

# China Minsheng Banking Corp., Ltd

## 2011 Q3 Results Announcement



# Disclaimer

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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.

# Overall results overview



In Q1-Q3 2011, the Group steadily progressed with strategic transformation and structural adjustments, resulting in satisfactory operating results

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## Continued rise in profitability and ongoing optimization of income structure

- ◆ Net profit attributed to equity holders of the bank amounted to RMB21,386 million, an increase of 64.42% as compared with the corresponding period of the previous year
- ◆ Net interest income amounted to RMB46,704 million, an increase of 41.44% as compared with the corresponding period of the previous year
- ◆ Net non-interest income accounted for 22.44% of the operating income, an increase of 4.91 percentage points as compared with the corresponding period of the previous year

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## Steady improvement of asset-liability business and effective structural adjustment to strategic businesses

- ◆ Gross loans and advances amounted to RMB1,159,751 million, an increase of 9.66% from the end of the previous year
- ◆ Total deposits from customers amounted to RMB1,535,261 million, an increase of 8.35% from the end of the previous year
- ◆ Total outstanding loans of “Shang Dai Tong” amounted to RMB214,196 million, an increase of RMB55,210 million, or 34.73%, from the end of the previous year

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## Stable asset quality and stronger risk resistance capability

- ◆ NPL ratio of the Group was 0.62%, a decrease of 0.07 percentage point from the end of the previous year
- ◆ Allowance to impaired loans ratio was 355.44%, an increase of 84.99 percentage points as compared with the end of the previous year
- ◆ Allowance to total loans ratio was 2.19%, an increase of 0.31 percentage point as compared with the end of the previous year

Source:

2011 Third Quarterly Report, data are presented as PRC GAAP on a consolidated basis



# Overview of key financials



## Key data from income statement (RMB million)

	Jan- Sep 2010	Jan-Sep 2011	Growth (%)
Net interest income	33,021	46,704	↑ 41.44
Net non-interest income	7,020	13,512	↑ 92.48
Inc: Net fee and commission income	6,456	11,794	↑ 82.68
Operating income	40,041	60,216	↑ 50.39
Net profit attributable to shareholders of the Bank	13,007	21,386	↑ 64.42

## Key data from sheet of financial position (RMB million)

	31 Dec 2010	30 Sep 2011	Growth(%)
Gross loans and advances	1,057,571	1,159,751	↑ 9.66
Due from and placements with other banks and financial institutions	161,915	227,438	↑ 40.47
Total assets	1,823,737	2,121,806	↑ 16.34
Due to and placements from other banks and financial institutions	201,271	312,300	↑ 55.16
Total deposits from customers	1,416,939	1,535,261	↑ 8.35
Total liabilities	1,718,480	1,997,522	↑ 16.24

Source: 2011 Third Quarterly Report

# Overview of key financials



Key profitability indicators (%)	Jan-Sep 2010	Jan-Sep 2011	Change (%)
NIM	2.93	3.04	↑ 0.11
Cost-to-income ratio	37.71	34.88	↓ (2.83)
ROAA (annualized)	1.09	1.46	↑ 0.37
Weighted ROAE (annualized)	18.40	25.05	↑ 6.65

Key assets quality indicators (%)	31 Dec 2010	30 Sep 2011	Change (%)
NPL ratio	0.69	0.62	↓ (0.07)
Allowance to impaired loans ratio	270.45	355.44	↑ 84.99
Allowance to total loans ratio	1.88	2.19	↑ 0.31

