



中国信达资产管理股份有限公司
CHINA CINDA ASSET MANAGEMENT CO., LTD.

2016 Annual Results

March 2017



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Key Achievements in 2016

1

Steady growth of business in scale and quality

2

Strategic adjustment of our synergistic operating platform
with optimizing resource allocation

3

Prudent and visionary capital management with sufficient buffer for business growth

4

Business transformation further strengthened leading position in distressed asset
management

5

Significant pre-tax income growth in FI & AM segment with rising profit contribution

6

Proactive risk management and enhanced management mechanism

1 Steady Growth of Business in Scale and Quality

<i>(RMB mm, except data per share and ratios)</i>	2016	2015	Change	
Total assets	1,174,481	713,975	↑	64.5%
Equity attributable to the Company's shareholders	139,217	101,710	↑	36.9%
Total income	91,657	78,744	↑	16.4%
Profit before tax	21,766	19,298	↑	12.8%
Net profit attributable to shareholders	15,512	14,027	↑	10.6%
EPS	0.43	0.39	↑	10.3%
Cost-to-income ratio	27.0%	23.9%	↑	3.1pts
ROAA ⁽¹⁾	1.82%	2.34%	↓	0.52pts
ROAE ⁽²⁾	14.1%	14.4%	↓	0.28pts
CAR ⁽³⁾	19.38%	16.11%	↑	3.3pts

- (1) Represents the percentage of net profit for the period (including profit attributable to non-controlling interests) in the average balance of total assets as at the beginning and the end of the period. NCB has been consolidated into the consolidated financial statements of the Group since May 30, 2016. The return on average assets for 2016 here was the return on average assets excluding the effect of the consolidation of NCB. The return on average assets for 2016 was 1.69% if taking into account of the effect of the consolidation of NCB
- (2) Represents the percentage of profit attributable to the equity holders for the period in the average balance of equity attributable to the equity holders of the Company as at the beginning and the end of the period
- (3) Data in 2016 is per the latest Off-Site Regulatory Indicator System for Asset Management Companies, and measured by the new indicator system; data in 2015 was measured by the original indicator system

2 Strategic Adjustment of Our Synergistic Operating Platform with Optimizing Resource Allocation



2 Strategic Adjustment of Our Synergistic Operating Platform with Optimizing Resource Allocation (Cont'd)

Benchmarking of NCB Before and Post Settlement⁽¹⁾



Achievement of Group Business Synergy



Cross-selling Revenue: RMB2.6 bn



of Clients Involved: 2,844



of Projects: 477



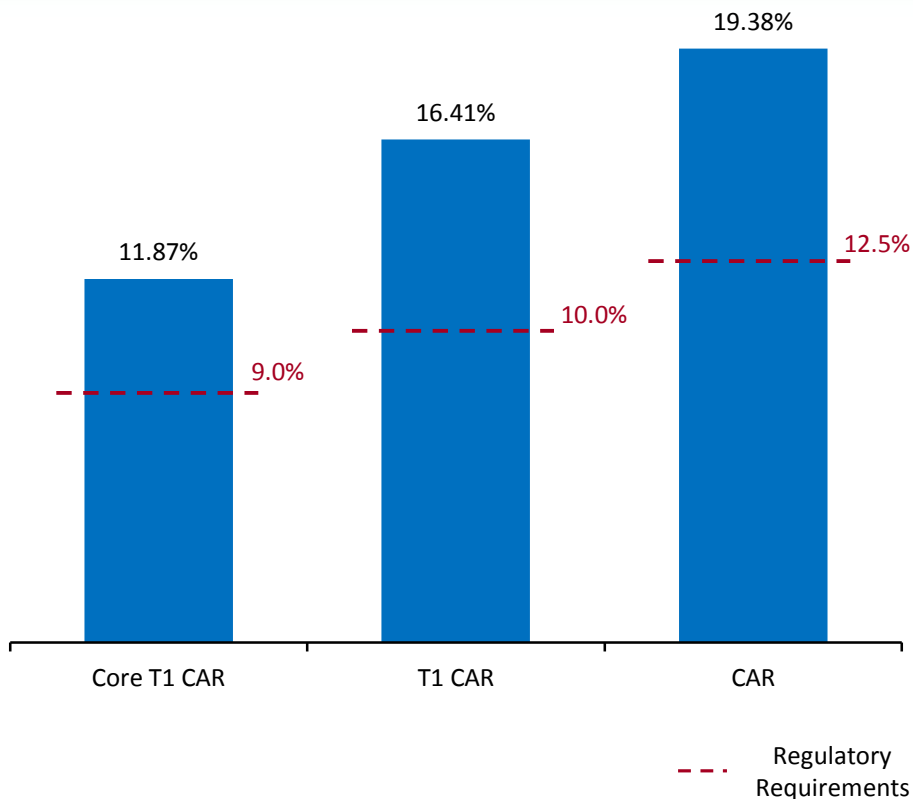
Aggregate Business Scale: RMB341 bn

NCB has been expanding business rapidly with promising growth potential. China Cinda has been promoting the business collaboration among distressed assets management business and various platforms

(1) As of Dec 31, 2016; NCB merged into the Group since May 30, 2016

3 Prudent and Visionary Capital Management with Sufficient Buffer for Business Growth

Capital Adequacy Ratio



First T2 capital issuance by AMC in China

Issued RMB10bn T2 capital bond priced at 3.70% in domestic interbank market in June 2016



First preference share issuance by AMC in China

Issued US\$3.2bn preference shares priced at 4.45% in offshore market in September 2016



First H-share private placement AMC in China

Private placement of ~RMB5.5bn of H-share to COSCO in December 2016

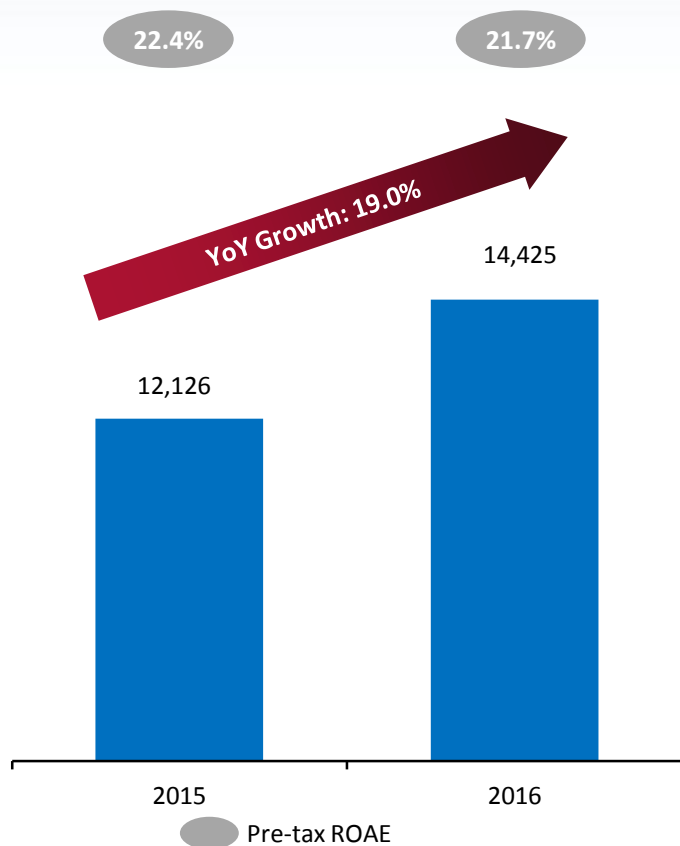


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4 Business Transformation Further Strengthened Leading Position in Distressed Asset Management

