

[For Immediate Release]



Minsheng Bank Records Net Profit of RMB27,223 Million in First Half of the Year

Hong Kong, 30 August 2016 - **China Minsheng Banking Corp., Ltd.** (“Minsheng Bank” or the “Company”, A share stock code: 600016; H share stock code: 01988) announced the interim results for 2016. In the first half of 2016, net profit of Minsheng Bank Group (including Minsheng Bank and its subsidiaries) attributable to equity shareholders of the Company amounted to RMB27,223 million, representing an increase of RMB445 million, or 1.66%, as compared with the corresponding period of the previous year.

In the first half of 2016, under the proper management of the Board, Minsheng Bank actively responded to the trend of the financial markets, coping with the changes in the economic environment by speeding up the implementation of strategic reforms and business restructuring under Phoenix Project(鳳凰計劃). It is a strategy of the Company to strengthen and expand corporate banking, retail banking and financial market businesses. The Company further improved its risk management system, enhanced asset quality, and further promoted reforms and innovations, which was conducive to the sustainable and steady development of the businesses.

Steady improvements in profitability with optimized business structure

In the first half of 2016, the Group’s net profit attributable to equity shareholders of the Company amounted to RMB27,223 million, representing an increase of RMB445 million, or 1.66%, as compared with the corresponding period of the previous year. Return on average assets (annualized) and return on average shareholders’ equity (annualized) of the Group were 1.13% and 17.56%, respectively. Basic earnings per share was RMB0.75. As at the end of June 2016, net assets per share attributable to equity shareholders of the Company were RMB8.74, representing an increase of RMB0.48, or 5.81%, as compared with the end of the previous year.

As at the end of June 2016, total assets of the Group exceeded RMB5 trillion and amounted to RMB5,250,162 million, representing an increase of RMB729,474 million, or 16.14%, as compared with the end of the previous year. Total liabilities of the Group amounted to RMB4,922,507 million, representing an increase of RMB711,602 million, or 16.90%, as compared with the end of the previous year. Total balance of loans and advances to customers amounted to RMB2,274,710 million, representing an increase of RMB226,662 million, or 11.07%, as compared with the end of the previous year. Total deposits from customers

amounted to RMB2,934,633 million, representing an increase of RMB202,371 million, or 7.41%, as compared with the end of the previous year. As at the end of June 2016, the impaired loan ratio of the Group was 1.67%, representing an increase of 0.07 percentage points as compared with the end of the previous year. Provision coverage ratio and provision for total loans ratio were 152.55% and 2.55%, respectively. Risk management was strengthened and the asset quality remained stable.

Minsheng Bank further optimized its income structure by increasing the proportion of net fee and commission income. In the first half of 2016, operating income of the Group amounted to RMB77,389 million, representing an increase of RMB777 million, or 1.01%, as compared with the corresponding period of the previous year. Net non-interest income reached RMB29,951 million, representing an increase of RMB333 million, or 1.12%, as compared with the corresponding period of the previous year. Net fee and commission income amounted to RMB28,059 million, representing an increase of RMB2,914 million, or 11.59%, as compared with the corresponding period of the previous year, and accounted for 36.26% of the operating income, representing an increase of 3.44 percentage points as compared with the corresponding period of the previous year, which was mainly due to the increases in income from agency services, trust and other fiduciary services. The cost-to-income ratio was 23.20%, representing a decrease of 4.24 percentage points as compared with the corresponding period of the previous year.

Satisfactory progress in reforms and innovation with sustainable and steady business development

During the first half of 2016, Minsheng Bank expedited the transformation of the development of corporate banking business and further adjusted its product and customer structure so as to optimize the composition of industries, geographical distribution and customer structure of investment banking business. Seizing the business opportunities arising from the investment banking business, the Company strengthened the development of the trading business and pushed forward international business development so as to enhance the diversification of operations.