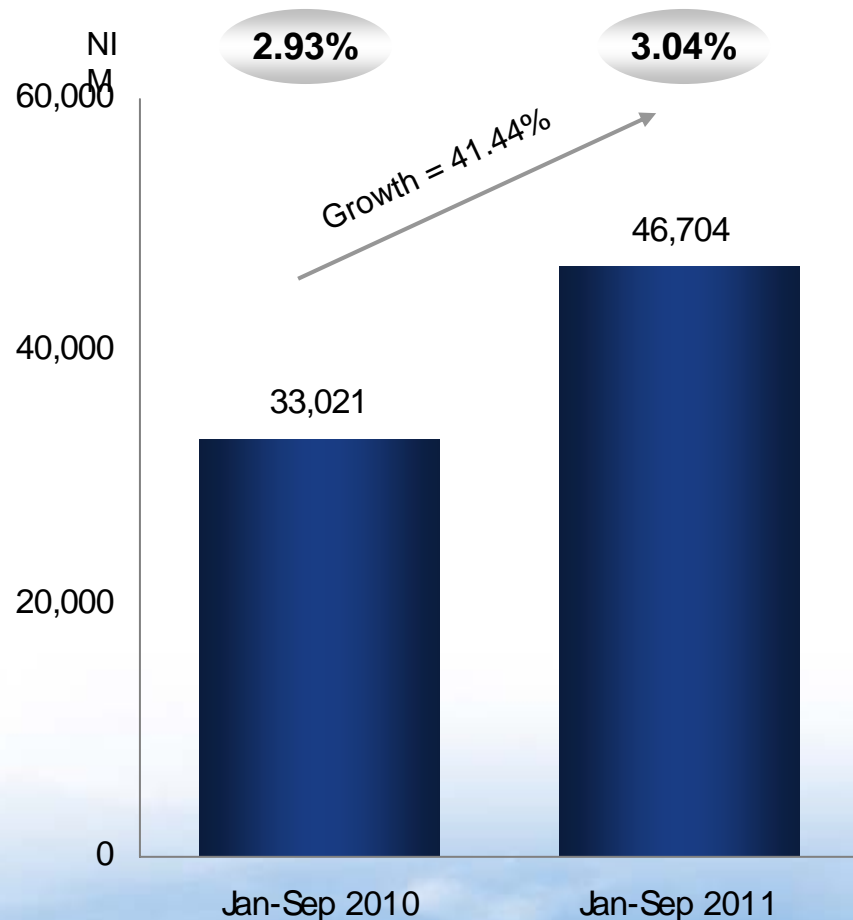
Source: 2011 Third Quarterly Report

# Continued rapid growth of net interest income



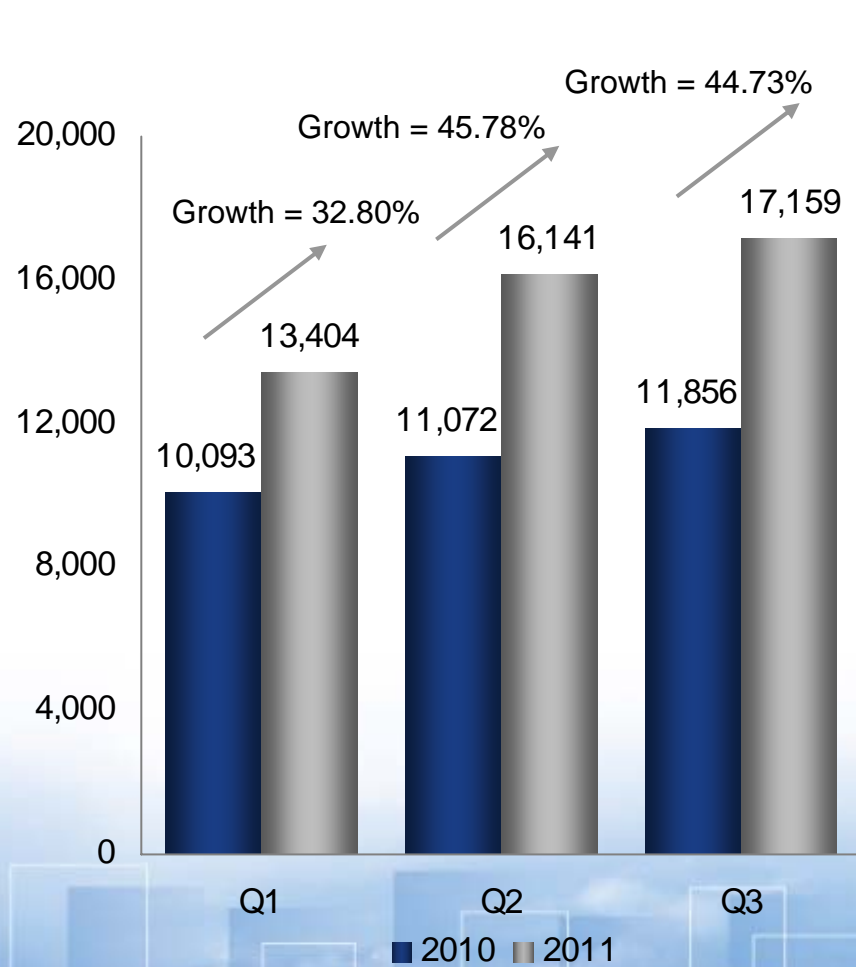
## Net interest income for the first three quarters

