



**Minsheng Bank Announces 2011 Annual Results
Net Profit Up 58.81% to RMB27,920 million**

**Remarkable Growth in Operating Results Backed by
Continued Optimization of Income Structure and
Improvement in Operational Efficiency**

***Financial Highlights (in accordance with the International Financial Reporting Standards,
China Minsheng Banking Corp., Ltd. and its subsidiaries)***

In the year of 2011,

- Operating income: RMB82,196 million, up 50.36% year-on-year (y-o-y)
- Net profit attributable to equity holders of the Company: RMB27,920 million, up 58.81% y-o-y
- Basic earnings per share: RMB1.05, up RMB 0.39 y-o-y
- Return on average assets (annualized): 1.40%, up 0.31 percentage point y-o-y
- Return on average shareholder's equity: 23.89%, up 5.59 percentage points y-o-y
- Net interest margin: 3.14%, up 0.20 percentage point y-o-y
- Net interest spread: 2.96%, up 0.14 percentage point y-o-y
- Net non-interest income: RMB17,375 million, up 97.58% y-o-y
- Net fee and commission income to income ratio: 18.37%, up 3.21 percentage points y-o-y
- Cost to income ratio: 37.14%, down 3.76 percentage points y-o-y

As at 31 December 2011,

- Total assets: RMB2,229,064 million, up 22.23% from end of 2010
- Equity attributable to equity holders of the Company: RMB129,597 million, up 24.48% from end of 2010
- Net asset per share attributable to shareholders of the Company: RMB4.85, up 24.36% from end of 2010
- Impaired loan ratio: 0.63%, down 0.06 percentage point from end of 2010
- Allowance to impaired loans ratio: 357.29%, up 86.84 percentage points from end of 2010
- Allowance to total loans ratio: 2.23%, up 0.35 percentage point from end of 2010
- capital adequacy ratio ("CAR"): 10.86%, up 0.42 percentage point from end of 2010
- Core CAR : 7.87%, down 0.20 percentage point from end of 2010

Hong Kong, Beijing, [22] March 2012 - **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 2011. During the year, Minsheng Banking Group (including Minsheng Bank, Minsheng Financial Leasing Co., Ltd., Minsheng Royal Fund Management Co., Ltd. and 18 Minsheng township banks initiated and established by Minsheng Bank; hereinafter referred to as "the Group"), reported net profit attributable to equity holders of the Bank of RMB27,920 million, representing an increase of 58.81% compared with the previous year. Basic earnings per share were RMB1.05, representing an increase of RMB0.39 compared

with the previous year.

The surge in the Group's net profit was mainly attributable to the continuous optimization of its income structure and remarkable improvement in operational efficiency. Net fee and commission income of the Group amounted to RMB15,101 million in 2011, accounting for 18.37% of operating income, while the cost-to-income ratio decreased from 40.90% in 2010 to 37.14%.

The continuous optimization of the Group's income structure has been driven by the on-going adjustment of its businesses and the successful strategic transformation aimed at making Minsheng Bank the "bank for non-state-owned enterprises ("NSOEs"), for small and micro enterprises ("MSEs") and for high-end retail customers," which ensured the continuous improvement of its core competitiveness.

Significant Growth in Operating Results

In 2011, total assets and total liabilities of the Group both exceeded RMB2,000,000 million, representing a landmark breakthrough. As at the end of 2011, total assets of the Group amounted to RMB2,229,064 million, representing an increase of RMB405,327 million, or 22.23%, compared with the end of the previous year. Of this, total loans and advances amounted to RMB1,205,221 million, up by RMB147,650 million, or 13.96% from the end of the previous year. Total liabilities was RMB2,094,954 million, up by RMB376,474 million, or 21.91% from the end of the previous year. Of this, the total amount of customer deposits was RMB1,644,738 million, representing an increase of RMB226,861 million, or 16.00% from the end of the previous year.

In 2011, net profit attributable to equity holders of the Bank amounted to RMB27,920 million, representing a year-on-year increase of RMB10,339 million, or 58.81%. Basic earnings per share were RMB1.05, representing a year-on-year increase of RMB0.39, or 59.09%. Return on average assets ("ROAA") was 1.40%, representing a year-on-year increase of 0.31 of a percentage point. Return on weighted average net assets was 23.89%, representing an increase of 5.59 percentage points as compared with the previous year.

In addition to the significant growth in its operating results, the Company maintained its satisfactory asset quality. As at the end of 2011, the impaired loan ratio of the Group was 0.63%, down by 0.06 percentage point from the end of the previous year. Allowance to impaired loan ratio was 357.29%, up by 86.84 percentage points from the end of the previous year. Allowance to total loans ratio was 2.23%, up by 0.35 percentage point from the end of the previous year. As a result, the Group's risk resistance capabilities were further enhanced.

Continued Optimization of Income Structure

The significant growth in the Group's operating results was attributable to the continued optimization of its income structure and the improvement in operational efficiency.

In 2011, the Group recorded operating income of RMB82,196 million, representing an increase of RMB27,529 million, or 50.36% compared with the previous year. Of this, net interest income and net non-interest income increased by RMB18,948 million and RMB8,581 million, or 41.31% and 97.58%, to RMB64,821 million and RMB17,375 million, respectively, from the previous year.

