, Fuchun Road, Jianggan District, Hangzhou City, Zhejiang Province, China

- (7) The Report is prepared in both Chinese and English, and the Chinese version shall prevail in case of any discrepancies in understanding of the two versions.

## 2 Organizational Chart



## Chapter II Accounting Data and Operating Data Summary

### 1 Major Accounting Data and Financial Indicators

Unit: RMB 0,000s

Item	2018	2017	Increase/Decrease (%)
Total Assets	13,927,984.00	13,440,397.85	3.63
Total Liabilities	12,875,535.39	12,517,489.10	2.86
Operating Revenue	391,472.63	357,209.48	9.60
Total Profit	91,125.28	77,810.48	17.11
Net Profit	71,589.97	59,383.61	20.56
Net Profit Attributable to Shareholders of the Parent	64,969.48	54,956.26	18.22
Shareholders' Equity	1,052,448.60	922,908.75	14.04
Equity Attributable to Owners of the Parent	992,075.15	864,806.28	14.72
Basic Earnings per Share (RMB)	0.18	0.16	12.50
Net Asset per Share Attributable to Shareholders of the Parent (RMB)	2.60	2.58	0.78
Weighted Average Return on Net Assets (%)	7.25	6.56	10.52

### 2 Supplementary Data

Unit: RMB 0,000s

Item	2018	2017	2016
Loans and advances	8,058,182.81	6,769,686.81	6,242,849.57
Including: Personal loans	4,483,009.21	3,925,103.97	3,327,998.31
Corporate loans	3,575,173.60	2,844,582.84	2,914,851.25
Less: Loan loss provision	230,683.37	187,015.57	150,594.90
Deposits	8,908,953.16	7,472,070.54	7,289,915.83
Including: Current deposits	3,334,870.50	2,793,607.05	2,325,565.74
Time deposits	4,749,902.23	3,969,754.32	3,873,436.45
Margin deposits	579,922.75	530,282.54	598,969.85
Other deposits	244,257.68	178,426.63	491,943.79

### 3 The Company's Financial and Regulatory Indicators

Unit: %

Major Indicators	Standards	2018	2017	2016
Capital adequacy ratio	≥10.5	11.63	12.83	12.63
Core tier-1 capital adequacy ratio	≥7.5	9.75	10.12	11.02
Tier-1 capital adequacy ratio	≥8.5	9.78	10.14	11.05
Liquidity ratio	≥25	70.56	83.83	93.29
Non-performing loan ratio	≤5	2.41	1.57	1.52
Allowance coverage ratio	≥150	118.73	175.95	159.11
Percentage of loan to the top single borrower (As a percentage of net capital)	≤10	3.47	3.89	3.52
Percentage of loans to top ten borrowers (As a percentage of net capital)	≤50	30.24	28.01	29.36

#### 4 Quality of corporate loan asset

Unit: RMB 0,000s

5-tier loan classification	December 31, 2018		December 31, 2017		December 31, 2016	
	Amount	Percentage of the total (%)	Amount	Percentage of the total (%)	Amount	Percentage of the total (%)
Normal	7,788,389.37	96.65	6,505,493.41	96.10	6,026,878.77	96.54
Special mention	75,493.48	0.94	157,991.21	2.33	120,272.56	1.93
Substandard	44,727.42	0.56	26,093.01	0.39	19,512.92	0.31
Doubtful	29,323.83	0.36	17,750.69	0.26	11,023.15	0.18
Loss	120,248.71	1.49	62,358.49	0.92	65,162.17	1.04

#### 5 Capital adequacy ratio at the end of reporting period

Unit: RMB 0,000s

Indicator	2018	2017
Risk-weighted assets	10,447,203.67	8,763,390.58
Net core tier 1 capital	1,018,516.60	886,850.77
Net tier 1 capital	1,021,307.77	888,479.75
Total net capital	1,214,968.77	1,124,634.18
Core tier 1 capital adequacy ratio (%)	9.75	10.12
Tier 1 capital adequacy ratio (%)	9.78	10.14
Capital adequacy ratio (%)	11.63	12.83

#### 6 Changes in the Shareholder's Equity

Unit: RMB 0,000s

Item	Beginning amount	Increase during the period	Decrease during the period	Ending amount
Share capital	334,979.72	46,098.78		381,078.50
Capital reserve	84,707.79	39,000.00	20,098.78	103,609.01
Surplus reserve	50,867.22	5,978.89		56,846.11
Regulatory general reserve	169,535.65	12,432.61	2,700.61	179,267.66
Retained profits	224,715.90	64,969.48	18,411.50	271,273.87
Minority interests	58,102.47	6,620.49	4,349.51	60,373.45
Total equity	922,908.75	136,589.97	7,050.11	1,052,448.60

# Chapter III Business Performance Analysis

## 1 Main Scope of Business

The Company's main scope of business: gathering deposits from the public; extending short-term, medium-term and long-term loans; engaging in domestic and overseas clearing businesses; engaging in bill acceptance and discounting; issuing financial bonds; issuing, en-cashing and underwriting government bonds; trading government bonds and financial bonds; engaging in interbank lending; trading foreign currencies by itself or as an agent; engaging in bankcard business; issuing letters of credit and providing related guarantees; receiving and making payments as an agent; serving as insurance intermediary; providing safe deposit box services; engaging in other businesses approved by banking regulators; engaging in foreign exchange settlement and sale with the approval of People's Bank of China.

## 2 Main Investments and Operating Revenue of the Company

### (1) Branches Overview

As at the end of the Reporting Period, the Company is running 1 business office, 1 management department in Taizhou, 12 branches and 159 subbranches. Total outlet number decreased by 1 as compared with the end of prior year.

### (2) Subsidiaries

Unit: RMB 0,000s

Subsidiary Name	Capital Contribution	Shareholding Percentage (%)
Jiangsu Hanjiang Mintai County Bank Co., Ltd.	5,100.00	51.00
Fujian Zhangping Mintai County Bank Co., Ltd.	3,350.00	67.00
Longquan Mintai Rural Bank of Zhejiang Co., Ltd.	2,550.00	51.00
Tongxiang Mintai Rural Bank of Zhejiang Co., Ltd.	9,980.00	49.90
Jiulongpo Mintai Rural Bank of Chongqing Co., Ltd.	7,000.00	70.00
Baiyun Mintai Rural Bank of Guangzhou Co., Ltd.	12,750.00	51.00
Pengshui Mintai Rural Bank of Chongqing Co., Ltd.	3,105.00	90.00
Jinhu Mintai Rural Bank of Jiangsu Co., Ltd.	5,200.00	65.00
Huishan Mintai Rural Bank of Jiangsu Co., Ltd.	5,600.00	56.00

Note: The Bank owns 49.90% equity of Tongxiang Mintai Rural Bank of Zhejiang Co., Ltd., and is the largest shareholder of the company. Among the company's 5 board directors, 3 are appointed by the Bank. As the Bank can control the company's business and financial decisions, the Bank has incorporated the company's operating results into its financial statements.

