

China Minsheng Banking Corp., Ltd. 2009 Annual Results Announcement



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.

Presentation team



Hong Qi
President



Zhao Pinzhang
Vice President



Mao Xiaofeng
Vice President and Board Secretary

Agenda



1

Business Review

2

Financial Performance

3

Outlook

Agenda



1

Business Review

2

Financial Performance

3

Outlook

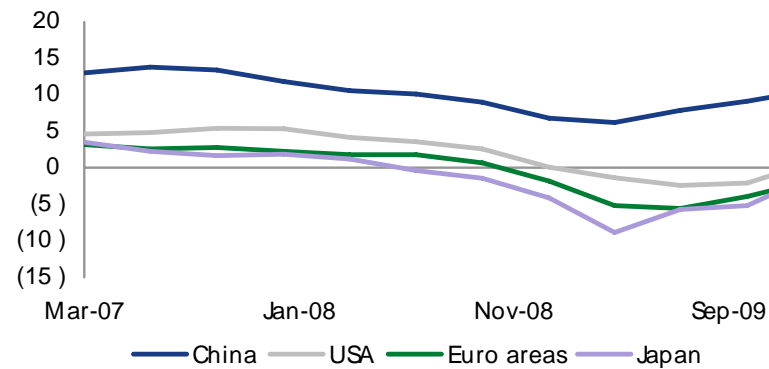
Macro-economy and the PRC Banking industry



Global economic conditions stabilized and showed signs of recovery in 2009. There was credit expansion of the banking industry amid easy monetary policy

GDP growth of major economies bottomed out

Seasonal comparison of GDP growth ¹ (%)



Source: Wind Information Co.

Growing monetary supply of PRC

(%)



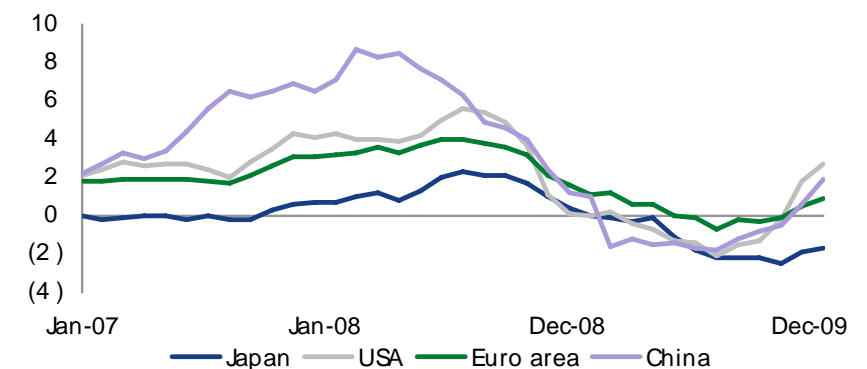
Source: Wind Information Co.

Note:

¹ Nominal GDP growth for PRC and US, real GDP growth for EU and Japan

CPIs of major economies on the rise

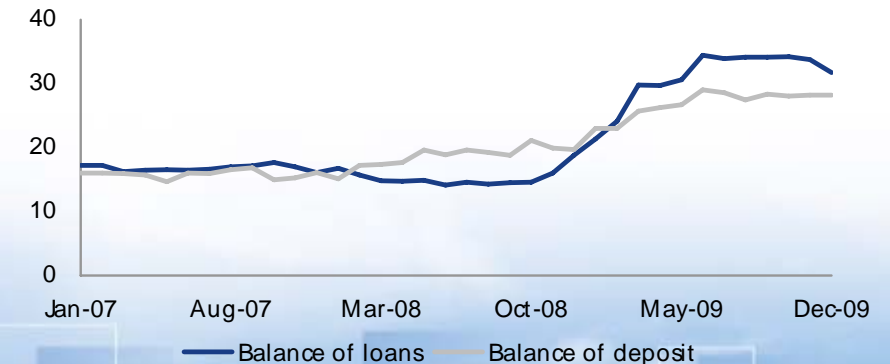
Monthly comparison of CPI (%)



Source: Wind Information Co.

Growth of balances of deposits and loans

(%)



Source: Wind Information Co.

Overview of Key Financials



Key income statement data (RMB million, except per share data)

	2009	2008	Growth rate (%)	
Net interest income	32,240	30,380	↑	6.1
Net non-interest income	9,797	4,593	↑	113.3
Profit before tax	15,656	10,488	↑	49.3
Earnings per share	0.63	0.42	↑	50.0

Key balance sheet data (RMB million)

	31 Dec 2009	31 Dec 2008	Growth rate (%)	
Loans and advances	882,979	658,360	↑	34.1
Total assets	1,426,392	1,054,350	↑	35.3
Deposits from customers	1,127,938	785,786	↑	43.5
Equity attributable to equity holders of the Bank	88,894	54,672	↑	62.6

Key profitability indicators

	2009	2008	Rise/drop	
Net interest margin (NIM)	2.59	3.15	↓	(0.56)
Cost to income ratio (excl. business tax)	43.47	43.04	↑	0.43
Credit cost	0.62	0.94	↓	(0.32)
Average return on total assets	0.98	0.80	↑	0.18
Average return on equity	17.06	15.15	↑	1.91

Assets quality indicators

	2009	2008	Change (pt)	
NPL ratio	0.84	1.20	↓	(0.36)
NPL Coverage ratio	206.04	150.04	↑	56
Core capital adequacy ratio	8.92	6.60	↑	2.32
Capital adequacy ratio	10.83	9.22	↑	1.61

Source: Annual report

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 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

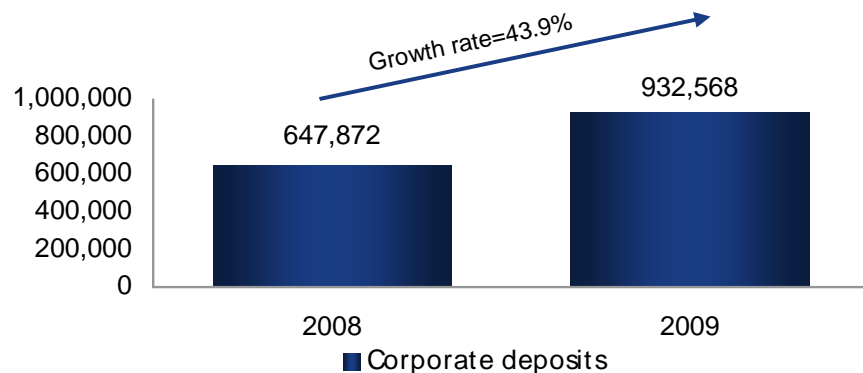
To focus on high-end customers with our expertise, unique and innovate products and tailor made service

Corporate Banking



Corporate Deposits

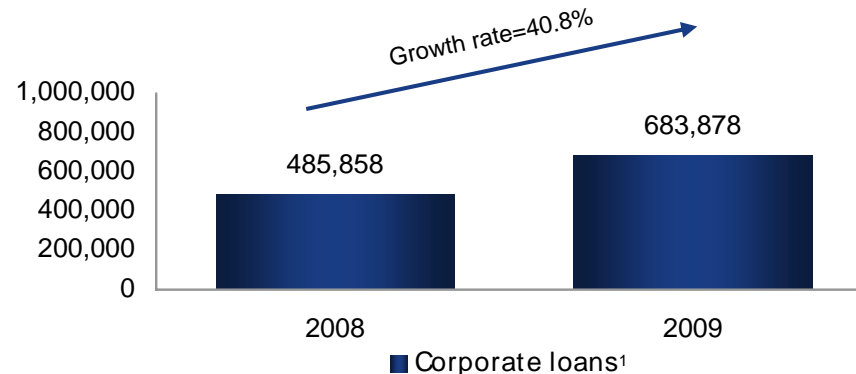
(RMB million)



