

China Minsheng Banking Corp., Ltd.

2013 1Q Results Announcement



April 2013

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 favorable than those expressed or implied by these forward-looking statements which could affect the share price of our shares.

Business overview



In 1Q 2013, the Group accelerated the transformation of operation and management model and tightened risk control to ensure steady and healthy development of all lines of business

1

Continued rise in profitability and growing return to shareholders

- ◆ Net profit attributable to equity shareholders of the Bank was RMB11,015 million, up by 20.09% YoY
- ◆ Annualized return on weighted average equity attributable to equity shareholders of the Bank was 26.00%, up by 0.76 percentage point from 2012
- ◆ Basic EPS was RMB0.39, up by RMB0.05, or 14.71%, YoY

2

Steady expansion of asset and liability scale and continued growth of strategic businesses

- ◆ Gross balance of loans and advances to customers amounted to RMB1,435,856 million, up by 3.70% from the end of last year
- ◆ Total deposits from customers amounted to RMB2,097,755 million, up by 8.91% from the end of last year
- ◆ Outstanding MSE loans amounted to RMB354,273 million, up by RMB37,322 million, or 11.78%, from the end of last year¹
- ◆ The number of MSE customers increased rapidly to 1,162.6 thousand, up by 17.16% from the end of last year¹
- ◆ The number of private banking customers reached 11,265 and the relevant financial assets under management of the private banking business amounted to RMB183,353 million, up by 19.98% and 43.05% respectively from the end of the previous year¹

3

Continued growth of operating income and higher proportion of net non-interest income

- ◆ Operating income amounted to RMB28,877 million, up by RMB3,842 million, or 15.35%, YoY
- ◆ Net non-interest income increased by 44.48% YoY to RMB8,763 million. Such income accounted for 30.35% of the operating income, representing a significant increase of 6.12 percentage points from the same period of last year

4

Stable asset quality and consistently improved risk management capability

- ◆ Non-performing loan ratio remained unchanged at 0.76% as compared with the end of the previous year
- ◆ Allowance to impaired loans ratio was 324.51%, up by 9.98 percentage points from the end of last year
- ◆ Allowance to total loans was 2.47%, up by 0.08 percentage point from the end of last year

Source: Company's 1Q report

Note: 1 Bank standalone figures; other figures are on the Group-consolidated basis

Agenda



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Outlook

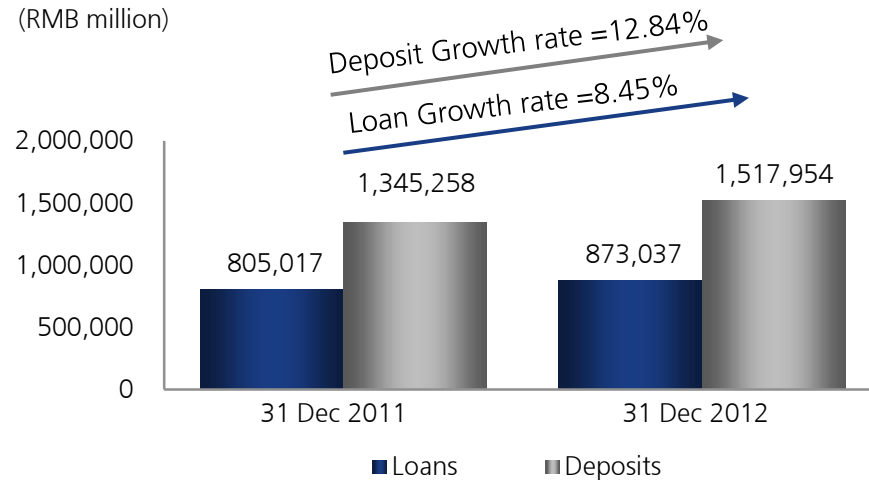
Corporate banking – further enhanced NSOE customer base



