

China Minsheng Banking Corp., Ltd.

2010 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
Director, 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

“Second take-off” strategy with focused initiatives

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

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

A bank for private enterprises

To assist private 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 innovative products and tailor-made services

Business overview



In 2010, the businesses of our Group experienced stable and healthy development and helped us achieve good operating results

1

Revenue structure and profitability improved significantly

- ◆ NIS, NIM increased notably from last year
- ◆ Net fee and commission income increased rapidly and accounted for a larger share of total operating income
- ◆ Continued cost control brought lower cost-to-income ratio and improved operating efficiency
- ◆ Operating income and profit increased significantly with improved ROAA and ROAE

2

Balanced development of asset and liability business with proven results from strategic business restructuring

- ◆ Balanced growth of loans and advances as well as customer deposits
- ◆ Customer and business structures further optimized and business restructuring proven effective
- ◆ 65.4% of new loans represented by “Shang Dai Tong” business, accounting for 57.0% of total retail loans

3

Stringent asset quality control with improved risk resistance capability

- ◆ NPL ratio further declined to 0.69%, lowered by 0.15 percentage point than the beginning of the year
- ◆ Risk resistance capability further improved with provision coverage ratio of 270.45%, 64.41 percentage point higher than the beginning of the year

4

Tightened capital management and improved capital efficiency awareness

- ◆ Capital management was included in performance assessment and awareness of capital efficiency was established throughout the Bank
- ◆ More effective utilization of tools for capital measurement, allocation and performance assessment

Overview of key financials



Key income statement data (RMB million, except EPS)

| | 2010 | 2009 | | Growth (%) |
|---|----------|----------|---|----------------------|
| Net interest income | 45,873 | 32,240 | ↑ | 42.3% |
| Net non-interest income | 8,794 | 9,797 | ↓ | (10.2%) ¹ |
| Including: net fee and commission income | 8,289 | 4,664 | ↑ | 77.7% |
| Operating income | 54,667 | 42,037 | ↑ | 30.0% |
| Operating expenses | (25,452) | (20,539) | ↑ | 23.9% |
| Impairment losses on assets | (5,504) | (5,307) | ↑ | 3.7% |
| Profit before income tax | 22,976 | 15,656 | ↑ | 46.8% |
| Net profit attributable to equity holders of the parent company | 17,581 | 12,104 | ↑ | 45.3% |
| Earnings per share (RMB) | 0.66 | 0.51 | ↑ | 29.4% |

Key profitability indicators

| | 2010 | 2009 | | Change (ppt) |
|-----------------------------------|--------|--------|---|--------------|
| Net Interest Margin (NIM) | 2.94% | 2.59% | ↑ | 0.35% |
| Cost-to-income ratio ² | 40.90% | 43.47% | ↓ | (2.57%) |
| ROAA | 1.09% | 0.98% | ↑ | 0.11% |
| ROAE | 18.30% | 17.06% | ↑ | 1.24% |

Key items of statement of financial position (RMB million)

| | 31-Dec-2010 | 31-Dec-2009 | | Growth (%) |
|---|-------------|-------------|---|------------|
| Loans and advances | 1,057,571 | 882,979 | ↑ | 19.8% |
| Investments | 181,419 | 156,956 | ↑ | 15.6% |
| Total assets | 1,823,737 | 1,426,392 | ↑ | 27.9% |
| Customer deposits | 1,416,939 | 1,127,938 | ↑ | 25.6% |
| Bonds issued | 21,496 | 23,060 | ↓ | (6.8%) |
| Equity attributable to equity holders of the parent company | 104,108 | 88,034 | ↑ | 18.3% |

Asset quality indicators

| | 31-Dec-2010 | 31-Dec-2009 | | Change (ppt) |
|--------------------------|-------------|-------------|---|--------------|
| NPL ratio | 0.69% | 0.84% | ↓ | (0.15%) |
| Provision coverage ratio | 270.45% | 206.04% | ↑ | 64.41% |

Capital adequacy indicators

| | | | | |
|-----------------------------|--------|--------|---|---------|
| Core capital adequacy ratio | 8.07% | 8.92% | ↓ | (0.85%) |
| Capital adequacy ratio | 10.44% | 10.83% | ↓ | (0.39%) |

Source: Annual report of the Company

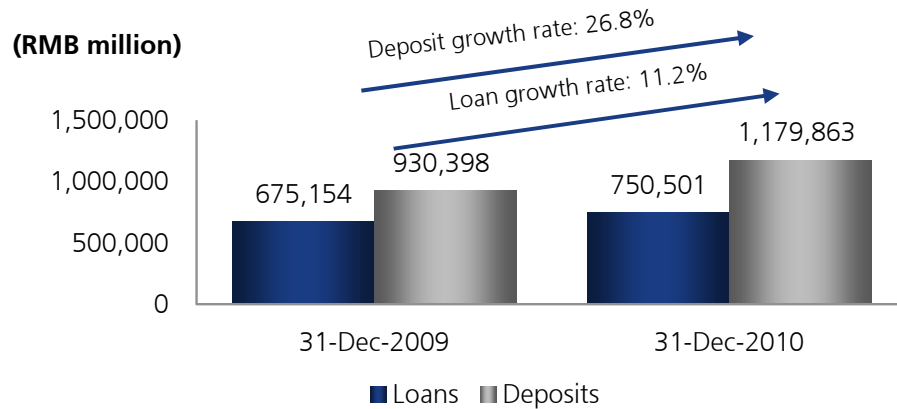
Notes:

1. Growth rate of 79.7% if gains from disposal of Haitong Securities stake in 2009 is excluded
2. Cost-to-income ratio = (operating expense + other operating expenses – business tax and surcharges)/operating income

Corporate banking business-increase in scale with continued restructuring

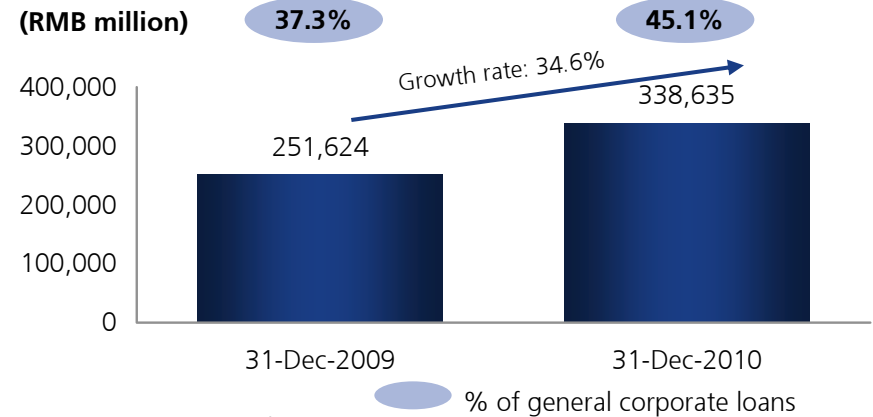
Actively coping with a changing business environment and continue to refine our business structure, customer base and income structure