Source: Annual report

Corporate Loans¹

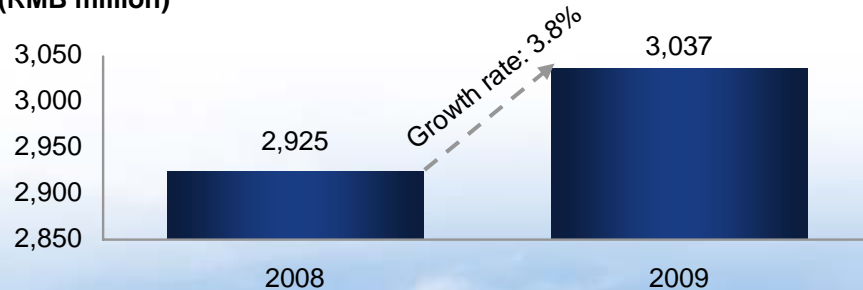
(RMB million)



Source: Annual report

Net fee and commission income of corporate banking business

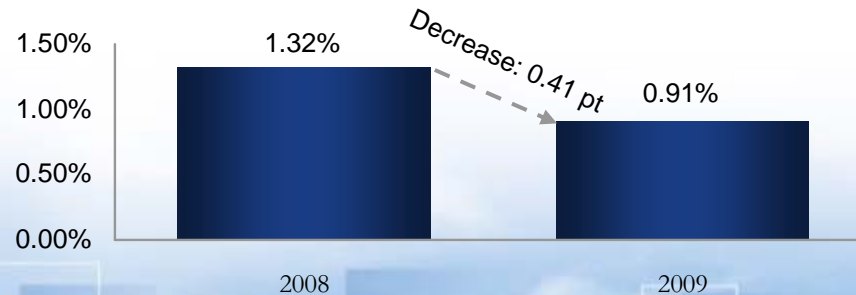
(RMB million)



Source: Annual report

Note: 1 excluding discounted bills

Corporate loans NPL ratio



Source: Annual report

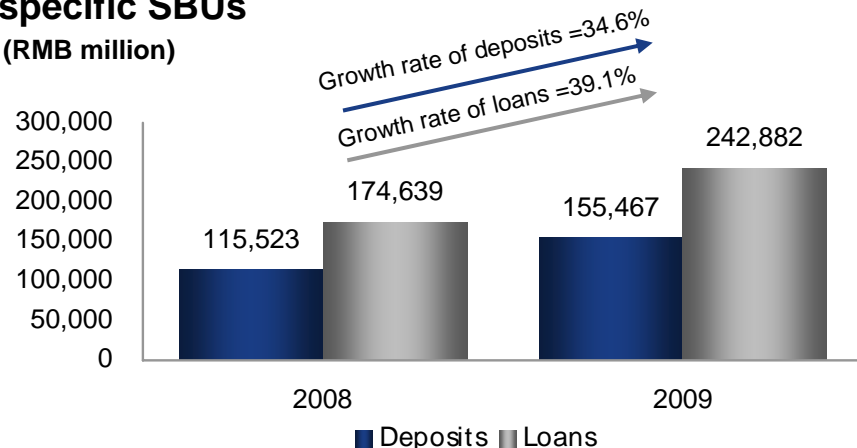
Corporate Banking Business - SBU Operations



SBU operation has delivered solid results in terms of scale, efficiency, risk management and professional services

Total loans and deposits balance of Industry-specific SBUs

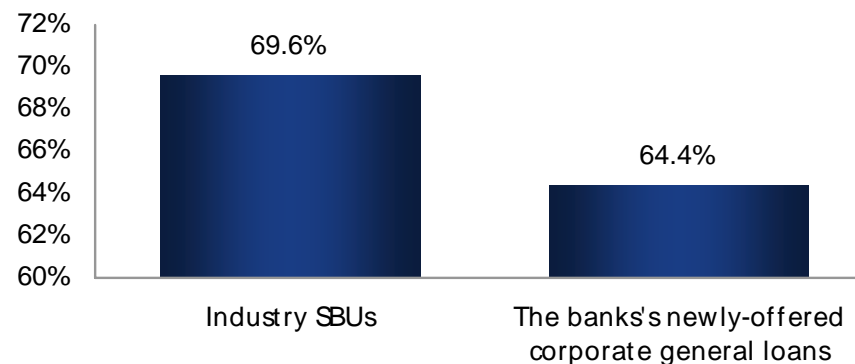
(RMB million)



Source: Annual report

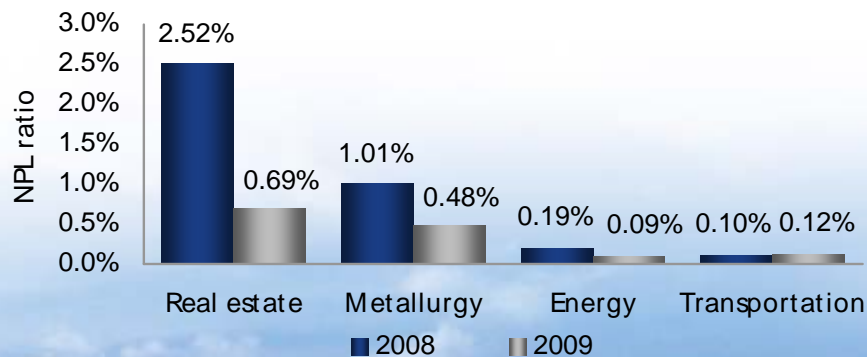
Outstanding bargaining power

Proportion of 2009 newly offered loans with higher-than-benchmark interest rate (inclusive)



Source: Annual report

Assets quality of Industry-specific SBUs



Source: Annual report

Awards

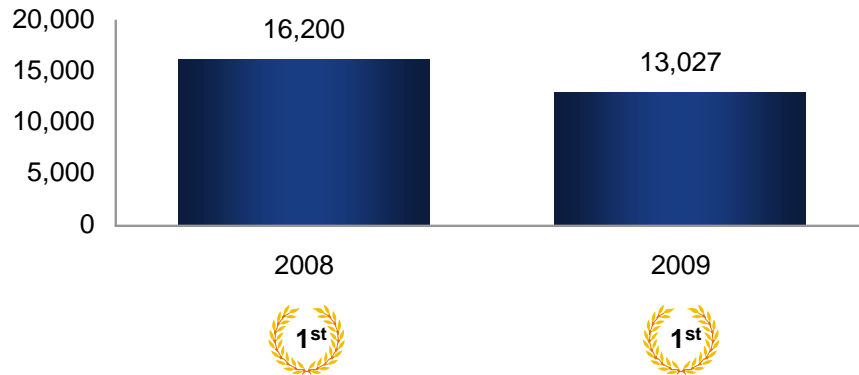


The Industry Best Finance Service Award
CFO Magazine

Corporate Banking Business – Featured Business

Trade Finance Business

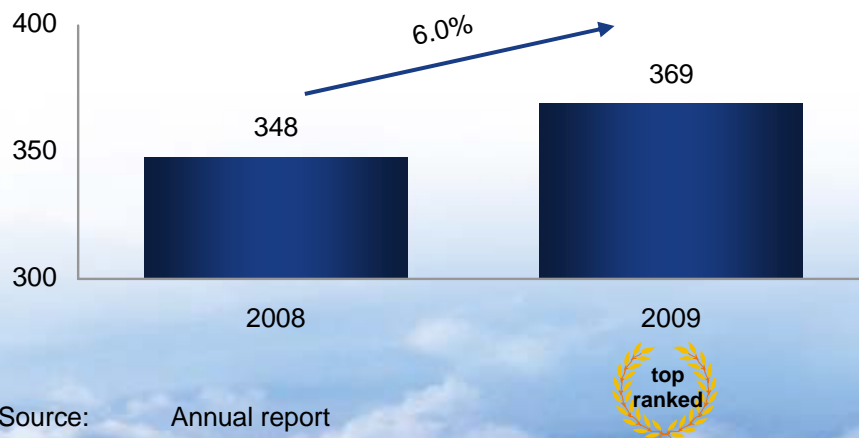
Number of international factoring transactions