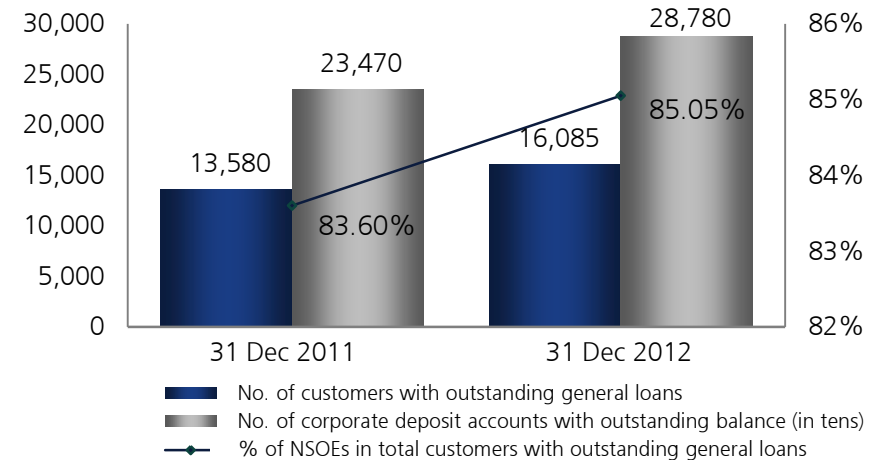
Targeting to become a distinctive and efficient bank, Minsheng focused on the implementation of NSOE strategies and promotion of the Financial Stewardship services, adopted intensive management under capital restraint, and continued to promote structural adjustment and growth method transformation

Corporate deposits and loans (general corporate loans)¹

(RMB million)

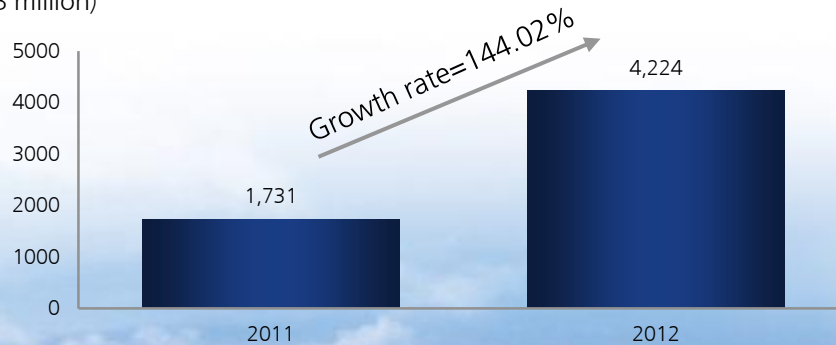


Customer base¹



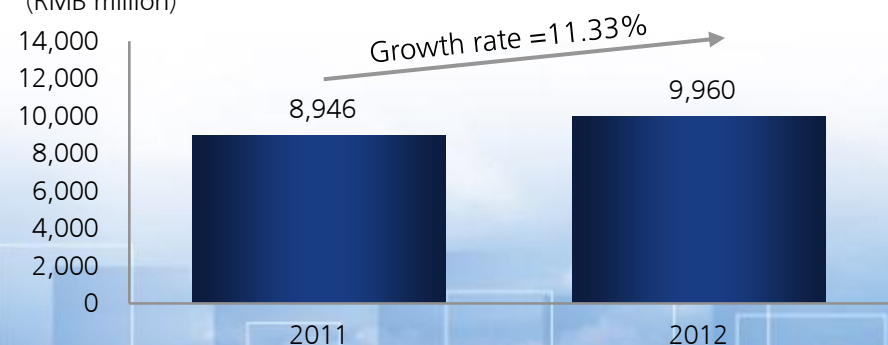
Net gain arising from disposals of discounted bills²

(RMB million)



Net fee and commission income from corporate banking business¹

(RMB million)



Source: Annual reports

Note:

