

First Quarterly Report of 2011

China Minsheng Banking Corp., Ltd.

Important Notice

The Board of Directors, the Supervisory Board, and the Directors, Supervisors and Senior Management of China Minsheng Banking Corp., Ltd. (the “Company” or the “Bank” and together with its subsidiaries, the “Group”) warrant that there are no misstatements, misleading representations or material omissions in this quarterly report, and shall assume joint and several liability for the truthfulness, accuracy and completeness of its contents.

The quarterly report was approved on 27 April 2011 at the 17th meeting of the 5th session of the Board of Directors of the Company.

Board of Directors
China Minsheng Banking Corp., Ltd.

Mr. Dong Wenbiao (Chairman), Mr. Hong Qi (President), Mr. Zhao Pinzhang and Mr. Duan Qingshan (senior management responsible for finance and accounting) and Ms. Bai Dan (Head of Finance and Accounting Department) warrant the truthfulness and completeness of the financial reports included in this quarterly report.

I. Profile

(1) Key financial data and indicators

(Unit: RMB million, unless otherwise specified)

Item	As at the end of this reporting period 31 March 2011	As at the end of the previous year 31 December 2010	Changes from the end of the previous year to the end of this reporting period (%)
Total assets	2,042,700	1,823,737	12.01
Equity attributable to equity holders of the Bank	110,381	104,108	6.03
Net assets per share attributable to equity holders of the Bank (RMB/share)	4.13	3.90	5.90
	From the beginning of the year to the end of the reporting period January – March 2011		Changes over the same period of the previous year (%)
Net cash flow from operating		70,778	1,317.83

activities		
Net cash flow per share from operating activities (RMB/share)	2.65	1,104.55

Item	During this reporting period January – March 2011	From the beginning of the year to the end of the reporting period January – March 2011	Changes over the same period of the previous year (% , percentage point)
Net profit attributable to equity holders of the Bank	6,210	6,210	45.47
Basic earnings per share attributable to equity holders of the Bank (RMB/share)	0.23	0.23	43.75
Diluted earnings per share attributable to equity holders of the Bank (RMB/share)	0.23	0.23	43.75
Return on weighted average equity attributable to equity holders of the Bank (%)	5.79	5.79	Increased by 1.06 percentage points
Return on weighted average equity attributable to equity holders of the Bank after exclusion of extraordinary gain/loss items (%)	5.81	5.81	Increased by 1.07 percentage points

Extraordinary gains/losses items

Item	January – March 2011
Extraordinary gains	5
Extraordinary losses	37
Net non-operating income and expense	-32
Profit/loss attributable to non-controlling interests	0
Less: Income tax effect of non-recurring profit/loss items	-8
Net extraordinary gain/loss items	-24

(2) Supplemental financial data as at the end of this reporting period and the end of the previous year

(Unit: RMB million)

Item	31 March 2011	31 December 2010
Total liabilities	1,931,092	1,718,480

Total deposits from customers	1,486,335	1,416,939
Of which: Corporate deposits	1,225,698	1,184,111
Individual deposits	258,392	231,215
Other deposits	2,245	1,613
Placements from banks and other financial institutions	37,096	10,975
Total loans and advances	1,088,109	1,057,571
Of which: Corporate loans	792,384	778,409
Individual loans	295,725	279,162
Non-performing loans	7,136	7,339
Allowance for impairment loss on loans	21,457	19,848

(3) Management discussion and analysis

During the reporting period, the Company had fully promoted strategic transformation, accelerated optimization and adjustment on business structure. As a result, its profitability continued to improve and the size of asset and liability expanded steadily. As at the end of the reporting period, the total assets and total liabilities of the Group amounted to RMB2,042,700 million and RMB1,931,092 million, representing an increase of 12.01% and 12.37% from the end of the previous year respectively. Of which, total loans and advances amounted to RMB1,088,109 million, increased by 2.89% from the end of the previous year; total deposits from customers was RMB1,486,335 million, increased by 4.90% from the end of the previous year. During the reporting period, the “Shang Dai Tong” loan business of the Company kept growing. As at the end of the reporting period, the outstanding loans of “Shang Dai Tong” was RMB176,928 million, representing an increase of 11.29% or RMB17,942 million from the end of the previous year. The non-performing loan (“NPL”) ratio of “Shang Dai Tong” loans of the Company maintained at a low level of 0.11% as at the end of the reporting period.