### (3) Long-term Equity Investment

Unit: RMB 0,000s

Investee company	Capital contribution	Shareholding structure (%)	Investment horizon
Dui Long Mintai Rural Bank of Tibet Co., Ltd.	1500.00	30.00	Long term



#### (4) Operating Revenue

Unit: RMB 0,000

<b>Business types</b>	<b>2018</b>	<b>2017</b>	<b>Growth rate (%)</b>
Interest Income	150,544.63	164,116.09	-8.27
Fee and commission income	41,543.52	32,641.46	27.27
Investment income	181,953.01	152,234.77	19.52
Other income	17,431.47	8,271.15	112.14
Total	391,472.63	357,209.48	

### 3 Risk Management

Our bank has diligently strengthened our risk management and promoted the transmission and adoption of risk preferences. The Board of Directors and the management have performed their due diligence, effectively managed risks across the Bank and further strengthened the Bank's risk management capabilities.

#### (1) Strategic Risks

Our bank's strategic plan is formulated by combining "medium to long-term strategies" with "annual strategies". The medium to long-term strategies, which specify scientific strategic development goals and specific ways of achieving such goals, are formulated based on numerous factors including macro-economic conditions, external financial environment, competitions, operational status, among others. The strategies are made for a period of five years and include overall strategy, business strategies and regional strategies. In the meanwhile, to adapt to the ever-changing market environments, the Bank also formulates annual development plans every year, and slightly adjusts the medium to long-term development strategies, in a bid to align with the actual situations, effectively prevent strategic risk and ensure the Bank can grow steadily.

#### (2) Credit Risks

Our Bank targeted small and micro-sized enterprises in 2018. By adopting favorable credit policies and targeted performance assessment mechanism, the Bank managed to help its team to further penetrate into the micro-finance business and better control risks. First, our Bank has further clarified our focus in lending policy. We confirmed that our Bank will support and tilt toward small and micro-sized businesses and eco-friendly projects. We will strive to facilitate the development of real economy. Second, we set up the "one center and one group" mechanism, and made progress in the process of building the credit granting and approval center. Third, we optimized the credit rating system and anti-fraud system for small and micro-sized enterprises, and strengthened our ability to identify customers' credit status, which enabled us to prevent nonperforming assets fundamentally. Fourth, we enhanced our post-loan management system. We have strengthened the post-loan special inspection, and carried out credit inspection and assistance in all branches, which helped us stem the formation of new non-performing loans. Fifth, we improved the performance assessment in relation to non-performing loans. We have conducted performance assessment in relation to non-performing loans every quarter, and regularly reported the results of such performance assessment, so as to expedite the process of disposing of non-performing assets. Sixth, we stepped up our efforts in disposing of non-performing loans. We have disposed of non-performing loans in various ways, which include restructuring and transforming non-performing loans, cash-out, write-off, transfer, among others. In addition, we cooperated with collateral platforms, debt default platforms and creditor committees, as well as third-party agencies to enhance the efficiency in disposal of non-performing loans.

### (3) Liquidity Risks

By the end of 2018, the liquidity status has remained steady. The Board of Directors has clarified our Bank's liquidity risk preferences and quota, effectively assessed the liquidity contingency plans and further confirmed the strategy, policies and processes for liquidity management. We have improved our liquidity risk stress test mechanism, and regularly carried out in-depth liquidity risk stress testing and drills for liquidity risk contingency plans. We have built liquidity risk management information system, optimized our asset and liabilities volume and duration management, thereby enhancing the Bank's liquidity risk management capabilities.

### (4) Market Risks

Our Bank has formulated market risk management policies that match up with the market risks and optimized such policies. In addition, we strengthened risk management through business line management as well as balancing of front, middle and back stages. We modified the Rules Governing Interest Rate Risks on Banking Accounts at Zhejiang Mintai Commercial Bank and Detailed Rules Governing Implementation of Interest Rate Risks on Banking Accounts at Zhejiang Mintai Commercial Bank according to requirements under the Guidance for Interest Rate Risks on Commercial Banks' Banking Accounts (Tentative) and other requirements of China Banking and Insurance Regulatory Commission (CBIRC). Such modification refined the management requirements and division of labor in interest rate risk management, and standardized operational procedures. In addition, we have completed the second phase of the FTP project and realized daily accounting on the accrual basis for deposits, loans, discounts, internal accounts registry, and foreign trade finance forfaiting. The accounting can be done on each account. For bond investments, the market risks of bond trading accounts are measured and monitored through daily market price benchmarking, interest rate sensitivity analysis and stress testing. By doing this, we keep the market risks within reasonable range and make the market risks match up with our risk management capabilities and capital strength.

### (5) Operational Risks

Throughout 2018, our Bank has strengthened internal control and managed our employees' conducts according to various regulatory requirements and our internal rules and policies. We particularly focused on operational risk management on key businesses and operational processes. Through various risk inspections (such as "the risk inspection to further rectify malpractices in banking industry" and "the operational risk inspection in key areas"), comprehensive auditing, daily inspection in each business line and emergency drills, we have built a rigid accountability system and created a benign working environment that features strict compliance and standard operation, thereby continuously improving our operational risk management.

### (6) Information Technology Risk

Our Bank has enhanced our information technology system and leveraged the system to support our business development based on our five-year information technology development plan. We enhanced the infrastructure construction and completed the third-party test and acceptance of west city data center, which is a conclusion of our plan of "Building three centers in two cities". We have improved the contingency plans for each infrastructure facility and business system, and conducted drills regularly to guarantee our business continuity. We also enhanced the level of automation in the information system monitoring, and regularly assessed the information technology risks, in a bid to steadily enhance the information technology risk management.

(7) Reputational Risks

Our Bank has actively promoted the orderly management of reputational risk and public opinions across the Bank. We monitor public opinions and reputational risk on a daily basis and integrate public opinion control into daily operations, in a bid to strengthen the public opinion monitoring at key time, key process and key areas. We particularly strengthen our monitoring at our Bank's 30<sup>th</sup> anniversary, Consumer Rights Day of March 15, the NPC & CPPCC, year-end settlement and other sensitive times. By present, we have maintained good control of reputational risks.

(8) Money-laundering Risks

We have promoted the anti-money laundering and counter-terrorist financing compliance and risk management culture across the Bank. By establishing anti-money laundering leadership groups at the head office, branches and subbranches, the Bank deployed and ensured effective implementation of the anti-money laundering work at three levels. In 2018, our Bank has enhanced related mechanism and clarified the duties of the two boards, the management and each functional department in anti-money laundering work. In the meanwhile, our Bank modified and optimized our systems, strengthened the training and supervisions, and took other measures to manage money-laundering risks, which enhanced the anti-money laundering work and kept the money-laundering risks under control.