- 1 Bank standalone
- 2 Group consolidated



Retail banking—Strengthened MSE financial services

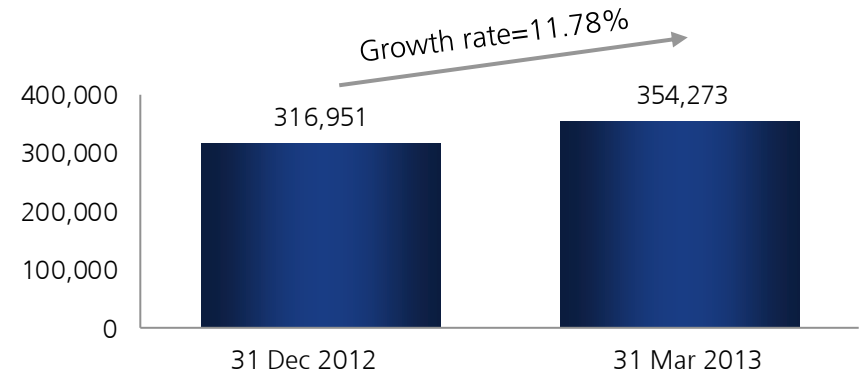
In 2012 and 1Q2013, MSE loan business continued to boost the rapid growth of retail loans and structural adjustment; outstanding MSE loans and total number of the MSE customers continued to increase; new processes, products and features were created to meet the needs of MSE customers

Breakthroughs were made in MSE financial services and customer organization

- 1** Fully implemented the upgraded MSE Finance V2.0 and established over 2000 Minsheng MSE urban commercial cooperatives, which serve as a national platform for the communication, sharing and collaboration among MSEs
- 2** Initiated establishment of special MSE finance sub-branches, and granted licenses to the first 50 special MSE finance sub-branches
- 3** Following the principle of “Law of Large Numbers” to estimate the risk probabilities of specific industries and implement targeted risk control

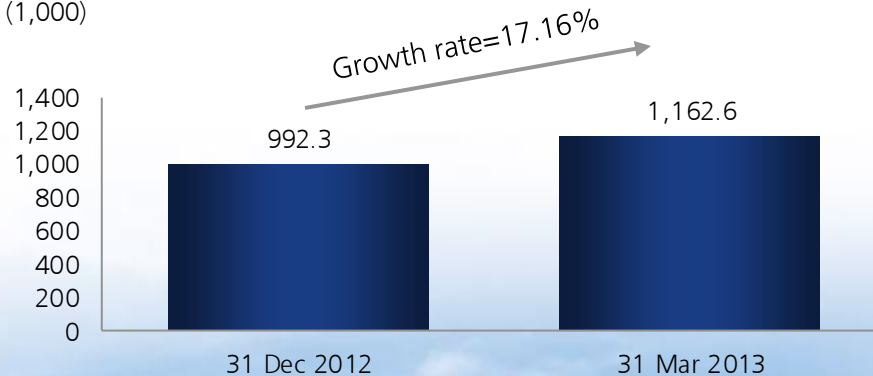
Outstanding MSE loans¹

(RMB million)



Number of MSE customers¹

(1,000)



Outstanding MSE loans as % of retail loans and advances^{1,2}



Source: Annual reports

Note:

1. Bank standalone

2. 1Q2013

High-end retail and private banking businesses continued to expand



China's Best Private Bank with HNW Customer Services
—*Euromoney*



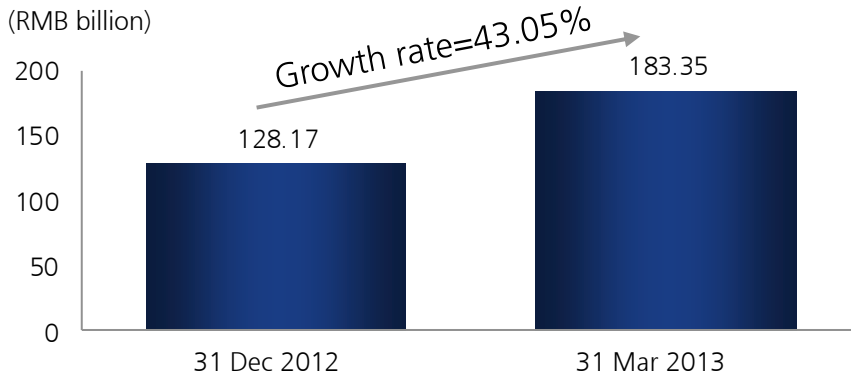
2011-2012 Most Potential Chinese Private Bank
—*Golden Shell Award, 21st Century Business Herald*