(RMB million)



## Net interest income of each quarter

(RMB million)



Source: 2011 First Quarterly Report, Interim Report and Third Quarterly Report

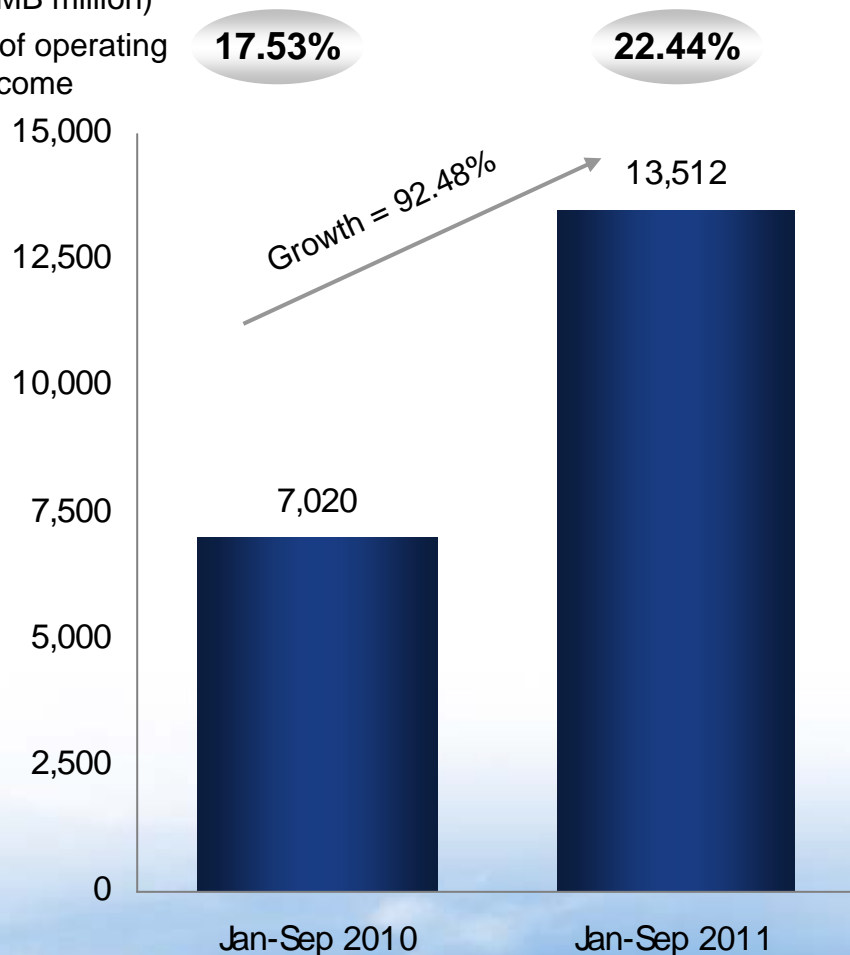
# Significant growth of non-interest income businesses



## Net non-interest income growth and as a percentage of operating income

(RMB million)

