

China Minsheng Banking Corp., Ltd.

2010 Interim Results Announcement

IFRS



Disclaimer



This presentation contains forward-looking statements that involve risks and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as believe, expect, anticipate, estimate, plan, project, target, may, will or other similar words that express an indication of actions or results of actions that may or are expected to occur in the future. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. These forward-looking statements are based on our own information and information from other sources we believe to be reliable. Our actual results may be materially less favourable than those expressed or implied by these forward-looking statements which could affect the share price of our H-shares.

Attending team



Hong Qi
Director, President



Zhao Pinzhang
Vice President



Mao Xiaofeng
Vice President and Board Secretary

Second Great Leap with Focused Strategies



Strategic objective — *to become an internationally competitive and the best PRC commercial bank*

Clearly defined strategic positioning — *a bank for private-owned enterprises, small and micro-enterprises and high-end customers*

A bank for private-owned enterprises

To assist private-owned enterprises with growth potential to develop by leveraging our expertise

A bank for small and micro-enterprises

To further expand the “Shang Dai Tong” business to help small and micro enterprises grow

A bank for high-end customers

To add value to high-end customers with our expertise, unique and innovate products and tailor-made services

Business Overview



In the first half of 2010, all businesses of our Bank experienced stable and healthy development and obtained good operating results

1

Revenue structure improved significantly and profitability kept rising

- ◆ Operating revenue and profit grew steadily in 1H2010
- ◆ NIS and NIM increased markedly over the same period last year
- ◆ Net fee to income ratio increased by 3.22 percentage points compared to last year (excluding the impact from sale of Haitong Securities)

2

Success of business restructuring is evident and the asset and liability operations developed in harmony

- ◆ Synchronised growth of gross loans and advances and customer deposits
- ◆ 59% of new loans came from our “Shang Dai Tong” business, which grew quickly in 1H2010

3

Asset management strengthened and stable asset quality maintained

- ◆ NPL ratio was 0.79%, representing a decrease of 0.05 percentage point over the start of the year, and the ratio has declined further since then
- ◆ NPL coverage ratio was 229.42%, representing an increase of 23.38 percentage points over the start of the year, hence risk withstanding ability was further strengthened

Agenda



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Financial Performance

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Business Review

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Outlook



Overview of Key Financials



Key Income Statement data (RMB million, except EPS)	1H2010	1H2009	Growth rate (%)	
Net interest income	21,165	13,950	↑	51.72
Net non-interest income	4,916	2,378 ¹	↑	106.73
Profit before tax	11,615	4,684 ¹	↑	147.97
Net profit	8,866	3,698 ¹	↑	139.75
Earnings per share (RMB)	0.40	0.20 ¹	↑	100.00

Key items of Statement of Financial Position (RMB million)	30 Jun 2010	31 Dec 2009	Growth rate (%)	
Gross Loans and advances	954,846	882,979	↑	8.14
Total assets	1,630,776	1,426,392	↑	14.33
Customer deposits	1,319,560	1,127,938	↑	16.99
Shareholders' Equity	96,894	88,894	↑	9.00

Key profitability indicators (%)	1H2010	1H2009	Change (%)	
Net Interest Margin (NIM) (annualized)	2.92	2.43	↑	0.49
Cost to income ratio (ex business tax)	39.83	46.10 ¹	↓	-6.27
Credit cost (annualized)	0.46	0.62	↓	-0.16
ROAA (annualized)	1.17	0.60 ¹	↑	0.57
ROAE (annualized)	19.28	13.30 ¹	↑	5.98

Asset quality indicators (%)	30 Jun 2010	31 Dec 2009	Change (%)	
NPL ratio	0.79	0.84	↓	-0.05
NPL coverage ratio	229.42	206.04	↑	23.38
Core capital adequacy ratio	8.32	8.92	↓	-0.60
Capital adequacy ratio	10.77	10.83	↓	-0.06

Source: Interim report

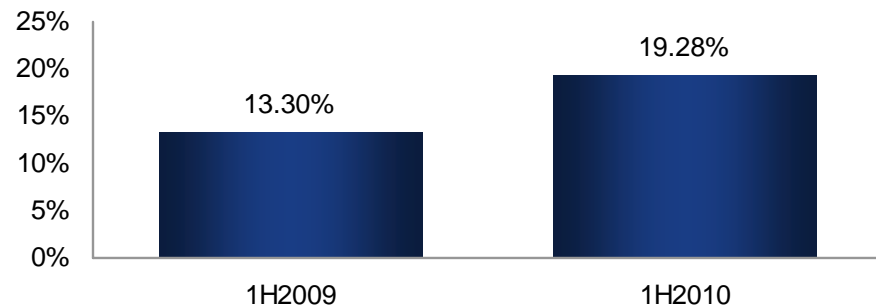
Note:

¹ Excluding the income from sale of Haitong Securities

Profitability

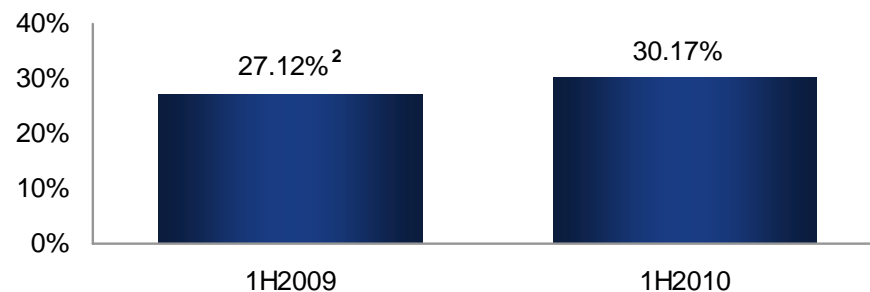


ROAE¹



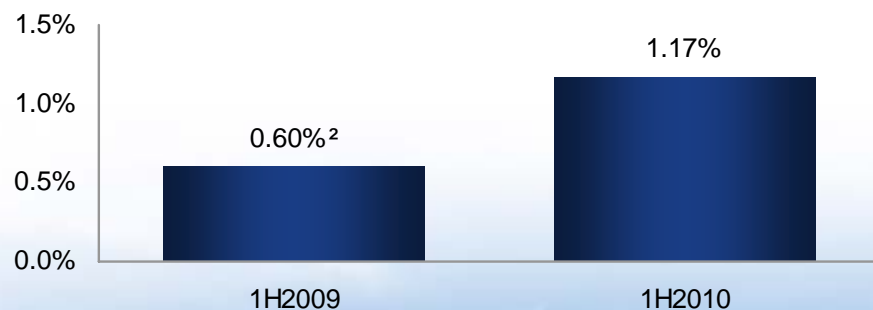
Source: Interim report

PPOP / Average total equity¹



Source: Interim report

ROAA¹



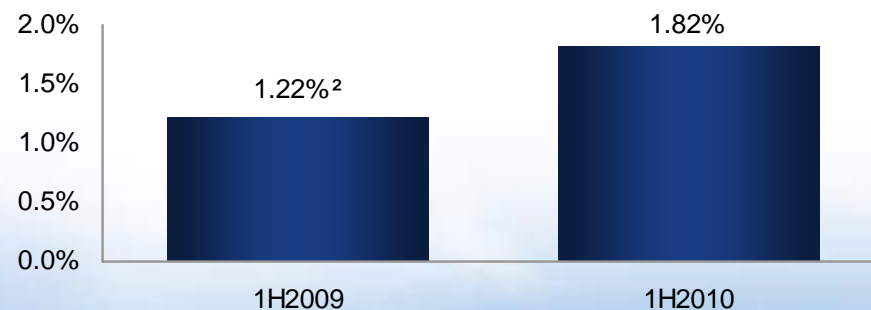
Source: Interim report

Note:

1 Annualized

2 Excluding the income from sale of Haitong Securities

PPOP / Average total assets¹



Source: Interim report

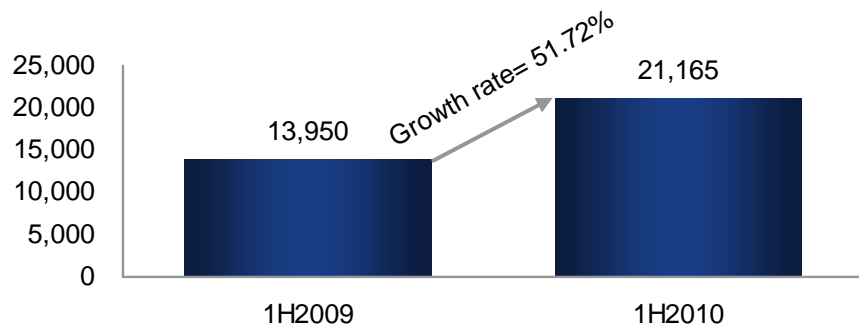
Net Interest Income



Significant year-on-year increase in net interest margin (NIM) for 1H2010

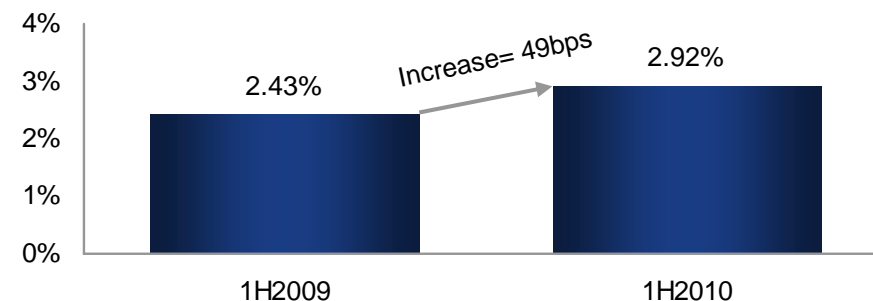
Net interest income

(RMB million)



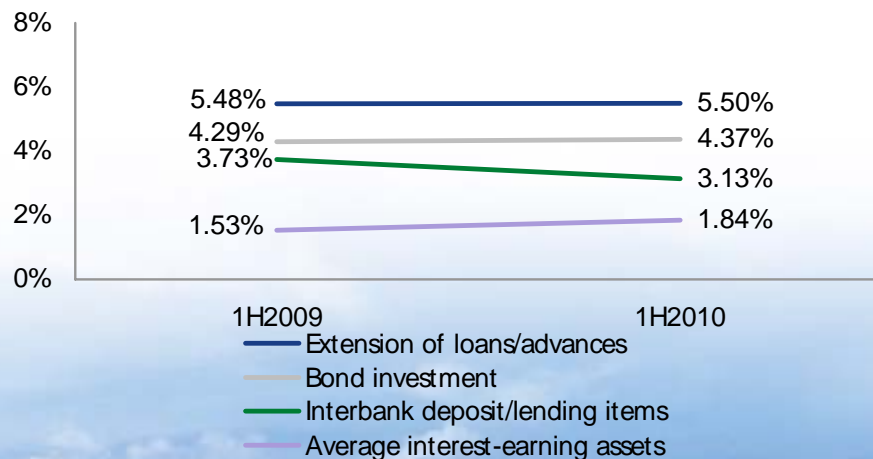
Source: Interim report

Net interest margin¹



Source: Interim report

Average yield of key interest-earning assets¹

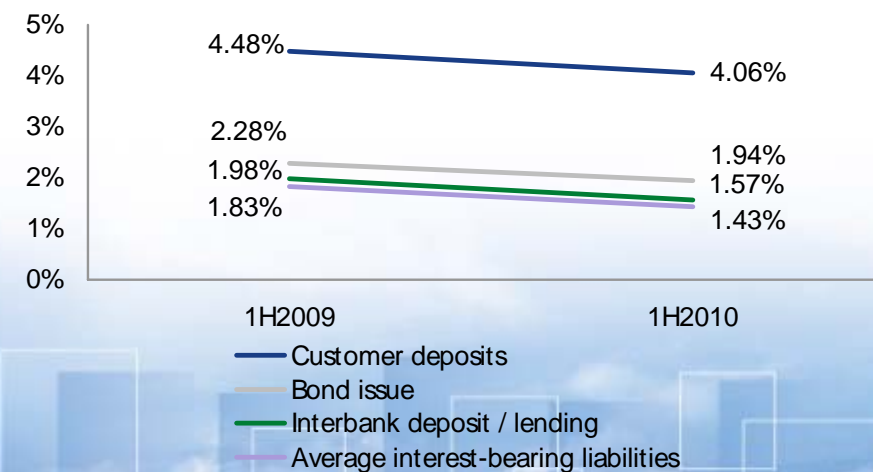


Source: Interim report

Note:

1 Annualized

Average cost of key interest-bearing liabilities¹



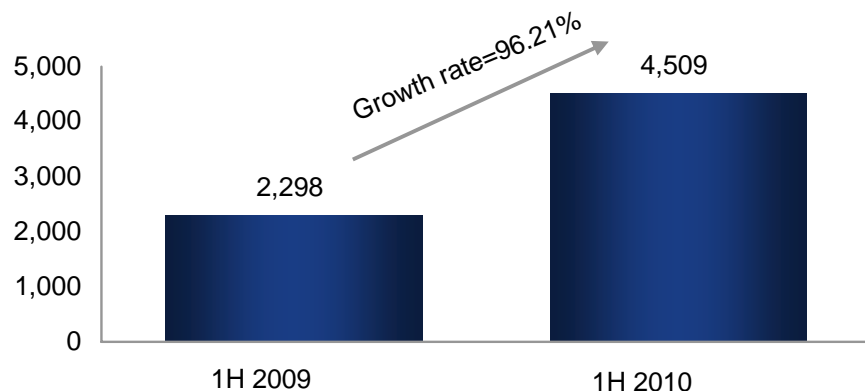
Source: Interim report



Non-interest Income

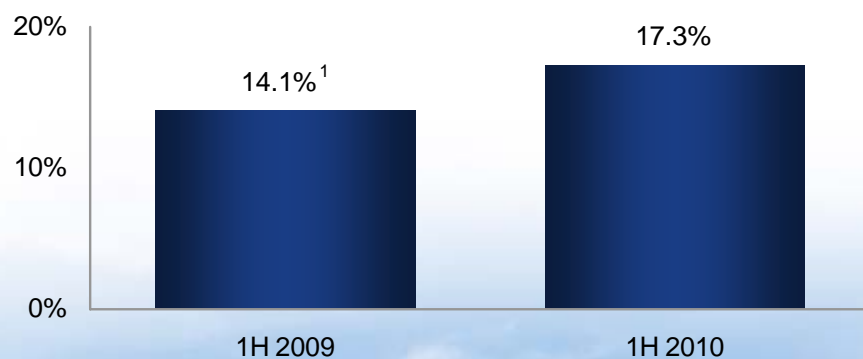
Significant growth in net fee and commission income has further improved our revenue composition

Growth in net fee and commission income
(RMB million)



Source: Interim report

Contribution of net fee and commission income to total income

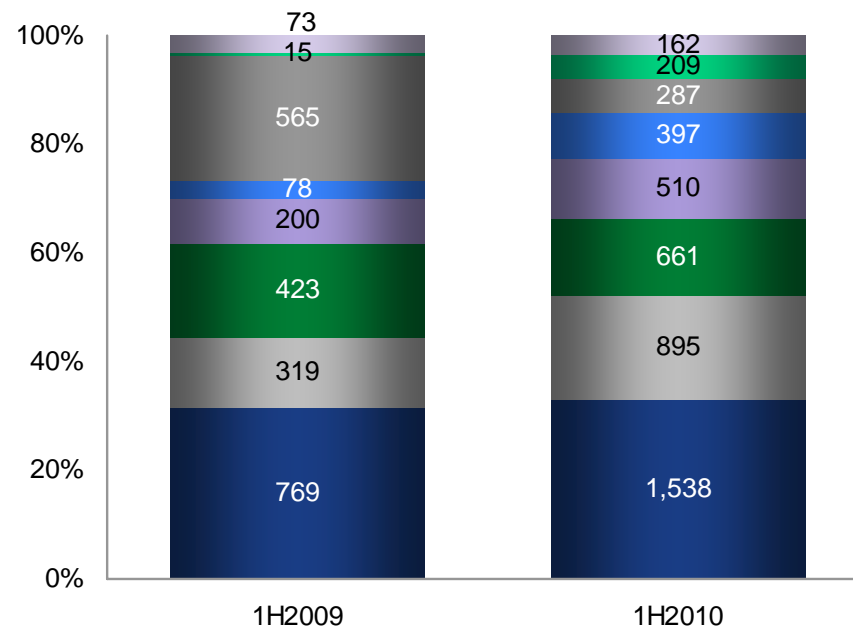


Source: Interim report

Note:

1 Excluding the income from sale of Haitong Securities

Net fee and commission income composition
(RMB million)



- Securities underwriting service fee
- Others
- Bank card service charge
- Financing and leasing fee
- settlement and clearing services
- Credit commitment fee and commission
- Trust and other fiduciary service commission
- Consulting and advisory service fees