Annual Private Bank with the Best Brand Influence
—*China Business News*

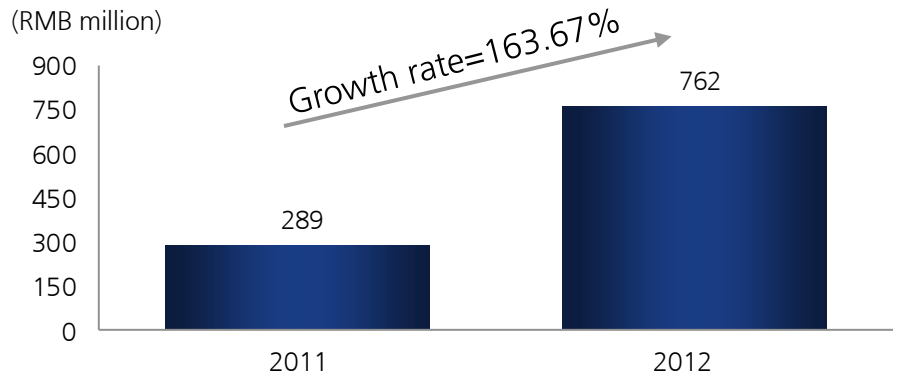
Private banking AuM and number of customers¹

(RMB billion)



Income from private banking intermediary business¹

(RMB million)



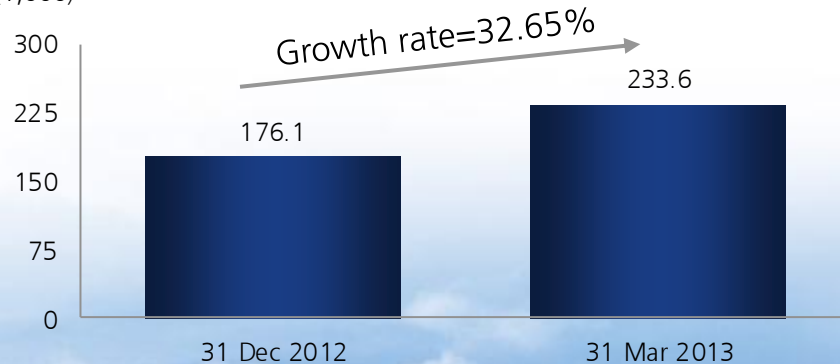
Number of customers²

9,389

11,265

Number of retail customers with individual financial assets of more than RMB0.5 million¹

(1,000)



Contribution of retail customers with individual financial assets of more than RMB0.5 million to total retail deposits^{1,3}



Retail customers with financial asset balance over RMB0.5 million

Source: Annual reports

Note:

- 1 Bank standalone
- 2 Individuals with RMB8 million or more net financial assets
- 3 YE2012

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Key performance indicators



Income statement key indicators (RMB million)	Jan-Mar 2012	Jan-Mar 2013	Growth rate (%)	
Net interest income	18,970	20,114	↑	6.03
Net non-interest income	6,065	8,763	↑	44.48
Of which: net fee and commission income	5,138	7,200	↑	40.13
Operating income	25,035	28,877	↑	15.35
Operating and administrative expenses	(6,476)	(7,775)	↑	20.06
Net profit attributable to equity shareholders of the Bank	9,172	11,015	↑	20.09

Key indicators on balance sheet (RMB million)	31 Dec 2012	31 Mar 2013	Growth rate (%)	
Gross balance of loans and advances to customers	1,384,610	1,435,856	↑	3.70
Investments	243,520	261,741	↑	7.48
Balances and placements with banks and other financial institutions (including financial assets held under resale agreements)	1,048,905	1,069,835	↑	2.00
Total assets	3,212,001	3,299,881	↑	2.74
Deposits from customers	1,926,194	2,097,755	↑	8.91
Deposits and placements from banks and other financial institutions (including financial assets sold under repurchase agreements)	910,597	784,840	↓	(13.81)
Debt securities issued	74,969	91,403	↑	21.92
Total liabilities	3,043,457	3,116,213	↑	2.39

Source: Company's 1Q report

Key performance indicators



Key indicators for profitability (%)	Jan-Mar 2012	Jan-Mar 2013	Change (ppts / RMB)
Cost-to-income ratio	25.87	26.92	↑ 1.05
Basic EPS (RMB)	0.34	0.39	↑ 0.05
Return on weighted average equity attributable to equity shareholders of the Bank (%) (annualized)	27.32	26.00	↓ (1.32)