Source: Annual report

Volume of international factoring service

(USD million)



Source: Annual report

Transactional financing business –focus on financing business development

- ◆ Frequent customers exceed 1,600, bringing in RMB 61bn new deposits
- ◆ market leader in movable assets finance business
 - ◆ Volume exceeded RMB 130 billion
 - ◆ 2009 year end balance RMB 61.6 million
 - ◆ Zero NPL



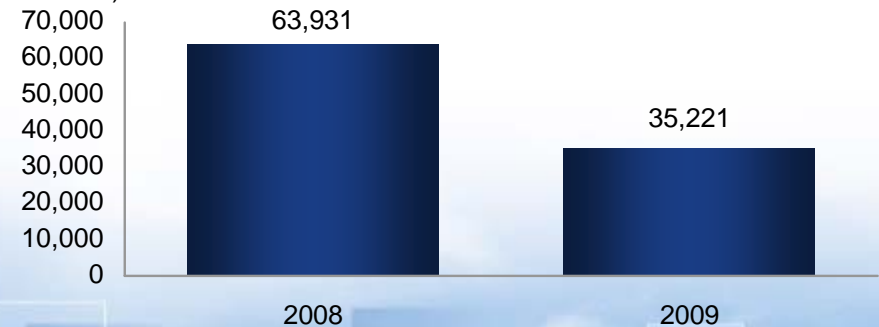
The Most Influential Supply Chain Financial Services Provider in the PRC in 2008-2009

3rd China International Logistics and Supply Chain Co-operation and Development Summit Forum

Discounted Bill business

Balance of discounted bills

(RMB million)



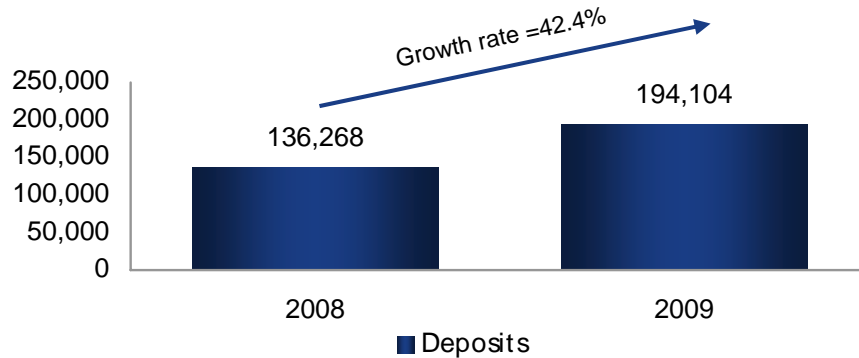
Source: Annual report

Retail Banking Business



Retail Deposits

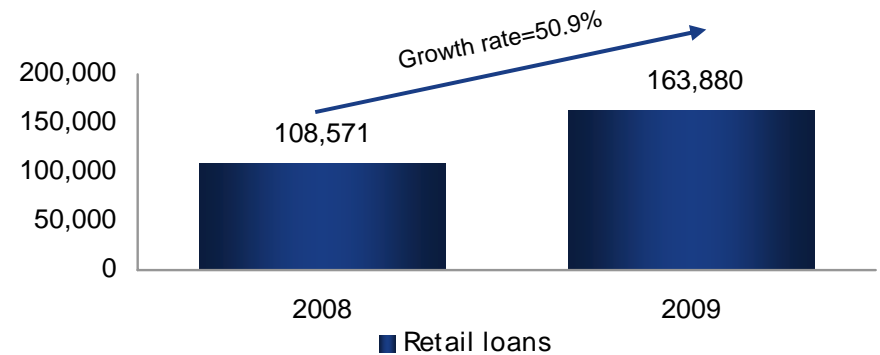
(RMB million)



Source: Annual report

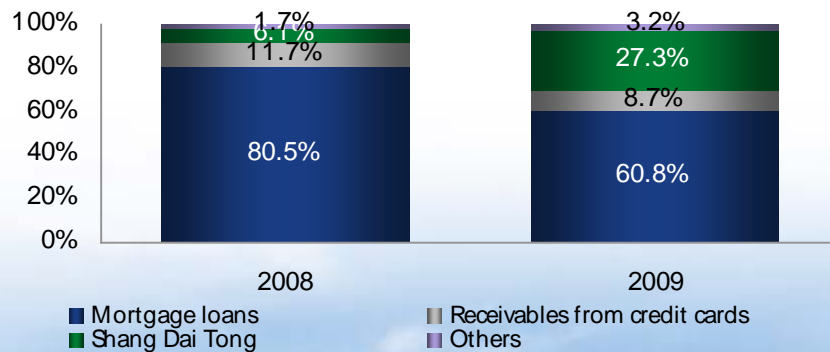
Retail Loans

(RMB million)



Improving retail loans structure

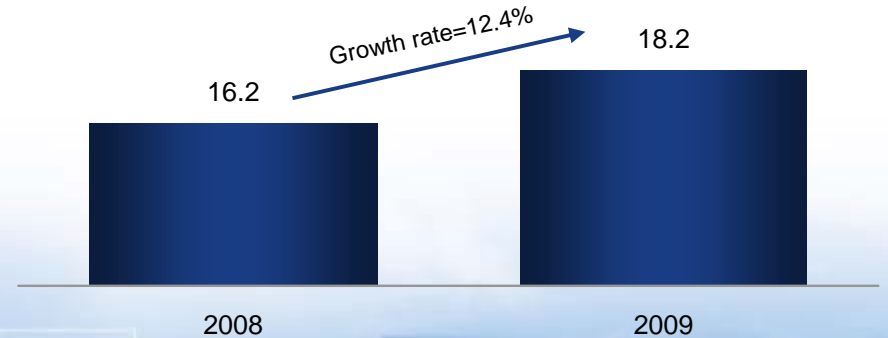
(% to total retail loans)



Source: Annual report

Expanding customer base

Total number of retail customers (million)



Retail Banking Business - “Shang Dai Tong”



“Shang Dai Tong”, specifically targeting small and micro-enterprises, has achieved substantial growth during 2009 and optimized our interest rate structure

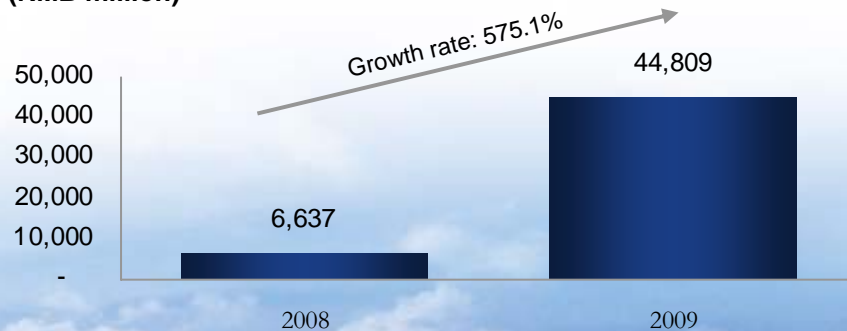


Rapidly expanding business scale

- ◆ In 2009, we launched “Shang Dai Tong”, providing a series of financial service specifically designed for small and micro-enterprises with financing needs below RMB 5 million
- ◆ After less than a year’s development, we have become the leading bank in “Shan Dai Tong” business, which greatly enhances our competitiveness and distinguishes us from peers

“Shang Dai Tong” loan balance

(RMB million)



