



**Minsheng Bank Announces 2010 Annual Results
Net Profit Up 45.25% to RMB17,581 million**

**Significant Growth in Business Performance Backed by
Continued Income Structure Optimization and
Improvements in NPL & NPL Ratio**

2010 Key Financial Highlights

(As of 31 December 2010 and as compared with the corresponding period in 2009, under PRC GAAP)

- Operating income: RMB54,768 million, up by 30.21%
- Net profit attributed to shareholders of the parent company: RMB17,581 million, up by 45.25%
- Basic EPS: RMB0.66, up by RMB0.15
- ROAA: 1.09%, up by 0.11 percentage point
- Weighted average ROE: 18.29%, down by 1.90 percentage points
- Cost to income ratio: 39.48%, down by 2.69 percentage points
- Net income from fees and commissions to operating income ratio: 15.13%, up by 4.04 percentage points
- NIM: 2.94%, up by 0.35 percentage point
- Total assets: RMB1,823,737 million, up by 27.86%
- Equity attributed to shareholders of the parent company: RMB104,108 million, up by 18.26%
- Net asset per share attributed to shareholders of the parent company: RMB3.90, down by RMB0.05
- NPL ratio: 0.69%, down by 0.15 percentage point
- Provision coverage ratio: 270.45%, up by 64.41 percentage points
- CAR: 10.44%, down by 0.39 percentage point
- Core CAR: 8.07%, down by 0.85 percentage point

Hong Kong, Beijing, 25 March 2011 - China Minsheng Banking Corp., Ltd. ("Minsheng Bank" or "the Bank", H share stock code: 01988; A share stock code: 600016) announced its annual results for the year ended 31 December

2010. During the year, Minsheng Group (including Minsheng Financial Leasing Co., Ltd, Minsheng Royal Fund Management Co., Ltd. and Minsheng township banks, hereinafter “the Company”) realized net profit attributed to shareholders of the parent company of RMB17,581 million, representing an increase of 45.25% year on year. Excluding extraordinary profit/loss, net profit attributed to shareholders of the parent company was up 109.46%.

The Company has pushed forward the optimization of income and business structures while boosting its operating results. In terms of income structure, the net interest margin (NIM) of the Company jumped to 2.94% in 2010 and brought about a RMB5,965 million increase in net interest income. Income from fees and commissions amounted to RMB8,289 million, accounting for 15.13% of the total operating income. In terms of business structure, outstanding general loans to private enterprises and outstanding “Shang Dai Tong” loans amounted to RMB388,635 million and RMB158,986 million, respectively. Outstanding loans to private enterprises and small & micro enterprises accounted for more than half of the Company’s outstanding loans combined.

Significant Improvement in Business Performance

In 2010, Minsheng Bank achieved steady growth in asset size, a significant increase in after tax profit, improvements in NPL in terms of size and ratio, as well as a notable expansion in provision coverage.

As at the end of 2010, the total assets of the Company amounted to RMB1,823,737 million, up by 27.86% or RMB397,345 million from the end of 2009. Total customer deposits amounted to RMB1,416,939 million, up by 25.62% or RMB289,001 million from the end of 2009. Total loans and advances were RMB1,057,571 million, up 10.77% or RMB174,592 million from the end of 2009. Capital adequacy ratio (CAR) and core capital adequacy ratio (core CAR) were 10.44% and 8.07%, respectively.

In 2010, the Company’s net profit attributed to shareholders of the parent company amounted to RMB17,581 million, representing a year on year increase of 45.25%. Excluding extraordinary profit/loss, net profit attributed to shareholders of the parent company was up 109.46%. Return on average asset (ROAA) was 1.09%, representing an increase of 0.11 percentage point

compared with 2009 Weighted-average return on equity was 18.29%.

During the year, the Company accelerated the pace of non-performing assets disposals, tightened credit asset management and strengthened the monitoring and risk controls of its key businesses. As at the end of 2010, the Company carried an outstanding NPL of RMB7,339 million and an NPL ratio of 0.69%, representing a RMB58 million reduction in the former and an 0.15 percentage point decrease in the latter compared with the end of 2009. At the same time, the Company extended its provisioning capabilities to enhance risk-resistance. As at the end of the year, allowance for loan impairment amounted to RMB19,848 million, representing an increase of RMB4,607 million from the end of 2009; provision coverage ratio was 270.45%, up by 64.41 percentage points from the end of 2009, loan provision ratio was 1.88%, up by 0.15 percentage point from the previous year.

Continued Optimization of Income Structure

In addition to achieving significant improvement in operating results, Minsheng Bank continued to optimize its income structure in 2010.. Income from fees and commissions accounted for 15.13% of operating income; NIM jumped to 2.94%. The higher NIM helped net interest income to grow by RMB5,965 million.

In 2010, the Company reported operating income of RMB54,768 million, representing an increase of 30.21% year on year. Of the total operating income, net interest income amounted to RMB45,873 million, up by 42.29% year on year. Net non-interest income was RMB8,895 million, representing an increase of 80.87% year on year after the effect of the equity disposal of Haitong Securities in 2009. **Income from fees and commissions accounted for 15.31% of operating income, up by 4.04 percentage points from the previous year.**

During the year, Minsheng Bank stepped up its efforts in financial product innovation while continuing to boost sales and promote the development of intermediary business. Income from fees and commissions amounted to RMB8,289 million, representing an increase of 77.72% or RMB3,625 million from the previous year, and **accounted for 15.13% of operating income, 4.04 percentage points higher than the previous year's.**

The intermediary business of the Company's corporate banking segment grew rapidly in 2010, with net income from fees and commission increasing by 82.05% to RMB5,285 million, or 67.08% of the total. At the same time, the Company further optimized its income structure. New financial advisory service of investment banking business in emerging markets, trade finance and transaction finance, debt financing instrument issuance, and custody and annuity business are on their way to become the key growth drivers of the Company's intermediary business.