Pre-tax Profit from Distressed Asset Management

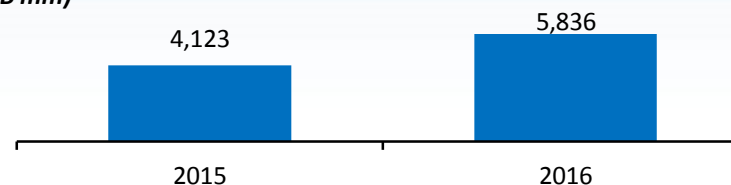
(RMB mm)



Income from Distressed Asset Management

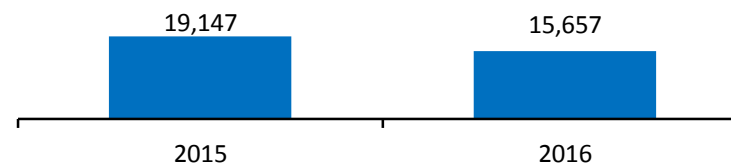
Net Income from Traditional Distressed Assets

(RMB mm)



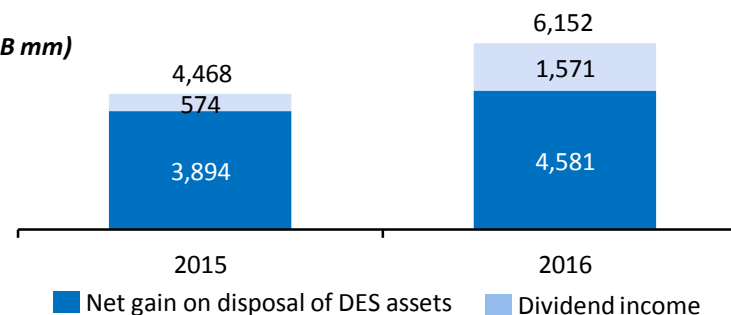
Income from Restructured Distressed Assets

(RMB mm)



Net Gain on Disposal of DES Assets and Dividend Income

(RMB mm)



5 Significant Pre-tax Income Growth in FI & AM Segment with Rising Profit Contribution

Balance of principal investments: ↑ 80.0%

Committed capital of private funds: ↑ 58.5%

Income from principal investments: ↑ 65.9%

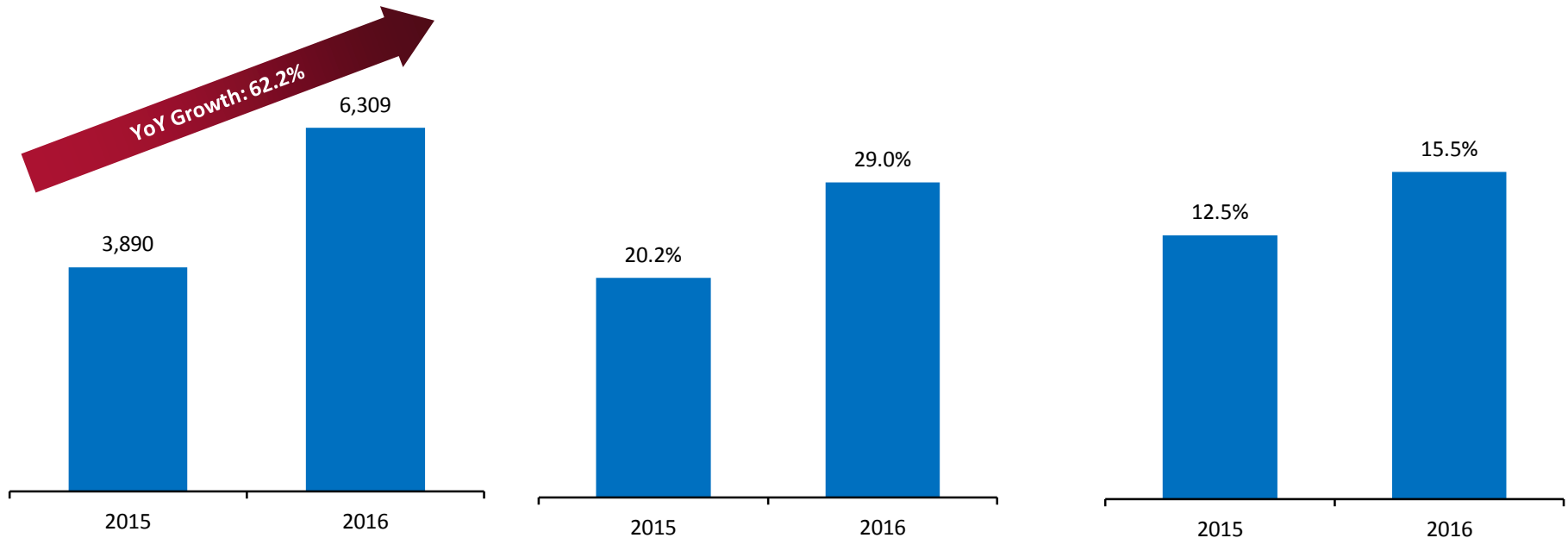
Accumulated paid-in capital of private funds: ↑ 88.0%

Pre-tax Profit

% of Pre-tax Profit ⁽¹⁾

Pre-tax ROAE

(RMB mm)



(1) % of Pre-tax profit of Investment and Asset Management business to pre-tax profit of the Group; pre-tax profit of the Group includes elimination among segments

6 Proactive Risk Management and Enhanced Management Mechanism

Proactive Management to Enhance Risk Control System

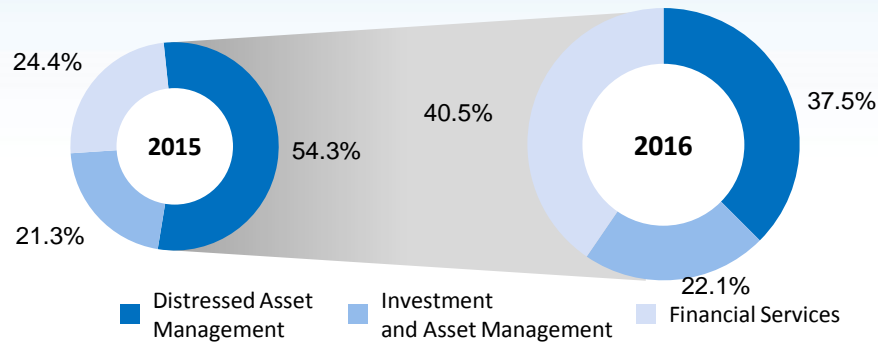
- Further optimize risk management structure to improve efficiency
- Improve awareness of risk management by patrol and inspection
- Unify the Group's risk preference, closely follow changing risk profile and improve risk control capabilities
- Strengthen risk management system and improve relevant policies and workflow
- Continue to optimize risk assessment criteria with economic capital management
- Accelerate the establishment of IT system to ensure timely, accurate and effective risk management

Optimize Management Mechanism to Elevate the Operating Standard

- Further strengthen guidance over branches and subsidiaries to activate operating energy and promote development of branches and subsidiaries
- Strengthen platform integration, improve management at the Group level and increase efficiency in resource allocation
- Optimize organizational structure, set up Strategic Client Division at the Group level and accelerate client-centric transformation
- Explore innovation of capital instruments and improve the capital replenishing mechanism to increase capacity for business growth