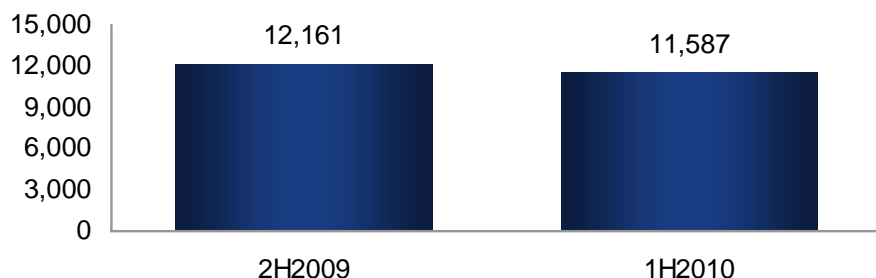
Source: Interim report



Operating Efficiency

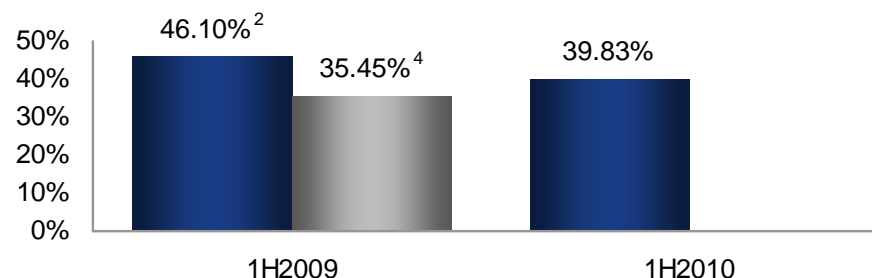
Contribution per branch/employee has continuously increased. While operating expenses have risen due to rapid business growth, institutional network expansion, as well as an increase in systems construction and personnel, our operating efficiency has improved even more rapidly

Operating expenses
(RMB million)



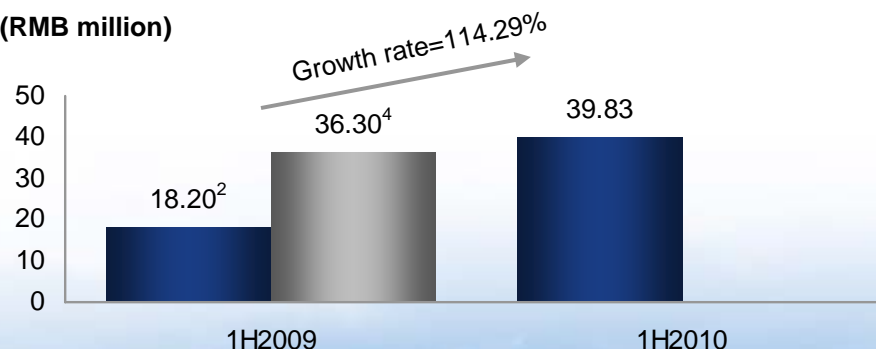
Source: Interim report

Cost to income ratio (ex business tax)¹



Source: Interim report

Net income per branch³
(RMB million)

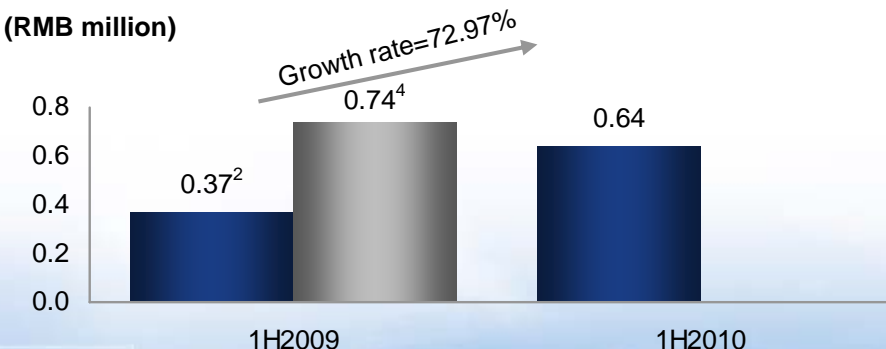


Source: Interim report

Note:

1. Cost to income ratio = (Operating expenses + Other operating expenses – Business tax and surcharges) / Operating income
2. Excluding income from sale of Haitong Securities
3. Annualized
4. Including income from sale of Haitong Securities

Net income per employee³
(RMB million)



Source: Interim report

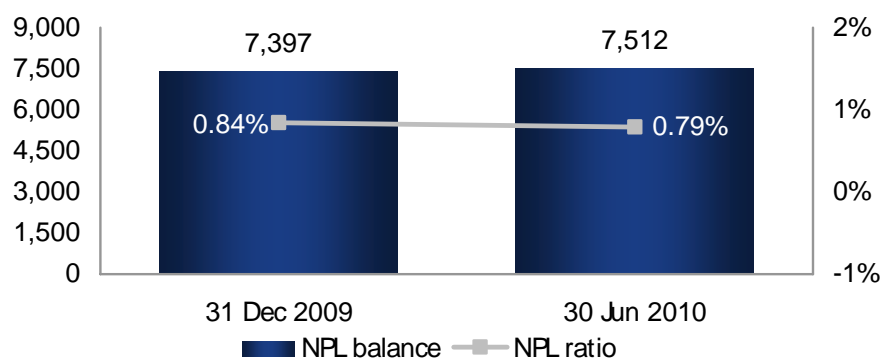
Asset Quality



Implementation of our comprehensive risk control system is in full swing - sound operational performance as evidenced by declining NPL ratio and improving NPL coverage

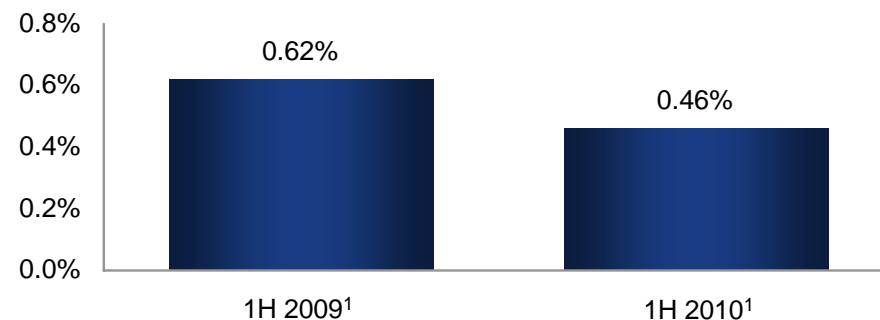
NPL outstanding balance and NPL ratio

(RMB million)