Key indicators for asset quality (%)	31 Dec 2012	31 Mar 2013	Change (ppts)
NPL ratio	0.76	0.76	—
Allowance to impaired loans ratio	314.53	324.51	↑ 9.98
Allowance to total loans ratio	2.39	2.47	↑ 0.08

Source: Company's 1Q report

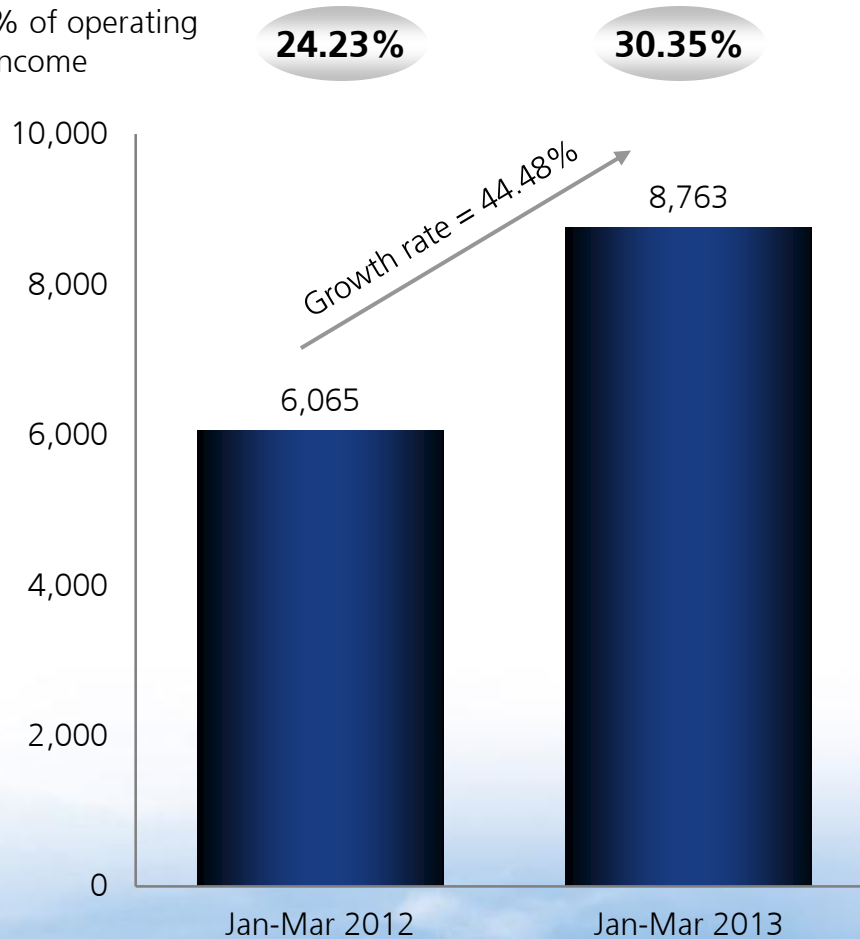
Non-interest income accounts for a higher proportion; income sources continue to optimize



Net non-interest income growth and % of operating income

(RMB million)