Steady Business Performance with Stronger Business Mix and Growth Potential

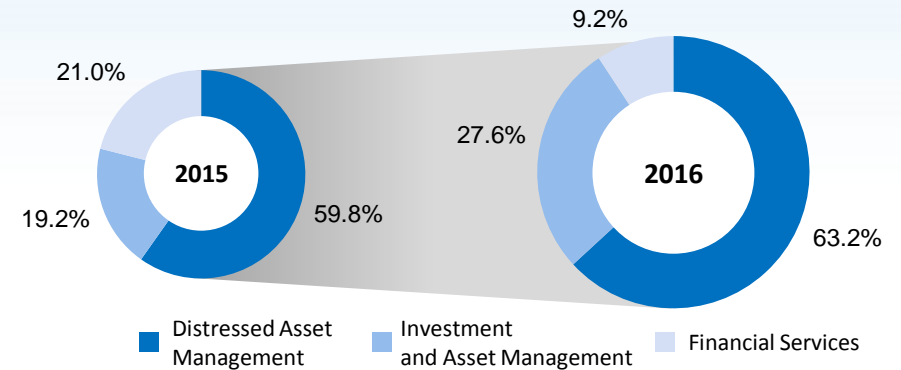
Total Assets Breakdown by Segment



Total Assets: RMB714 bn

Total Assets: RMB1,175 bn

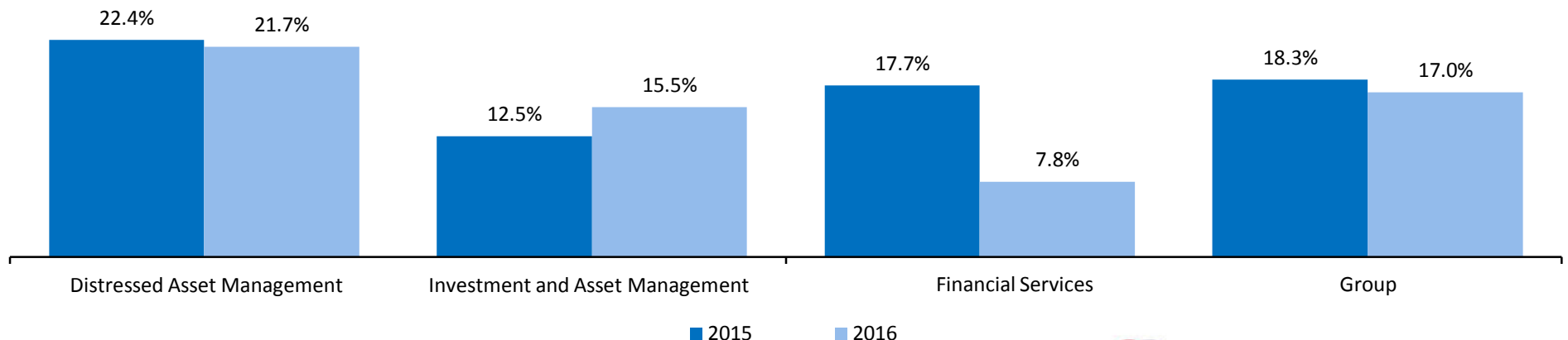
Pre-tax Profit Breakdown by Segment



Pre-tax profit: RMB19.3 bn

Pre-tax profit: RMB21.8 bn

Pre-tax ROAE



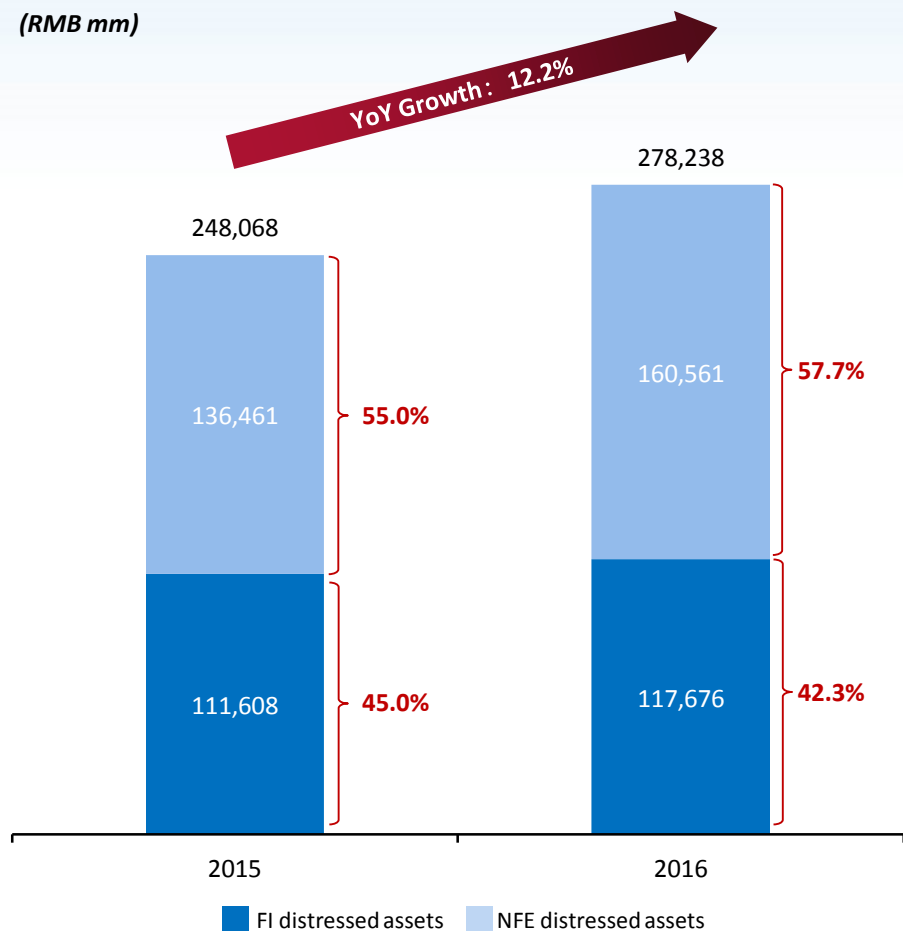
Note: Percentage calculation does not include elimination among segments

1 Distressed Asset Management – Distressed Debt Assets

Transform and Upgrade Distressed Asset Management Segment to Enhance Efficiency and Expand Business Scale