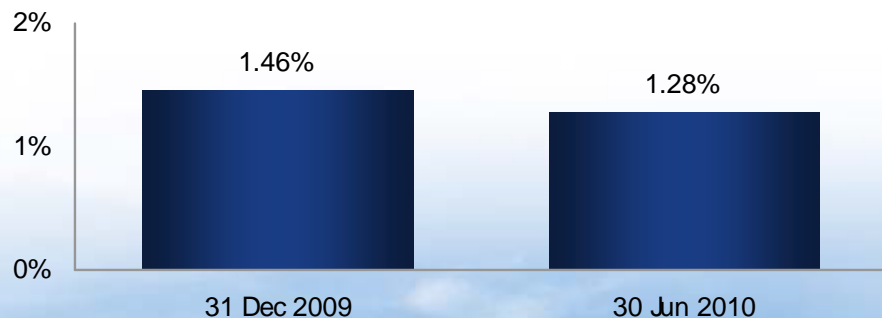
Source: Interim report

Credit cost



Source: Interim report

Special-mentioned loans ratio



Source: Interim report

Note:

1. Annualised

NPL coverage ratio

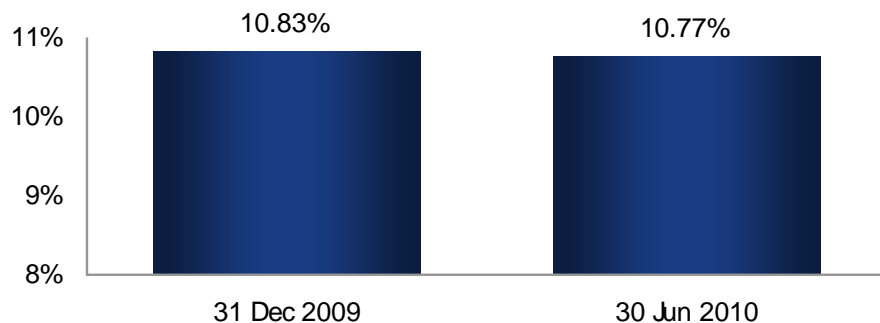


Source: Interim report

Capital Adequacy Ratio

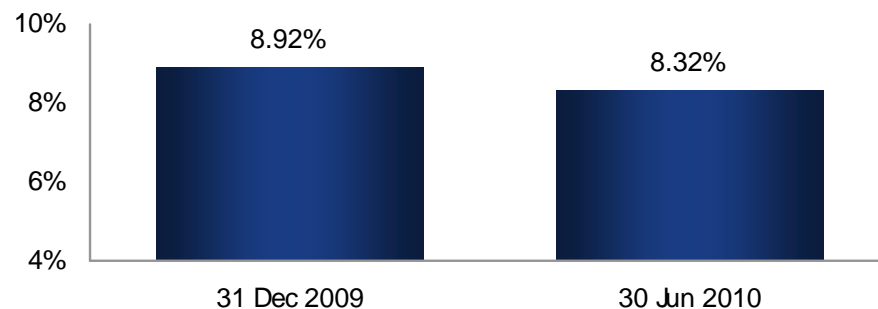


Capital adequacy ratio



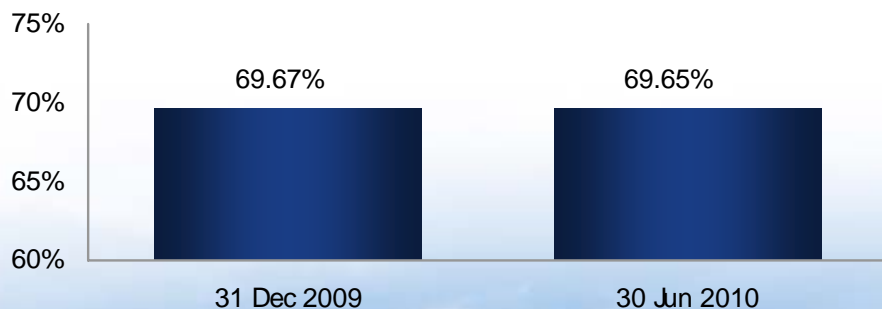
Source: Interim report

Core capital adequacy ratio



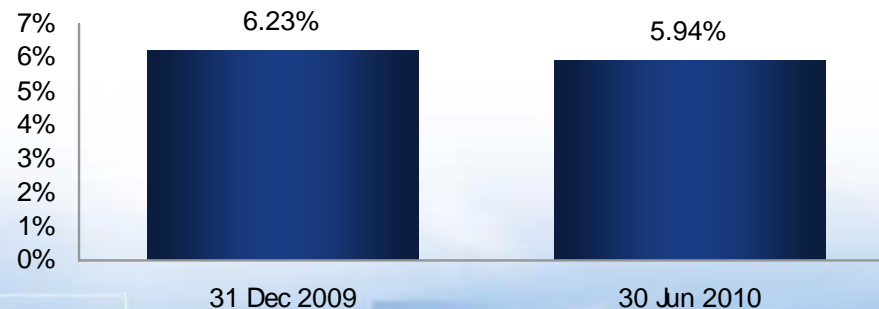
Source: Interim report

RWA/Total assets



Source: Interim report

Shareholders' equity/Total assets



Source: Interim report



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Outlook



Fast growing “Shang Dai Tong”



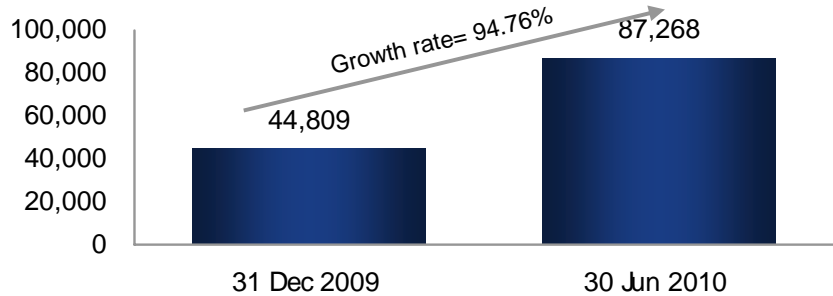
The “Shang Dai Tong” loan business has driven the rapid growth of our retail loans

Continuous business expansion and innovation



Expanding business scale

“Shang Dai Tong” outstanding loans balance (RMB million)