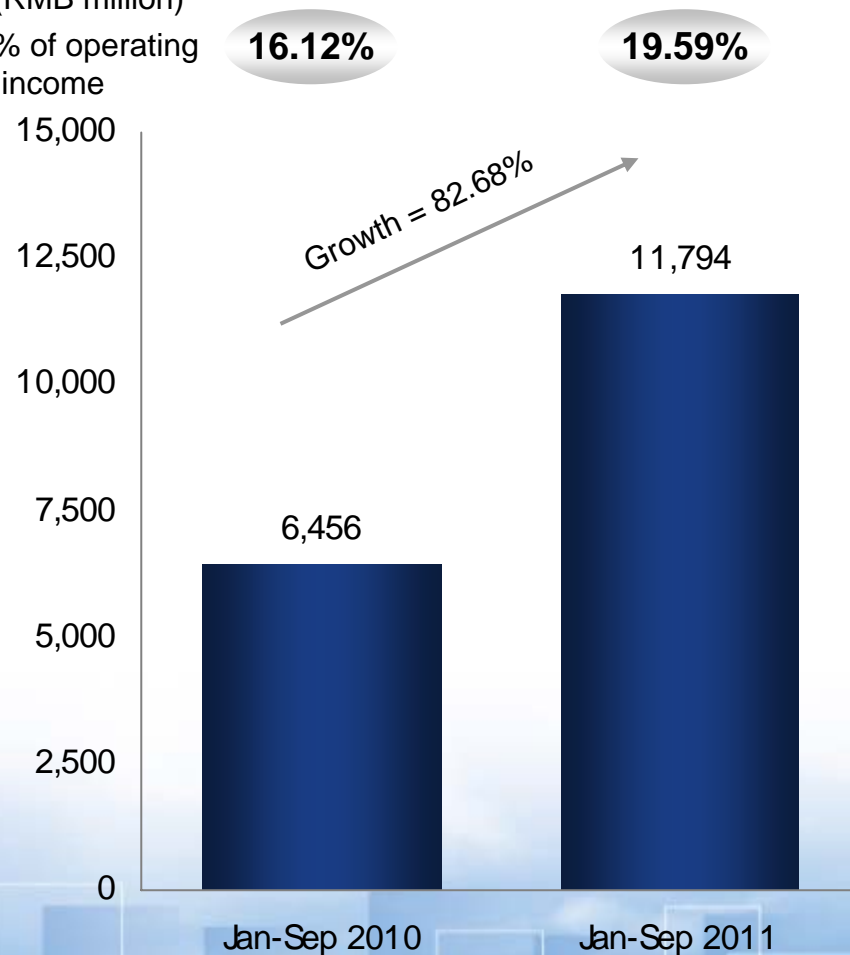
% of operating income



## Fee and commission income growth and as a percentage of operating income

(RMB million)