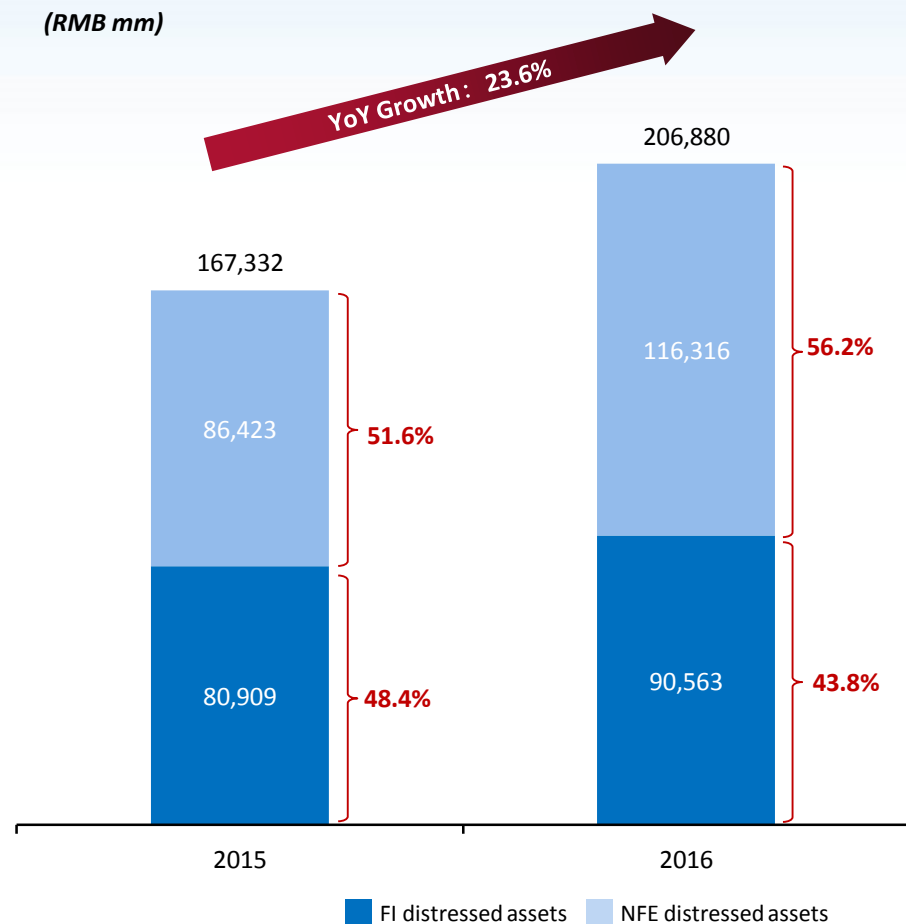
Net Balance of Distressed Debt Assets

(RMB mm)



Acquisition Cost of Distressed Debt Assets

(RMB mm)

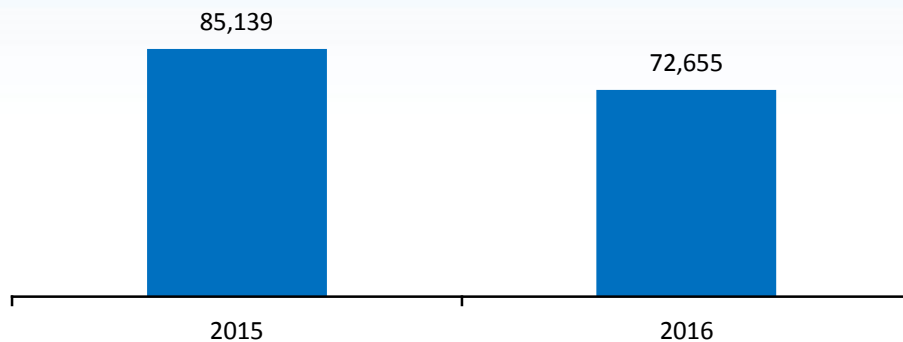


1 Distressed Asset Management – Traditional Distressed Assets

Relatively Adequate Supply in Market with Solid Profitability

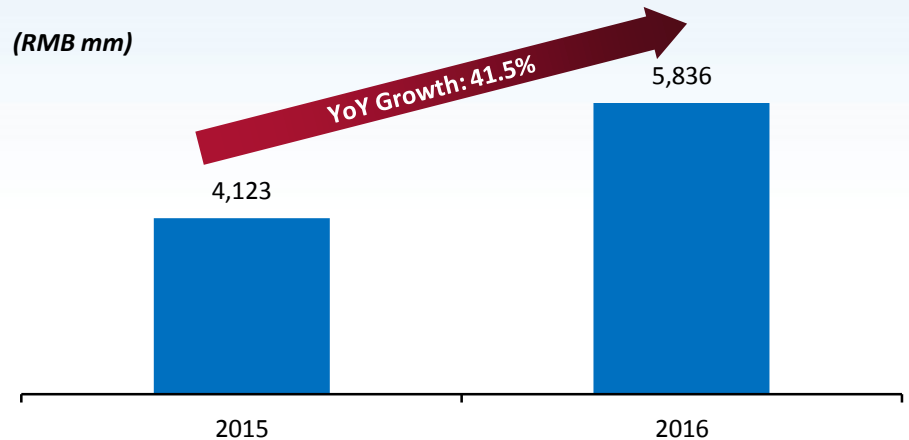
Acquisition Amount of Traditional Distressed Assets ⁽¹⁾

(RMB mm)



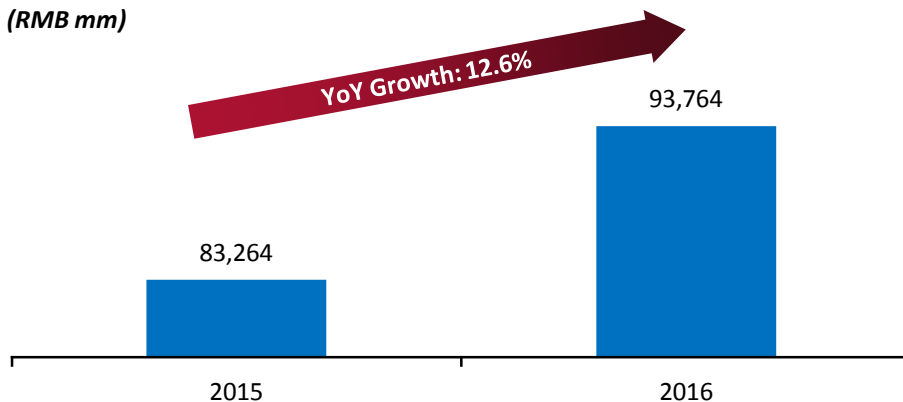
Net Gains of Traditional Distressed Assets ⁽¹⁾

(RMB mm)

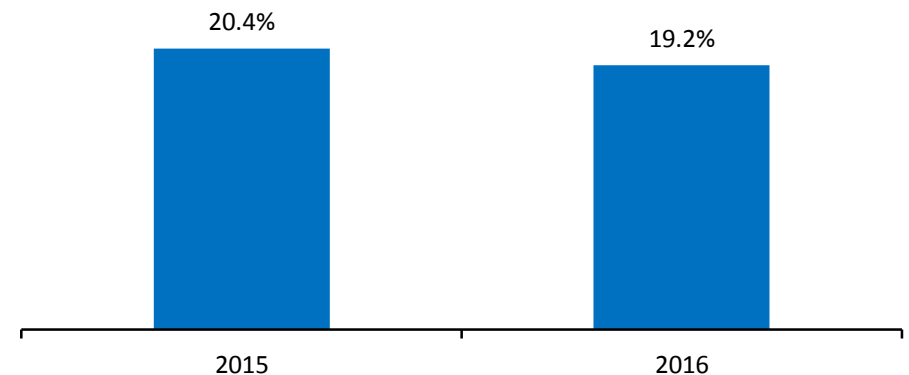


Net Balance of Traditional Distressed Assets ⁽¹⁾

(RMB mm)