Corporate deposits and loans (general corporate loans)¹



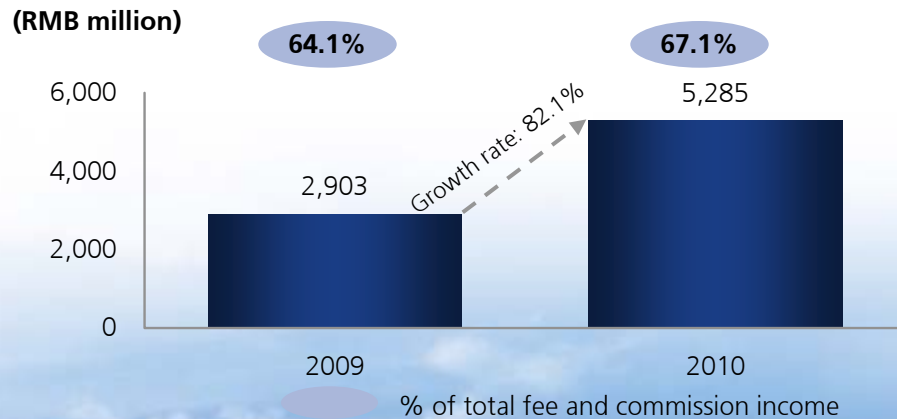
Source: Annual report

Outstanding loans to private enterprises (including SMEs)¹



Source: Annual report

Net fee and commission income from corporate banking¹

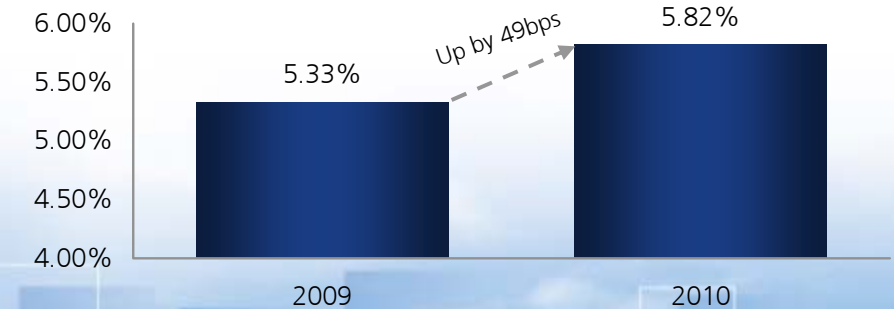


Source: Annual report

Notes:

- 1 Bank standard
- 2 Group standard

Average yield of corporate loans²



Source: Annual report

Steady growth of SBU operations



All SBUs actively coped with the complicated and changing external environment by taking initiatives to implement structural adjustments, strengthen risk prevention, explore emerging market opportunities and continue to transform our operational models. All businesses witnessed steady growth

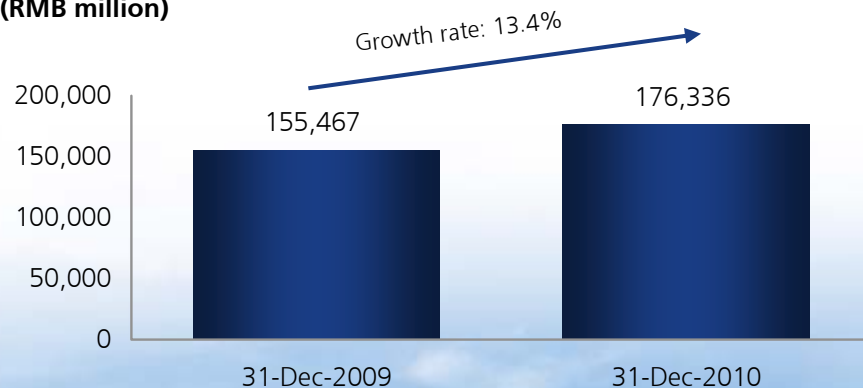
Key operations of industry-orientated SBUs

- ◆ **Real Estate Finance SBU**—actively coped with changing market environment, monitored operations more closely in order to better prevent potential risks
- ◆ **Energy Finance SBU**—accelerated the pace to terminate business relations with customers who do not meet the relevant national standard; focused on key areas with rich coal resources
- ◆ **Transportation Finance SBU**—further categorized into five sub-segments: railway, automobile, shipping, road and aviation; focused on large customers
- ◆ **Metallurgy Finance SBU**—Focused on key private enterprises and developed new customers in both upstream and downstream

Source: Annual report

Total deposits of Industry-orientated SBUs

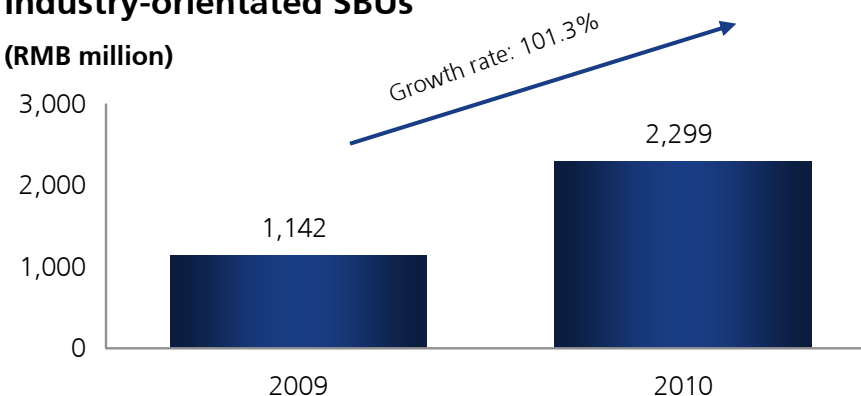
(RMB million)



Source: Annual report

Income from intermediary business of Industry-orientated SBUs

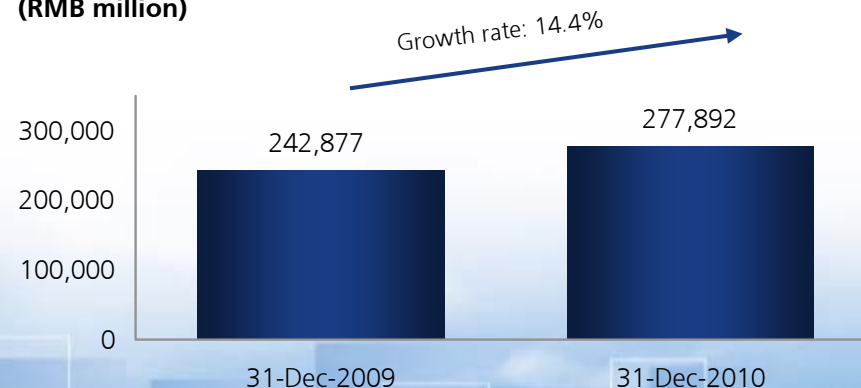
(RMB million)



Source: Annual report

Total general loans of Industry-orientated SBUs

(RMB million)



Source: Annual report

Featured business



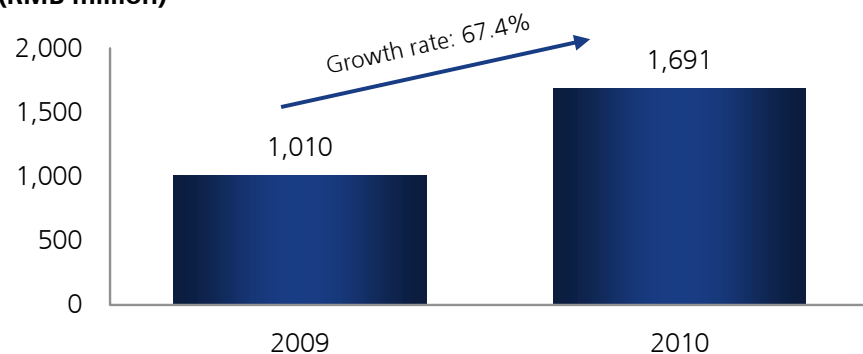
Trade finance business



China Banking Industry Achievement Award: Best Trade Finance Bank
Financial Times, UK

Trade finance business -net non-interest income

(RMB million)



Source: Annual report

SME Finance SBU

Loans

(RMB million)