The increase in net interest income was primarily due to the improvement in net interest margin and the expansion of interest-earning assets, which contributed RMB10,427 million and RMB8,521 million to the increase, respectively. Net interest margin of the Group for 2011

increased by 0.20 percentage point from the previous year to 3.14%, largely due to strategic transformation, effective business restructure, increase in interest spread of treasury business and benchmark interest rate. The centralized business operation and the reform of the strategic business unit (“SBU”) have significantly enhanced the standard of the Group’s professional operations as well as its risk management capabilities. Therefore, the Company shifted its main customer base from large enterprises with low credit risks to MSE and SMEs with medium risks, and actively developed its MSE and SME loan businesses. As at the end of 2011, the Group’s outstanding loans to MSEs and SMEs amounted to RMB232,495 million and RMB105,217 million, respectively, representing increases of 46.24% and 32.30% from the end of the previous year. Compared with large state-owned enterprises which are “safe ports” for loans, the Company has higher bargaining power in the pricing of MSE and SME loans, which feature relatively higher risk.

Net fee and commission income is the major component of the Company’s non-interest income. In 2011, the Group’s net fee and commission income amounted to RMB15,101 million, representing an increase of 82.18% compared with the previous year, accounting for 18.37% of the total operating income, up by 3.21 percentage points from the previous year. The increase was mainly attributable to significant increases in fee income from wealth management, financial advisory services, credit card and trade finance. The Company’s corporate banking segment was the main attributor of its net fee and commission income, which generated an aggregated amount of RMB8,946 million, representing an increase of 69.27% compared with the previous year. SBUs have become the major income contributor to the Company’s intermediary business. In 2011, the four sector-based SBUs, namely, the Real Estate Finance SBU, Energy Finance SBU, Transportation Finance SBU and Metallurgy Finance SBU, achieved intermediary business revenue of RMB1,063 million, RMB980 million, RMB835 million and RMB679 million respectively. The trade finance business achieved intermediary business revenue of RMB2,993 million during the year. The SBU reform of the corporate banking segment has effectively improved the integrated financial service capabilities of the Company in providing professional financial services. The “Financial Stewardship(金融管家)” service targeting strategic NSOEs and the “Listing Express (上市直通車)” service targeting NSOEs with growth potential were launched in 2011, which facilitated the adjustment of the Company’s income structure and the development of new intermediary businesses.

In addition to optimizing its income structure, the Group further enhanced its operation efficiency. As a result, the cost-to-income ratio has been reduced by 3.76 percentage points to 37.14% in 2011, as compared with the previous year.

Smooth Implementation of Three-pronged Strategies

Minsheng Bank optimized its income structure by carrying out on-going business restructuring and the strategic transformation of operations. In the second half of 2009, the Board of Directors of the Company put forward the strategic positioning of Minsheng Bank to become a “bank for NSOEs, MSEs and high-end retail customers”, and commenced the restructuring of its businesses accordingly. In 2011, the Company achieved remarkable progress in business restructuring, and the three-pronged strategies has been implemented smoothly.

In 2011, the Company adhered to its strategic positioning to become a “bank for NSOEs” and strived to expand its customer base. It adopted various measures to develop new markets and customers so as to strengthen the Company’s customer base. Furthermore, by leveraging its traditional advantage in maintaining relationships with large customers, and taking advantage of the needs of the national economy and the Company itself, the Company optimized and

promoted the “financial Stewardship” service model and accelerated the development of strategic NSOEs to actively cultivate core customers for the corporate banking segment. As at the end of 2011, the number of NSOE customers with outstanding loans from Minsheng Bank reached 11,353, with outstanding general loan balance amounting to RMB484,162 million, representing an increase of 38.59% and 24.58%, respectively, compared with the beginning of the period. The number of NSOEs with outstanding balances in the corporate banking segment and their outstanding general loans accounted for 83.60% and 60.14% , respectively.

In 2011, Minsheng Bank’s financial services for MSEs achieved strong growth. The MSE loan product “Shang Dai Tong” continued to grow significantly. Following the breakthrough made when outstanding “Shang Dai Tong” loans exceeded RMB 200,000 million in June 2011, the amount reached RMB232,495 million as at the end of 2011, representing an increase of RMB73,509 million compared with the end of the previous year. The total number of Shang Dai Tong customers reached approximately 150,000, among which VIP customers accounted for over 30%, reflecting a customer structure that continues to be further optimized. The impaired loan ratio of “Shang Dai Tong” was maintained at a low level of 0.14% as at the end of 2011. In June 2011, the Company upgraded its MSE financial service system by launching “MSE Finance 2.0” to provide comprehensive financial services to MSEs, significantly enhancing the Company’s capabilities in terms of scope of service, loan structure, pricing system, after-sales services and operating models.

As at the end of 2011, Minsheng Bank has established private banking divisions in 29 branches nationwide, with assets under management amounting to RMB68,400 million, the number of private banking customers reaching 4,650, and intermediary business revenue amounting to RMB289 million, representing increases of 51.33%, 76.54% and 110.95%, respectively. In 2011, the Company established a customer-oriented marketing team and sales model to cater to the customers’ needs so as to provide professional and comprehensive services and to build a high quality private banking service brand. In 2011, the Company launched “Wealth Growth Storm 1.0”, which outlines the development plan of the private banking business for the next three years. The plan clearly defines the strategies, positioning, responsibilities, incentive scheme and direction for the Group’s business development and will involve carrying out the comprehensive integration of its working processes, teams, platforms and products.

Mr. Dong Wenbiao, Chairman of Minsheng Bank said, “Looking ahead, Minsheng Bank will accelerate the pace at which it is becoming a distinctive and efficient bank, and will strive to achieve the goal of the Second Take-off to become a world-class commercial bank as we continue to create higher value and returns for our investors!”

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