IRR ⁽¹⁾



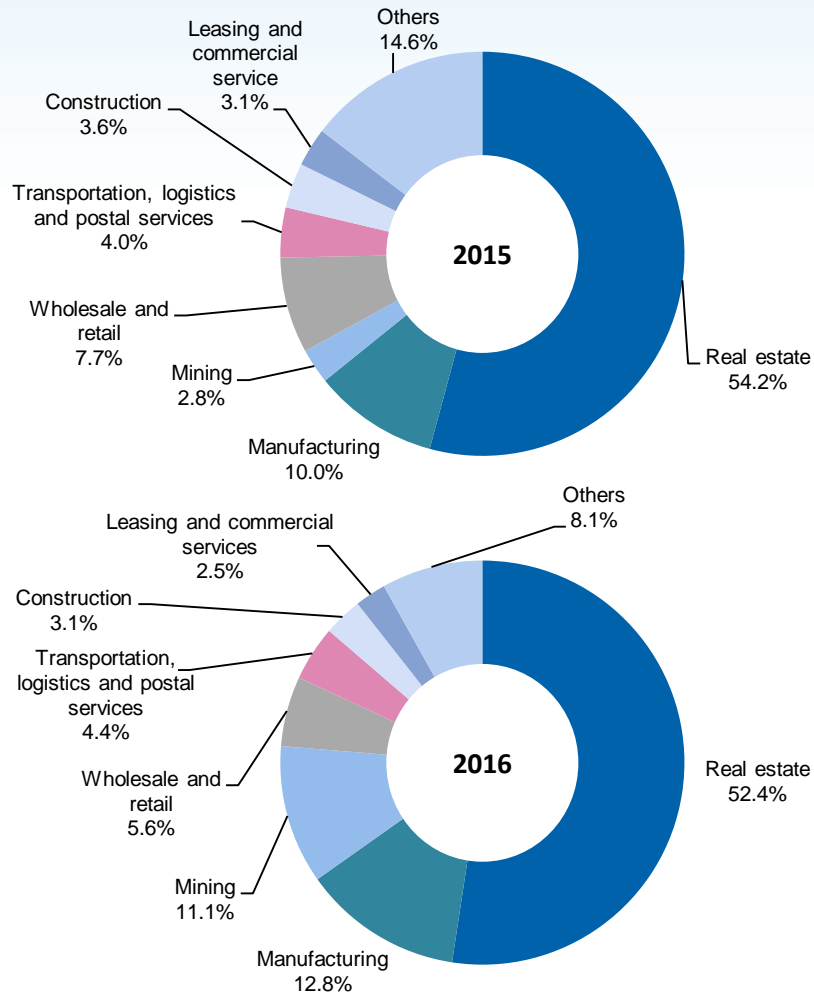
Note: Internal Rate of Return represents the discount rate that will provide a net present value of all cash flows incurred from cash income of disposing traditional distressed assets to costs of such assets at the time of acquisitions equal to zero

(1) First segment data

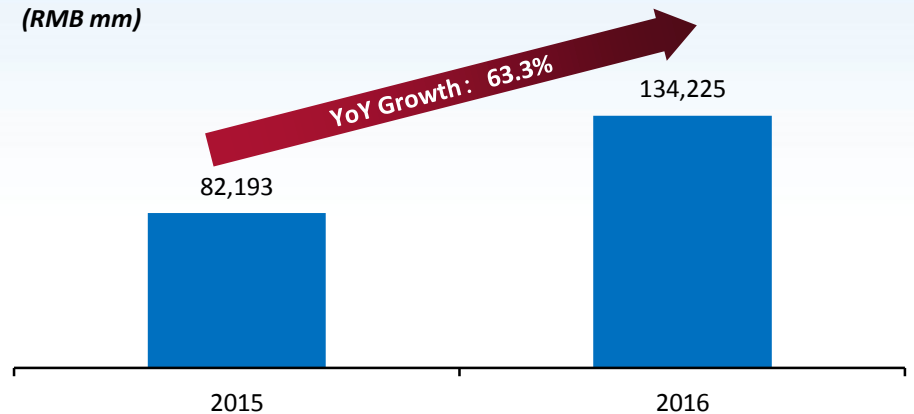
1 Distressed Asset Management – Restructured Distressed Assets

Continuous Optimization of Asset Structure and Increasing Acquisition Scale

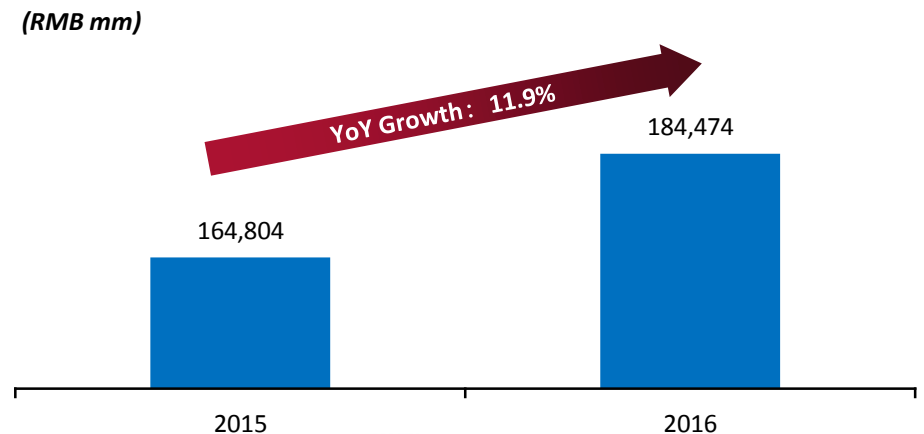
Industry Breakdown



Acquisition Scale of Restructured Distressed Assets



Net Balance of Restructured Distressed Assets



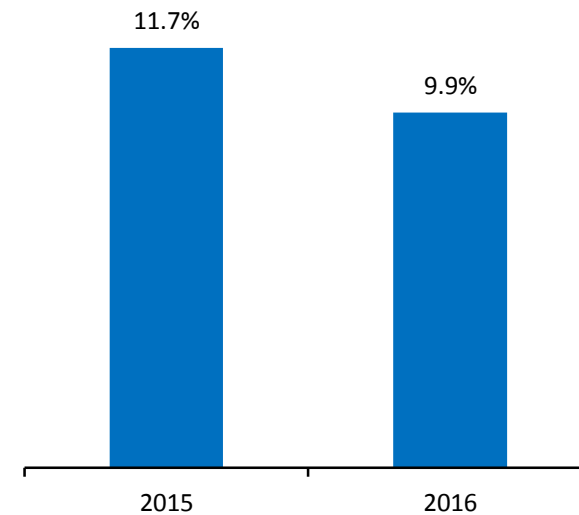
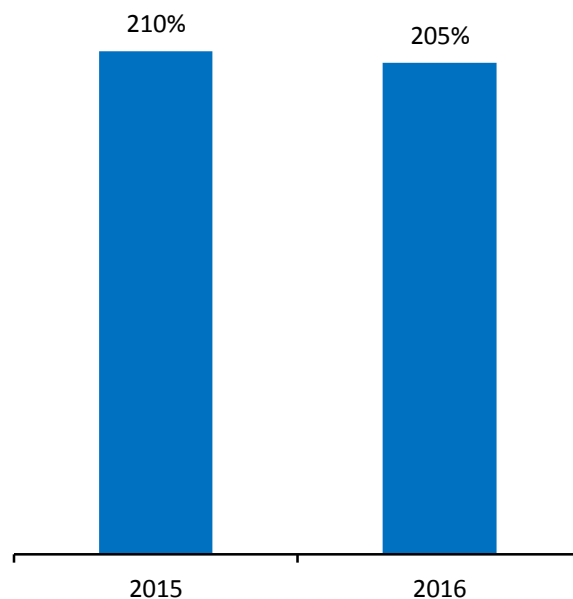
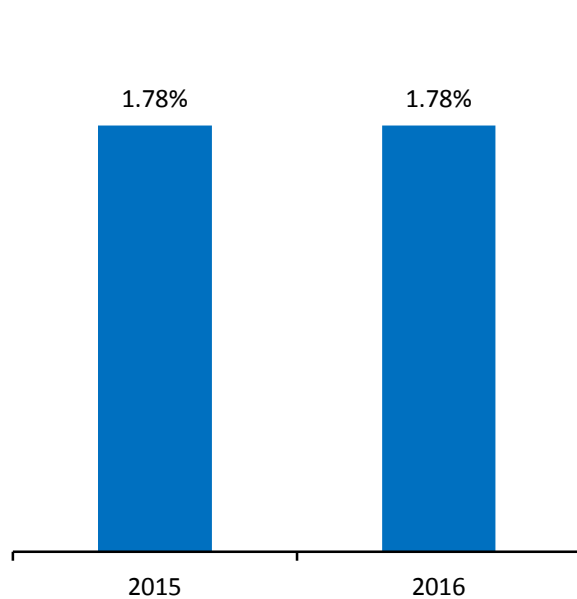
1 Distressed Asset Management – Restructured Distressed Assets