% of operating income

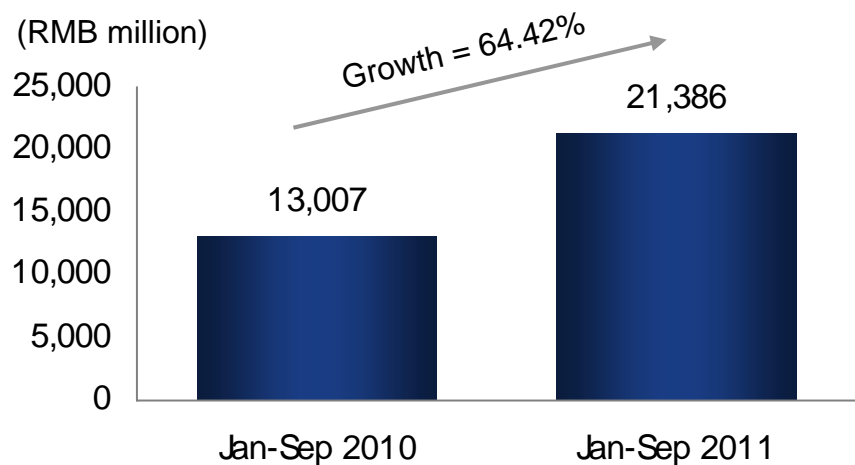


Source: 2011 Third Quarterly Report

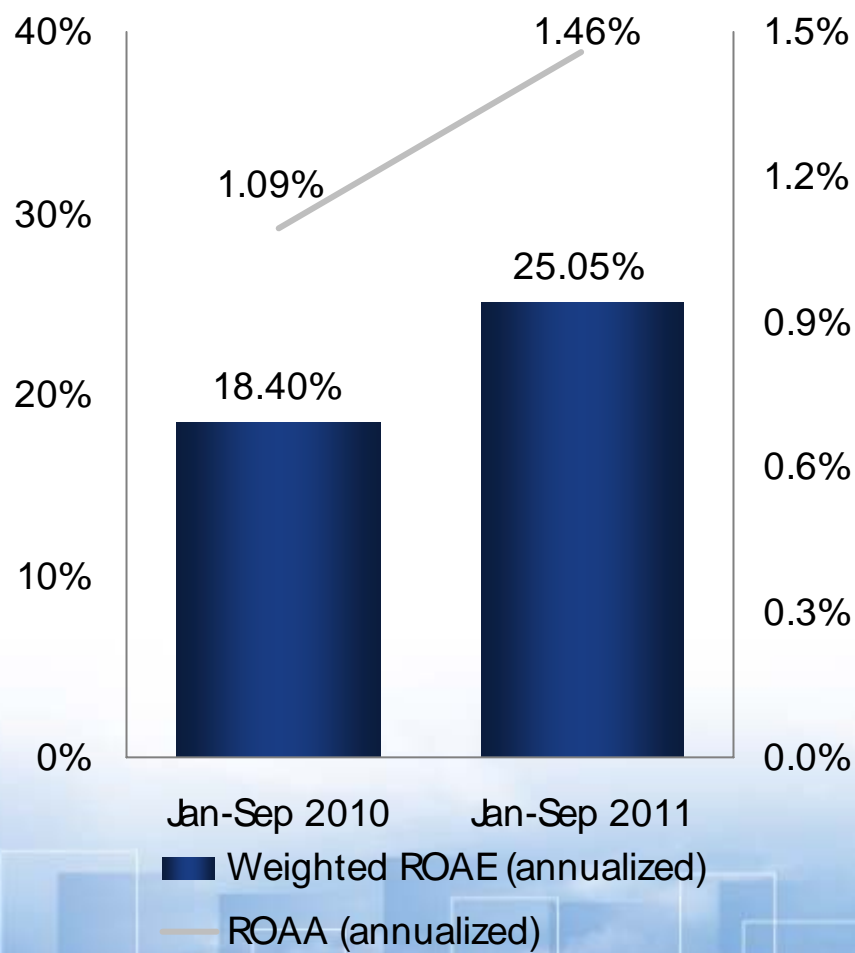
# Drop in cost-to-income ratio and hike in profitability



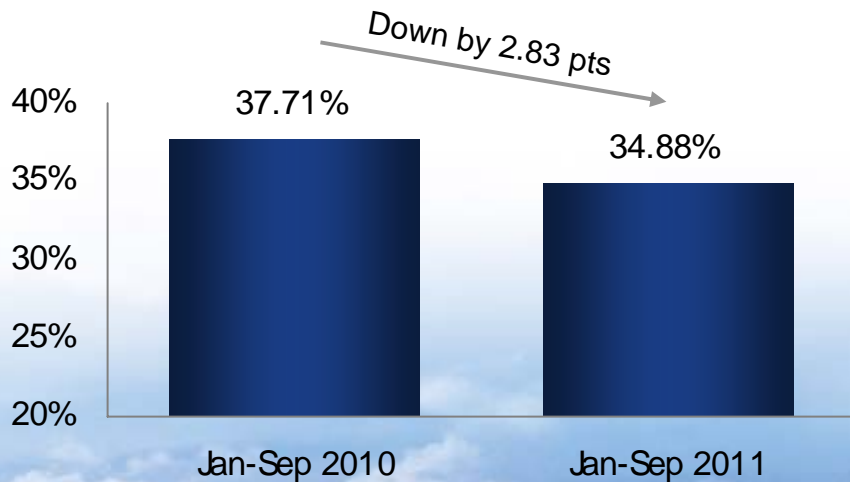
## Net profit attributable to shareholders of the Bank