Source: interim report

Product innovation: “Corporate card”

- ◆ A personalized banking card tailor-made for small and microenterprises that allows business owners to enjoy our exclusive financial services
- ◆ The aim of the corporate card is to provide clients with settlement services, thereby increasing clients’ settlement business volume at our bank
- ◆ Personal financial assets from our “Shang Dai Tong” clients (including deposits, financial planning and so on) have exceeded RMB19 billion

“Shang Dai Tong” client size (ten thousand)



Source: Annual report, interim report

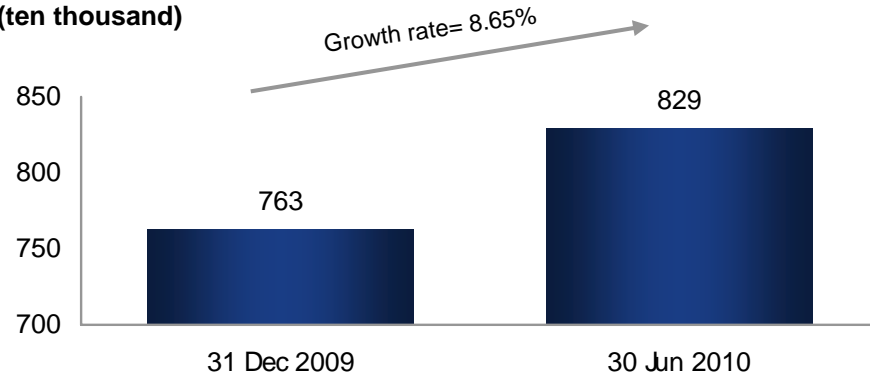
Continue growing Credit Card Business and high-end customers



Minsheng continued its strategic focus on high-end customers and achieved a significant increase in the number of high net worth clients

Credit cards issued (cumulative)

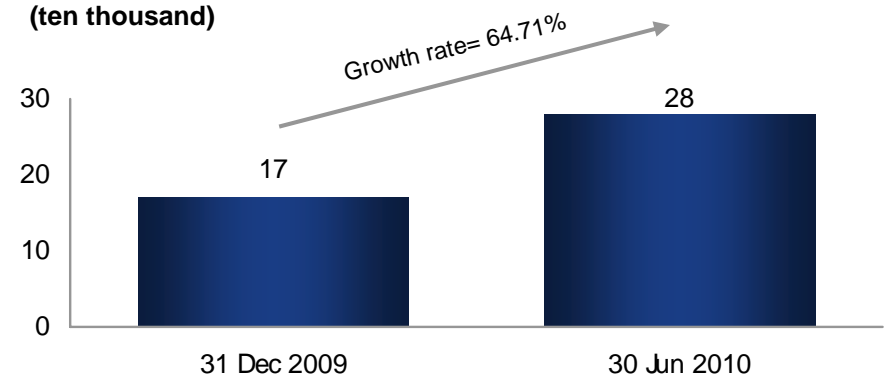
(ten thousand)



Source: Annual reports, interim reports

Platinum, Diamond & Infinite¹ credit cards issued

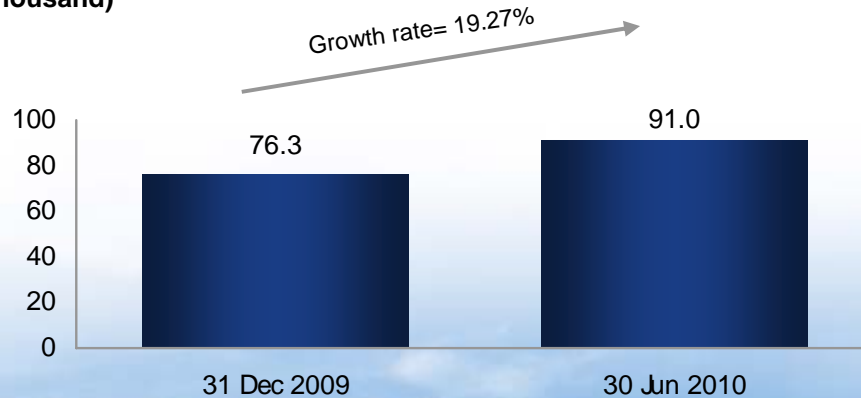
(ten thousand)



Source: Annual reports, interim reports

Customers with personal daily financial assets over RMB0.5 million

(thousand)

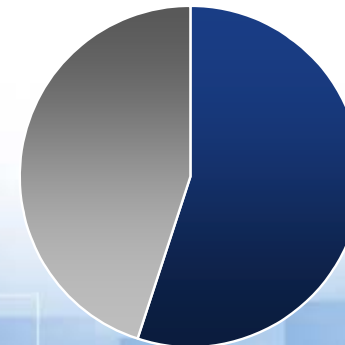


Source: Annual reports, interim reports

Note:

¹ Infinite credit card refers to Minsheng's VIP credit card that provides a greater number of higher end value-added service

Contribution of total deposits from customers with personal daily financial assets over RMB0.5 million



55.13%



Customers with personal daily financial assets over RMB0.5 million

Source: Interim report

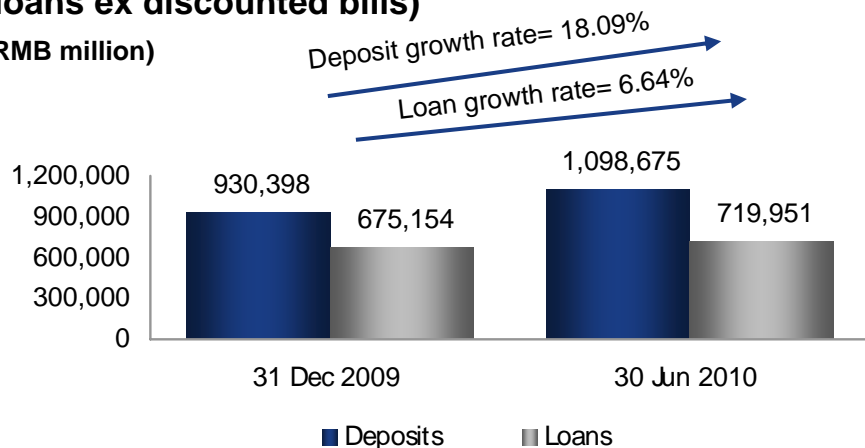
Corporate Banking – Increasing scale and asset quality