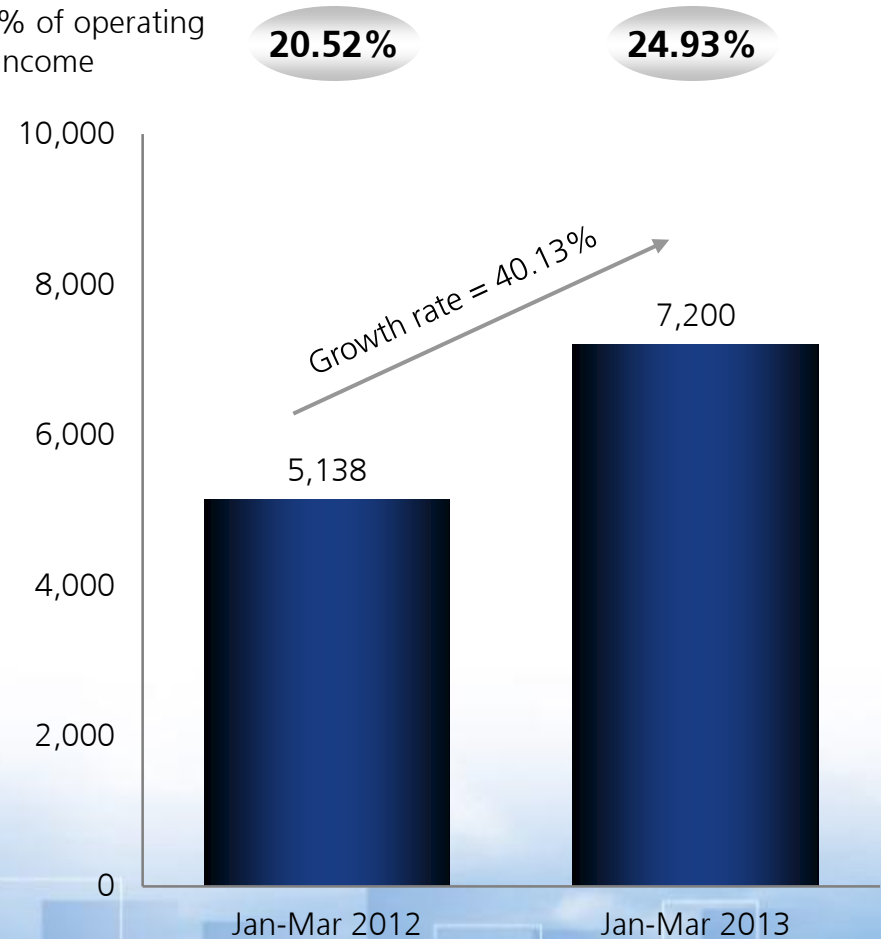
% of operating income



Net fee and commission income growth and % of operation income

(RMB million)