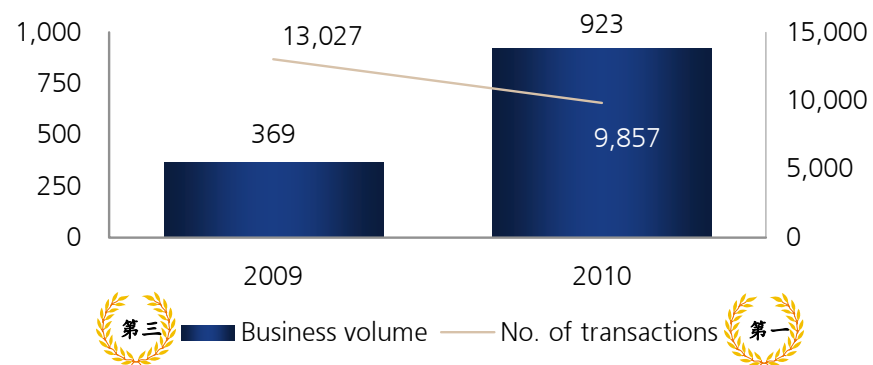
Source: Annual report



Best Trade Finance Award
CFO World

Volume of international dual factoring

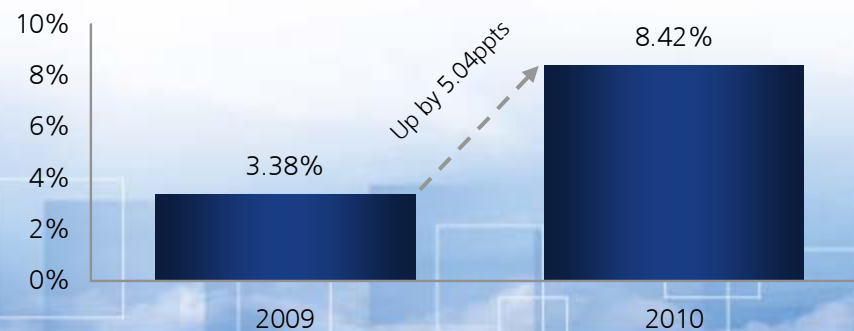
(USD million)



Source: Annual report

Bills business

Yield of discounted bills

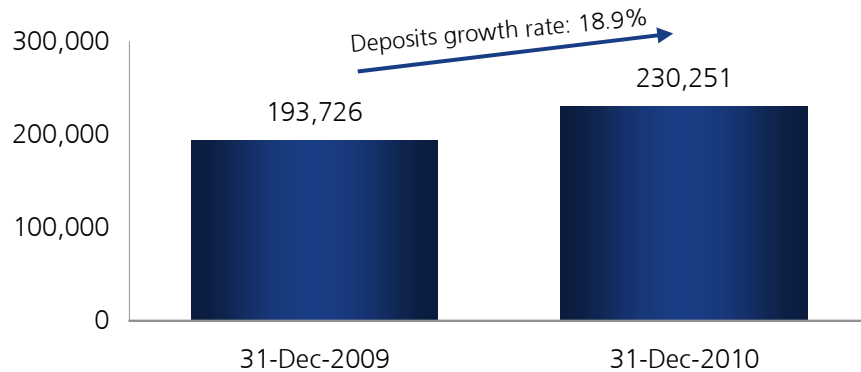


Source: Annual report

Retail banking business – rapid expansion in size and structure optimization

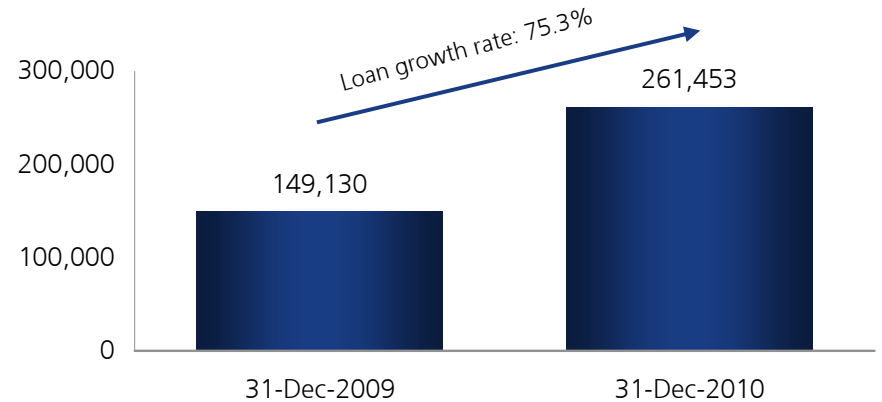


Retail deposits¹
(RMB million)



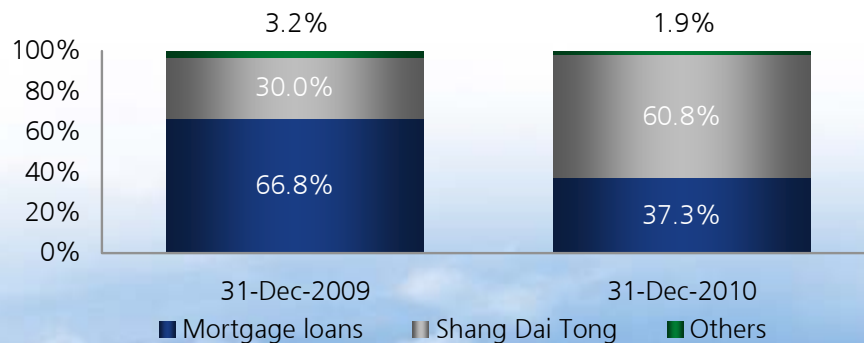
Source: Annual report

Retail loans (excluding credit card overdraft)¹
(RMB million)



Source: Annual report

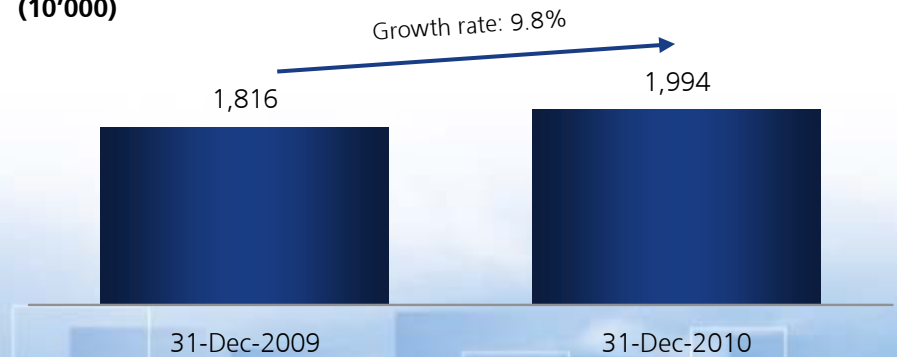
Improving retail loan structure
(% in total retail loans, excluding credit card overdraft)



Source: Annual report

Note:
1 Bank standard

Expanding customer base¹
Total number of retail customers
(10⁴000)





Fast growth of “Shang Dai Tong” business



“Shang Dai Tong” loan business has boosted the rapid growth of our retail loans, bringing a substantial breakthrough in our small and micro-finance operations



2010 Outstanding Service Provider for SMEs 2010
Outstanding Service Product for SMEs
Election of China Association of Small and Medium Enterprises



