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中國民生銀行股份有限公司
CHINA MINSHENG BANKING CORP., LTD.

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

(Stock Code: 01988)

**ANNOUNCEMENT FOR THE THIRD QUARTERLY RESULTS
RELEASE TELECONFERENCE**

The board of directors (the “**Board**”) of China Minsheng Banking Corp., Ltd. (the “**Company**” or “**Minsheng Bank**”) held the 2016 third quarterly results release teleconference on 31 October 2016. A brief summary of the results release teleconference notes setting out information which the Company considers might be of interest to its shareholders is set out below.

Question 1: Minsheng Bank is integrating its Strategic Business Units (“SBUs”) and is switching its corporate banking business to focus on large enterprise and conglomerate customers in a period of economic slowdown. What will be the strategic position in future capital market to differentiate Minsheng Bank with its peers?

First of all, it is worth noting that the post-restructuring unit is referred as the group finance SBU. It is established through the integration of various business units. It is an operation unit and not a functional department. In 2007, Minsheng Bank took the lead to restructure through the adoption of an organization structure based on SBU, whereby it successively established property, energy, metallurgy, transportation and trade finance SBUs. The business restructuring was professional, efficient and horizontally integrated to provide better services to corporate customers and improve decision efficiency, which led to good operation results.

To cope with changes in economic and financial conditions in recent two years, a trend emerged in many companies to diversify as well as centralize through establishment of group companies. In addition, some industries are affected by operating environment, and the development of the industries with overcapacity issue moderately contracted in response to government control. Consequently, the previous SBUs of Minsheng Bank required immediate restructuring to tackle the problems of scattered resources, over-diversified operations and poor coordination. Through in-depth study of experience and the practice of SBUs, Minsheng Bank has established the business structure of “Standardized Front Office, Professional Mid Office and Centralized Back Office” in accordance with the operation needs. Minsheng Bank maintained its SBU organization structure but changed its major target customers to company groups, including major private groups, state-owned enterprises and major listed joint ventures. Minsheng Bank has also changed its business model for cross-border operation by focusing on headquarters to headquarters marketing to standardize customer services. In order to maintain the high efficiency of decision-making, a centralized group SBU is therefore established.

Minsheng Bank is committed to its principle of “For the People and With the People (為民爾生，與民共生)” and actively supports the development of private enterprises. The major customers of the corporate banking are the “Three Premiums and One Distinctive (三優一特)” enterprises include premium private enterprises, premium state-owned enterprises, premium listed companies and small and medium-sized enterprises with distinctive local features. In respect of the retail banking, Minsheng Bank focuses on the provision of loans to small and micro enterprises and consumption loans. With serving small and micro enterprises remaining to be its service feature, Minsheng Bank maintains its brand features by focusing on serving private enterprises and financial services for small and micro enterprises. The SBU restructuring is only an internal structural adjustment of marketing system and the strategy of serving private enterprises remains unchanged. As of the end of September, the balance of general loans to private enterprises of Minsheng Bank was more than RMB640 billion. The number of private enterprise customers and their account balance was 60% and 48% respectively in the domestic corporate banking business, higher than the average of the industry, which indicates that serving private enterprises remains a distinctive feature of Minsheng Bank.

In relation to the strategic positioning in the capital market, Minsheng Bank’s distinctive features will be reflected in five aspects. Firstly, Minsheng Bank will set up an unique customer base in the future. Corporate banking will mainly focus on the “Three Premium and One Distinctive” enterprises while small and micro enterprises and consumption loans will be the focus of our retail banking. Premium peer banks are also our key targeted customers. Secondly, Minsheng Bank will develop its wealth management, small and micro enterprise financing and investment banking as distinctive features. Thirdly, different from the model of “branches + subsidiaries” of other banks, Minsheng Bank maintains a system of “SBUs + branches + subsidiaries”. Fourthly, Minsheng Bank has direct banking as part of its business divisions. The number of online customers without counter services amounted to 4.6 million, which is expected to increase to more than five million by the end of the year. The balance of these customers was more than RMB47 billion. The credit card business will be separately operated by subsidiaries. Community finance is also one of the features of Minsheng Bank. Fifthly, Minsheng Bank will continue to introduce distinctive products for areas such as for corporate banking, retail banking and payment services. All in all, the five brand features of Minsheng Bank made it a service provider for private enterprises and small and micro enterprise financing. Through years of efforts, Minsheng Bank will become a leader in internet finance and wealth management and will strengthen its development sustainability and competitive strength.