% of operating income



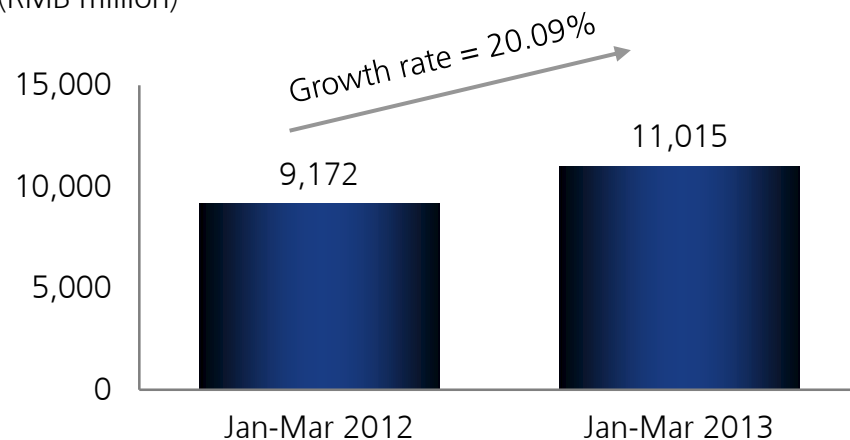
Source: Company's 1Q report

Significantly stronger profitability

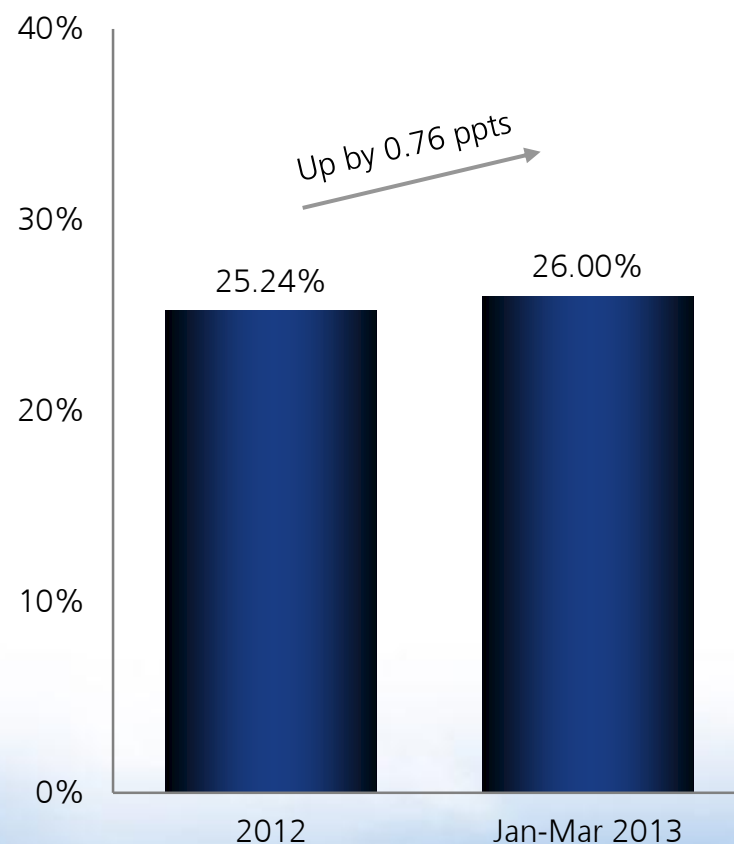


Net profit attributable to equity shareholders of the Bank

(RMB million)

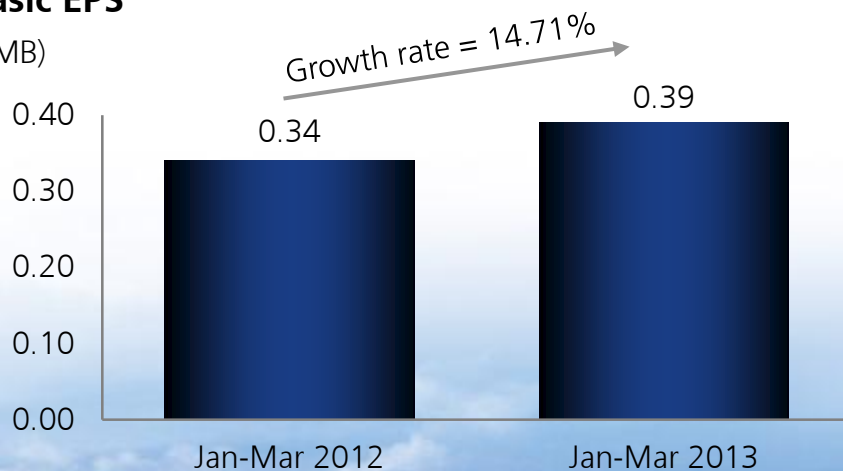


Return on weighted average equity attributable to equity shareholders of the Bank (annualized)



Basic EPS

(RMB)