## Profitability



## Cost-to-income ratio



Source: 2011 Third Quarterly Report

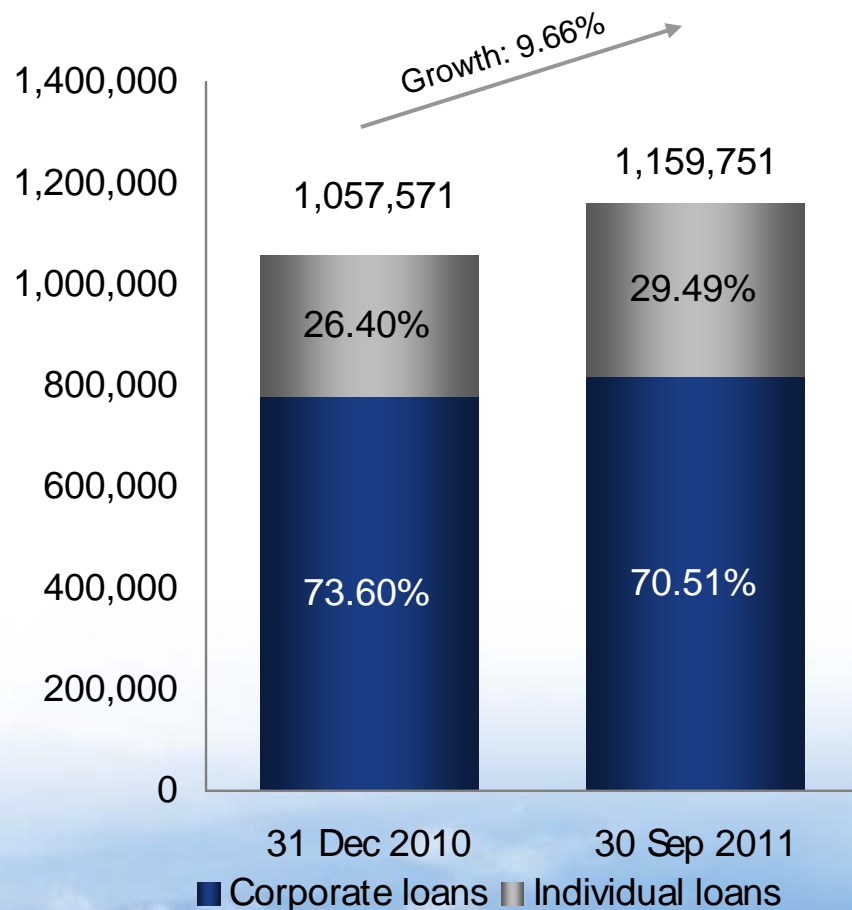


# Prudent loan growth with credit structure optimization



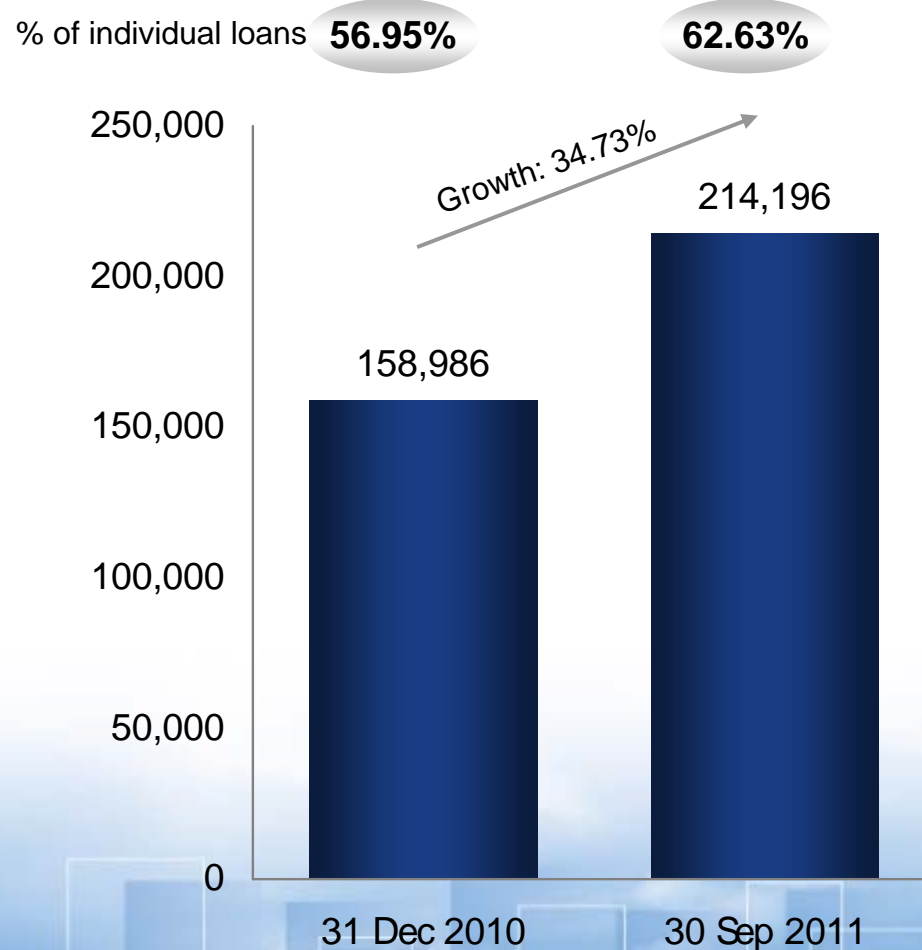
## Gross loans and advances

(RMB million)



## Outstanding balance of “Shang Dai Tong” loans

(RMB million)



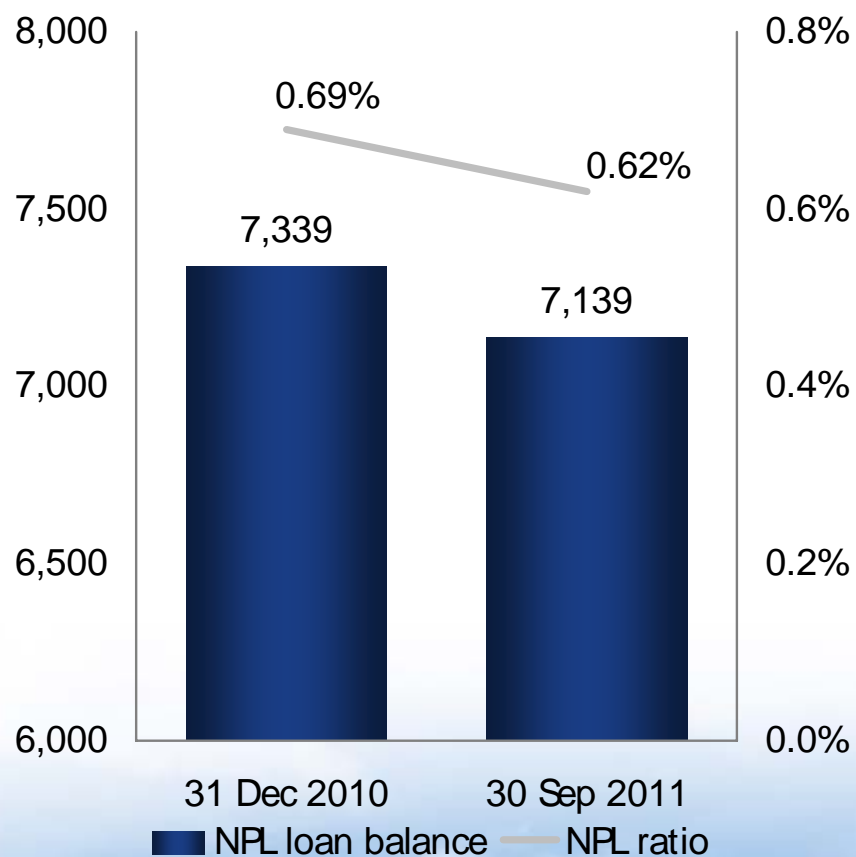
Source: 2011 Third Quarterly Report

# Stable asset quality



## NPL loan balance and ratio

(RMB million)



## Allowance to impaired loans ratio and Allowance to total loans ratio



Source: 2011 Third Quarterly Report

# Outlook for 2011 Q4



In accordance with the overall objectives that were set out at the beginning of year: “Holding on to unique characteristics, giving prominence to key businesses, enhancing management effectiveness, and speeding up reform”, we will

1

**Continue to focus on the strategic positioning of a bank for “non-state-owned enterprises”, “small and micro enterprises” and “high-end retail customers”**

2

**Consistently promote liabilities business and enhance the fundamentals of a strong deposit base**

3

**Endeavor to increase risk inspection efforts and enhance risk management and prevention**