In the first quarter of 2011, the profitability of the Group improved significantly. Net profit attributable to equity holders of the Group amounted to RMB6,210 million, representing an increase of 45.47% as compared with the corresponding period of the previous year. Operating income amounted to RMB17,157 million, representing an increase of RMB4,778 million or 38.60% as compared with the corresponding period of the previous year. Of which, net interest income was RMB13,404 million, representing an increase of 32.80% as compared with the corresponding period of the previous year, and net non-interest income was RMB3,753 million, accounting for 21.87% of the operating income, which was 3.4 percentage points higher than the corresponding period of the previous year.

The asset quality of the Group maintained stable when the business scale kept expanding. As at the end of the reporting period, the Group's NPL ratio (according to Five-Category Classification) was 0.66%, down by 0.03 percentage point as compared with the end of the previous year. The allowance for non-performing loan ratio was 300.69%, representing an increase of 30.24 percentage points as compared with the end of the previous year.

(4) Share capital

Total number of shareholders and shareholdings of the top ten holders of shares not subject to restriction on sales

Total number of shareholders as at the end of this reporting period	1,014,063	
Shareholdings of the top ten holders of shares not subject to restriction on sales		
Name of shareholder	Number of shares not subject to restriction on sales held as at the end of the reporting period	Class of shares (A, B, H or others)
HKSCC Nominees Limited	4,080,838,248	H
New Hope Investment Co., Ltd.	1,333,586,825	A
China Life Insurance Co., Ltd.-Traditional-Common Insurance Products-005L-CT001, SH	1,151,307,314	A
China Shipowners Mutual Assurance Association	905,764,505	A
Orient Group Incorporation	888,970,224	A
China SME Investment Co., Ltd.	737,955,031	A
China Oceanwide Holdings Group Co., Ltd.	698,939,116	A
Fuxin Group Co., Ltd.	574,603,116	A
Sichuan South Hope Industrial Co., Ltd.	558,306,938	A
China Life Insurance Co., Ltd. - Bonus - Personal Bonus -005L-FH002, SH	242,728,560	A

II. Significant Events

(1) Significant changes in key accounting items and financial indicators of the Group and explanation of such changes

(Unit: RMB million)

Key item	As at the end of this reporting period	Changes from the end of the previous year (%)	Main reason
Balance Sheet			

Due from banks and other financial institutions	229,410	82.85	The Group increased due from banks and other financial institutions in response to changes in capital supply and market interest rates.
Financial assets purchased under resale agreements	195,631	73.23	The Group increased financial assets purchased under resale agreements in response to changes in capital supply and market interest rates.
Due to banks and other financial institutions	304,413	59.97	The business expanded continuously due to the increase in of inter-bank customers of the Group.
Income Statement	For the reporting period	Changes from the same period of the previous year (%)	Main reason
Interest income	22,972	52.64	Rise in benchmark interest rate, expansion of daily average size of interest-bearing asset of the Group and increase of pricing on strategic businesses.
Interest expenses	9,568	93.02	Rise in benchmark interest rate and expansion of daily average size of interest-bearing liabilities of the Group.
Fee and commission income	3,054	42.51	Increase in income from businesses of the Group including wealth management, trade finance and asset custody, etc..
Business tax and surcharges	1,259	48.12	Increase in operating income of the Group.
Impairment losses on assets	1,788	53.48	Increase in allowance for impairment loss on loans of the Group.
Income tax expenses	1,950	46.73	Increase in assessable income of the Group.

(2) Development and impacts of significant events and analysis of and explanation on the solutions

Applicable Inapplicable

(3) Equities of other listed companies held by the Company

Applicable Inapplicable

(4) Equities of other unlisted financial institutions and companies to be listed held by the Company

Applicable Inapplicable

	Registered capital (RMB million)	Shareholding ratio of the Company
Minsheng Financial Leasing Co., Ltd.	3,200	81.25%
Minsheng Royal Fund Management Co., Ltd.	200	60%
Pengzhou Minsheng Township Bank Co., Ltd.	55	36.36%
Cixi Minsheng Township Bank Co., Ltd.	100	35%