Source: Annual report

Renowned Innovative products



2009 Award for Innovation in Finance Services for Small and Micro Enterprises
21st Century Business Herald



2009 Best Micro-enterprise Service Award
CBN Financial Value Ranking



2009 Outstanding Competitiveness Award for Personal Loan Banking
China Business Journal



Top 10 Financial Products (Retail Business)
The Chinese Banker magazine



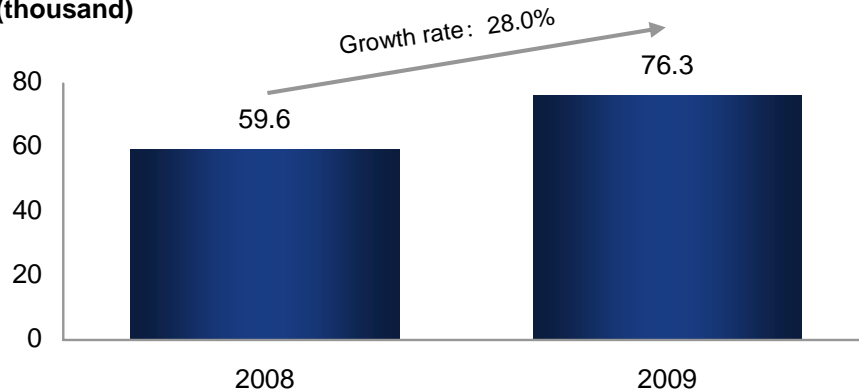
Top 10 Marketing Campaigns Award of the 2nd Marketing Campaign Ceremony in 2009
Time Weekly

Retail Banking Business - Credit Card Business



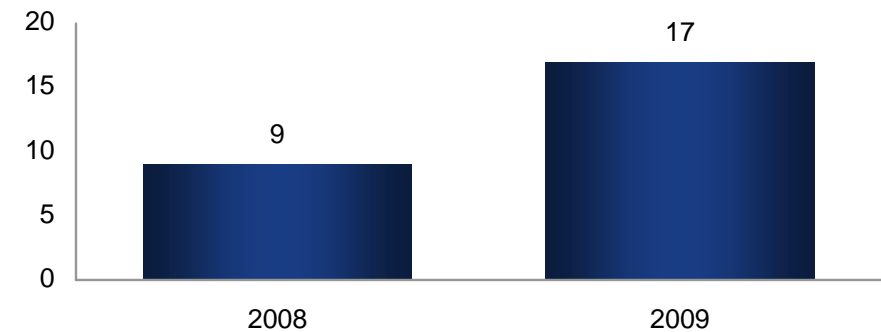
Minsheng continued its strategic focus on high-end customers and achieved a significant increase in the number of high net worth clients

Customers with personal financial assets over RMB 0.5 million
(thousand)



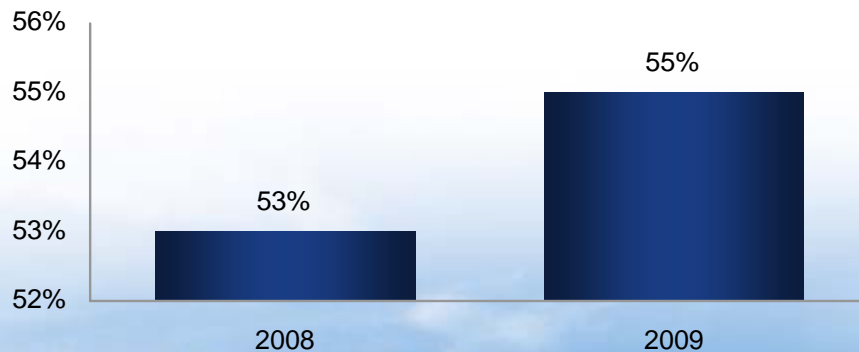
Source: Annual report

Platinum and diamond credit card issued
(ten thousand)



Source: Annual report

Contribution of total deposits of customers with personal financial assets over RMB 0.5 million



Source: Annual report

Awards

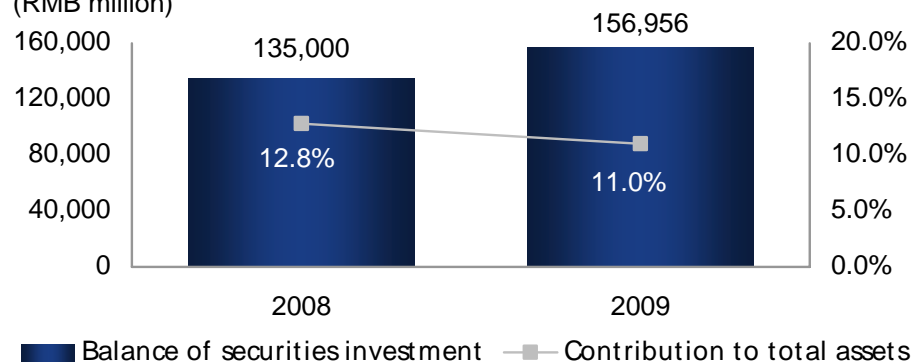
- 2009 Top 10 Credit Cards**
 Selected by *Nanfang Weekly*
- The Most Valuable Platinum Credit Card**
 Alliance of PRC Mainstream Financial Media, *Qianjing*, *Money Talks*
- 2009 Customers' Favourite Diamond and Platinum VIP Card**
Nanfang Weekly

Treasury Business



Balance of investment securities and other financial assets

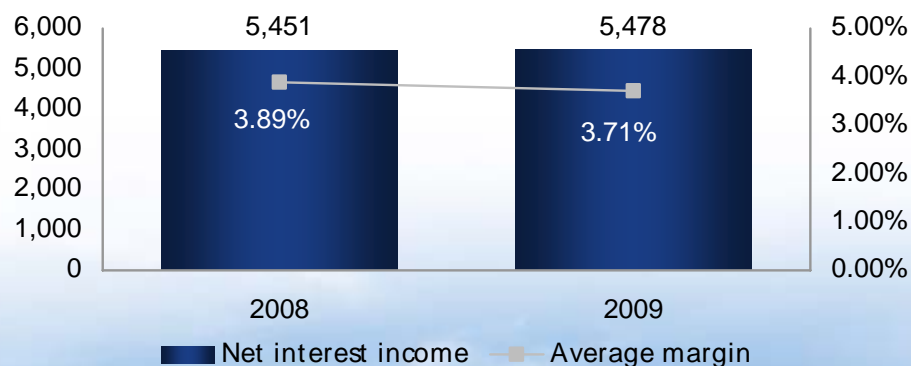
(RMB million)



Source: Annual report

Interest income of investment securities

(RMB million)



Source: Annual report

Market leader in precious metal spot trading



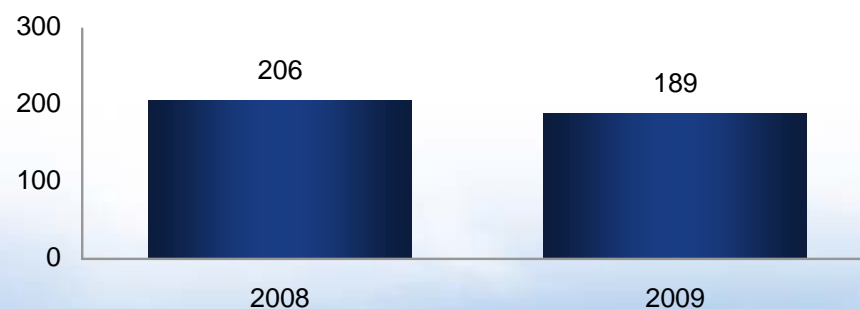
1st commercial bank to launch RMB nominated gold forward transaction in the PRC



2nd commercial bank to launch personal precious metal deferred transaction agency business on behalf of the Shanghai Gold Exchange

Total gold transaction volume at SGE

(Including agency business and proprietary trading) (Tons)



Source: Prospectus, annual report

Agenda



1

Business review

2

Financial Performance

3

Outlook

Key Income Statement Items



(RMB million, except per share data)	2009	2008
Net Interest income	32,240	30,380
Non-interest income	9,797	4,593
Inc: Net fee and commission income	4,664	4,461
Operating income	42,037	34,973
Operating expense	20,539	17,817
PPOP	20,963	17,006
Impairment losses on assets	5,307	6,518
Profit before tax	15,656	10,488
Income tax expense	3,548	2,595
Net profit attributable to the equity holders of the Bank	12,104	7,885
Earnings per share	0.63	0.42