Question 2: What’s the approximate balance of loans to government financing platform of Minsheng Bank? What is the industrial and geographical focus of such loans?

As of the end of September 2016, the loans to local government financing platforms of Minsheng Bank amounted to RMB130 billion and the average maturity was three years. In respect of geographical distribution, the loans are mainly provided to Jiangsu, Zhejiang, Beijing, Chongqing and Hebei. The loans are mainly provided to industries including leasing and business service, real estate, water projects, environmental projects and public facilities. The quality of the loans remained good and no overdue or non-performing loans have been recorded. The proportion of five categories loans remained normal. The cash flows repayment of loans from local government financing platforms accounted for 99.3% of its cash flow. All the loans due in the first three quarters have been settled and the loans due in the fourth quarter are also expected to be settled in full. Loans to local governments remain the major focus of the year.

Question 3: What's the strategic difference in asset allocation between the on-balance-sheet assets and the off-balance-sheet wealth managements of Minsheng Bank as of the end of the third quarter? In lack of quality assets, are there any changes in risk appetite for the year, including the investment sentiment towards equity investments as well as the scale and proportion of on-and off-balance-sheet wealth management investments in non-standard assets?

The on-balance-sheet wealth management mainly focuses on debt assets and money market instruments. Risk provisions are provided for underlying investments according to their weighted risk ratio and the deposit reserves are accordingly paid up. The allocation strategy is to focus on investment of high security and liquidity. Off-balance-sheet wealth management mainly focuses on bonds and money market instruments as well as non-standard and equity products. Different allocation strategies are adopted for different investments according to market conditions and funding for products, for example, coupon strategies, trading strategies during fluctuation and industry selection strategies. Since this year, Minsheng Bank had made significant profits from its coupon strategies and trading strategies during fluctuation.

In respect of the change in risk appetite, instead of downgrading its investment allocation against the background of shortage of quality assets, Minsheng Bank offset the negative effects of narrowed interest margin through dynamic allocation of investment based on in-depth credit and market research. Moreover, the overall risk preference level for the allocation of wealth management funds is also slightly lowered.

Question 4: What is the net interest margin of Minsheng Bank for the third quarter and the MoM change? What is the forecast of the fourth quarter and the interest margin in next year?

The decrease in net interest margin is mainly due to two reasons. Firstly, the size of its assets grew at a rate relatively faster than usual and the increase to the total asset was relatively high in 2016. Secondly, Minsheng Bank made significant business structural adjustment this year to balance the capital consumption, the risk level and the returns level. Assets with slightly lower book rate of return, including bond investment, local debts and national debts, were also acquired this year. Also, the growing credit assets such as mortgage loans transformed into the downward pressure for the decrease in interest margin. Overall, the capital consumption, the returns level, the scale expansion and the interest margin were more balanced. It is expected that the net interest margin will remain stable in the fourth quarter and the decrease will be at a slower pace, if a fall is observed. Also, a slow and relatively stable drop rate in interest margin is expected if the external interest rate environment remains unchanged overall.

Question 5: Are there any new plans and provisions of loans to steel and coal industries by Minsheng Bank?

In respect of steel, Minsheng Bank observed that the fluctuation of price of some steel products was as high as 60%. The steel industry is one of the key industries of China with the problem of overcapacity. Further progressive control in supply is expected in view of the continuous surplus production in the steel industry in the near future. The coal industry is experiencing the same problem of overcapacity, despite the progressive restriction and contraction on coal production capacity. The credit policy of Minsheng Bank for coal and steal industries is mainly to support

premium enterprises in the industry, provide support to companies with better prospects and strictly restrict loans to companies subject to production restriction and phasing out policy. The overall objective is to strictly reduce the loan balance to such enterprises. Currently, Minsheng Bank has no plan or loan provision except for selected customers.