More Proactive and Comprehensive Risk Control Led to Improving Assets Quality

Impaired Assets Ratio

Impaired Assets Coverage Ratio

Annualized Return on
Monthly Average Balance

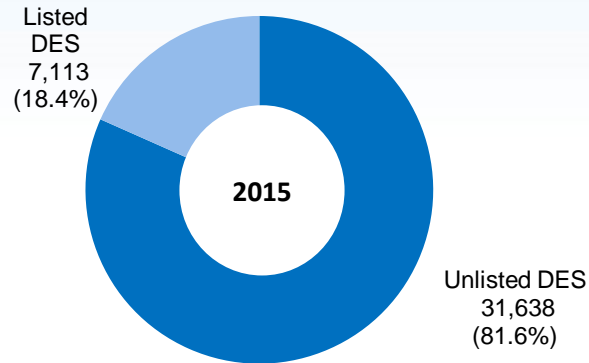


1 Distressed Asset Management – DES

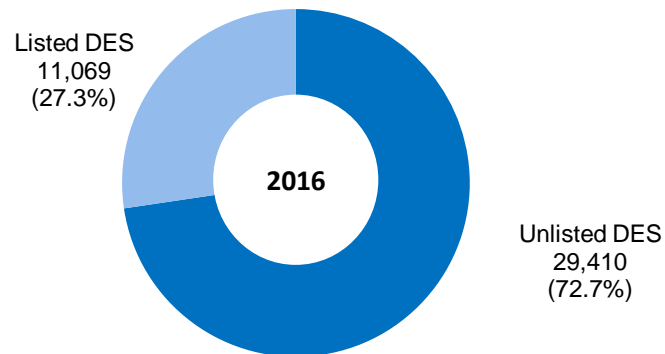
Major Projects with Breakthrough, Paving Way for Sustainable Development

Book Value Breakdown by Type

(RMB mm)



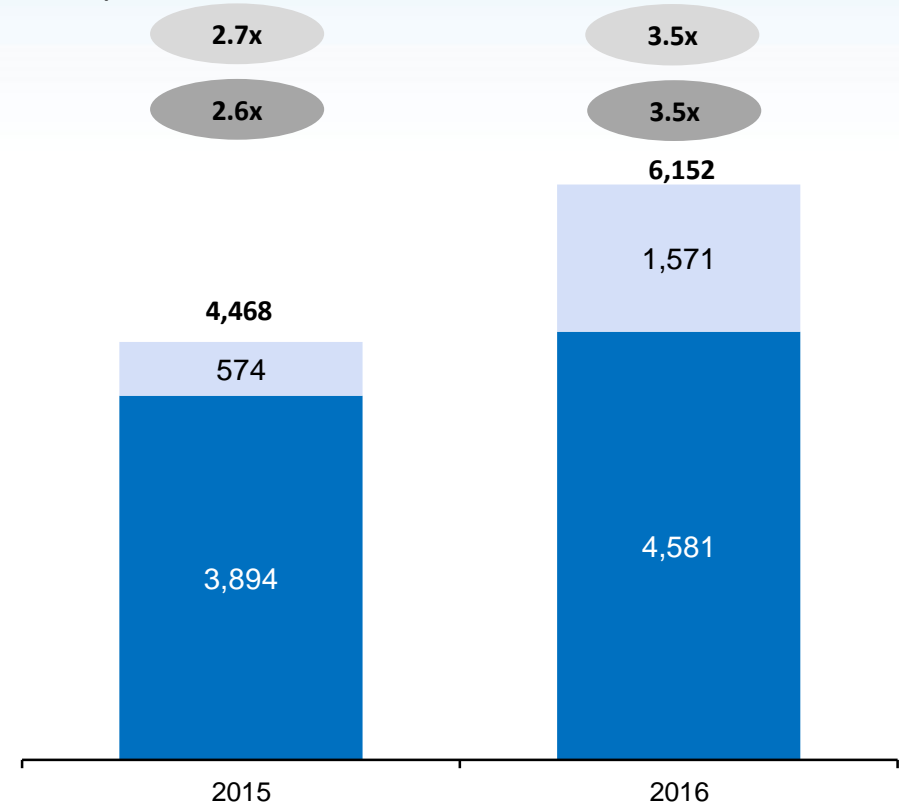
Total book value: RMB38.8 bn



Total book value: RMB40.5 bn

Dividend Income, Net Gain on Disposal of DES Assets and Exit Multiple

(RMB mm)



■ Net gain on disposal of DES assets

■ Dividend income

● Exit multiple for all DES Assets⁽¹⁾

● Exit multiple for unlisted DES Assets⁽¹⁾



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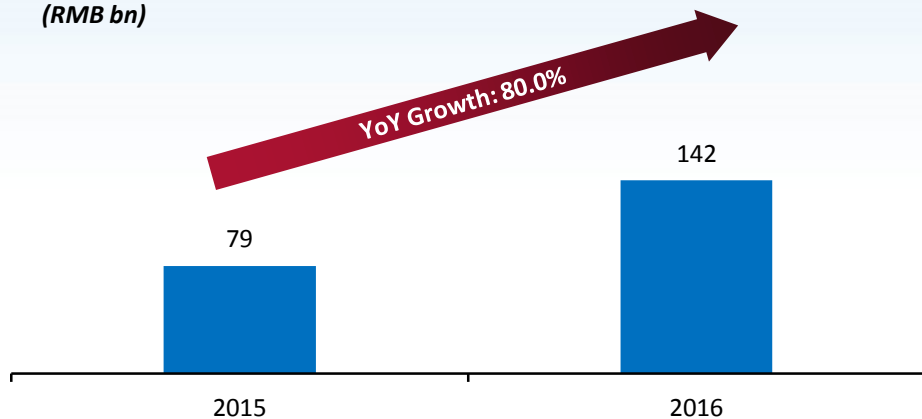
(1) Net gain on disposal of DES Assets and acquisition cost of DES Assets disposed (net of allowance for impairment, if any); Excluding dividend income

2 Financial Investment and Asset Management

Increasing Income from Principal Investments with Continuing Expansion in Third Party Asset Management

