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CHINA MINSHENG BANKING CORP., LTD.

中國民生銀行股份有限公司

CHINA MINSHENG BANKING CORP., LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01988)

ANNOUNCEMENT

Summary of the press conference of the First Quarterly Results of 2013 of China Minsheng Banking Corp., Ltd. held on 25 April 2013 is set below:

Q: The asset growth rate was high for 2012 but slowed down in 1Q 2013, especially for interbank operation. What might be the reason behind? Which categories of assets see the growth rate slowdown?

A: The reasons are 1) interbank operation takes more capital, therefore we estimate a moderate growth this year. 2) We have fully used our leverage in 4Q2012. It will be until the conversion of some convertible bonds in 3Q2013, can we start to accelerate asset growth. Meanwhile, the proportion of interbank assets over total assets is already very high. So we won't see a very high growth rate for this year. Out of interbank assets, the portion of bank acceptance bills and treasury are very high. This has no direct connection with regulatory policy.

Q: What is the structure of WMP?

A: Non-standard WMP takes more than 40%, which, according to regulatory requirements that it shall not exceed 35%, will be rescheduled when matured. 90% of existing WMP will be mature in 1 year, 80% in 6 months. We won't rolling over these products when they mature.

Q: Full year target of MSE loans?

A: We target to allocate >50% of new loan quarter into MSE customers in 2013.

Q: Plan to issue new capital instruments?

A: CBRC begins to implement Basel III from 2013. It encourages banks to 1) improve capital quality; and 2) encourage innovation and new forms of quality capital instruments. MSB is proactively studying the feasibility of new capital instruments.

Q: The NPL ratio of SME is increasing. Why?

A: We realize SME clients have higher NPL ratios, mainly because 1) macro-economic recovery still largely depends on fixed asset investment, suggesting operation environment for a lot SME client do not meaningfully improve; 2) SME is indeed the most risky category. National experience suggests clients with 70m to 100m loan balance are most likely to default; 3) 80% of new SME NPLs come from Yangtze River Delta.

We no longer classify business solely via size. Rather we are trying to provide comprehensive financial services to the whole value chain of an industry. By doing that we are doing both large and small clients.

Q: 1Q2013 NPL migration information?

A: MSB wrote off over Rmb1bn NPLs in 1Q13. The bank also 1) enhance management of about-to-mature loans; 2) further improve loan recovery efforts; and 3) accelerate write-off process.

Q: New loan targets and any plan to exit from over-capacity industries?

A: For MSE business, MSB will continue to focus on business circle and industry chain to acquire new customers. That said, MSB will avoid the industries related to raw resources production; MSB will try to get MSE new customers related to consumption theme.

For corporate clients, MSB will definitely reduce exposure to over-capacity sectors like shipping, steel or solar. The targeted sectors should be 1) with weak cyclicity; 2) related to new emerging industries; and 3) related to urbanization theme.

Q: What % of fee income is related to wealth management products? What is the impact of CBRC new rules?

A: WMP-related fee income is around 20% of total fee income, influenced by *CBRC Notice on Regulating Related Issues of the Commercial Bank financial Investment* (Yin Jian Fa No.8). We think the impact from CBRC new rules should be mild and we will try to minimize the impact via expanding fee sources.

Q: What is fee from discounted bill business?

A: There are two parts of related fee coming from discounted bill business. One is a part of very tiny discounting fee income, which we do not do much given the high risk. The other part is trading income from bills, which is around 15%-16% of non-interest revenue.

Q: Steel trader loan size and quality?

A: MSB has a bit more than Rmb30bn total exposure to steel traders and NPL is Rmb1.1bn. For 1Q2013, steel trader loan balance in Shanghai area is Rmb16.8bn with a NPL of Rmb0.498bn. Most of these loans belong to collateralized loan category. We are confident that the risk is totally under control for the following 4 reasons:

1) MSB is one of the first banks to discover that Shanghai has the fundamental factors of steel trade loan. The bank started to do the business since 2004. The business model evolves from pure corporate lending to inventory-based collateralized lending to transaction-based financing. Starting from 2007, after several years' accumulation, MSB focused on developing steel trader customers from cooperation with steel mills and steel markets (i.e. the core corporate or market for steel trading). Nowadays, 70% of steel trader customers are either distributors for a large steel mill or key operator in a respectable steel market. The remaining 30% lending are all with property as collateral;

2) Most of the recent problematic steel trader loans are related to steel inventory. Only 6% of MSB's steel trader loan is related to this category at the end of March. MSB has a large and dedicated team to carry routine check for inventory value. So far none of the cases has quality issues;

3) MSB has found the signal of steel trade risks since the second half of 2012 and started to deal with steel trader loan quality from June 2012. A team from headquarter has consolidated all related business to have centralized management. Also, MSB matches information from property, construction and metallurgy clients with steel trader inventory, substantially improving recovery;

4) MSB believes steel trader loan quality remains vulnerable in 1H13. But with macro recovery and natural wipe-out of weak players, loan quality should improve in 2H.

Q: What are the changes after comparing MSE pricing in 1Q with the fourth quarter?

A: The pricing is stable compared with 4Q2012, actually slightly higher.

Q: Why CIR can be well controlled with strong MSE growth?

A: We only do commercially sensible business, i.e. MSE business revenue has to be higher than related costs and expenses. We believe the CIR can be controlled mainly because 1) fast growing MSE portfolio creates clear economy of scale effect; and 2) MSE business is now a comprehensive business, giving MSB wide revenue opportunities.

Q: How to control risk with fast growth of MSE loan balance?

A: By 1Q, NPL ratio for MSE is 0.49%, lower than the bank's average NPL ratio. We are transforming our branches and sub-branches to better control MSE quality. To be specific, we are enhancing branches capability to do planning, market study, product development and after-sale service. Sub-branches will acquire clients but they only need to follow the manual.

By doing this, we can avoid big industry risks (as the approval for branch targeted clients needs to get approved by headquarter). Also, account managers do not control the entire workflow for MSE operation, helping the bank to reduce operational risk.

By Order of the Board
CHINA MINSHENG BANKING CORP., LTD.
Dong Wenbiao
Chairman

25 April 2013

As at the date of this announcement, the executive directors of the Company are Dong Wenbiao, Hong Qi and Liang Yutang; the non-executive directors are Zhang Hongwei, Lu Zhiqiang, Liu Yonghao, Wang Yugui, Shi Yuzhu, Wang Hang, Wang Junhui, Wu Di and Guo Guangchang; and the independent non-executive directors are Qin Rongsheng, Wang Lihua, Han Jianmin, Cheng Hoi-chuen, Ba Shusong and You Lantian.