Key Statement of Financial Position



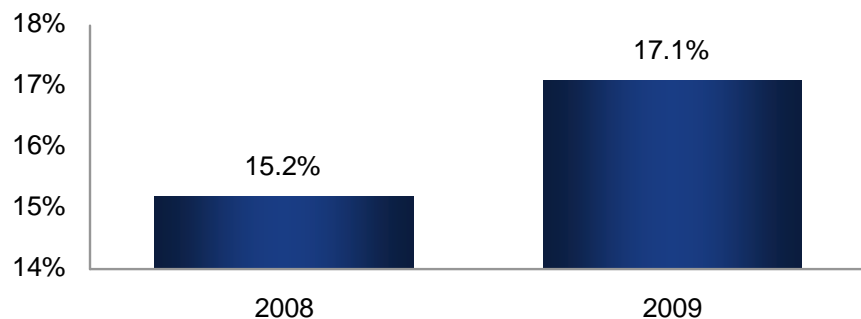
(RMB million)	2009	2008
Total loans	882,979	658,360
Inc: loan impairment allowance	15,241	11,885
Investment securities	156,491	133,784
Total assets	1,426,392	1,054,350

	2009	2008
Deposits from customers	1,127,938	785,786
Debt securities payable	23,060	33,999
Total liabilities	1,337,498	999,678
Equity attributable to equity holders of the Bank	88,034	53,880

Profitability

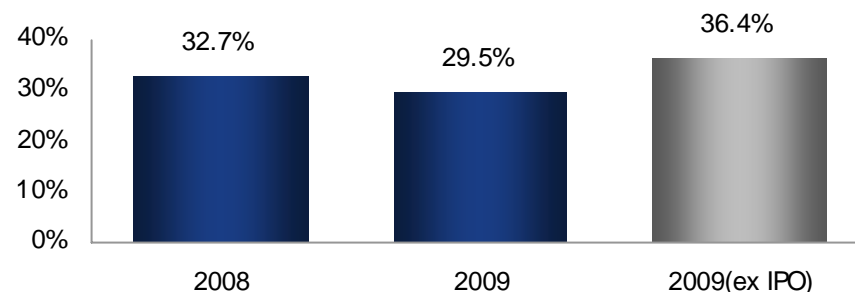


Average return on equities



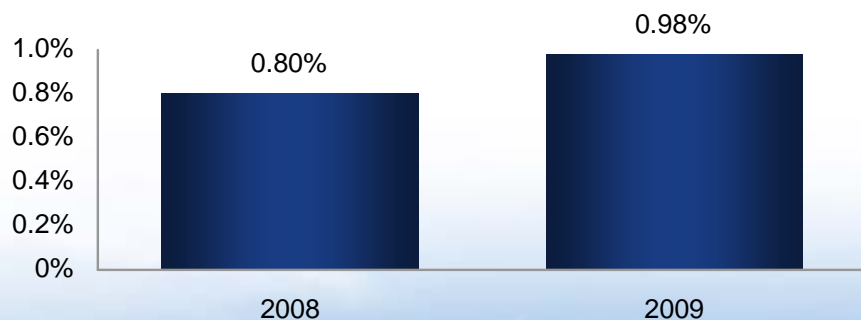
Source: Annual report

PPOP / Average shareholders' equities



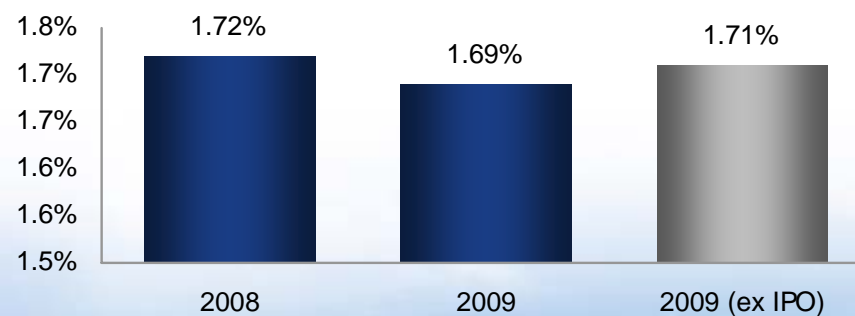
Source: Annual report

Average return on assets



Source: Annual report

PPOP / Average total assets



Source: Annual report

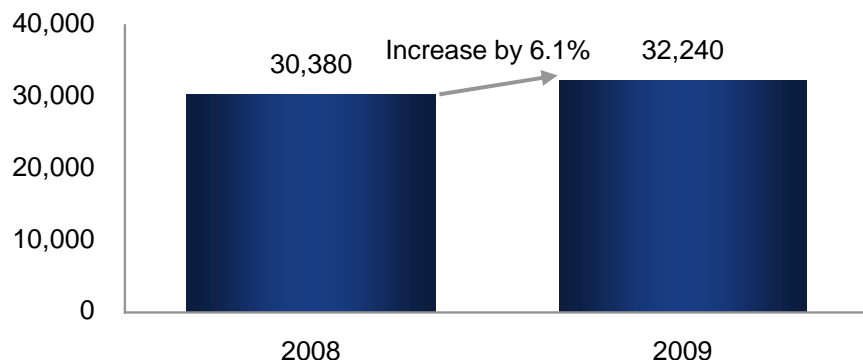
Net Interest Income



Because of interest rate cuts, NIM decreased but regained upward trend in 3Q

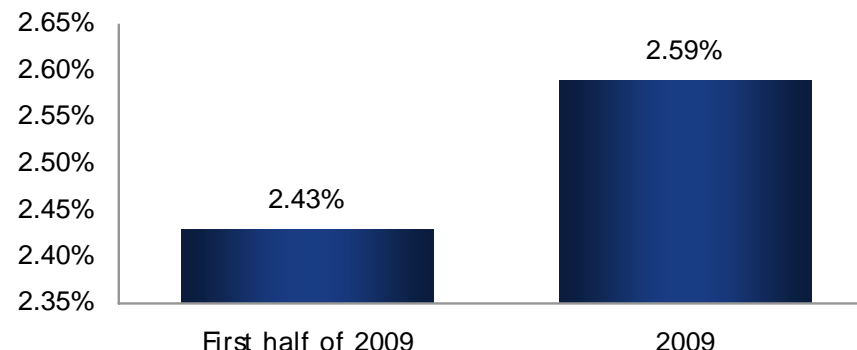
Net interest income

(RMB million)



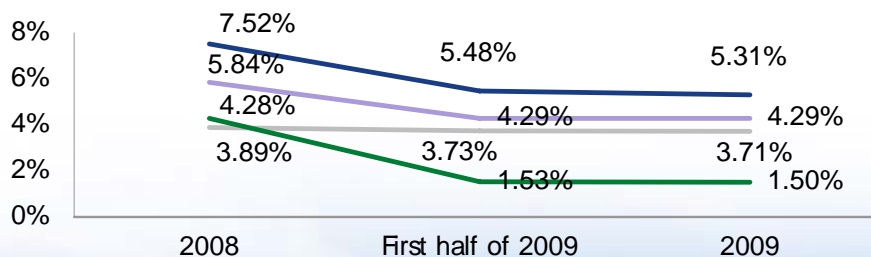
Source: Annual report

Net interest margin



Source: Annual report

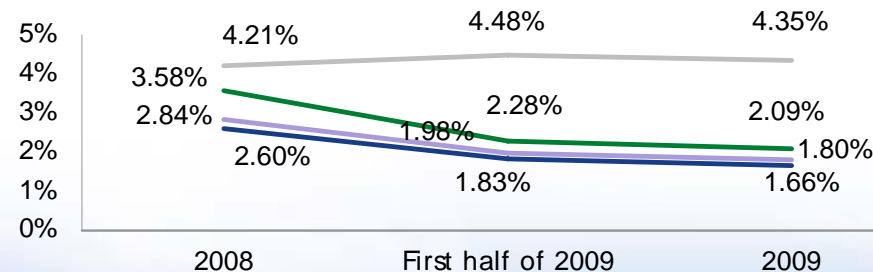
Average yield of interest-earning assets