#### 4 Operating Data Summary

(1) Top five industries for loans and the percentages

Unit: RMB 0,000s

Industry	Amount	Percentage (%)
Wholesale and retail	2,609,384.93	32.39
Manufacturing	1,842,488.00	22.86
Personal non-operating loans	1,346,106.65	16.70
Construction	693,449.34	8.61
Agriculture, forestry, animal husbandry and fishery	305,440.25	3.79
Subtotal	6,796,869.16	84.35

(2) Loans extended to top ten borrowers

Unit: RMB 0,000s

Customer name	Loan balance	As a percentage of total loans (%)	Guarantee mode
Company A	42,200.00	0.52	Guarantee
Company B	41,200.00	0.51	Collateral
Company C	41,000.00	0.51	Collateral
Company D	39,600.00	0.49	Guarantee
Company E	35,600.00	0.44	Collateral
Company F	35,000.00	0.43	Guarantee
Company G	34,500.00	0.43	Guarantee
Company H	34,300.00	0.43	Guarantee
Company I	32,000.00	0.40	Guarantee
Company J	32,000.00	0.40	Guarantee
Total	367,400.00	4.56	

## (3) Non-performing loans

Unit: RMB 0,000s

Type	Ending amount	Percentage (%)	Beginning amount	Percentage (%)
Substandard	44,727.42	23.02	26,093.01	24.57
Doubtful	29,323.83	15.09	17,750.69	16.71
Loss	120,248.71	61.89	62,358.49	58.72
Total	194,299.96	100.00	106,202.19	100.00

## (4) Connected Transactions

## 1. Connected transactions

By the end of the Reporting Period, the on- and off-balance sheet credit limits for connected transactions of the Bank aggregated at RMB 3,074.5787 million, representing 25.31% of the net capital, in line with the regulatory rule which provides that “all connected transaction indicators shall be within 50%”.

## 2. Significant connected transaction

No significant connected transaction took place within the Reporting Period.

## (5) Significant off-balance sheet operations

Unit: RMB 0,000s

Item	Ending amount	Beginning amount
Bank acceptance bills	1,830,331.81	1,181,338.60
Letter of guarantee	12,958.31	11,638.34
Issuing letters of credit	184.608.00	8,7402.54

## (6) Holding of government bonds

Unit: RMB 0,000s

Bond type	Annual interest rate (%)	Book value	Maturity date
14 Interest-bearing treasury bonds 13	4.02	10,000.00	2021-07-03
16 Interest-bearing treasury bonds 09	2.55	16,000.00	2019-04-28
16 Interest-bearing treasury bonds 15	2.65	7,000.00	2021-07-14
16 Interest-bearing treasury bonds 16	2.43	3,000.00	2019-07-28
16 Interest-bearing treasury bonds 21	2.39	10,000.00	2021-10-20
16 Interest-bearing treasury bonds 22	2.29	25,000.00	2019-10-27
17 Interest-bearing treasury bonds 01	2.88	11,000.00	2022-01-12
17 Interest-bearing treasury bonds 02	2.77	15,000.00	2020-01-19
17 Interest-bearing treasury bonds 19	3.50	10,000.00	2019-09-14
18 Interest-bearing treasury bonds 16	3.30	15,000.00	2023-07-12
18 Interest-bearing treasury bonds 18	2.79	45,000.00	2019-08-16
18 Discounted treasury bonds 50	2.32	10,000.00	2019-02-04
Total		177,000.00	

(7) Use of proceeds from issue of financial bonds

1. Special financial bonds for small and micro-sized business loans

In accordance with China Banking Regulatory Commission's Reply to and Approval of Zhejiang Mintai Commercial Bank's Issue of Financial Bonds (Yinjianfu [2014] No. 598) and Letter of Administrative Approval of People's Bank of China (Yinshichangxuzhunyuzi [2014] No.265), the Bank was allowed to issue no more than RMB 3 billion worth of financial bonds in the interbank bond market. The bond issue was completed in March 2015 and June 2015, and all proceeds from the bond issue were used to extend loans to small and micro-sized enterprises. These bonds matured in 2018 and are fully redeemed.

In accordance with Zhejiang Branch of China Banking Regulatory Commission's Reply to and Approval of Zhejiang Mintai Commercial Bank's Issue of Financial Bonds (Zheyinjianfu [2016] No. 29) and Letter of Administrative Approval of People's Bank of China (Yinshichangxuzhunyuzi [2016] No.106), the Bank was allowed to issue no more than RMB 3 billion worth of financial bonds in the interbank bond market. The bond issue was completed in August 2016 and October 2016, and all proceeds from the bond issue were used to extend loans to small and micro-sized enterprises.

In accordance with Zhejiang Branch of China Banking Regulatory Commission's Reply to and Approval of Zhejiang Mintai Commercial Bank's Issue of Financial Bonds (Zheyinjianfu [2018] No. 303) and Letter of Administrative Approval of People's Bank of China (Yinshichangxuzhunyuzi [2018] No.217), the Bank was allowed to issue no more than RMB 6 billion worth of financial bonds in the interbank bond market. Two tranches of the bond, each of which amounted to RMB 1.5 billion, were issued in November 2018 and December 2018, respectively. The remainder RMB 3 billion will be issued in 2019. All proceeds from the bond issues will be used to extend loans to small and micro-sized enterprises.

2. Tier-2 capital bond

In accordance with Zhejiang Branch of China Banking Regulatory Commission's Reply to and Approval of Zhejiang Mintai Commercial Bank's Issue of Tier-2 Capital Bonds (Yinjianfu [2014] No. 409) and Letter of Administrative Approval of People's Bank of China (Yinshichangxuzhunyuzi [2014] No.213), the Bank was allowed to issue no more than RMB 500 million worth of tier-2 capital bonds in the interbank bond market. The tier-2 capital bonds have a tenor of 10 years and carry fixed interest rates. The issuers may conduct a conditional redemption upon expiration of a period of 5 years after issuance. The bonds were issued in February 2015, and all proceeds from the bond issues were used to replenish the Bank's tier-2 capital and boost the Bank's capital position.

In accordance with China Banking Regulatory Commission's Reply to and Approval of Zhejiang Mintai Commercial Bank's Issue of Tier-2 Capital Bonds (Yinjianfu [2016] No. 430) and Letter of Administrative Approval of People's Bank of China (Yinshichangxuzhunyuzi [2017] No.40), the Bank was allowed to issue no more than RMB 1 billion worth of tier-2 capital bonds in the interbank bond market. The tier-2 capital bonds have a tenor of 10 years and carry fixed interest rates. The issuers may conduct a conditional redemption upon expiration of a period of 5 years after issuance. The bonds were issued in June and September 2017, and all proceeds from the bond issues were used to replenish the Bank's tier-2 capital and boost the Bank's capital position.

## Chapter IV Share Capital Change and Shareholders

### 1 Share Capital Change

Our Bank converted the capital reserve into share capital according to the Resolution on Converting Capital Reserve into Share Capital, which was passed on the second extraordinary meeting of shareholders in 2018. The conversion is based on our Bank's total share capital of 3,349,797,192 shares as at December 31, 2017, and each shareholder will receive 0.6 additional share for every 10 shares. The conversion causes our Bank's share capital to increase 200,987,831 shares. Following the conversion, our Bank's total share capital reached 3,550,785,023 shares, and the business change registration for such share capital increase was finished on December 10, 2018.