Shanghai Songjiang Minsheng Township Bank Co., Ltd.	100	35%
Qijiang Minsheng Township Bank Co., Ltd.	60	50%
Tongnan Minsheng Township Bank Co., Ltd.	50	50%
Ziyang Minsheng Township Bank Co., Ltd.	80	51%
Meihekou Minsheng Township Bank Co., Ltd.	50	51%
Wuhan Jiangxia Minsheng Township Bank Co., Ltd.	80	51%
Changyuan Minsheng Township Bank Co., Ltd.	50	51%
Yidu Minsheng Township Bank Co., Ltd.	50	51%

(5) Status of fulfillment of undertakings given by the Company, shareholders and ultimate controller

Applicable Inapplicable

(6) Warning and explanation on the anticipated accumulated losses from the beginning of the year to the end of the following reporting period or on significant changes over the corresponding period of the previous year

Applicable Inapplicable

(7) Status of implementation of the cash-based bonus policy for the reporting period.

Applicable Inapplicable

Dong Wenbiao
Chairman
Board of Directors
China Minsheng Banking Corp., Ltd.

27 April 2011

Appendices: Balance Sheet, Income Statement, Statement of Cash Flow

China Minsheng Banking Corp., Ltd.
Written Confirmation of the First Quarterly Report of 2011 of the Company
by Directors and Senior Management

In accordance with the relevant rules and requirements of the Securities Law of the People's Republic of China, Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No.13 ---- Special Provisions on Contents and Formats of Quarterly Report (Revised 2007) and the Listing Rules of the Shanghai Stock Exchange, we, as Directors and Senior Management of China Minsheng Banking Corp., Ltd., after acquiring full understanding of and performing review of the First Quarterly Report of 2011 of the Company, hereby issue the following opinion:

1. The Company operates in strict compliance with the Accounting Standard for Business Enterprises and relevant rules and regulations. The First Quarterly Report of 2011 of the Company fairly reveals the financial position and operating results of the Company during the reporting period.

2. We hereby warrant that the information disclosed in the First Quarterly Report of 2011 of the Company is true, accurate and complete, and there are no misstatements, misleading representations in or material omissions from this report, and shall assume joint and several liability for the truthfulness, accuracy and completeness of its contents.

Signatures of Directors and Senior Management:

DONG Wenbiao	ZHANG Hongwei	LU Zhiqiang
LIU Yonghao	WANG Yugui	CHEN Jian
WONG Hei	SHI Yuzhu	WANG Hang
WANG Junhui	LIANG Jinquan	WANG Songqi
Andrew WONG	QIN Rongsheng	WANG Lihua
HAN Jianmin	HONG Qi	LIANG Yutang
XING Benxiu	SHAO Ping	ZHAO Pinzhang
MAO Xiaofeng	DUAN Qingshan	

Board of Directors
China Minsheng Banking Corp., Ltd.

27 April 2011

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Balance Sheet as at 31 March 2011

(All amounts in RMB million unless otherwise stated)

Assets	The Group		The Bank	
	31 March	31 December	31 March 2011	31 December
	2011	2010	2011	2010
	(unaudited)	(audited)	(unaudited)	(audited)
Cash and balances with central bank	262,264	266,835	260,145	265,624
Due from banks and other financial institutions	229,410	125,462	229,068	124,857
Precious metals	299	279	299	279
Lendings to banks and other financial institutions	32,609	36,453	32,609	36,453
Trading financial assets	8,021	6,024	8,021	6,024
Derivative financial assets	420	476	420	476
Assets purchased under resale agreements	195,631	112,932	197,810	112,932
Interest receivable	5,669	5,169	5,599	5,089
Loans and advances to customers	1,066,652	1,037,723	1,062,777	1,034,260
Available-for-sale financial assets	36,891	35,067	36,891	35,067
Held-to-maturity investments	121,421	128,610	121,271	128,235
Investments in receivables	11,235	11,117	11,233	11,117
Long-term receivables	32,507	29,288	-	-
Long-term equity investments	125	125	3,148	3,123
Fixed assets	11,184	8,119	10,844	7,747
Intangible assets	1,547	1,519	219	182
Deferred income tax assets	4,903	4,455	4,863	4,413
Other assets	21,912	14,084	11,266	4,432
Total assets	2,042,700	1,823,737	1,996,483	1,780,310

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Balance Sheet as at 31 March 2011 (continued)

(All amounts in RMB million unless otherwise stated)