- Gross loans to customers
- Investment securities and trading assets
- Due from and placements with banks and other financial institutions
- Total interest-earning assets

Source: Annual report

Average cost of interest bearing liabilities



- Deposits from customers
- Due to and placements with banks and other financial institutions
- Debt securities in issue
- Total interest bearing liabilities

Source: Annual report

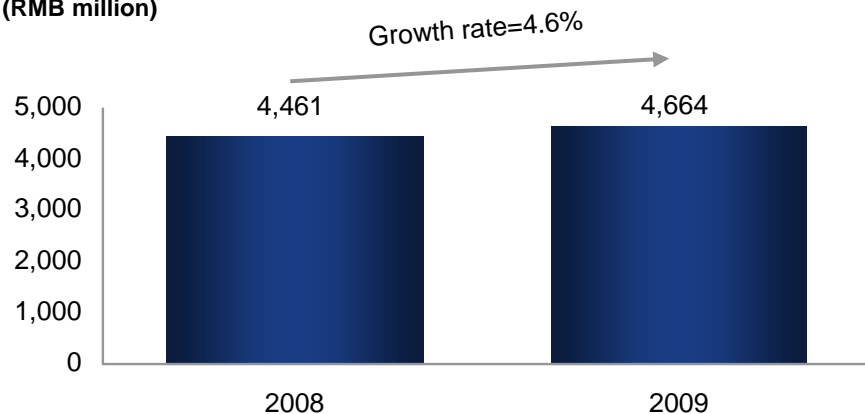
Non-interest Income



Contribution from fee and commission income remains stable as part of our diversified revenue structure

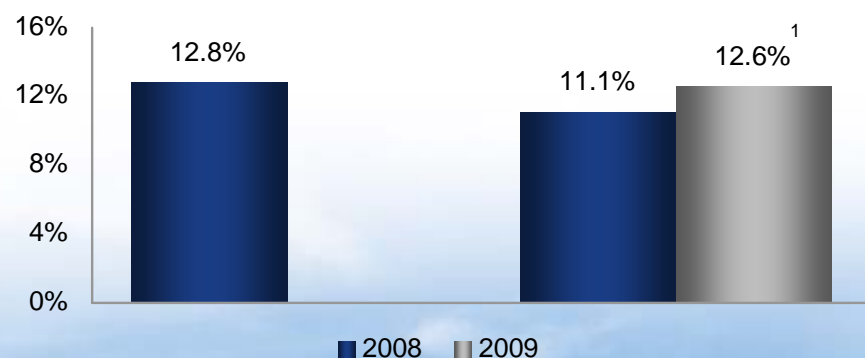
Net fee and commission income

(RMB million)



Source: Annual report

Contribution of net fee and commission income



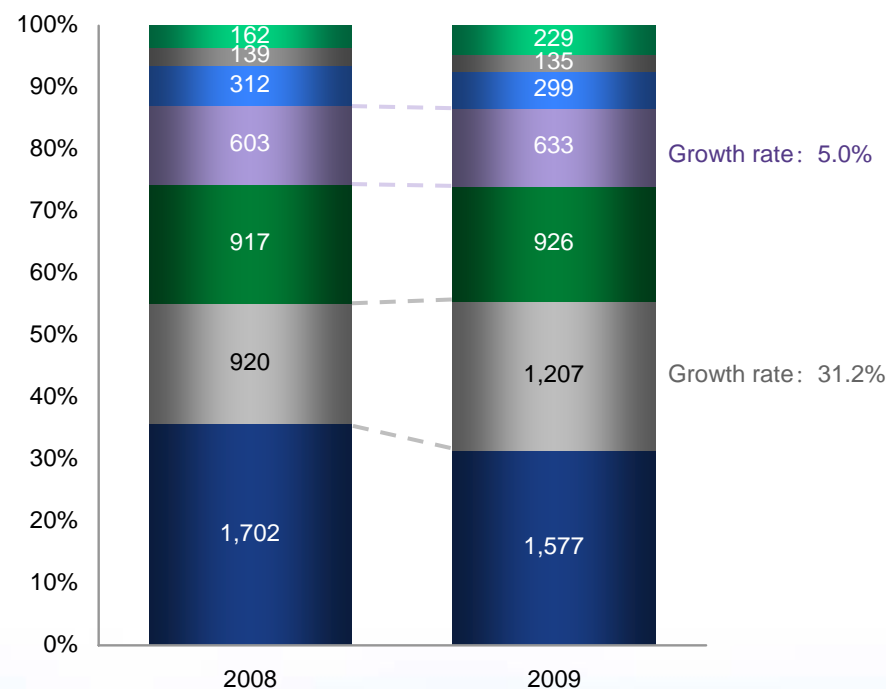
Source: Annual report

Note:

¹ Excluding the income from settlement of Haitong Securities

Fee and commission income structure

(RMB million)



- Others
- Agency fees
- Settlement and clearing service fees
- Trust and other fiduciary service fees
- Credit commitment fee and commission
- Bank card service charges
- Consulting and advisory service fees

Source: Annual report

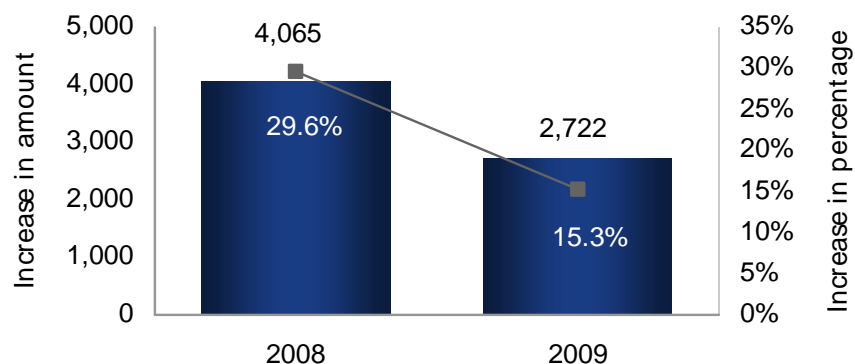
Operating Efficiency



Further improvement in operation efficiency due to significant slowdown of cost growth and an increase in contribution per branch/employee

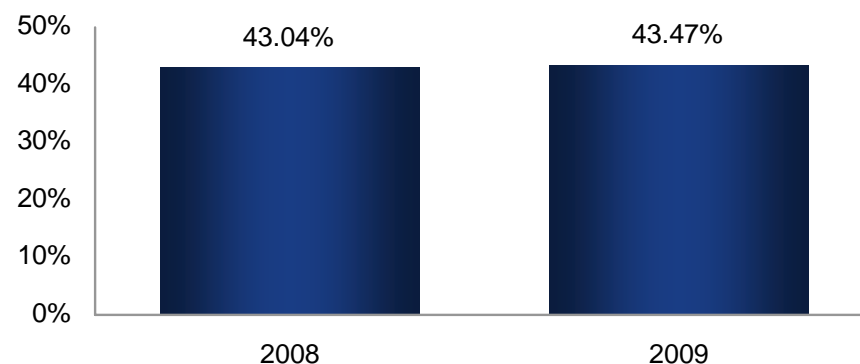
Increase in operating expense

(RMB million)



