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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 FOR THE FIRST QUARTERLY RESULTS RELEASE TELECONFERENCE**

The board of directors (the "**Board**") of China Minsheng Banking Corp., Ltd. (the "**Company**") held the 2015 first quarterly results release teleconference on 22 April 2015. The brief notes of the results release teleconference are as below and the Company believes that its shareholders may be interested to be provided with more details.

**Question: Thank you for giving me the chance to ask questions. For small and micro business, we see a significant drop in the quarter-on-quarter growth rate of the number of small and micro enterprise customers. Is this a result of the adjustment of business strategy or the slowdown in the growth rate of small and micro enterprise customers? My second question is about community finance. There are 4,900 community outlets, of which 812 outlets obtained business licenses from the regulatory authorities. What are the differences between the operations of licensed and unlicensed outlets?**

**Answer:** As at the end of March, total loans and advances to small and micro customers amounted to RMB1.8 trillion and loan balance amounted to RMB407,800 million, representing an increase of RMB5,100 million as compared with the beginning of 2015. The total number of small and micro business customers has increased to over 3 million, with number of 3.0255 million. For the growth rate which you may concern about, this year, we intend to maintain a reasonable growth of small and micro loans and emphasize on the growth of overall contribution of customers through cross selling. This is the current focus of our small and micro business. We carry out the work in three aspects: firstly, we improve the operation channels and process by introducing "Xiao Wei Bao", a mobile operation platform for small business finance, and intensify the promotion of our micro loans below RMB0.5 million, in order to expand our customer base by including more customers of smaller size. Secondly, we strengthen the cross selling to increase operating income and the provision of more integrated customer services. We have organized a series of promotion campaigns, such as the Chinese New Year Offer (新春回饋) and launched products exclusively for the small and micro market. The strategies are successful as the

small and micro deposits increased by RMB15,100 million as compared with the beginning of 2015. Thirdly, we have further enhanced our business expansion model through “one circle, one chain and one platform”, refining the platform for attracting new customers and creating a light assets-based small business finance model. Meanwhile, we have optimized the loan procedures to improve the processing efficiency. This is the situation of the growth and development of the small and micro business.

Community finance is a business model developed by Minsheng Bank. There are 813 community outlets with business licenses and over 3,000 community outlets without business licenses. Outlets with business licenses are permitted to carry out on-site sales and consultations by employees, and other businesses except the handling of large amount of cash. Outlets without business licenses primarily operate as full-function self-service banks. These are the differences.

**Question: My first question is a major concern of many investors. When will the new session of the Board be elected?**

Answer: Thanks. The composition of our management is everyone’s concern. The Board has decided to postpone the election of the new session of the Board. It is simply because our shareholding structure has changed and the China Banking Regulatory Commission is examining the qualification of Anbang as our shareholder. We will start the election process as soon as the qualification of Anbang is approved. Those issues will be solved after the election.

**Question: I would like to ask what strategies and approaches do you adopt in mitigating risks of large enterprises and small enterprises. In addition, how is the current condition of loan demand?**

Answer: In 2013 and the first half of 2014, the characteristics of distressed assets and non-performing assets of Chinese banking industry were obvious and concentrated particularly in small and medium-sized enterprises (“SMEs”) and the Yangtze River Delta region. From the second half of 2014 to the first quarter of this year, there were two changes. Firstly, the issue of non-performing loans was extended from SMEs to large enterprises and even the state-owned enterprises and central enterprises. Secondly, such issue had spread obviously from the Yangtze River Delta to Bohai Rim, particularly the central China and the western coast region of the Taiwan Strait. In view of the current situation, we have conducted a thorough analysis of the causes of issues in different regions and customers. As the nature of our customers and the causes of their issues vary, we have adopted different collection strategies and approaches. For large enterprises, we believe the issues may be solved mainly through the improvement of their own business operation and increase of cash flow. For SMEs, we adopt different approaches as their risk resistance capacity is relatively weak. SMEs are classified into four categories in respect of our future relationship, i.e. to support, to stop, to quit and to eliminate. It is hard to adopt a general approach for all the SMEs. There are many complicated reasons and backgrounds of the cause of non-performing assets. Our Bank has designated a team to formulate tailor-made plans for every customer after thoroughly analyzing their non-performing assets. Certainly, there will be some differences in the measures or approaches adopted for large enterprises and medium enterprises.

For the second question, the loan demand was significantly low due to the poor performance in the real economy as evidenced by low capacity utilization ratio in the first quarter. In the first quarter, loan demand concentrated in capital market related areas and government investment related areas. We have conducted a thorough analysis and allocated our investment to four major sectors. Firstly, we focused on key sectors and regions, such as the Beijing, Tianjin and Hebei Economic Zone (京津冀一體化), Yangtze River Economic Belt (長江經濟帶), One Belt One Road projects (一帶一路), and public-private partnership projects and products designed for the free trade zones. We have chosen some promising and quality projects, including some transitional projects for trial and exploration to gradually develop an appropriate business model. Secondly, we have clearly defined the approaches of divesting, reduction, restriction, control and suspension in our policies for this year. We increased our input in industries of growing cycle, such as medical and pharmaceutical industry, including healthcare industrial chain, natural gas, military industry and schools. The overall investments to these emerging industries accounted for 17% of the total in the first quarter of this year. Thirdly, we have fulfilled the financing demand of investment banking business related to capital markets, including private placement and mergers and acquisitions. Fourthly, we did not give up our strategy. We adjusted the general structure of small business finance and brought up "Big Consumption"(大消費) while reducing our loans to major producers. Though the net increase of loan is RMB5 billion, the total increase is significantly higher than the net increases. Thus while adjusting our business structure, we also increased our input in the small business finance.

**Question: What is the progress of the employee share ownership scheme?**

Answer: We have internally prepared the relevant materials relating to the employee share ownership scheme. Since the senior management is involved and we need to identify the core figures among them, and as the number of senior management is 5,000 to 6,000 persons, we are still in the process of calculating and determining the exact number. It is also related to the election of the new session of the Board. We are working on both of them. Thank you.

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

Beijing, PRC  
24 April 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Hong Qi and Mr. Liang Yutang; the non-executive directors 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 are Mr. Qin Rongsheng, Mr. Wang Lihua, Mr. Han Jianmin, Mr. Cheng Hoi-chuen, Mr. Ba Shusong and Ms. You Lantian.*