2010 Financial Service Award for Small and Micro Enterprises
21st Century Business Herald

Continuous business exploration and innovation

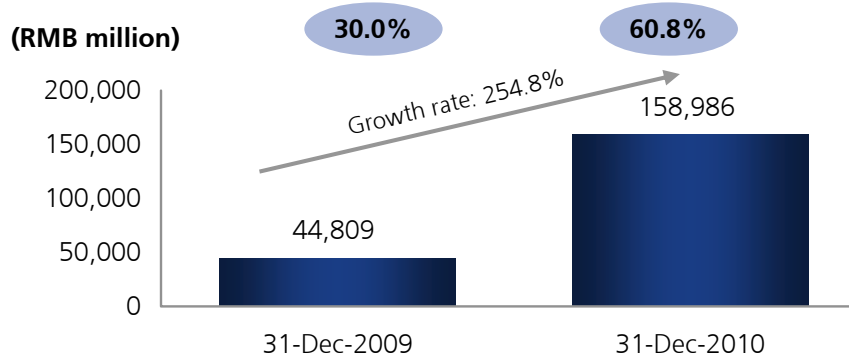


Product innovation :“Business Owner Card”

- ◆ A personalized banking card tailor-made for small- and micro-enterprises that allows business owners to enjoy our exclusive financial services
- ◆ The aim of launching this product is to provide customers with settlement service thus to increase their settlement business volume at our bank
- ◆ VIP customers accounted for 20%+ of total “Shang Dai Tong” customers, representing an improved customer structure

Expanding business scale

“Shang Dai Tong” loan balance¹



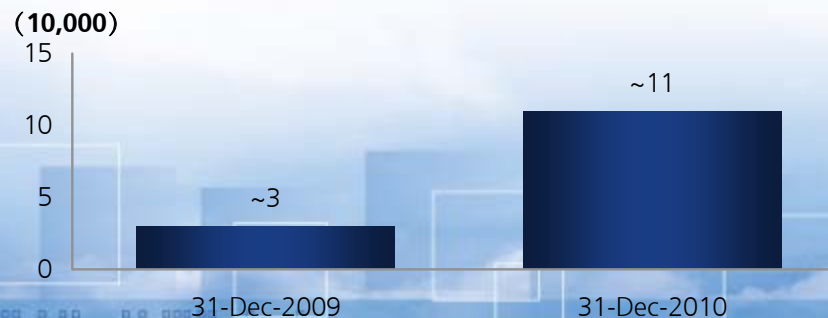
Source: Annual report

Note:

1 Bank standard

% of retail loans (excl. credit card loans)

Number of “Shang Dai Tong” customers



Source: Annual report

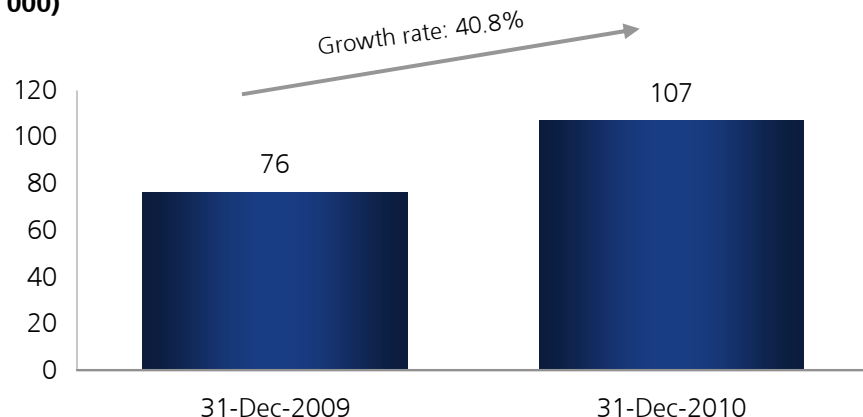
Expanding high-end customer base and growing credit card business



Continued strategic focus on retail high-end customers and achieved a significant increase in the number of high-end customers

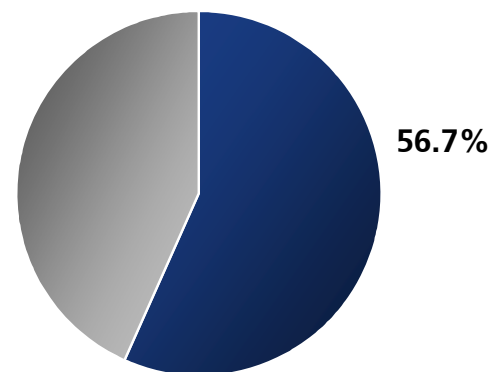
Customers with personal financial assets over RMB500,000

('000)



Source: Annual report

Contribution of deposits from customers with personal financial assets over RMB500,000 to total deposits (31 Dec 2010)



Source: Annual report

Private banking business



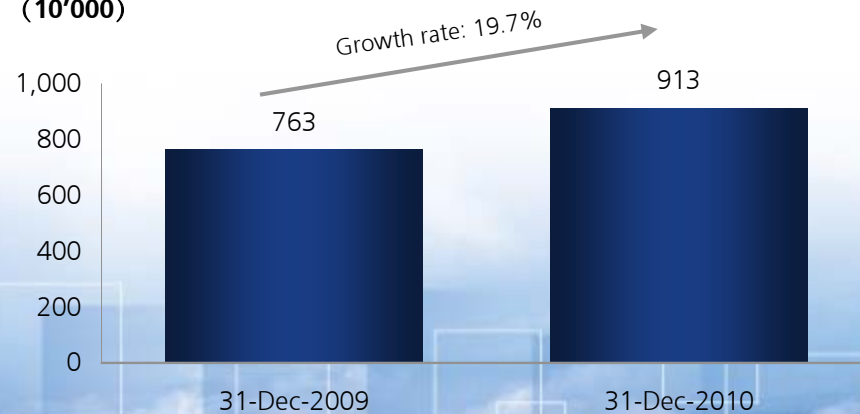
2010 China Most Respected Bank Election -2010 Best Bank for Private Banking Services *Moneyweek*

- ◆ We established private banking agencies in 17 branches nationwide
- ◆ Revenue from the intermediary businesses reached RMB137 million in 2010
- ◆ Number of private banking customers increased by 102.2%
- ◆ Total AUM grew by 58.8%

Source: Annual report

Credit cards in issue

(10'000)



Source: Annual report

Agenda



1

Business review

2

Financial performance

3

Outlook

Key income statement items



| (RMB million, except per share data) | 2010FY | 2009FY | Growth rate (%) |
|---|---------------|---------------|------------------------|
| Net interest income | 45,873 | 32,240 | 42.3% |
| Non-interest income | 8,794 | 9,797 | (10.2%) ¹ |
| of which: net fee and commission income | 8,289 | 4,664 | 77.7% |
| Operating income | 54,667 | 42,037 | 30.0% |
| Operating expenses | (25,452) | (20,539) | 23.9% |
| PPOP before tax | 28,480 | 20,963 | 35.9% |
| Impairment losses on assets | (5,504) | (5,307) | 3.7% |
| Profit before income tax | 22,976 | 15,656 | 46.8% |
| Income tax expenses | (5,288) | (3,548) | 49.0% |
| Net profit attributable to equity holders of the parent company | 17,581 | 12,104 | 45.3% |
| Earnings per share (RMB) | 0.66 | 0.51 | 29.4% |

Note:

1. Growth rate of 79.7% if gains from disposal of Haitong Securities stake in 2009 is excluded

Key financial position items



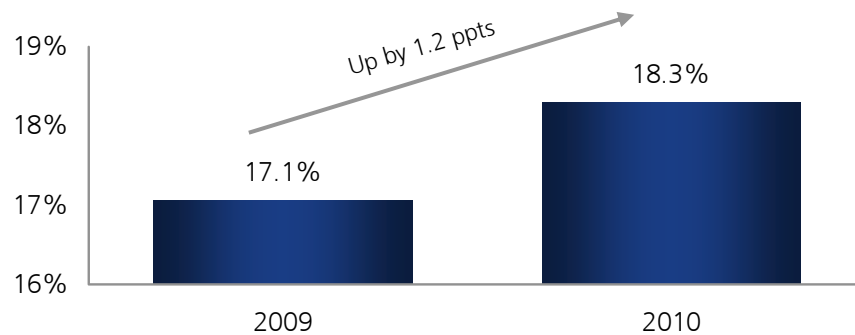
| (RMB million) | 31 Dec 2010 | 31 Dec 2009 | Growth (%) |
|----------------------|--------------------|--------------------|-------------------|
| Gross loans | 1,057,571 | 882,979 | 19.8% |
| Investments | 181,419 | 156,956 | 15.6% |
| Total assets | 1,823,737 | 1,426,392 | 27.9% |

| | 31 Dec 2010 | 31 Dec 2009 | Growth (%) |
|---|--------------------|--------------------|-------------------|
| Customer deposits | 1,416,939 | 1,127,938 | 25.6% |
| Debt securities in issue | 21,496 | 23,060 | (6.8%) |
| Total liabilities | 1,718,480 | 1,337,498 | 28.5% |
| Equity attributable to equity holders of the parent company | 104,108 | 88,034 | 18.3% |

Continued improvement in profitability

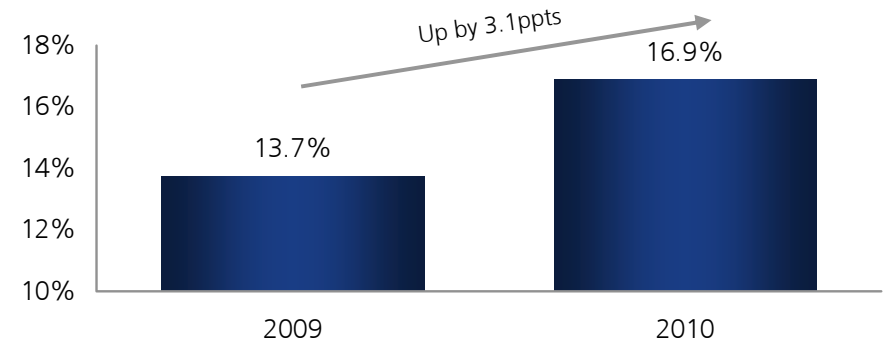


ROAE



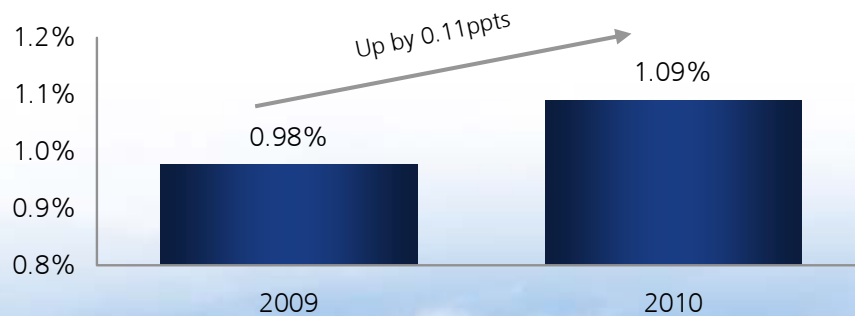
Source: Annual report

Return on shareholders' equity¹



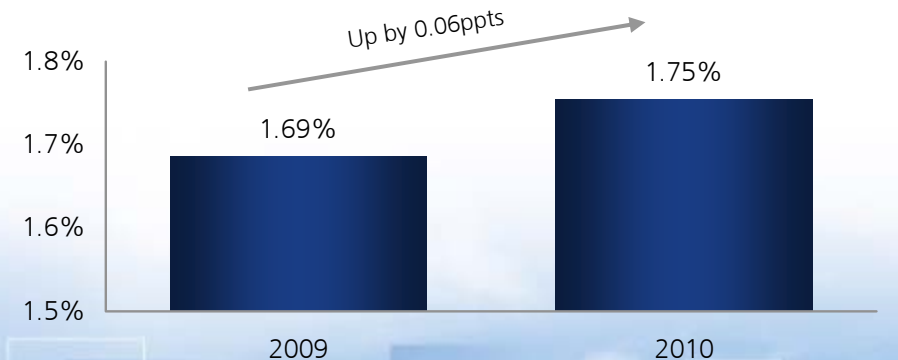
Source: Annual report
Note:1 Net profit attributable to equity holders of the parent company / year end equity attributable to equity holders of the parent company

ROAA



Source: Annual report

PPOP before tax/average assets



Source: Annual report

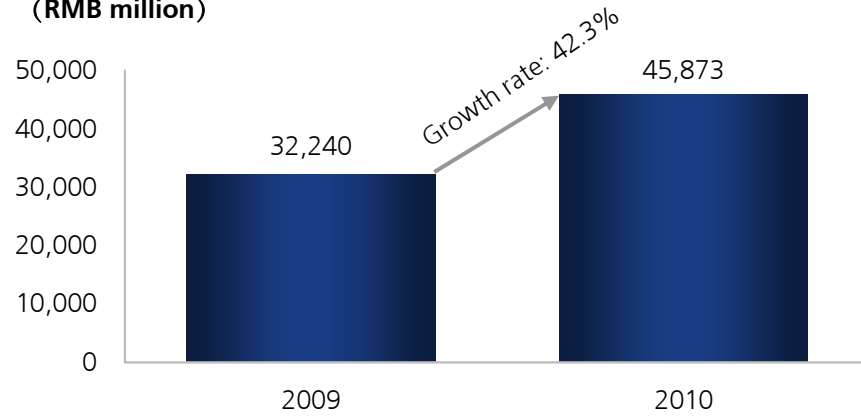
Net interest income



Significant improvement of net interest margin in 2010

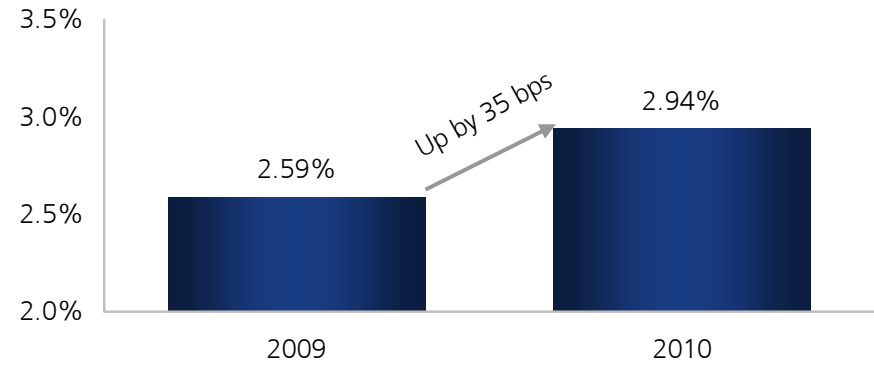
Net interest income

(RMB million)