Source: Annual report

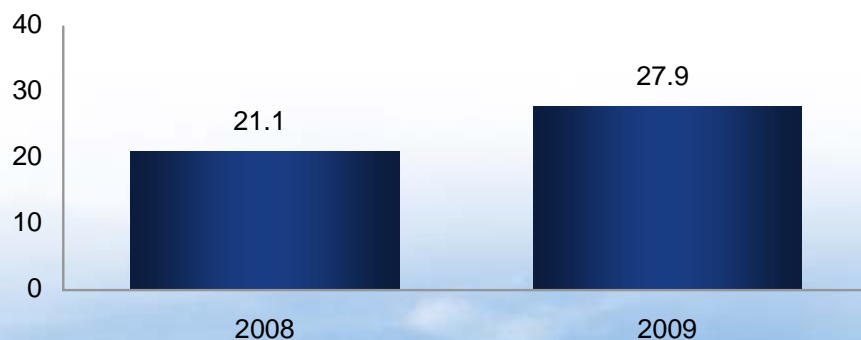
Cost to income ratio (ex business tax)¹



Source: Annual report

Net income per branch

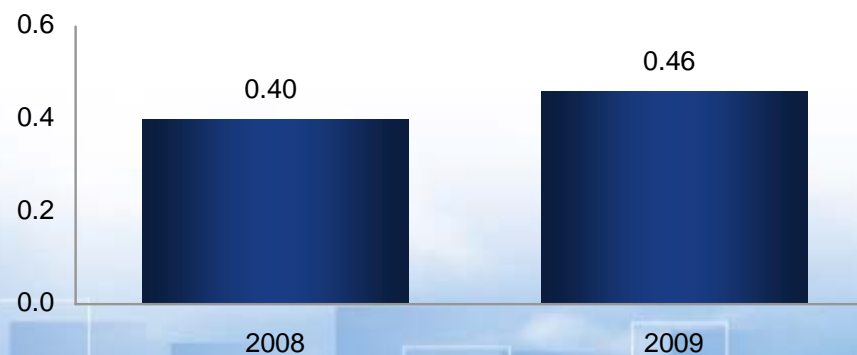
(RMB million)



Source: Annual report

Net income per employee

(RMB million)



Source: Annual report

Note:

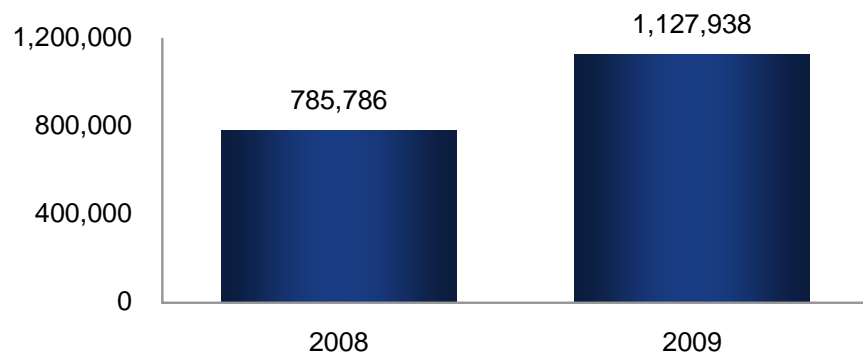
1. Cost to income ratio=(operating expense + other operating expense – business tax and surcharge) / operating income

Loans and Deposits



Total Deposits

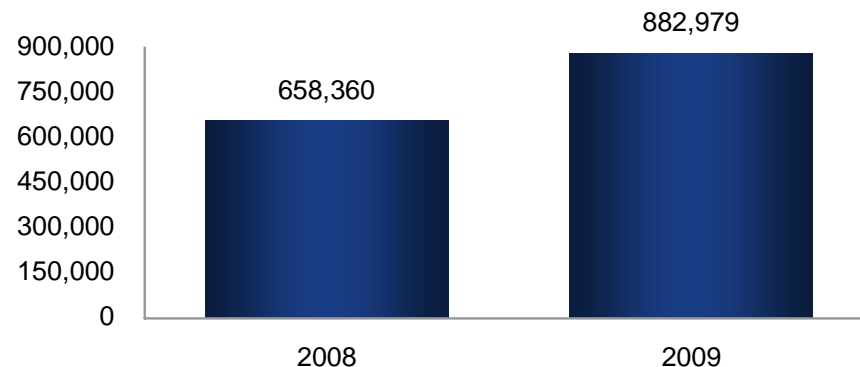
(RMB million)



Source: Annual report

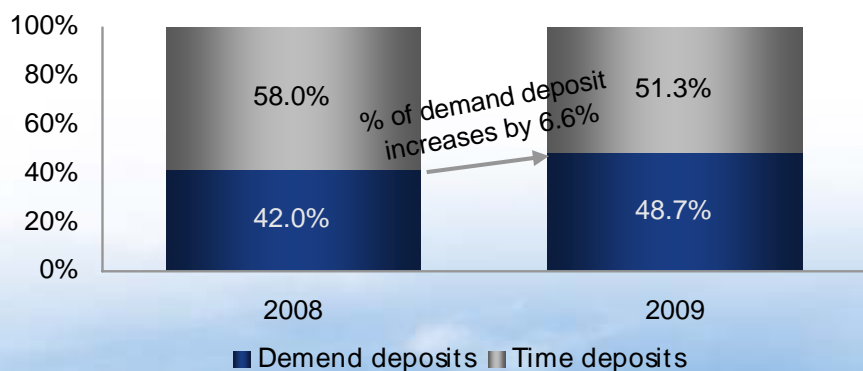
Total Loans

(RMB million)



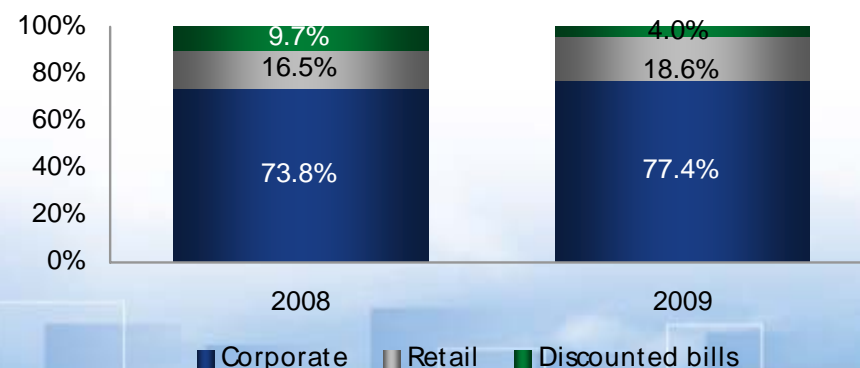
Source: Annual report

Deposit structure (based on terms)



Source: Annual report

Loan structure



Source: Annual report

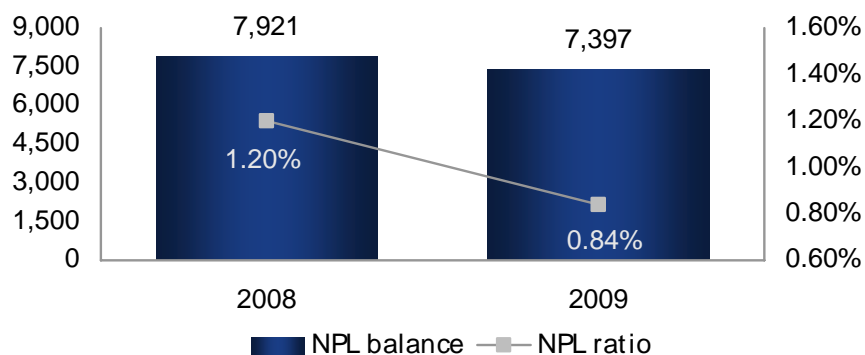
Asset Quality



Both NPL balance and NPL ratio declined, while NPL coverage ratio has increased

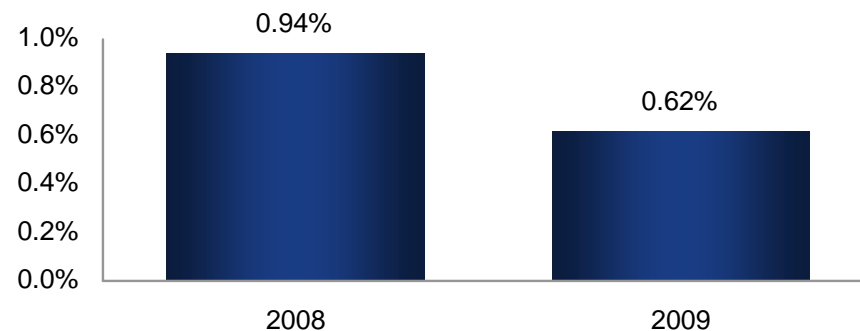
NPL balance and NPL ratio

(RMB million)