Our Bank issued additional 260 million new shares according to the Resolution on Issuing New Shares that was passed on the third extraordinary meeting of shareholders in 2018. The new share issue was based on our Bank's total share capital of 3,550,785,023 shares following the completion of converting the capital reserve into share capital in 2018. Following the new share issue, our Bank's total share capital reached 3,810,785,023 shares, and the business change registration for such share capital increase was finished on December 26, 2018.

As at the end of the Reporting Period, our Bank's total share capital increased to 3,810,785,023 shares from 3,349,797,192 shares, and our registered capital increased to RMB 3,810,785,023 from RMB 3,349,797,192.

Share type	Number of shares held	Shareholding percentage (%)
State-owned legal person shareholders	313,796,533.00	8.23
Corporate legal person shareholders	3,061,090,132.00	80.33
Natural person shareholders	435,898,358.00	11.44
Total	3,810,785,023.00	100.00

### 2 Shareholders

#### (1) Shareholder number

By the end of the Reporting Period, the Company has a total of 176 shareholders.

#### (2) Major change in shareholding.

There was no transfer of over 5% stake of our Bank during the Reporting Period.

#### (3) Shareholdings of top ten shareholders

Serial No.	Name of shareholder	Number of shares held	As a percentage of total share capital (%)
1	Wenling State-owned Assets Operation Co., Ltd.	313,796,533	8.23
2	Wenling Enkesi Doors & Windows Manufacturing Co., Ltd. (温岭市恩可思门窗制造有限公司)	188,726,430	4.95
3	Tianling Holding Group Co., Ltd.	157,540,143	4.13
4	YuanFeng Holding Group Co., Ltd.	156,366,256	4.10

<b>Serial No.</b>	<b>Name of shareholder</b>	<b>Number of shares held</b>	<b>As a percentage of total share capital (%)</b>
5	Tianjin Yuantong Precious Metal Operation Co., Ltd.	154,531,040	4.06
6	Wenling Xingyuan Real Estate Development Co., Ltd.	142,696,544	3.74
7	Weiming Group Co., Ltd.	133,285,248	3.50
8	Shuguang Holding Group	132,573,273	3.48
9	Wenling Juan Construction Materials Trade Co., Ltd.	130,695,473	3.43
10	Wenzhou Dajin Commerce and Trade Development Co., Ltd.	125,480,256	3.29

# Chapter V Directors, Supervisors, Senior Executives and Employees

## 1 Basic Information of Directors, Supervisors and Senior Management

### (1) Basic Information

Name	Title	Gender	Birthday	Whether holding the Company's shares
Jiang Jianfa	Chairman	Male	1960.08	Yes
Qian Shuitu	Independent Director	Male	1965.06	No
Wu Songsheng	Independent Director	Male	1945.08	No
Lv Heng	Independent Director	Male	1953.09	No
Chen Zheng	Non-executive Director	Male	1947.11	Yes
Guo Dongchu	Non-executive Director	Male	1949.12	Yes
Yang Xiaobo	Executive Director and President	Male	1963.08	No
Jin Guanming	Executive Director and First Executive Vice President	Male	1963.11	No
Qi Yulin	Executive Director and Company Secretary	Male	1979.07	No
Chen Mingyue	Chairman of Board of Supervisors (Employee Supervisor)	Male	1958.03	Yes
Zhou Shaozhi	External Supervisor	Male	1962.11	No
Chen Yufu	Shareholder Supervisor	Male	1967.03	Yes
Zhao Qinfen	Vice President	Female	1962.10	No
Chen Fangqing	Vice President	Male	1963.07	No

### (2) Annual Remuneration

13 directors, supervisors and senior managers are receiving remunerations from the Company, and their annual remunerations are as follows:

<b>Total annual remunerations</b>	RMB 12.824 million
Total remunerations of the three highest paid senior managers of the Bank	RMB 5.7 million
With a remuneration of over RMB 0.9 million	7
With a remuneration of RMB 0.5 - 0.9 million (Inclusive)	0
With a remuneration of RMB 0.2 -0.5 million (Inclusive)	2
With a remuneration of RMB 0 – 0.2 million (Inclusive)	4

Note: Directors and supervisors that do not receive remunerations or allowance from the Company: Lv Heng

## 2 Employees

By the end of the Reporting Period, the Company (Excluding rural banks) hires a total of 5,676 employees. Among the employees, 528 are managers at the middle level or above, accounting for 9.30% of the entire workforce. 2,048 employees are business staff, accounting for 36.08% of the entire workforce; 242 employees hold master's degree or above, accounting for 4.26% of the



entire workforce; 3,918 employees hold bachelor's degree, accounting for 69% of the entire workforce; 1,413 employees hold college degree, accounting for 24.89% of the entire workforce.

# Chapter VI Corporate Governance

## 1 Corporate Governance

In line with related regulations under the Company Law, the Law on Commercial Banks, and Guidelines for Corporate Governance on Joint-Stock Commercial Banks, the Company has formulated Articles of Association, Rules of Procedure of General Meeting of Shareholders, Rules of Procedure of Board of Directors, Rules of Procedure of Board of Supervisors, among others. The Company has established a corporate governance mechanism that comprises the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the Senior Management. In addition, the Company has kept enhancing legal-person governance system and guaranteed scientific and efficient decision-making, supervision and execution mechanism.

### (1) About shareholders and general meeting of shareholders

The Company has held general meetings of shareholders in strict compliance with Articles of Association and Rules of Procedure of General Meeting of Shareholders, hereby building efficient channels for shareholder communication and protecting legal rights and interests of shareholders. During the Reporting Period, the Company held the Annual General Meeting of Shareholders for 2017.

### (2) About directors and Board of Directors

The appointment of the directors is in line with rules and requirements under the Company Law and the Law on Commercial Banks, and those of China Banking Regulatory Commission. The Company's directors are furnished with required expertise and competencies. The directors are elected or replaced on the General Meeting of Shareholders and have a tenure of 3 years. Directors can be reappointed upon expiration of their tenures. As of the end of the Reporting Period, the Company's Board of Directors comprises 9 members, including the Chairman, 3 independent directors, 2 non-executive directors and 3 executive directors.

The Board of Directors convenes and holds the meetings of board of directors in compliance with Rules of Procedure of Board of Directors, and makes decision, authorize and vote in respect of important matters in strict compliance with related laws and Articles of Association. During the Reporting Period, the Company held 9 meetings of board of directors, including 4 extraordinary meetings and 1 teleconference, and considered and passed 67 resolutions.

Upon related regulations of China Banking Regulatory Commission, the Company's Board of Directors has established the Strategic Development Committee, the Risk Management Committee, the Connected Transaction Control Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Executive Committee. During the Reporting Period, these committees have performed their due diligence according to guidance under Articles of Association, committees' respective rules of procedures and detailed work rules. During the Reporting Period, they held 50 meetings, and considered and passed 288 resolutions, thereby providing independent and professional advice to the Board of Directors and enhancing the efficiency and quality of decisions of the Board of Directors.

### (3) About supervisors and Board of Supervisors

The Board of Supervisors comprises 3 supervisors, including 1 external supervisor, 1 employee supervisor and 1 shareholder supervisor. The quantity and profile of the Board of Supervisors are in line with related requirements under the Laws, Regulations and Articles of Association.