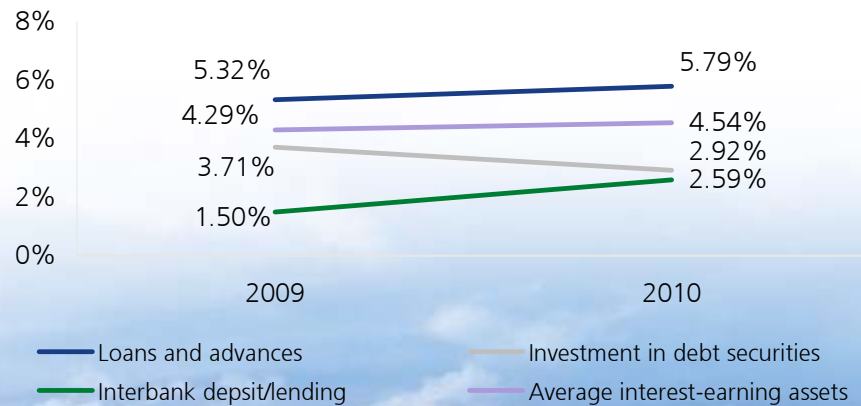
Source: Annual report

Net interest margin



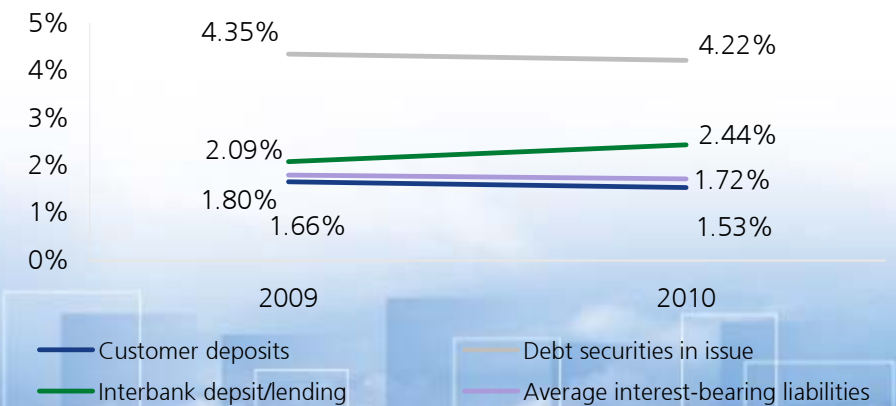
Source: Annual report

Return on average major interest-earning assets



Source: Annual report

Cost of average major interest-bearing liabilities



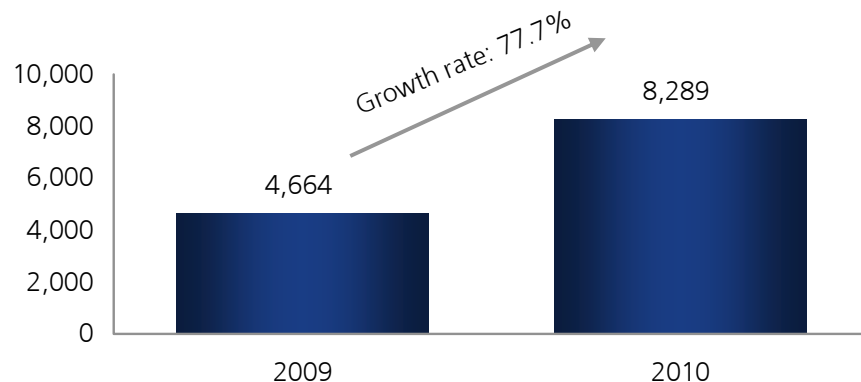
Source: Annual report

Non-interest income



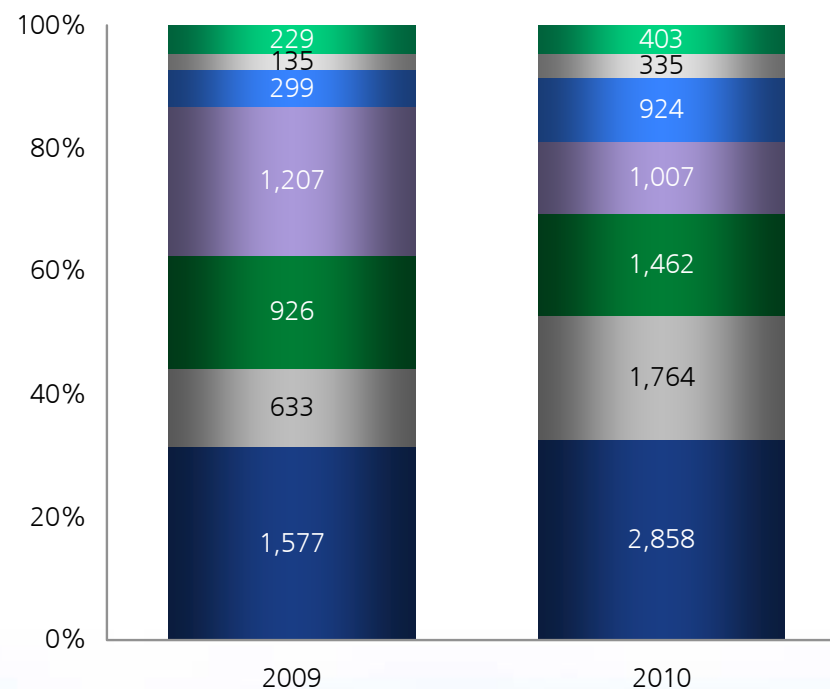
Significant growth in net fee and commission income further optimized our income sources

Growth in net fee and commission income
(RMB million)



Source: Annual report

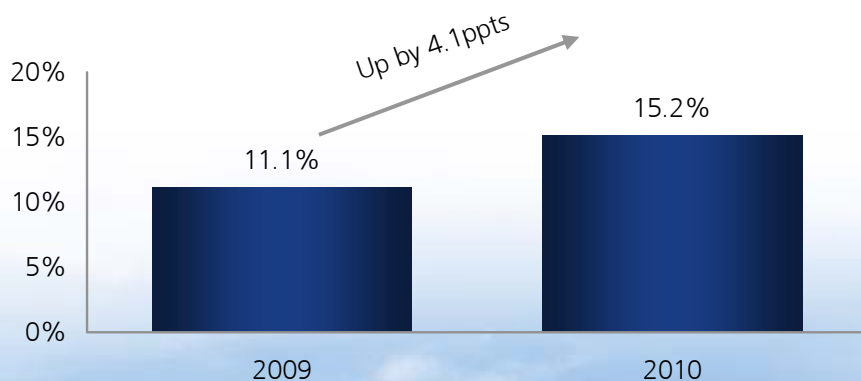
Net fee and commission income composition
(RMB million)



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

Source: Annual report

Net fee and commission income as % of total operating income



Source: Annual report

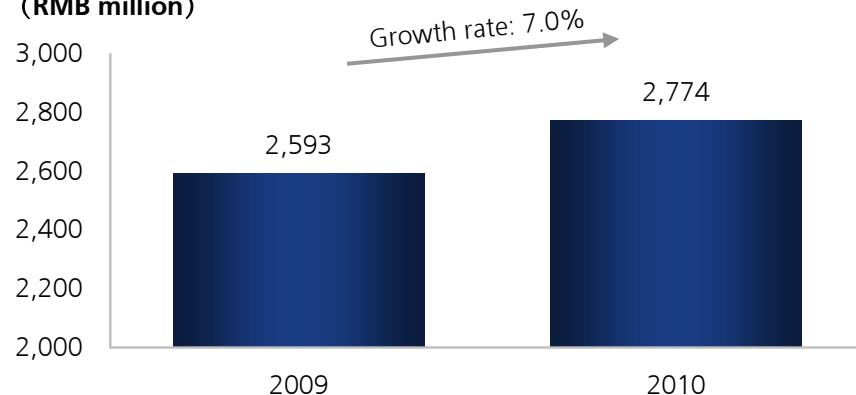
Operation efficiency



Contribution per branch unit/employee has continuously increased and our operation efficiency has improved more rapidly