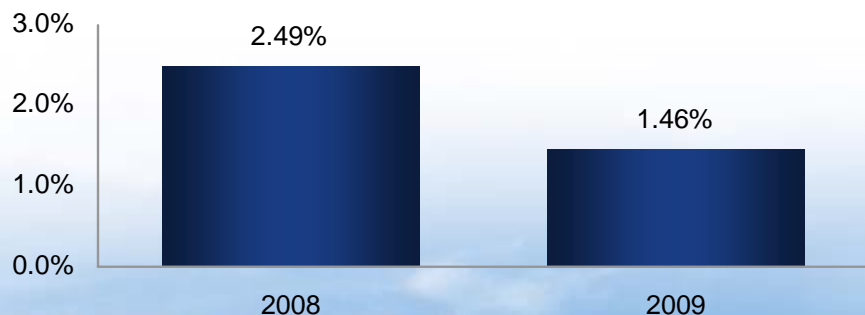
Source: Annual report

Credit cost



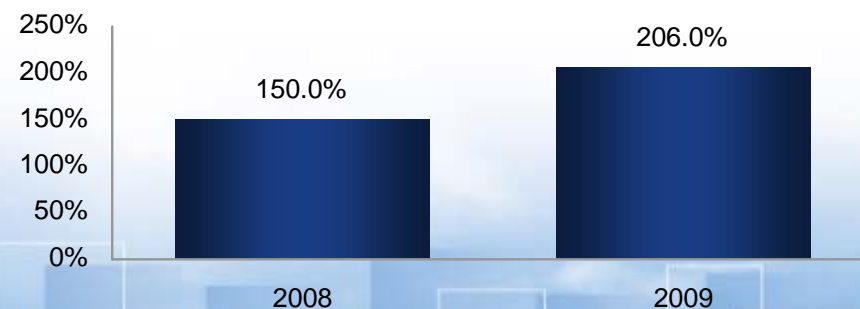
Source: Annual report

Special-mentioned loan / Total loans



Source: Annual report

NPL coverage ratio

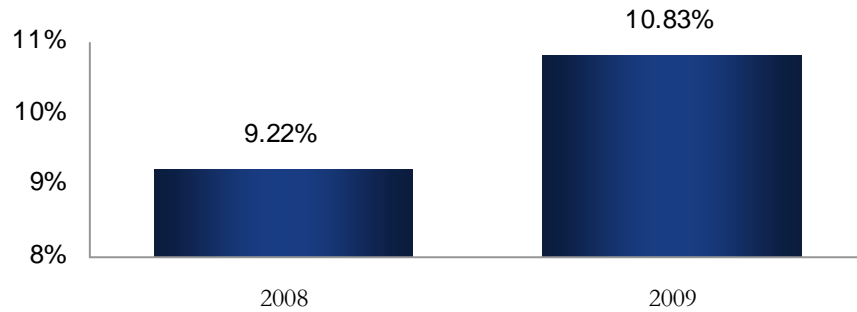


Source: Annual report

Capital Adequacy Ratio

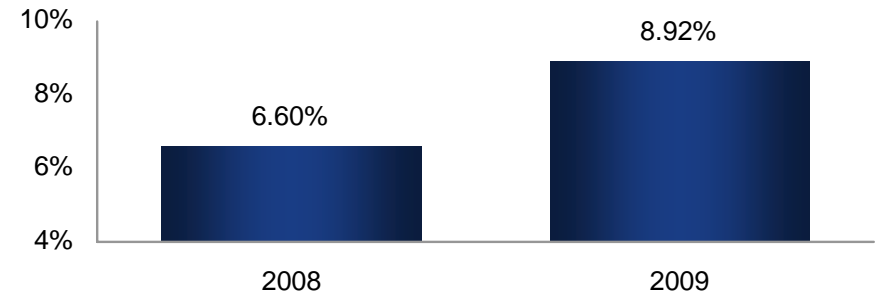


Capital adequacy ratio



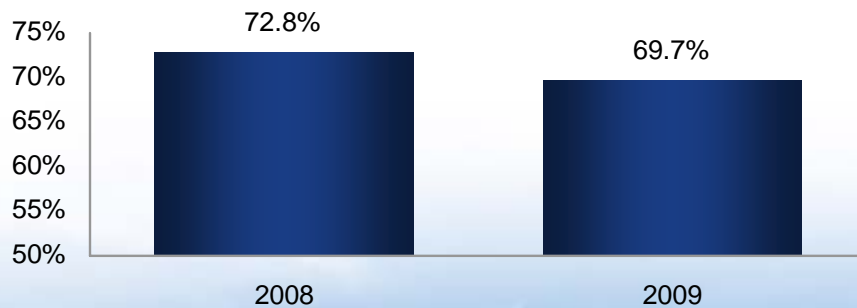
Source: Annual report

Core capital adequacy ratio



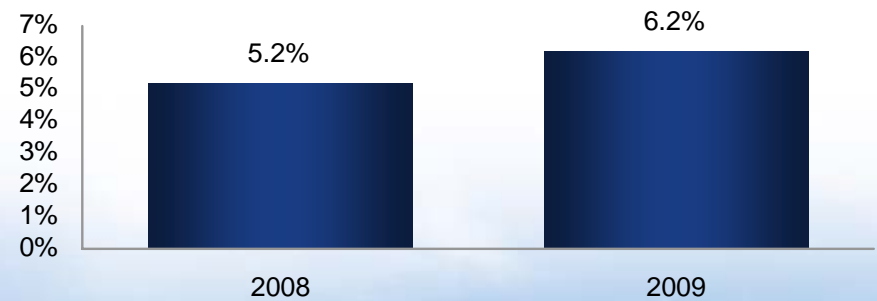
Source: Annual report

RWA/Total assets



Source: Annual report

Shareholders' equity/Total assets



Source: Annual report

Agenda



1

Business review

2

Financial review

3

Outlook

Outlook for 2010



We will capitalize on market opportunities and leverage the capital platform to achieve business growth and our strategic goals

Opportunities

- ◆ Recovering global economy, reviving labor market and improving investment and consumption
- ◆ Maintenance of moderately easing monetary and fiscal policy and sustainable stable growth of China
- ◆ Strong growth potential in infrastructure investment for 2010
- ◆ Continuously robust growth of consumption driven by the stimulus package
- ◆ Favorable external environment underpinned by the economic growth to support the healthy growth of banking sector and improved bargaining power of banks due to the strong demand for loans and less funding available

Challenges

- ◆ Unstable foundation for the present recovery
- ◆ Emerging structural risks
- ◆ Higher uncertainty in macro policy
- ◆ Pressure from capital and liquidity in the banking sector
- ◆ Increased competition in the banking sector
- ◆ Stricter regulation of banking sector

Outlook for 2010



We will capitalize on market opportunities and leverage the capital platform to achieve business growth and our strategic goals

Business strategies and initiatives for 2010

Proactively address the changing environment with strategic focus on the private-owned enterprises, small and micro-enterprises and high end customers.

To maximize shareholder value by continuing the process bank reform and speed up the construction of “unique and efficient bank”.