Liabilities and shareholders' equity	The Group		The Bank	
	31 March 2011 (unaudited)	31 December 2010 (audited)	31 March 2011 (unaudited)	31 December 2010 (audited)
Liabilities				
Due to banks and other financial institutions	304,413	190,296	276,784	191,385
Borrowings from banks and other financial institutions	37,096	10,975	36,296	10,975
Borrowings from foreign governments	345	333	345	333
Borrowings from other financial institutions	56	25,211	-	-
Derivative financial liabilities	347	368	347	368
Assets sold under repurchase agreements	33,983	23,873	27,835	15,247
Deposits from customers	1,486,335	1,416,939	1,480,953	1,411,725
Payroll payable	3,903	3,199	3,868	3,142
Tax payable	5,445	6,242	5,325	6,171
Interest payable	11,511	8,774	11,274	8,567
Provisions	2,426	1,966	2,426	1,966
Bonds payable	31,446	21,496	31,446	21,496
Other liabilities	13,786	8,808	9,918	5,376
Total liabilities	1,931,092	1,718,480	1,886,817	1,676,751
Shareholders' equity				
Share capital	26,715	26,715	26,715	26,715
Capital reserve	37,850	37,787	37,838	37,775
Surplus reserve	5,903	5,903	5,903	5,903
General reserve	13,822	13,822	13,800	13,800
Retained earnings	26,091	19,881	25,410	19,366
Total equities attributable to equity holders of the Bank	110,381	104,108	109,666	103,559

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Balance Sheet as at 31 March 2011 (continued)

(All amounts in RMB million unless otherwise stated)

	The Group		The Bank	
	31 March 2011 (unaudited)	31 December 2010 (audited)	31 March 2011 (unaudited)	31 December 2010 (audited)
Non-controlling interests in equity	1,227	1,149	-	-
Total equity	111,608	105,257	109,666	103,559
Total liabilities and equity	2,042,700	1,823,737	1,996,483	1,780,310

Legal Representative, Chairman: DONG Wenbiao (signed)

Head of Finance and Accounting Department: BAI Dan (signed)

President: HONG Qi (signed)

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Income Statement for January – March 2011

(All amounts in RMB million unless otherwise stated)

	The Group		The Bank	
	January-March 2011 (unaudited)	January-March 2010 (unaudited)	January-March 2011 (unaudited)	January-March 2010 (unaudited)
1. Operating income				
Interest income	22,972	15,050	22,188	14,719
Interest expense	(9,568)	(4,957)	(9,177)	(4,819)
Net interest income	13,404	10,093	13,011	9,900
Fee and commission income	3,054	2,143	2,903	2,056
Fee and commission expense	(103)	(84)	(94)	(68)
Net fee and commission income	2,951	2,059	2,809	1,988
Investment income ^{1 Note}	743	69	743	68
Gains/(losses) from fair value changes	(7)	55	(7)	55
Foreign exchange gains	54	102	55	102
Income from other business	12	1	3	-
2. Operating expense				
Business tax and surcharges	(1,259)	(850)	(1,217)	(834)
Operating and administrative expenses	(5,379)	(4,729)	(5,311)	(4,656)
Impairment losses on assets	(1,788)	(1,165)	(1,649)	(1,120)
Other operating expenses	(485)	(14)	(485)	(1)
3. Operating profit	8,246	5,621	7,952	5,502
Plus: non-operating income	5	28	4	28
Less: non-operating expense	(37)	(37)	(37)	(37)
4. Total profit	8,214	5,612	7,919	5,493
Less: Income tax expense	(1,950)	(1,329)	(1,875)	(1,294)
5. Net profit	6,264	4,283	6,044	4,199
Net profit attributable to equity holders of the Bank	6,210	4,269		

¹ Note: The Bank restructured the calculation of buyout price spread in the bills system in the first quarter of 2011. As a result, upon transfer-out of buyout discounted bills, the difference between unamortized discount interest income and the inter-bank discount cost was calculated as income from spread which was calculated as margin income before the restructuring.