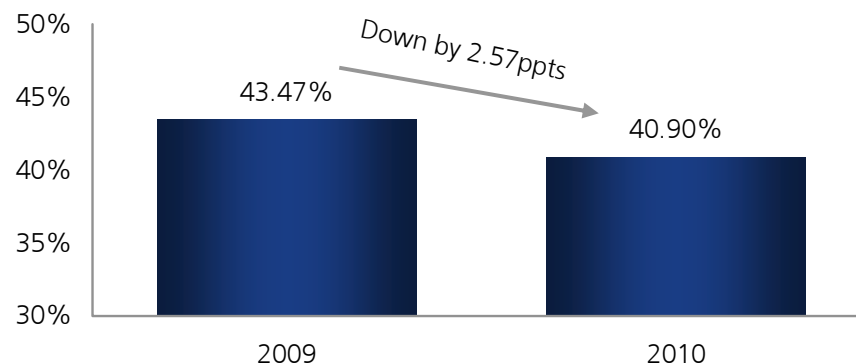
Customer deposits per branch unit

(RMB million)



Source: Annual report

Cost-to-income ratio



Source: Annual report

Net income per branch unit¹

(RMB million)

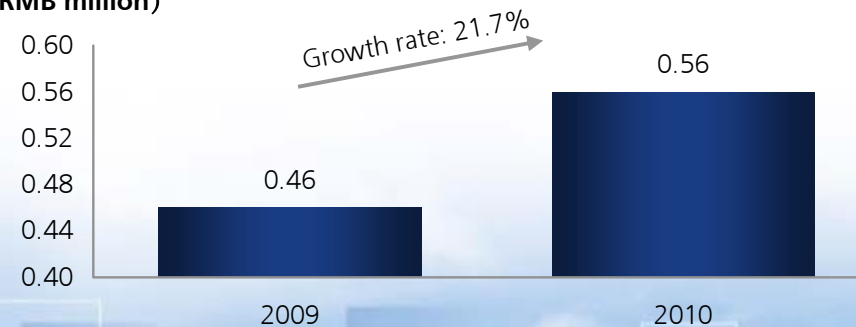


Source: Annual report

Note:
1 Bank standard

Net income per employee¹

(RMB million)

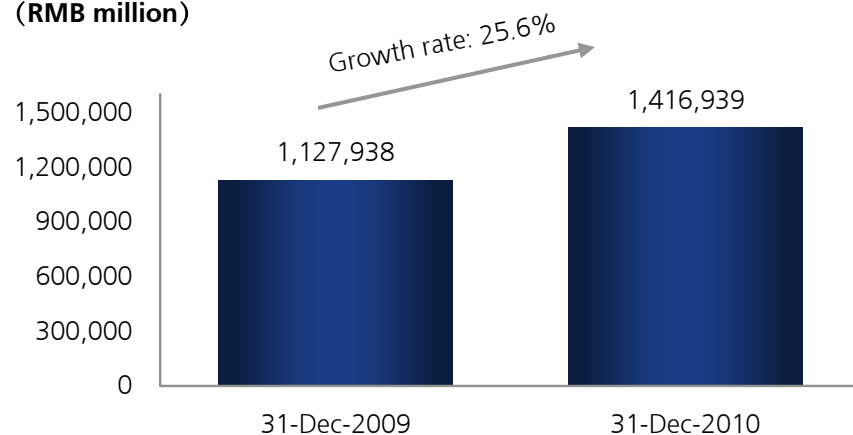


Source: Annual report

Loans and deposits

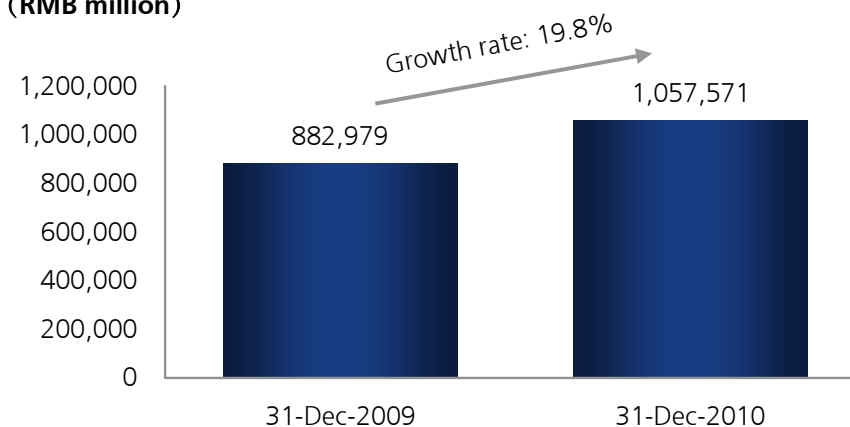


Total deposits (RMB million)



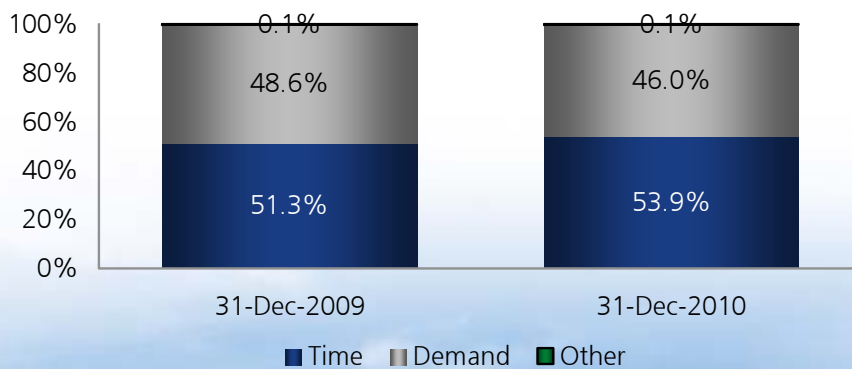
Source: Annual report

Total loans (RMB million)



Source: Annual report

Deposits structure (by terms)



Source: Annual report

Loan structure



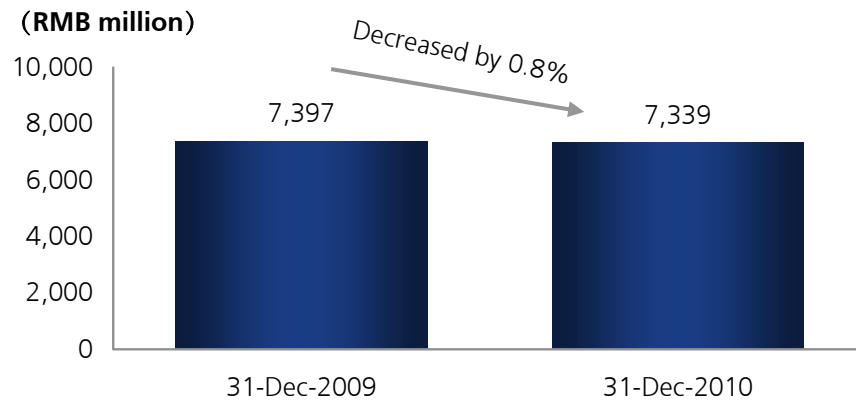
Source: Annual report

Asset quality



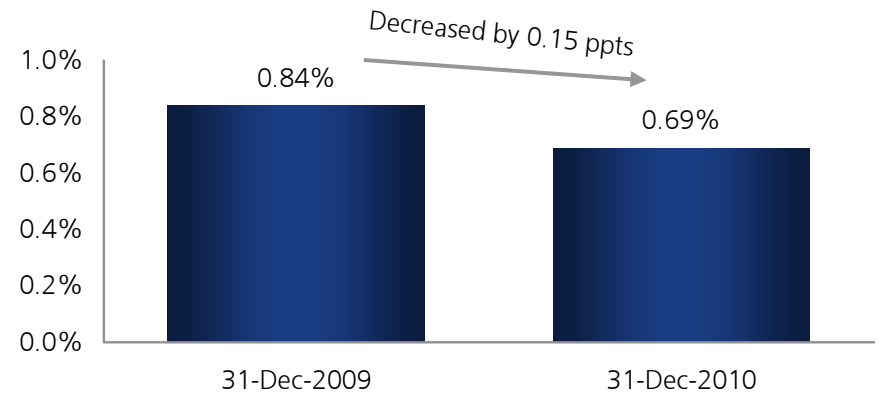
Comprehensive risk management has been fully implemented. The Bank reduced NPL and NPL ratio and enhanced provision coverage ratio