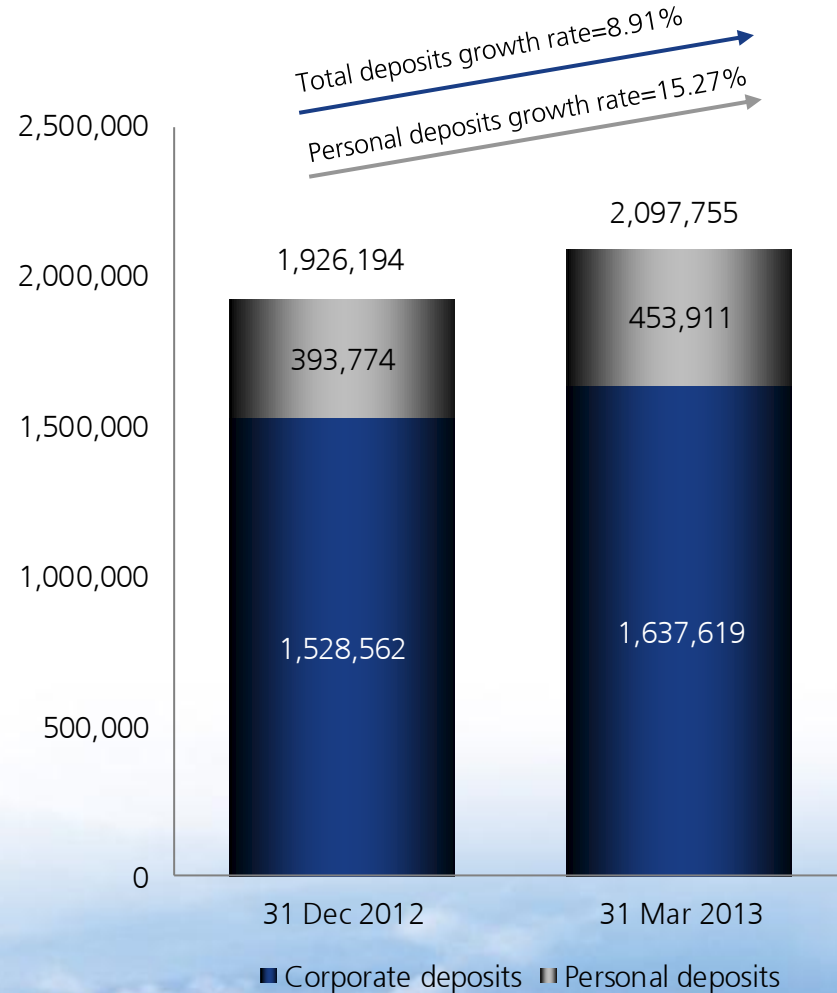
Source: Company's 1Q report

Personal deposits maintain stable growth in scale and contribution to total deposits

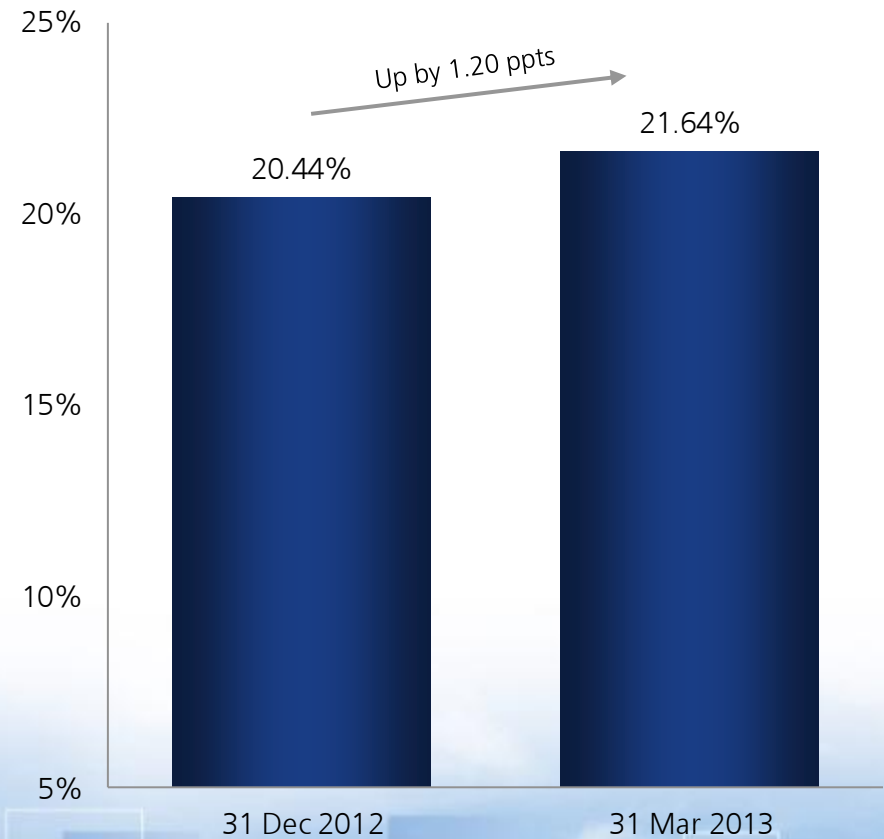


Deposit structure^{1,2}

(RMB million)



Personal deposits as % of total deposits continues to increase¹



Source: Company's 1Q report

Note:

¹ Group consolidated

² Total deposits includes outward remittance and remittance payables, certificates of deposit

Asset quality remains stable with enhanced risk management capability



Non-performing loans and non-performing loan ratio

(RMB million)



Allowance to impaired loans and allowance to total loans



Source: Company's 1Q report

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2013 Outlook



In 2013, the Group will ensure the healthy development of each business and lay a solid foundation for the strategic transformation under its "Second Take-Off". Specific measures are as follows:

- 1 Improve corporate governance by optimizing governance structure and operation mechanism
- 2 Focus on MSEs and create a distinctive financial services model through the combination of industry chain and traditional retail business
- 3 Prudently carry out reform programs to further enhance the process-based banking establishment
- 4 Improve refined-management capability and strengthen the building of soft strength to establish an efficient implementation system for strategies





Q&A