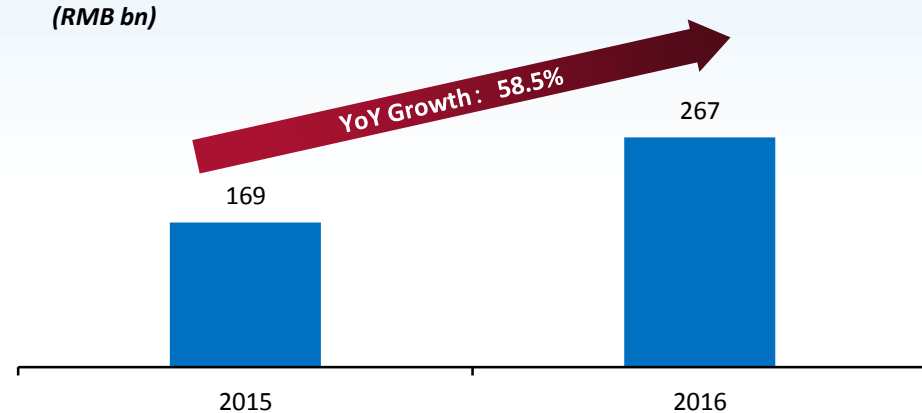
Balance of Principal Investments

(RMB bn)



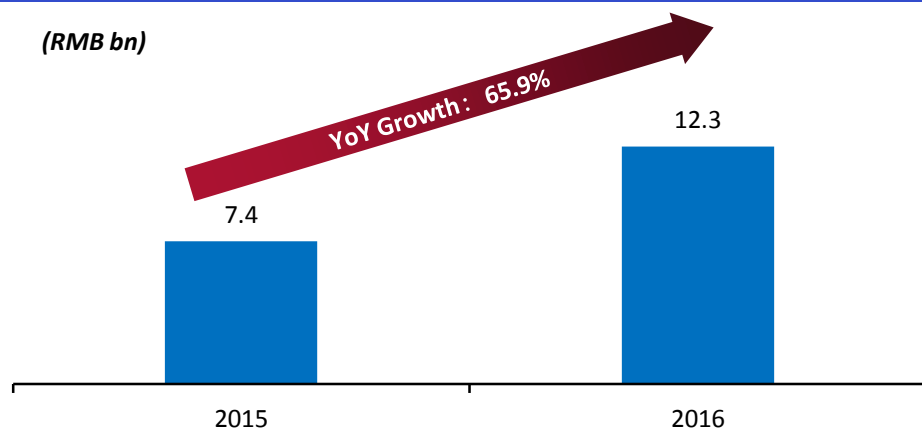
Total Committed Capital of Private Funds

(RMB bn)



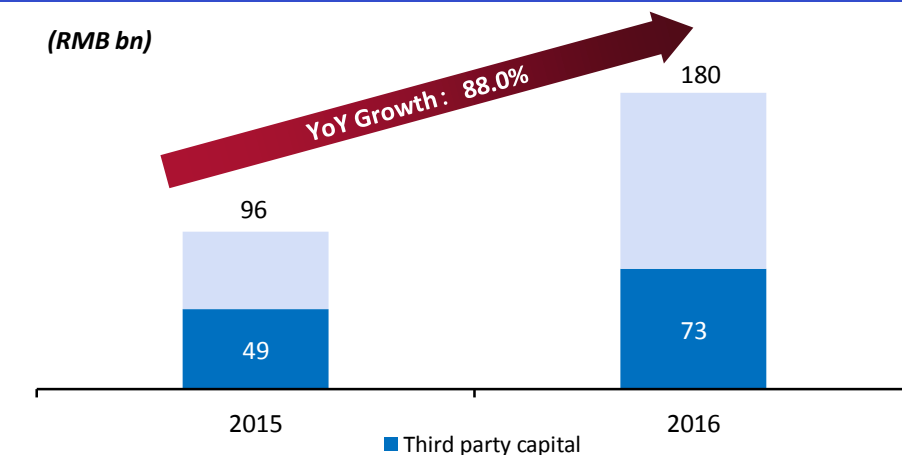
Income from Principal Investments

(RMB bn)



Total Paid-in Capital of Private Funds

(RMB bn)



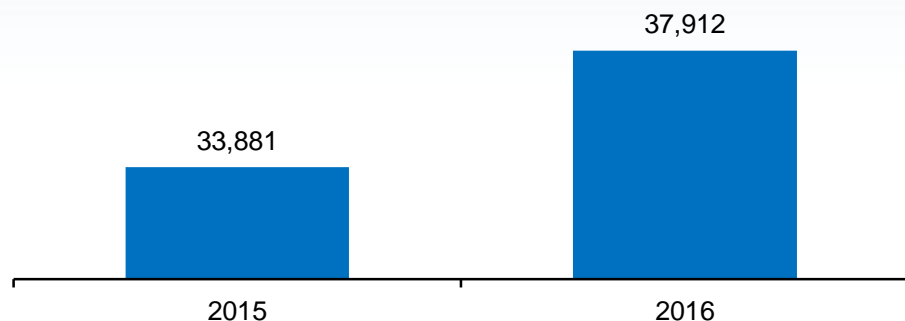
■ Third party capital

3 Financial Services

Established Financial Services Platform with Full-license to Enhance Efficiency in Asset Allocation and Improve Synergy

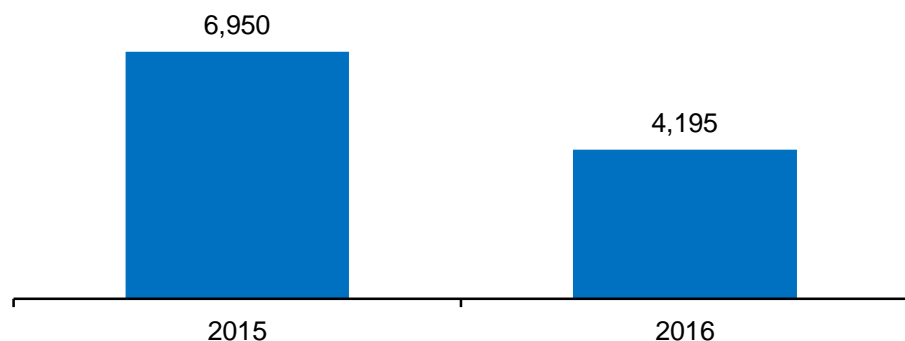
Total Income of Financial Subsidiaries ⁽¹⁾

(RMB mm)



Pre-tax Profit of Financial Subsidiaries ⁽¹⁾

(RMB mm)



Growth Momentum of Financial Subsidiaries

Bank ⁽¹⁾

- Revenue: RMB8.68 bn
- Pre-tax profit: RMB2.77 bn

Life insurance

- Gross Written Premium: RMB13.6 bn
- Pre-tax profit: RMB40 mm

Securities and futures ⁽²⁾

- Pre-tax profit: RMB0.53 bn
- AUM balance: RMB71.3 bn

Leasing

- Pre-tax profit: RMB0.86 bn
- Net lease receivable: RMB41.6 bn

(1) Due to the completion of equity transfer of NCB on May 30, 2016, the consolidated income statements of the Group only includes the income and profit of NCB from June to December 2016. In order to reflect the comparability, the annual income and profit before tax of NCB in 2016 was the total amount for the year