NPL



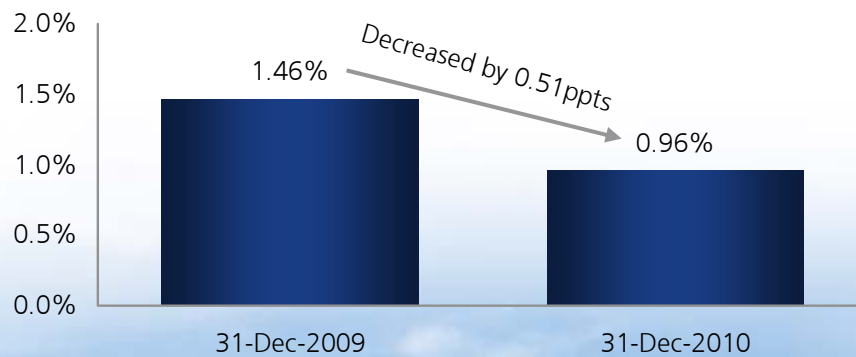
Source: Annual report

NPL ratio



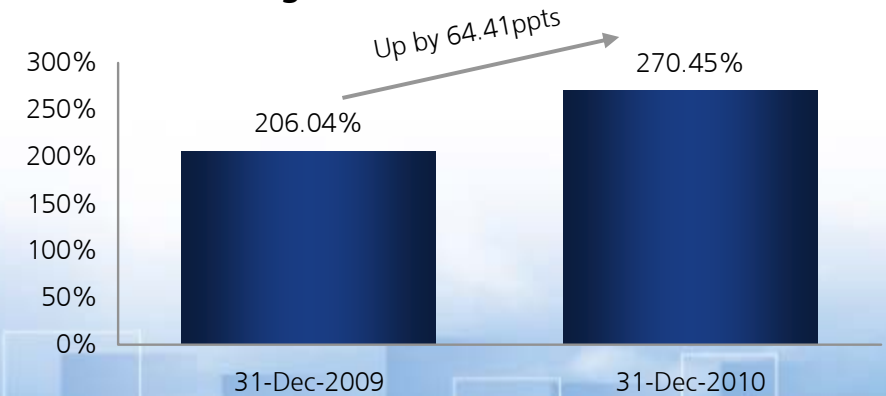
Source: Annual report

Special-mention loans/total loans



Source: Annual report

Provision coverage ratio

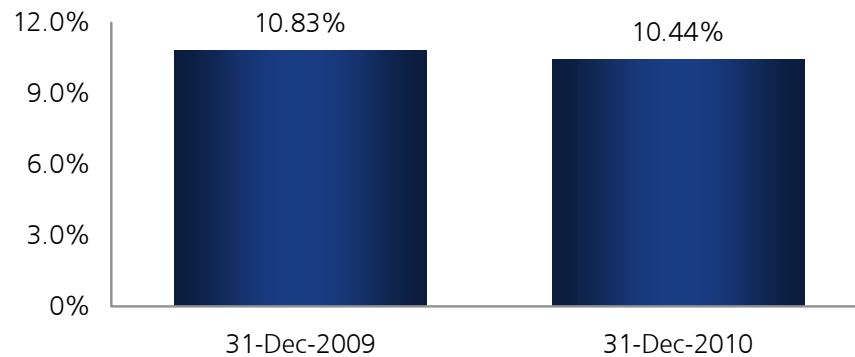


Source: Annual report

Capital adequacy ratio

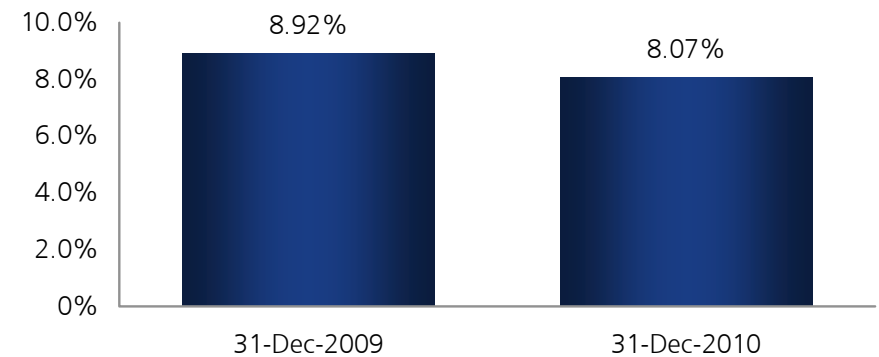


Capital adequacy ratio



Source: Annual report

Core capital adequacy ratio

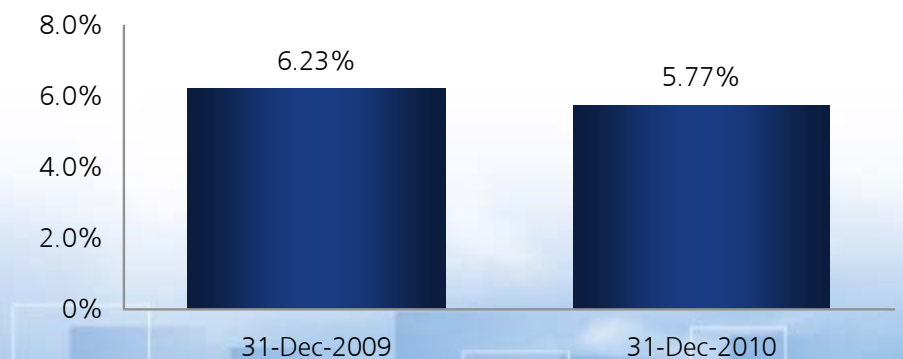


Source: Annual report

General improvement for capital management

- ◆ Stressing on capital management awareness, building capital management into performance assessment to establish capital restraint culture throughout the Bank
 - BoD to Senior Management assessment
 - HQ to Branches assessment
 - Branch to Relationship Managers assessment
- ◆ Enhancing capital measurement, allocation and assessment instruments
 - Apply assessment instruments including rate of return on economic capital, economic value add and net income after capital charge
 - Establish dedicated capital management system, dynamically allocate and manage capital usage

Shareholders' equity/total assets



Source: Annual report

Agenda



1

Business review

2

Financial performance

3

Outlook

2011 outlook



Well positioned for the market opportunities to realize our strategic goals of stable growth and business structure optimization

As the first year of the 12th Five-Year Plan, 2011 will see changes in economic drivers, industrial structure, regional development and pattern of economic growth. Economy will be more diversified and sustainable.

Reform on financial marketization will be carried out. Financial market will be further expanded characterized with strong financial demand and access to interest rate hike. Banking industry will embrace greater potential development momentum.

1

Enhance studies on development of small and micro enterprises and establish relevant brand advantages by optimizing products and improving overall service quality

2

Speed up the product innovation and cross-selling and increase the revenue from intermediary business

3

Maintain a steady growth of deposits through development of products and expansion of channels thus to improve derivative deposit capability of and overall return from small and micro finance business

4

Intensify capital management to facilitate the intensive operation



Q&A