Continue refining our business, customer and revenue structures, in light of a changing business environment

Corporate deposits and loans (loans ex discounted bills)

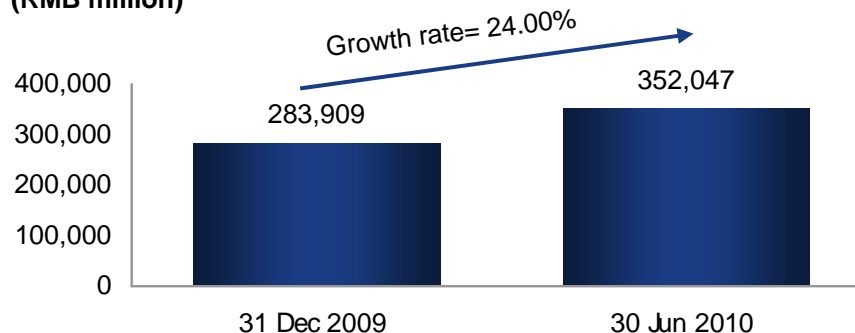
(RMB million)



Source: Interim report

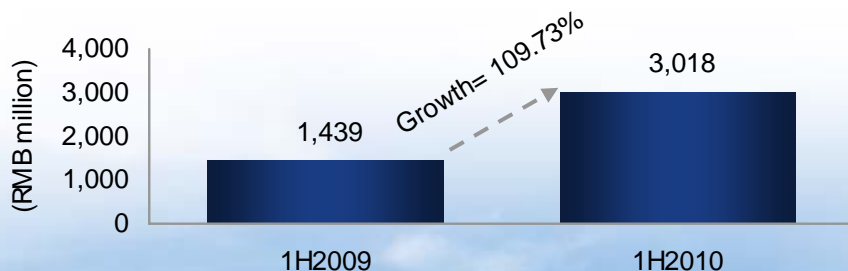
Outstanding balance of loans issued to private-owned enterprises

(RMB million)



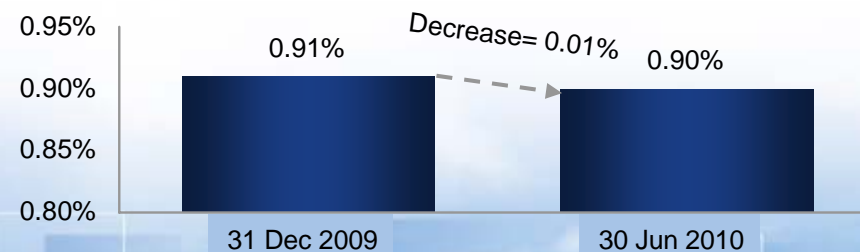
Source: Interim report

Net fee and commission income from corporate banking



Source: Interim report

Corporate loans NPL ratio



Source: Interim report

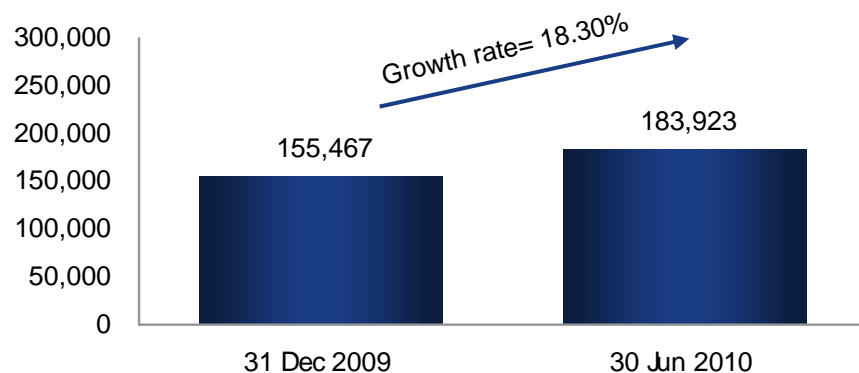
Steady growth in all SBU operations



All SBUs coped positively with the complex and evolving operating environment. We took the initiative to implement structural adjustments, strengthen risk prevention mechanisms, explore emerging market opportunities and advance transformation of our operating model. All business operations grew steadily

Total deposits of industry-specific SBUs

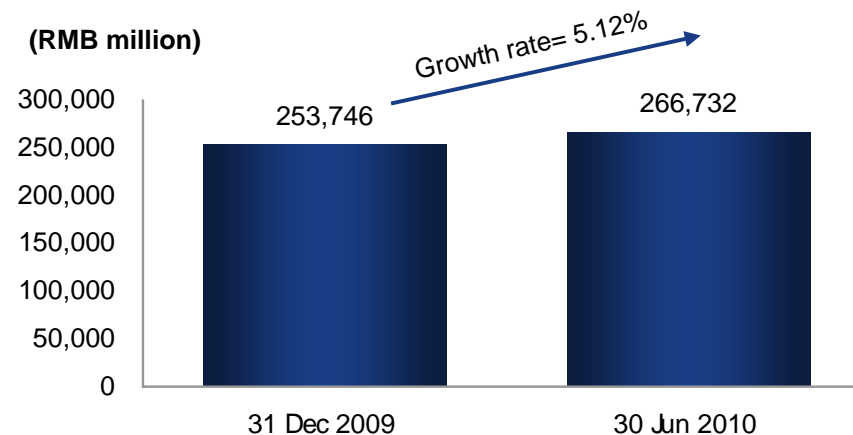
(RMB million)