Question 6: Please provide the views on Minsheng Bank’s classification of lending and non-lending businesses, the future plans for deposit and non-deposit businesses, the detailed allocation of loans for the fourth quarter and the next year, and the assessment of risks and returns. Moreover, what is Minsheng Bank’s positioning of risk preference?

The allocation of assets and liabilities for this year basically takes into consideration the balance between capital returns and risks, the stable growth in scale and the improvement in structure of assets and liabilities, and the enhancement of profitability and efficiency of capital use. As of now, satisfactory results have been delivered. Minsheng Bank will continue to allocate its assets and liabilities for such purposes and promote the structural optimization in response to the market which is expected to maintain the downward spiral. In respect of the assets, Minsheng Bank has boosted loans for the “Three Premium and One Distinctive” enterprises as well as loans for small and micro enterprises and personal consumers, all of which will remain the primary targets of our loan allocations.

In respect of the liability, normal deposit will still act as a major part of core liabilities, although it should not be entirely counted on for the growth of liabilities due to interest rate liberalization. In addition, allocation to other sources of liabilities will be increased.

Question 7: Please illustrate the industrial and geographical distribution for Minsheng Bank’s additional overdue loans (including non-performing loans and special-mentioned loans) in the third quarter. What is the overall assessment of the asset quality of the fourth quarter and the next year?

The balance of non-performing loans has recorded an increase as compared with the beginning of the year. As compared with the second quarter, the balance of non-performing loans in the third quarter is slightly higher while the non-performing loans ratio is lower. The priorities of the third quarter were writing off and transfer of non-performing loans.

Overdue loans have also recorded an increase of approximately more than RMB20 billion as compared with the beginning of the year. As compared with the second quarter, the industrial and geographical distribution for overdue loans experience little change, which were concentrated in northern and central China, as well as branches with relatively larger increase in overdue loans such as Jinan, Shijiazhuang and Tianjin. In the future, Minsheng Bank will strengthen effort in restructuring, recovering and disposing of overdue loans to limit its growth.

In respect of overall assessment of future asset quality, the ratio of non-performing loans will maintain upward momentum. It is expected that steady and moderate increase in non-performing loan ratio will be a common trend for the whole banking industry in the short term.

Minsheng Bank will strive to maintain its non-performing loan ratio at a stable and controllable level with a satisfactory figure in the future through adjustment to assets structure by effective control and strengthening of disposal.

Question 8: Please illustrate the features of the strategic transformation of the retail business of Minsheng Bank. What is the most distinctive feature and what is the future target for contribution of the business?

The stable and reliable sources of Minsheng Bank's steady incomes and high equity returns rest on its retail business which has a proven track record and targets for balanced development of scale, quality and efficiency. With an aim to foster a superior retail banking brand, Minsheng Bank will strive to boost the proportion of revenue contributed by its retail banking segment by 2 to 3 percentage points to exceed 40% in two to three years. The primary target of Minsheng Bank in terms of profit is to become one of the top three joint stock banks.

Seven features are reflected in the development of retail business: firstly, collaborative development mechanism will be established to promote the development target of expanding retail business; secondly, efforts will be made to increase the portion of assets for the comprehensive development of individual financial businesses; thirdly, the business model will be optimized with stable development of financial services for small and micro enterprises so as to improve and enhance the contribution of small and micro corporate customers. The mortgage ratio will be continuously increased, and measures such as quantitative decision-making based on customer's profit and loss, as well as layered team management will be implemented for effective risk control; fourthly, the development of private banking will be accelerated; fifthly, the business layout will be rapidly upgraded with innovative launch of credit card business; sixthly, great emphasis will be paid to customer experience and vast investment will be made for online financial services; and seventhly, the functions of our physical outlets will be further improved and management for the whole channels will be strengthened.

Question 9: Please describe the growth of the corporate deposits and loans of Minsheng Bank as of the end of the third quarter. How will Minsheng Bank respond to the continuous asset insufficiency in the future in respect of its corporate business?