In 2010, all strategic business units (SBUs) under the corporate banking segment reported steady growth with improved asset quality by taking various initiatives such as structural adjustment, emerging market business development and business model transformation. SBUs have become the major income contributor to the Company's intermediary business. The four sector-based SBUs, namely Real Estate Finance SBU, Energy Finance SBU, Transportation Finance SBU and Metallurgy Finance SBU contributed RMB840 million, RMB394 million, RMB484 million and RMB581 million to income, respectively, while Trade Finance SBU generated income of RMB1,691 million in 2010.

Net interest income of the Company in 2010 amounted to RMB45,873 million, representing an increase of 42.29% year on year. The increase was mainly attributable to the expansion of interest-bearing assets and an increase in NIM, contributing RMB7,668 million and RMB5,965 million to interest income, respectively.

NIM of the Company increased from 2.59% in 2009 to 2.94% in 2010. In addition to the overall increase in the industry NIM level from tighter credit controls by the government and capital price hike, the higher NIM of the Company was mainly due to the Company's efforts in adopting differentiated pricing strategy for customers with different financial service needs. In particular, the overall loan pricing capability was significantly improved amid the rapid expansion of lending business with small and micro enterprises and the enhancement of the SBUs' professional services. While the proportion of strategic businesses is increasing, the pricing power and the overall NIM of the

Company will be further enhanced.

In 2010, the Company focused on internal restructuring by maintaining an optimum growth of loans and return rates. Interest yield from loans and advances amounted to RMB56,218 million, up by 30.14% or RMB13,019 million from the previous year. Average return rate of loans and advances was 5.79%, representing an increase of 0.47 percentage point from the previous year. Interest income composition improved as a result of the strategic restructuring and rapid development of “Shang Dai Tong” business. In 2010, interest income from loans to individuals accounted for 21.49% of total loans and advances, up by 5.89 percentage points from the previous year.

With stringent cost control and enhanced operational efficiency, the Company improved its cost to income ratio to 39.48%, down by 2.69 percentage points from the previous year, or 8.25 percentage points when excluding effect of the equity disposal of the Haitong Securities in 2009.

Smooth Implementation of Three-Prong Strategy

In the second half of 2009, the Company redefined its strategic positioning as “the bank of private enterprises, small & micro enterprises and high-end retail customers” and has proactively promoted the business restructuring. In 2010, the three-prong strategy was well implemented as reflected by the outstanding loans to private enterprises and small & micro enterprises, which accounted for over half of the total loans of the Company.

In 2010, the Company strived to cultivate the strategic cooperation with private enterprises, lay a sound foundation for business transformation and overall profitability improvement. During the year, the Company’s head office and business units have targeted 461 customers for further strategic cooperation, in collaboration with All China Federation of Industry and Commerce, All China General Chamber of Industry and Commerce and industry associations. The Company categorized these customers into different groups and assigned dedicated financial butler service teams for each of them to devise comprehensive financial solutions catering to their development strategies and

needs. To facilitate the implementation of strategy on private enterprises, the Company has allocated more credit resources to private enterprises and SMEs. In 2010, total lending to private enterprises (including SMEs hereinafter) amounted to **RMB347,415 million**. As at the end of 2010, the Company had 8,192 customers of private enterprises with outstanding balances, up by 92.80% from the end of the previous year. Outstanding general loans amounted to RMB388,635 million, representing an increase of 34.58% from the end of the previous year. The number of private enterprises with outstanding balances in the corporate banking segment and their outstanding general loans accounted for 79.03% and 51.78% of the total.

Leveraging the successful debut in 2009, the “Shang Dai Tong” business continued to grow rapidly during the year. The outstanding balance of “Shang Dai Tong” exceeded RMB150,000 million with significant increased in size and enhanced quality of the customer base. As at 31 December 2010, outstanding balance of “Shang Dai Tong” amounted to RMB158,986 million, representing an increase of RMB114,177 million, or 254.81% year on year, , and accounted for 56.95% and 15.03% of total retail loans and total loans respectively. The total number of “Shang Dai Tong” customers exceeded 110,000, among which over 20% were VIP customers as a result of optimized customer structure. The interest rate structure of “Shang Dai Tong” and quality of its newly-extended loans were notably improved as compared with the previous year. The actual interest rates of new loans increased by more than 1 percentage point as compared with the previous year. The Company has been adopting the principles of "the Law of Large Numbers" to estimate the risk exposure of specific industries for customer selection to effectively control the risk level. NPL ratio of the “Shang Dai Tong” business was merely 0.09% as a reflection of quality assets.

The Company also achieved fast growth in its private banking business. At the end of 2010, the Company has set up private banking agencies in 17 branches nationwide, with income from intermediary business of RMB137 million. The number of private banking customers grew 102.21%, while financial assets under management increased by 58.82%.

Spread wings for the “Second Take-off”

2010 was the first year that the Company fully engaged up for the “Second Take-off”. Looking into 2011, Mr. Dong Wenbiao, Chairman of Minsheng Bank, said, “the Company will continue to focus on its strategic development targets of ‘private enterprises’, ‘small & micro businesses’ and ‘high-end retail customers’. The Company will further proceed with process-based banking reform and promote its management. It will strive to accomplish all business tasks planned for the year and promote the accomplishment of the operating target of ‘distinctive bank’ and ‘efficient bank’ with the successful implementation of the ‘Second Take-off’ strategy in an aim.”