## **2 Fulfillment of Duties of Independent Directors and External Supervisors**

### **(1) Independent Directors' Fulfillment of Duties**

During the Reporting Period, Independent Directors Qian Shuitu, Wu Songsheng and Lv Heng attended the meetings of the Board of Directors and committees under the Board of Directors, and they diligently considered resolutions and protected rights and interests of shareholders in a due and legal manner.

### **(2) External Supervisors' Fulfillment of Duties**

During the Reporting Period, External Supervisor Zhou Shaozhi performed due diligence in his works related to the Board of Supervisors and actively reviewed the decisions made by the Company, thereby promoting healthy and consistent development of the Company.

## **3 Decision-making, Supervision and Execution Mechanism of the Company**

The General Meeting of Shareholders is the supreme body of the Company and manages and oversees the Company's operations through the Board of Directors and Board of Supervisors. The President, appointed by the Board of Directors, is responsible for day-to-day operation of the Company. The Company adopts a single level legal person mechanism and none of its branches and subbranches is independent accounting entities. These branches and subbranches' operations are authorized by the Head Office and they shall report to the Head office.

The Company is a self-operated and self-financing independent legal person. It has independent and complete businesses and can operate on its own. Its businesses, personnel, assets, organizations and accounts are separate from other organizations. Its Board of Directors, Board of Supervisors and internal organs can operate independently.

# **Chapter VII Introduction of General Meeting of Shareholders**

## **1 General Meetings of Shareholders**

During the Reporting Period, the Company held 1 annual general meeting of shareholders and 3 extraordinary meetings of shareholders.

## **2 Annual General Meetings of Shareholders**

The Company held the General Meeting of Shareholders for 2017 on June 23, 2018. A total of 170 shareholders and shareholder representatives, who represent 3,315,594,789 shares or 98.98% stake of the Company, attended the meeting. The holding of the General Meeting of Shareholders is in line with related requirements under the Company Law and Articles of Association.

Attendees to the meeting considered and passed 11 resolutions, including the 2017 Work Report of the Board of Directors, the 2017 Work Report of the Board of Supervisors, the Financial Report on the Final Account for 2017, and the Financial Budget for 2018, among others.

## **3 Extraordinary Meetings of Shareholders**

- (1) The Company held the first extraordinary meeting of shareholders in 2018 on March 26, 2018, on which attendees voted by correspondence. A total of 172 shareholders, who represent 3,113,568,712 shares or 92.95% stake of the Company, attended the meeting. The holding of the General Meeting of Shareholders is in line with related requirements under the Company Law and Articles of Association.

Attendees to the meeting considered and passed 1 resolution, namely the Resolution on Issuing Special Financial Bonds for Small and Micro-Sized Business Loans.

- (2) The Company held the second extraordinary meeting of shareholders in 2018 on October 10, 2018, on which attendees voted by correspondence. A total of 175 shareholders, who represent 3,349,797,192 shares or 100% stake of the Company, attended the meeting. The holding of the General Meeting of Shareholders is in line with related requirements under the Company Law and Articles of Association.

Attendees to the meeting considered and passed 2 resolutions, namely the Resolution on Converting Capital Reserve into Share Capital and the Resolution on Changing Registered Capital.

- (3) The Company held the third extraordinary meeting of shareholders in 2018 on November 9, 2018, on which attendees voted by correspondence. A total of 173 shareholders, who represent 3,341,216,537 shares or 99.74% stake of the Company, attended the meeting. The holding of the General Meeting of Shareholders is in line with related requirements under the Company Law and Articles of Association.

Attendees to the meeting considered and passed 2 resolutions, namely the Resolution on Issuing New Shares and the Resolution on Changing Registered Capital.

## **4 Election and Replacement of Directors and Supervisors and Appointment of Senior Management**

During the Reporting Period, Fan Xianfeng and Yang Shenghao resigned as directors of the Company, and Xie Yang and Wu Mengjie were appointed as directors of the Company.

By the end of the Reporting Period, the professional qualifications of Xie Yang and Wu Mengjie were still under review, and they have not taken office.

## Chapter VIII Report of Board of Directors

### Meetings of Board of Directors

During the Reporting Period, the Company held a total of 9 meetings of board of directors, including 4 extraordinary meetings and 1 teleconference, and considered and passed 67 resolutions, including:

- (1) On January 19, 2018, the fourth Board of Directors held the first extraordinary meeting in 2018, and considered and passed the Resolution on Amending the Articles of Association of Zhejiang Mintai Commercial Bank Co., Ltd.
- (2) On March 18, 2018, the fourth Board of Directors held the fourth meeting, and considered and passed 20 resolutions, including the 2017 Work Report of the Board of Directors, the 2017 Work Report on Operation and Management of the Company, among others.
- (3) On April 23, 2018, the fourth Board of Directors held the second extraordinary meeting in 2018, and considered and passed 5 resolutions, including the Resolution on Development Planning of 2018, the Resolution on Capital Planning of 2018, among others.
- (4) On May 19, 2018, the fourth Board of Directors held the fifth meetings, and considered and passed 6 resolutions, including the Resolution on Formulating the Rules of Equity Management in Zhejiang Mintai Commercial Bank Co., Ltd., the Resolution on Amending the Rules of Authorization in Zhejiang Mintai Commercial Bank, among others.
- (5) On June 22, 2018, the fourth Board of Directors held the third extraordinary meeting in 2018, and considered and passed 12 resolutions, including the Resolution on Distribution of Profits in 2017, the Resolution on Issuing New Shares, among others.
- (6) On August 30, 2018, the fourth Board of Directors held the first teleconference in 2018, and considered and passed the Resolution on Issuing New Shares.
- (7) On September 20, 2018, the fourth Board of Directors held the fourth extraordinary meeting in 2018, and considered and passed 4 resolutions, including the Resolution on Converting Capital Reserve into Share Capital, the Resolution on Changing Registered Capital, among others.
- (8) On October 20, 2018, the fourth Board of Directors held the sixth meeting, and considered and passed 12 resolutions, including the Resolution on Signing Liquidity Support Agreement with the Lead Issuing Rural Banks, the Resolution on Adjusting Income and Credit Risk Preference Indicators in 2018, among others.
- (9) On December 15, 2018, the fourth Board of Directors held the seventh meeting, and considered and passed 6 resolutions, including the Resolution on Issuing Tier-2 Capital Bonds, the Resolution on Adjusting Part of the Staff in the Offices of the Committees under the Board of Directors, among others.