Minsheng Bank focused on strategic customers and expanded the institutional customer base through three major customer sources: payment platforms, business chain and wealth management business. The Company emphasized the development of major customer groups of third-party payment agents, vertical e-commerce and trading markets and achieved steady business growth. As at the end of June 2016, Minsheng Bank had 761.1 thousand domestic corporate customers with deposits of the Company, representing an increase of 69.1 thousand or 9.99% as compared with the end of previous year, and 8,024 domestic non-state-owned enterprise (“NSOE”) customers with outstanding general loans of RMB668,432 million. In the domestic corporate banking

business, the number of NSOE customers with outstanding general loans accounted for 61.95% and the relevant general loan amount accounted for 49.59%.

Minsheng Bank endeavoured to expand the customer base and enhance the ability of customer development, management and control and profit making. The Company continued to promote consumer loans and wealth management products to facilitate a stable growth in the scale of financial assets and income from personal finance. As of the end of June 2016, the number of retail customers with existing deposits reached 27,985.3 thousand, increasing by 2,371.4 thousand as compared with the end of the previous year. Financial assets of retail customers under management amounted to RMB1,246,355 million, representing an increase of RMB76,223 million as compared with the end of the previous year. Outstanding consumer loans amounted to RMB263,931 million, increasing by RMB88,830 million or 50.73% as compared with the end of the previous year.

Minsheng Bank continued the implementation of its “small and micro business finance strategy”. Based on the reform and enhancement of small and micro business and assets structure, the Company promoted cross selling and increased the contribution of small and micro business customers in accordance with the development strategy of “diversified operation”. In the first half of 2016, the total loans of the Company to small and micro enterprises amounted to RMB198,769 million. As at the end of June 2016, the total loans to small and micro enterprises amounted to RMB346,815 million and the number of small and micro business customers was 3.536.8 million.

In the first half of 2016, Minsheng Bank redefined the business mode of community finance and accelerated the progress for license application of sub-branches. As at the end of June 2016, 1,605 community sub-branches had obtained licenses, representing an increase of 29 community sub-branches, or 1.84% as compared with the end of last year. The management of community outlets was enhanced significantly and the capacity of the community outlets also increased rapidly. As at the end of June 2016, financial assets of the community outlets amounted to RMB155,436 million, representing an increase of RMB36,427 million or 30.61% as compared to the end of last year. The number of customers of community outlets reached 4.2095 million, representing an increase of 220.8 thousand as compared to the end of last year.

Under the “One Major and Three Accessibility” philosophy, the private banking business of Minsheng Bank focused on “Investment Banking +” and “Internet +” to develop a globalized wealth management business. To meet the needs of high net worth customers for investment, financing, acquisition and restructuring, the Company has established service platforms for overseas trusts and insurance services with online functions and provided one-stop services including wealth management, advisory, private banking products and VIP non-financial services.

As at the end of June 2016, the private banking financial assets under the management of the Company amounted to RMB299,739 million, representing an increase of RMB26,731 million, or 9.79%, as compared with the end of the previous year. The number of qualified customers of the private banking business reached 15,517, representing an increase of 345, or 2.27%, as compared with the end of the previous year.

Minsheng Bank captured the major opportunities arising from the national policy of “Internet +” and focused on the innovation of internet financial products and services such as direct banking, mobile banking, online payment, mobile payment and online banking. Through enriching the product offerings and special services, the customers’ experience has been further improved. Minsheng Bank is one of the top commercial banks in terms of market share. As at the end of June 2016, the number of the Company's direct banking customers reached 3,609.2 thousand, and the total subscription amount of “Ru Yi Bao (如意寶)” amounted to RMB1,190,221 million. The number of individual mobile banking customers reached 21,775.4 thousand, representing an increase of 2,749.7 thousand as compared with the end of the previous year. The number of transactions in the first half of 2016 was 201 million, representing an increase of 33.11% as compared with the corresponding period of the previous year, while the transaction turnover amounted to RMB3.88 trillion, representing an increase of 40.07% as compared with the corresponding period of the previous year. The Company ranked top among all peers in terms of transaction activity of customers.

According to Minsheng Bank, adhering to the development philosophies of “continuous innovation, excellence, global networking and intelligence”, it will actively develop a new business model that combines financing, strategic consultation, commercial advisory and internet financing. It is committed to becoming a “distinctive and globally competitive, platform-based financial services provider with cross-sector and win-win vision and intelligence” under the new blueprint of sustainable and stable development.

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