In the first three quarters, the growth of corporate deposits and loans of Minsheng Bank ranked high among its peers. As of the end of September 2016, the corporate deposits amounted to RMB2,334 billion, representing an increase of RMB285.9 billion or 13.3% as compared to the end of the previous year. The increase in deposits was mainly attributable to the increase in core liabilities and the optimization of deposit composition. As for loans, the total corporate loans and advances as at the end of September amounted to RMB1,585.2 billion, representing an increase of RMB265.2 billion or 20.1% as compared to the end of the previous year. According to the figures of other banks, Minsheng Bank ranked first in terms of growth in corporate deposits and loans among eight comparable joint stock banks.

With regard to the problem of asset insufficiency, Minsheng Bank has fully noticed the slowdown in the economic growth under the new normal and the decreasing returns from investment in the real economy. In lack of high quality projects, asset insufficiency will continue and become a major trend. Minsheng Bank will adopt a proactive approach to implement various measures in response. First of all, Minsheng Bank will establish clear directions and objectives and leverage market opportunities to seek high quality assets. As for customers, the Bank will particularly target the “Three Premium and One Distinctive” enterprises. As for its business development, Minsheng Bank will capitalize on the market opportunities arising from the national strategies such as the development of Beijing, Tianjin and Hebei, “the Belt and Road Initiative (一帶一路)” and development of Yangtze River Economic Zone, the strategic emerging industries facilitated by the current industrial and consumption upgrades of the state government as well as the consumption enhancement in industries such as healthcare, elderly care and education. Meanwhile, Minsheng Bank will also grasp business opportunities from supply-side reform and reduction of leverage ratio of enterprises and for investment banks in the process of integration of military and public services. Minsheng Bank will also take advantage of the international business opportunities available during the process of the internationalization of Renminbi and enterprises’ expansion of overseas market. Secondly, the Bank will promptly implement its measures with determination. Thirdly, Minsheng Bank will optimize its existing businesses and facilitate the transformation of light assets. Fourthly, the Bank will expand its sources of income to reduce the cost of debts. Fifthly, Minsheng Bank will keep track of the current condition to avoid business risks and keep abreast with the updates of policies and evolving economic trends.

Question 10: With regard to service fee income, how is the growth in the first three quarters, and what is the catalysts for the growth and the composition of service fee income? In addition, what is the impacts of the adjustment of standard fees for credit cards on service fee income?

Minsheng Bank achieved a total net non-interest incomes of RMB45.5 billion for the first three quarters which accounted for 39% of the total operating income, outperforming other peers in the industry. The growth was mainly stimulated by the growth of service fee income from agent services, bank card services and trust services. The service fee income from these three kinds of service accounted for 85% of the total service fee income. For the purpose of achieving income growth of intermediate services in the future, Minsheng Bank will continue to expand the sources of income from intermediary business to maintain a sustainable growth of income therefrom.

The major changes arising from the Notice of the Improvement of Pricing Mechanism for Service Fees Charged for the Use of Bank Cards (《關於完善銀行卡刷卡手續費定價機制的通知》) are that the service fees charged for bank cards by issuing banks shall be determined by the market and the standard service fees charged for credit cards by issuing banks shall not exceed 0.45% of the transaction amount whereas the regulation relating to the maximum fee for single transaction is rescinded. As far as Minsheng Bank is concerned, though the fee adjustment to a certain extent has affected the amount of wholesale transactions, the services fee income from bank cards has maintained a stable growth of nearly 7% in the first three quarters. Minsheng Bank will continue to expand its sales channels of credit cards to satisfy customer needs for the services and consistently improve the profitability of credit cards.

By Order of the Board
CHINA MINSHENG BANKING CORP., LTD.
Hong Qi
Chairman

Beijing, PRC
1 November 2016

As at the date of this announcement, the executive directors of the Company are Mr. Hong Qi, Mr. Liang Yutang and Mr. Zheng Wanchun; the non-executive directors of the Company are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Wang Yugui, Mr. Wang Hang, Mr. Wang Junhui, Mr. Wu Di, Mr. Guo Guangchang and Mr. Yao Dafeng; and the independent non-executive directors of the Company are Mr. Wang Lihua, Mr. Han Jianmin, Mr. Cheng Hoi-chuen, Mr. Liu Jipeng, Mr. Li Hancheng and Mr. Xie Zhichun.