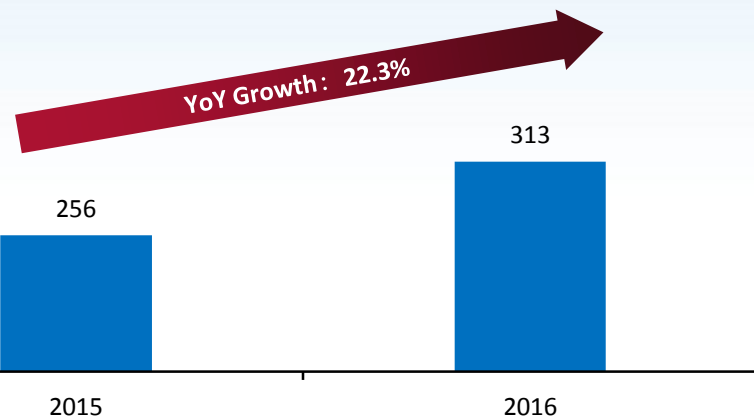
(2) Including Cinda Securities, First State Cinda Fund, Cinda Futures, and Cinda International

3 Financial Services

Outstanding Performance of NCB with Substantial Growth Potential

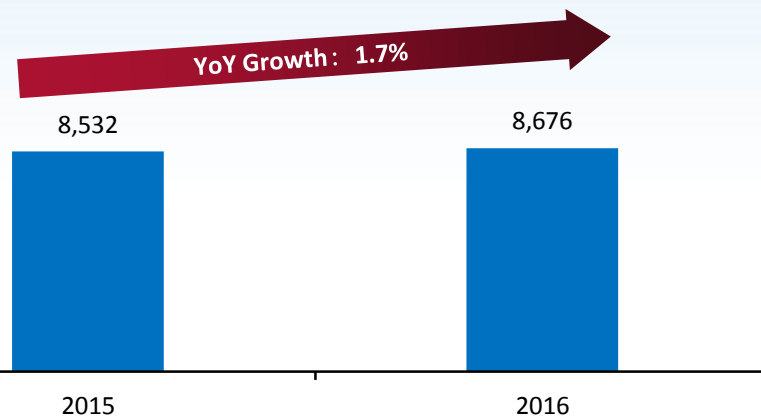
Total Assets of NCB

(RMB bn)



Operating Income of NCB ⁽¹⁾

(RMB mm)



NPL Ratio of NCB

0.44%

0.39%

2015

2016

Total Capital Adequacy Ratio of NCB ⁽²⁾

18.41%

16.19%

2015

2016

(1) The revenue of NCB in 2016 was the total amount for the year
(2) Total capital ratio = (tier1 capital + tier2 capital) ÷ net risk-weighted assets

China Cinda's Potential Business Opportunities

Background

- China economic growth is slowing down but to stabilize and improve. Economic structure adjustment accelerates
- 2017 is a year to deepen supply-side reform with major tasks such as “Reducing over-capacity, destocking, de-leveraging, reducing cost, and shore up weakness”, SOE reform and economic structure optimization

Target Markets and Business Opportunities

1

Banking industry is faced with risk of NPL disposal pressure, traditional distressed asset management has immense growth opportunities

2

Opportunities in M&A, restructuring and systematic consolidation arise in supply-side structural reform, with RDA business as an entry point. There will be more opportunities in asset restructuring for enterprises and in structural adjustment of industries

3

Market-driven, legalized DES business creates opportunities in optimization of enterprises' financial structure, restructuring of existing assets, and additional equity investments

4

With implementation of “One Belt, One Road”, coordinated development of Beijing-Tianjin-Hebei, Yangtzi River Economic Belt, there will be substantial demand for infrastructure investments

5

The accelerating economic structural adjustment, development of emerging industries and reform of traditional industries will result in more demand for comprehensive and customized financial services

6

The expediting SOE reform and orderly proceeding mixed-ownership reform with divestment of non-core business will bring more opportunities in equity investment and financial services

Strategic Focus in 2017



Continue to optimize business structure, deepen reform and innovation, and elevate quality of growth



Upgrade business model to further strengthen leading position in distressed asset management business



Enhance equity management business and leverage accumulated expertise to generate growth



Explore special situation investment opportunities and promote the transformation of FI & AM Segment



Improve the management and coordination at the subsidiary level through effective capital allocation



Strengthen asset and liability management to enhance financing capabilities and to improve the visibility and sensitivity of liquidity management



Enhance risk management and establish a visionary, integrated and proactive risk control system



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Appendix

Financial Summary

Consolidated Income Statement

(RMB mm)

	2016	2015	Change
Income from distressed debt assets classified as receivables	15,539	18,884	(17.7%)
Fair value changes on distressed debt assets	5,716	4,420	29.3%
Investment income	17,991	13,552	32.8%
Net premium earned	16,636	12,912	28.8%
Interest income	14,506	13,516	7.3%
Revenue from sales of inventories	10,955	7,637	43.4%
Commission and fee income	3,848	4,330	(11.1%)
Others	6,466	3,493	85.1%
Total	91,657	78,744	16.4%
Insurance costs	(17,549)	(13,767)	27.5%
Commission and fee cost	(2,122)	(1,472)	44.2%
Cost from sales of inventories	(8,456)	(5,587)	51.4%
Employee benefits	(6,110)	(5,192)	17.7%
Impairment losses on assets	(4,814)	(4,377)	10.0%
Interest expense	(23,224)	(20,185)	15.1%
Others	(6,083)	(6,621)	(8.1%)
	(68,358)	(57,201)	19.5%
Total			
Profit before tax	21,766	19,298	12.8%
Profit for the period	15,982	14,704	8.7%
Profit attributable to shareholders	15,512	14,027	10.6%

Consolidated Balance Sheet

(RMB mm)

	2016/12/31	2015/12/31	Change
Cash and bank balances	17,368	47	36,853%
Deposits with financial institutions	75,801	64,591	17.4%
Financial assets at fair value through profit or loss	149,045	117,287	27.1%
Available-for-sale financial assets	212,496	120,604	76.2%
Financial assets classified as receivable	198,787	181,058	9.8%
Loans and advances to customers	294,937	104,738	182%
Others	226,047	125,649	79.9%
Total assets	1,174,481	713,975	64.5%
Borrowings	450,515	317,071	42.1%
Bonds issued	152,498	111,773	36.4%
Accounts payable to brokerage customer	16,272	21,533	(24.4%)
Due to customers	204,629		
Others	202,597	152,704	32.7%
Total liabilities	1,026,511	603,081	70.2%
Total equity	147,970	110,894	33.4%
Equity attributable to equity holders of the Company	139,217	101,710	36.9%
Key Ratios			
ROAA ⁽¹⁾	1.82%	2.34%	
ROAE ⁽²⁾	14.1%	14.4%	
Cost-to-income ratio	27.0%	23.9%	
Total assets / total equity	7.9x	6.4x	

- (1) Represents the percentage of net profit for the period (including profit attributable to non-controlling interests) in the average balance of total assets as at the beginning and the end of the period. NCB has been consolidated into the consolidated financial statements of the Group since May 30, 2016. The return on average assets for 2016 was the return on average assets excluding the effect of the consolidation of NCB. The return on average assets for 2016 was 1.69% if taking into account of the effect of the consolidation of NCB
- (2) Represents the percentage of profit attributable to the equity holders for the period in the average balance of equity attributable to the equity holders of the Company as at the beginning and the end of the period