# **Chapter IX Report of Board of Supervisors**

## **1 Meetings of Board of Supervisors**

During the Reporting Period, the Board of Supervisors held 5 meetings, including:

- (1) On March 18, 2018, the fourth Board of Supervisors held the third meeting, and considered and passed 2 resolutions, namely the Work Report of the Board of Supervisor for 2017 and the Resolution on Appointing Wu Lide.
- (2) On May 18, 2018, the fourth Board of Supervisors held the fourth meeting, and considered and passed 2 resolutions, namely the Report on Directors' Fulfillment of Duties for 2017 and the Report on Supervisors' Fulfillment of Duties for 2017.
- (3) On June 22, 2018, the fourth Board of Supervisors held the fifth meeting, and considered and passed the Resolution on Electing the Chairperson of the Board of Supervisors.
- (4) On October 19, 2018, the fourth Board of Supervisors held the sixth meeting, and considered and passed the Investigation Report on Rectification of Irregularities in Operation and Management of Basic-Level Branches and Rural Banks.
- (5) On December 8, 2018, the fourth Board of Supervisors held the seventh meeting, and studied documents including the Notice of Zhejiang Branch of China Banking Regulatory Commission on Printing and Issuing the Rules Governing Fulfillment of Duties by Members of the Board of Directors, Board of Supervisors and Management of Commercial Banks in Zhejiang (Tentative).

## **2 Independent Opinions Issued by the Board of Supervisors**

During the Reporting Period, the Board of Supervisors oversaw the operations of the Company and issued the following opinions based on the Company Law and Articles of Association:

- (1) Legal operation

During the Reporting Period, the Company operated in a legal and compliant manner, and its decision-making process is lawful and efficient. Its risk control and prevention and internal control have kept evolving and its operating activities have been in line with the Company Law of People's Republic of China, the Law on Commercial Banks of People's Republic of China and Articles of Association. The Board of Supervisors has found no Director or any senior manager violating any law, regulation or Articles of Association, or jeopardizing interests of the Company or its shareholders in the process of their duties as members of the Company.

- (2) Soundness of corporate governance

During the Reporting Period, the fourth Board of Directors diligently performed its obligations as required by the Company Law and Articles of Association, and strictly implemented the resolutions of the General Meeting of Shareholders. The fourth Board of Directors performed its due diligence and made sound decisions, and the Company's corporate governance was further optimized.

- (3) Truthfulness of financial report

The 2018 financial report of the Company has been audited by the Pan-China Certified Public Accountants in compliance with independent Auditing Standards for Certified Public Accountants of China, which issued an unqualified audit report. The audited financial report truthfully, objectively and accurately reflected the financial status and operating results of the

Company.

(4) Connected transactions

During the Reporting Period, the Company's connected transactions are fair and reasonable, and credit lines extended by the Company to the associated enterprises and natural persons were in line with related laws and regulations, and did not harm interests of the Company or its shareholders.

(5) Internal Management

The Company has appointed Pan-China Certified Public Accountants to audit and assess its internal control and risk management processes. Auditors deem that the Company has established reasonable, effective and sound internal control system in line with related laws and regulations. Such internal control system has basically covered all business processes of the Company and been effectively implemented. No major flaw in internal control has been identified.

(6) Execution of resolutions of general meetings of shareholders

During the Reporting Period, the Board of Supervisors oversaw the implementation of the resolutions of general meetings of shareholders and deemed that the Board of Directors can diligently and comprehensively implement the resolutions of the general meetings of shareholders.

## Chapter X Important Matters

### 1 Material Lawsuits and Arbitrations

The Company did not encounter any lawsuit or arbitration that has a material effect on the Company's operation during the Reporting Period.

### 2 Merger & Acquisition

The Company did not engage in any merger & acquisition during the Reporting Period.

### 3 Material Contract and its Fulfillment

#### (1) Material custody, contracting, leasing and commissioned asset management

The Company did not start any material custody, contracting and leasing matters or engage in any such matters that occurred in the past and sustained until the Reporting Period.

#### (2) Material guarantee

As at the end of 2018, the issuer, as the lead issuing bank, provided guarantee for the agriculture-aiding refinancing of rural banks in 3 contracts with a total value of RMB 80 million. It signed 1 guarantee contract with Fujian Zhangping Mintai County Bank and Zhangping Subbranch of People's Bank of China, with a total contract value of RMB 10 million and a guarantee balance of RMB 10 million. It signed 1 guarantee contract with Jinhua Mintai Rural Bank of Jiangsu and Jinhua Subbranch of People's Bank of China, with a total contract value of RMB 40 million and a guarantee balance of RMB 40 million. It signed 1 guarantee contract with Pengshui Mintai Rural Bank of Chongqing and Pengshui Subbranch of People's Bank of China, with a total contract value of RMB 30 million and a guarantee balance of RMB 30 million.

Unit: RMB 0,000s

Guaranteed subsidiary	Guarantee amount	Guarantee date	Loan balance
Fujian Zhangping Mintai County Bank Co., Ltd.	1,000.00	September 13, 2018 to September 12, 2019	1,000.00
Jinhua Mintai Rural Bank of Jiangsu Co., Ltd.	4,000.00	March 30, 2018 to March 29, 2019	4,000.00
Pengshui Mintai Rural Bank of Chongqing Co., Ltd.	3,000.00	May 24, 2018 to May 23, 2019	3,000.00
Total	8,000.00		8,000.00

### 4 Undertakings

During the Reporting Period, the Company had no undertaking that needs to be disclosed and explained.

### 5 The Company's Appointment and Removal of Accounting Firms

During the Reporting Period, the Company appointed Pan-China Certified Public Accountants to audit the Company's statutory and supplementary financial report.



## **Chapter XI Financial Report**

The Company's 2018 financial report has been audited by Pan-China Certified Public Accountants in compliance with domestic auditing standards, and signed by certified public accountants Song Huijuan and Ji Jiajia. Pan-China Certified Public Accountants issued an unqualified audit report.

## **Chapter XII Financial Statements**

- (1) Balance sheet
- (2) Income statement
- (3) Cash flow statement

## Balance Sheet

December 31, 2018

Huishangyin 01 Table

Prepared by: Zhejiang Mintai Commercial Bank Co., Ltd.