Source: Interim report

Gross loans of industry-specific SBUs

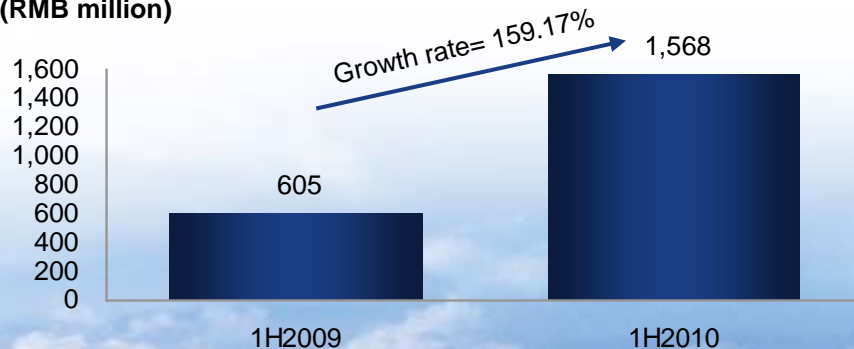
(RMB million)



Source: Interim report

Intermediary business revenue of industry-specific SBUs

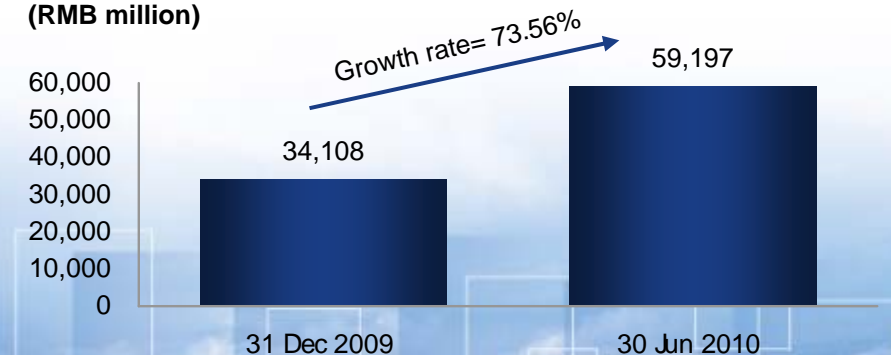
(RMB million)



Source: Interim report

Outstanding general loans of SME-specific SBUs

(RMB million)



Source: Interim report

Corporate Banking – Specialty Business



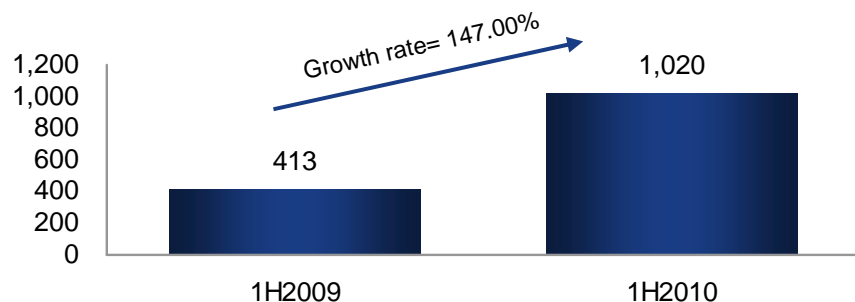
Trade Finance Business



China Banking Industry Achievement Award: Best Bank for Trade Finance

– Financial Times, UK

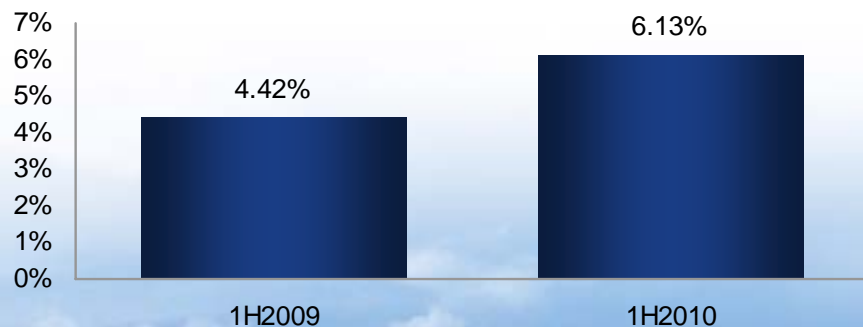
Trade finance net non-interest income (RMB million)



Source: Interim report

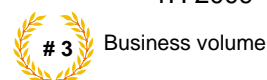
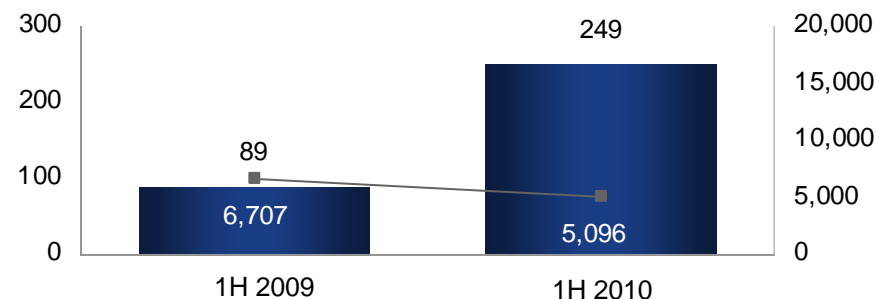
Bill Business

Return on discounted bills

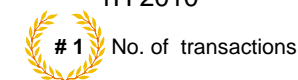


Source: Interim report

Volume of international dual factoring service (USD million)



Source: Annual report, interim report



Products such as “Kuai Yi Tie” developed considerably

Volume of “Kuai Yi Tie” products (RMB million)



Source: Interim report

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Outlook for 2H2010



We will continue to seize market opportunities and achieve great leaps in business development to attain our strategic goals

The outlook for the macro economy in the second half of the year remains uncertain, while the tone of monetary policy will remain relaxed. However, the focus of stimulus policies will shift toward development of the West and newly-emerged industries. We will keep close track of economic and policy changes, adjust our business structure, and maintain our prudent approach in risk management

1

Enhance asset and liability management to drive conservation and efficient use of capital

2

Actively adjust our business structure to enhance overall efficiency

3

Strengthen risk control to ensure steady business operations