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Income Statement for January – March 2011 (continued)

(All amounts in RMB million unless otherwise stated)

	The Group		The Bank	
	January-March 2011 (unaudited)	January-March 2010 (unaudited)	January-March 2011 (unaudited)	January-March 2010 (unaudited)
Profit/loss attributable to minority interests	54	14		
6. Earnings per share (Unit: RMB per share)				
-Basic earnings per share	0.23	0.16		
-Diluted earnings per share	0.23	0.16		
7. Other comprehensive income	63	378	63	378
8. Total comprehensive income	6,327	4,661	6,107	4,577
Total comprehensive income attributable to equity holders of the Bank	6,273	4,647		
Total comprehensive income attributable to minority interests	54	14		

Legal Representative, Chairman: DONG Wenbiao (signed)
Head of Finance and Accounting Department: BAI Dan (signed)

President: HONG Qi (signed)

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Statement of Cash Flows for January – March 2011

(All amounts in RMB million unless otherwise stated)

	The Group		The Bank	
	January – March 2011	January – March 2010	January – March 2011	January – March 2010
1. Cash flow from operating activities	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net increase in deposits from customers and due to banks and other financial institutions	154,763	42,126	154,627	41,831
Cash received from interests, fees and commissions	24,603	14,428	23,822	14,005
Net increase in borrowings from banks and other financial institutions	-	28,143	-	27,218
Other cash received in relation to operating activities	9,078	1,738	746	386
Subtotal of cash inflow from operating activities	188,444	86,435	179,195	83,440
Net increase in loans and advances to customers	(30,535)	(53,505)	(30,122)	(53,078)
Net increase in balances with central bank and due from banks and other financial institutions	(17,638)	(13,563)	(17,263)	(13,399)
Net increase in lendings to other financial institutions	(42,997)	-	(43,125)	-
Cash paid for interests, fees and commissions	(6,634)	(4,101)	(6,312)	(4,046)
Cash paid to and paid for employees	(2,561)	(1,869)	(2,504)	(1,832)
Taxes paid	(4,493)	(3,833)	(4,422)	(3,811)
Other cash paid in relation to operating activities	(12,808)	(4,572)	(6,236)	491
Subtotal of cash outflow from operating activities	(117,666)	(81,443)	(109,984)	(75,675)
Net cash flow from operating activities	70,778	4,992	69,211	7,765
2. Cash flow from investing activities				
Cash received from disposal of investments	37,765	22,899	37,510	22,899

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Statement of Cash Flows for January – March 2011 (continued)

(All amounts in RMB million unless otherwise stated)

	The Group		The Bank	
	January – March 2011 (unaudited)	January – March 2010 (unaudited)	January – March 2011 (unaudited)	January – March 2010 (unaudited)
Cash received from investment returns	944	1,592	943	1,592
Cash received from disposal of fixed assets, intangible assets and other long-term assets	-	104	-	104
Subtotal of cash inflow from investing activities	38,709	24,595	38,453	24,595
Cash paid for investment	(32,432)	(28,333)	(32,402)	(28,133)
Net cash received from subsidiaries and other business units	-	-	(25)	-
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	(4,642)	(554)	(3,417)	(553)
Subtotal of cash outflow from investing activities	(37,074)	(28,887)	(35,844)	(28,686)
Net cash flow from investing activities	1,635	(4,292)	2,609	(4,091)
3. Cash flow from financing activities				
Cash received from investments	25	-	-	-
Including: Capital injection from non-controlling equity holders of subsidiaries	25	-	-	-
Cash proceeds from issuance of debt securities	9,975	-	9,975	-
Cash proceeds from other financing activities	-	6,574	-	-
Subtotal of cash inflow from financing activities	10,000	6,574	9,975	-
Cash paid for debts	-	(2,000)	-	-
Cash paid for distribution of dividend, profit or interest	(277)	(383)	(277)	(277)

China Minsheng Banking Corp., Ltd.

Consolidated and the Company's Statement of Cash Flows for January – March 2011 (continued)

(All amounts in RMB million unless otherwise stated)

	The Group		The Bank	
	January – March 2011 (unaudited)	January – March 2010 (unaudited)	January – March 2011 (unaudited)	January – March 2010 (unaudited)
Other cash paid in relation to financing activities	-	-	-	-
Subtotal of cash outflow from financing activities	(277)	(2,383)	(277)	(277)
Net cash flows from financing activities	9,723	4,191	9,698	(277)
4. Effect of changes in foreign exchange rate on cash and cash equivalents	(29)	(62)	(29)	(62)
5. Net increase in cash and cash equivalents	82,107	4,829	81,489	3,335
Plus: Cash and cash equivalents at beginning of the period	172,217	161,750	170,924	160,512
6. Cash and cash equivalents at end of the period	254,324	166,579	252,413	163,847

Legal Representative, Chairman: DONG Wenbiao (signed)

President: HONG Qi (signed)

Head of Finance and Accounting Department: BAI Dan (signed)