Unit: RMB

Assets	Notes	Ending amount		Beginning amount		Total equity and liabilities	Notes	Ending amount		Beginning amount	
		Consolidated	Parent	Consolidated	Parent			Consolidated	Parent	Consolidated	Parent
Assets:						Liabilities:					
Cash and balances with central banks	1	14,001,138,525.45	12,738,373,180.94	13,708,039,161.59	12,401,863,442.90	Borrowing from central banks	17	624,000,000.00	500,000,000.00	396,400,000.00	300,000,000.00
Balances with banks	2	2,955,468,119.20	1,513,514,289.03	6,043,809,984.67	4,556,558,387.38	Deposits from banks and other financial institutions	18	23,866,308,390.14	24,718,338,164.43	35,503,260,530.14	35,918,349,650.47
Precious metals						Placements from banks and other financial institutions	19	1,830,459,690.68	1,830,459,690.68	1,911,721,891.74	1,911,721,891.74
Placements with banks and other financial institutions	3	214,004,527.64	214,004,527.64	416,026,000.00	416,026,000.00	Financial liabilities at fair value through profit or loss					
Financial assets at fair value through profit or loss	4	2,090,409,960.00	2,090,409,960.00	1,771,510,410.00	1,771,510,410.00	Derivative financial liabilities					
Derivative financial assets						Amounts sold under repurchase agreements	20	2,637,800,000.00	2,637,800,000.00	2,092,000,000.00	2,092,000,000.00
Amounts held under resale agreements	5	195,000,000.00	195,000,000.00	401,958,389.04	401,958,389.04	Deposits from customers	21	89,089,531,567.60	78,537,537,780.79	74,720,705,433.31	65,446,322,266.03
Interest receivable	6	879,955,306.50	843,344,695.64	778,559,908.63	741,574,375.68	Salaries and welfare payable	22	335,606,060.55	290,048,415.10	260,381,499.20	219,198,337.97
Loans and advances to customers	7	78,274,994,464.97	69,943,894,519.69	65,826,712,367.89	58,544,518,148.53	Tax payable	23	212,914,870.87	174,410,282.47	197,031,561.09	177,429,289.85
Held -for-sale assets						Interest payable	24	1,628,877,151.41	1,416,062,255.29	1,524,945,175.77	1,354,467,679.43
Available-for-sale financial assets	8	4,169,515,050.79	4,169,515,050.79	4,648,970,178.49	4,648,970,178.49	Held-for-sale liabilities					
Held-to-maturity investments	9	8,897,110,228.29	8,897,110,228.29	8,890,768,180.82	8,890,768,180.82	Provision					
Debt securities classified as receivables	10	19,237,579,974.84	19,237,579,974.84	22,616,169,375.23	22,616,169,375.23	Debt securities issued	25	7,544,837,075.55	7,544,837,075.55	7,541,314,716.87	7,541,314,716.87
Long-term investments	11	11,323,637.56	557,673,637.56	15,000,000.00	561,350,000.00	Including: Preference shares					
Investment properties						Perpetual debt					
Property and equipment	12	1,711,535,765.90	1,595,679,770.68	1,840,973,693.32	1,712,069,123.55	Deferred tax liabilities	14	13,658,147.38	13,658,147.38	9,955,896.67	9,955,896.67
Intangible assets	13	152,971,036.46	115,645,523.60	109,824,241.38	109,446,972.84	Other liabilities	26	971,360,947.90	954,962,939.95	1,017,174,322.77	997,031,880.75
Deferred tax assets	14	450,976,966.02	373,083,784.63	385,262,059.62	325,375,782.34	Total liabilities	128,755,353,902.08	118,618,114,751.64	125,174,891,027.56	115,967,791,609.78	
Other assets	15	6,037,856,387.77	5,819,183,103.87	6,950,394,602.63	6,707,641,449.97	Owners' equity					
						Share capital	27	3,810,785,023.00	3,810,785,023.00	3,349,797,192.00	3,349,797,192.00
						Other equity instruments					
						Including: Preference shares					
						Perpetual debt					
						Capital reserve	28	1,036,090,107.44	1,036,086,757.44	847,077,938.44	847,074,588.44
						Less: Treasury stocks					
						Other comprehensive income					
						Surplus reserve	29	568,461,117.82	568,461,117.82	508,672,228.96	508,672,228.96
						Regulatory general reserve	30	1,792,676,556.66	1,732,445,611.01	1,695,356,481.81	1,632,445,611.01
						Retained profits	31	2,712,738,726.12	2,538,118,986.29	2,247,158,999.90	2,100,018,986.58
						Total equity attributable to owners of the parent		9,920,751,531.04		8,648,062,841.11	
						Minority interests		603,734,518.27		581,024,684.64	
						Total equity		10,524,486,049.31	9,685,897,495.56	9,229,087,525.75	8,438,008,606.99
Total assets		139,279,839,951.39	128,304,012,247.20	134,403,978,553.31	124,405,800,216.77	Total equity and liabilities		139,279,839,951.39	128,304,012,247.20	134,403,978,553.31	124,405,800,216.77

Legal Representative: Jiang Jianfa

President: Yang Xiaobo

Person in charge of accounting works: Zhao Qinfen

# Income Statement

2018

Huishangyin 02 Table

Prepared by: Zhejiang Mintai Commercial Bank Co., Ltd.

Unit: RMB

Item	Notes	Current period		Prior period	
		Consolidated	Parent	Consolidated	Parent
1 Operating revenue		3,914,726,312.77	3,369,014,907.75	3,572,094,797.29	3,018,627,221.78
Net interest income	1	1,505,446,312.18	903,033,424.92	1,641,160,938.75	1,068,013,182.71
Interest income		5,937,050,374.87	5,127,299,889.72	6,764,977,281.45	6,031,413,410.05
Interest expense		4,431,604,062.69	4,224,266,464.80	5,123,816,342.70	4,963,400,227.34
Net fee and commission income	2	415,435,150.60	417,696,272.50	326,414,610.66	326,138,105.77
Fee and commission income		499,014,920.51	496,142,251.83	417,384,958.04	414,127,950.07
Fee and commission expense		83,579,769.91	78,445,979.33	90,970,347.38	87,989,844.30
Investment income	3	1,819,530,111.37	1,854,748,711.37	1,522,347,744.39	1,557,590,692.71
Including: Share of profits of associates and joint ventures		-3,676,362.44	-3,676,362.44		
Other income	4	9,289,151.43	5,527,421.20	54,817,895.63	5,758,562.56
Gains from fair value changes	5	18,869,054.66	18,869,054.66	-206,758.91	-206,758.91
Profit or loss on hedging for net exposures					
Exchange gain		7,414,099.77	7,414,099.77	5,279,037.26	5,279,037.26
Other operating income	6	8,119,965.24	31,103,455.81	24,427,165.30	58,295,965.30
Proceeds ("-" as loss) from assets sale	7	130,622,467.52	130,622,467.52	-2,145,835.79	-2,241,565.62
2 Business expenses		2,963,169,143.61	2,570,789,749.66	2,783,443,009.64	2,346,084,735.36
Taxes and surcharges	8	45,711,971.19	42,567,194.90	54,333,722.57	50,618,013.30
Business and administration expenses	9	2,323,011,707.87	1,999,609,121.14	2,133,409,041.78	1,823,929,906.94
Impairment losses on assets	10	591,787,919.45	525,955,888.52	593,462,494.04	469,299,063.87
Other operating expenses	11	2,657,545.10	2,657,545.10	2,237,751.25	2,237,751.25
3 Operating profit		951,557,169.16	798,225,158.09	788,651,787.65	672,542,486.42
Add: Nonoperating income	12	2,021,048.46	1,794,460.96	4,927,634.54	3,667,233.11
Less: Nonoperating expenses	13	42,325,463.64	40,792,822.25	15,474,608.91	7,649,291.59
4 Total profits		911,252,753.98	759,226,796.80	778,104,813.28	668,560,427.94
Less: Income tax	14	195,353,085.09	161,337,908.23	184,268,673.93	151,875,744.37
5 Net profit		715,899,668.89	597,888,888.57	593,836,139.35	516,684,683.57
(1) Classified by operation type					
1. Net profit from continuing operation ("-" as net loss)		715,899,668.89	597,888,888.57	593,836,139.35	516,684,683.57
2. Net profit from discontinued operation ("-" as net loss)					
(2) Classified by ownership type					
1 Net profit attributable to shareholders of the parent ("-" as net loss)		649,694,763.03		549,562,617.58	
2 Net profit attributable to minority interests ("-" as net loss)		66,204,905.86		44,273,521.77	
6 Other net comprehensive income after tax					
Other net comprehensive income after tax attributable to owners of parent					
(1) Other comprehensive income that will not be reclassified subsequently to profit or loss					
Including: Changes arising from remeasurement of net liabilities or net assets under defined benefit plans					
Equity-accounted investees' share of other comprehensive income that can not be reclassified to profit or loss					
(2) Other comprehensive income that will be reclassified subsequently to profit or loss					
Including: Equity-accounted investees' share of other comprehensive income that will be reclassified to profit or loss					
Profit or loss arising from change in fair value of available-for-sale financial assets					
Profit or loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets					
Qualified part of cash flow hedge profit or loss					
Exchange difference on translation of financial statements of foreign operations					
Other net comprehensive income after tax attributable to minority interests					
7 Total comprehensive income		715,899,668.89	597,888,888.57	593,836,139.35	516,684,683.57
Total comprehensive income attributable to owners of parent		649,694,763.03		549,562,617.58	
Total comprehensive income attributable to minority interests		66,204,905.86		44,273,521.77	
8 Earnings per share (RMB per share)					
(1) Basic earnings per share (RMB per share)					
(2) Diluted earnings per share (RMB per share)					

Legal Representative: Jiang Jianfa

President: Yang Xiaobo

Person in charge of accounting works: Zhao Qinfen

## Cash Flow Statement

2018

Huishangyin 03 Table

Prepared by: Zhejiang Mintai Commercial Bank Co., Ltd.

Unit: RMB

Item	Notes	Current period		Prior period	
		Consolidated	Parent	Consolidated	Parent
1 Cash flow generated from operating activities					
Net increase in deposits from customers and banks		2,731,873,994.29	1,891,204,028.72	4,228,199,387.62	3,220,570,046.91
Net decrease in balances with central banks and banks		1,650,000,000.00	1,600,000,000.00	3,150,869,196.67	3,210,869,196.67
Net increase in borrowing from central banks		227,600,000.00	200,000,000.00	288,400,000.00	300,000,000.00
Net increase in placements from other financial institutions		-81,262,201.06	-81,262,201.06	613,515,205.30	613,515,205.30
Gains received from interests, fee and commission		6,638,318,323.38	5,813,234,524.05	7,292,953,359.79	6,546,957,153.98
Net decrease in amounts held under resale agreements		206,958,389.04	206,958,389.04	1,982,102,810.96	1,982,102,810.96
Net increase in amounts sold under repurchase agreements		545,800,000.00	545,800,000.00	1,340,600,000.00	1,340,600,000.00
Other gains received in relation to operating activities	1	48,588,593.38	68,191,147.02	766,214,111.63	750,628,769.17
Total cash generated from operating activities		11,967,877,099.03	10,244,125,887.77	19,662,854,071.97	17,965,243,182.99
Net increase in loans and advances to customers		12,552,350,025.12	11,399,497,971.82	6,485,229,186.24	5,877,158,585.68
Net increase in balances with central banks and banks		114,602,991.53	15,508,870.96	200,575,761.57	103,975,383.08
Net increase in balances with other financial institutions		-330,684,000.00	-330,684,000.00	130,684,000.00	130,684,000.00
Payment for interests, fee and commission		4,067,995,516.16	3,897,861,527.47	4,609,389,561.54	4,498,454,334.21
Payment made to or for employees		1,390,748,303.13	1,163,514,795.75	1,260,819,726.45	1,085,399,179.97
Paid taxes		493,190,391.20	445,019,656.62	464,638,154.62	396,948,545.81
Net increase in amounts held under resale agreements					
Net decrease in amounts sold under repurchase agreement					
Other payments made in relation to operating activities	2	930,270,089.54	836,711,678.39	901,424,659.83	804,004,000.34
Total cash used in operating activities		19,218,473,316.68	17,427,430,501.01	14,052,761,050.25	12,896,624,029.09
Net cash generated from operating activities		-7,250,596,217.65	-7,183,304,613.24	5,610,093,021.72	5,068,619,153.90
2 Cash generated from investing activities:					
Proceeds from the disposals of investments		67,598,351,816.16	67,598,351,816.16	100,661,000,067.08	100,561,000,067.08
Gains received from investments		1,790,001,314.34	1,825,219,914.34	1,382,695,810.99	1,417,913,361.20
Proceeds from the disposals of property and equipment, intangible assets and other long-term asset		187,024,730.59	187,024,107.58	25,834,778.95	25,478,683.28
Other cash received in relation to investing activities					
Total cash generated from investing activities		69,575,377,861.09	69,610,595,838.08	102,069,530,657.02	102,004,392,111.56
Payment for the purchases of investments		63,554,833,682.24	63,554,833,682.24	106,615,424,970.88	106,619,474,970.88
Payment for the purchases of property and equipment, intangible assets and other long-term assets		181,191,377.15	175,009,323.68	261,910,452.39	225,241,122.98
Other payments made in relation to investing activities					
Total cash used in investing activities		63,736,025,059.39	63,729,843,005.92	106,877,335,423.27	106,844,716,093.86
Net cash generated from investing activities		5,839,352,801.70	5,880,752,832.16	-4,807,804,766.25	-4,840,323,982.30
3 Cash generated from financing activities					
Proceeds from absorption of investments		650,000,000.00	650,000,000.00	450,000.00	
Including: Proceeds from subsidiaries' absorption of minority shareholders' investments				450,000.00	
Proceeds from the issue of debt securities		3,000,000,000.00	3,000,000,000.00	1,000,000,000.00	1,000,000,000.00
Other proceeds received in relation to financing activities					
Cash generated from financing activities		3,650,000,000.00	3,650,000,000.00	1,000,450,000.00	1,000,000,000.00
Repayment of debts		3,000,000,000.00	3,000,000,000.00	105,000,000.00	105,000,000.00
Distribution of dividends, profits or interests		376,789,827.00	347,679,200.00	392,421,081.06	366,231,991.06
Including: Dividends paid by subsidiaries to minority shareholders		29,561,400.00		25,698,500.00	
Other payments made in relation to financing activities					
Cash used in financing activities		3,376,789,827.00	3,347,679,200.00	497,421,081.06	471,231,991.06
Net cash generated from financing activities		273,210,173.00	302,320,800.00	503,028,918.94	528,768,008.94
4 Effect of foreign exchange rate changes on cash and cash equivalents		7,414,099.77	7,414,099.77	5,279,037.26	5,279,037.26
5 Net increase in cash and cash equivalents		-1,130,619,143.18	-992,816,881.31	1,310,596,211.67	762,342,217.80
Add: Beginning cash and cash equivalents		8,411,911,489.54	6,489,031,584.25	7,101,315,277.87	5,726,689,366.45
6 Ending cash and cash equivalents		7,281,292,346.36	5,496,214,702.94	8,411,911,489.54	6,489,031,584.25

Legal Representative: Jiang Jianfa

President: Yang Xiaobo

Person in charge of accounting works: Zhao Qinfen