



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

2020 Annual Results Announcement

March 2021



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1 Performance Overview

2 Business Development

3 Future Prospects

Major achievements in 2020

1

We tackled the challenges actively and effectively, and the performance grew steadily

2

Core business remained stable, and the foundation for development was consolidated further

3

The financing structure continued to be improved, and interest costs were effectively controlled

4

With dual support from internal and external sources, capital security margin was reasonably sufficient

5

Credit risk management was further strengthened, and asset quality was constantly consolidated

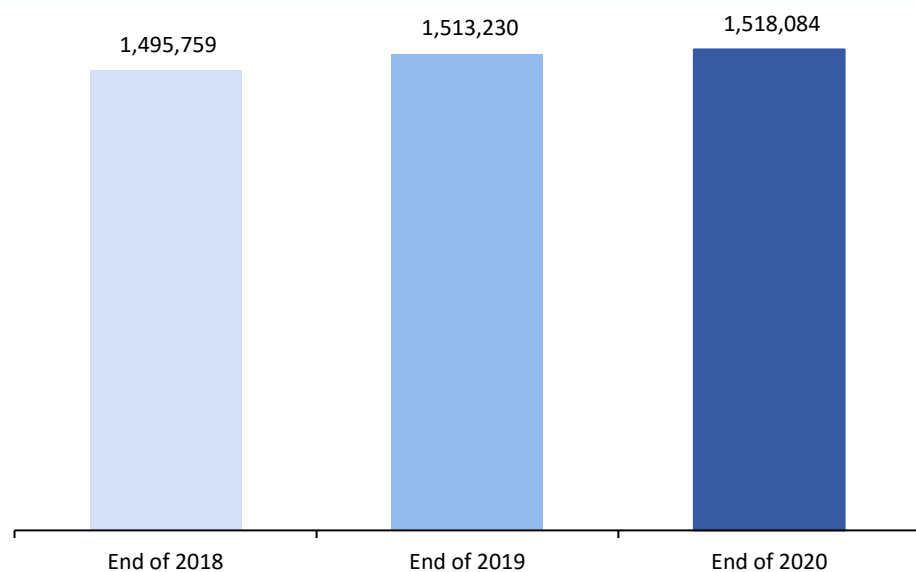
6

Continuous efforts were made in staff capacity building, and the professional advantages of distressed assets were reinforced

We tackled the challenges actively and effectively, and the performance grew steadily

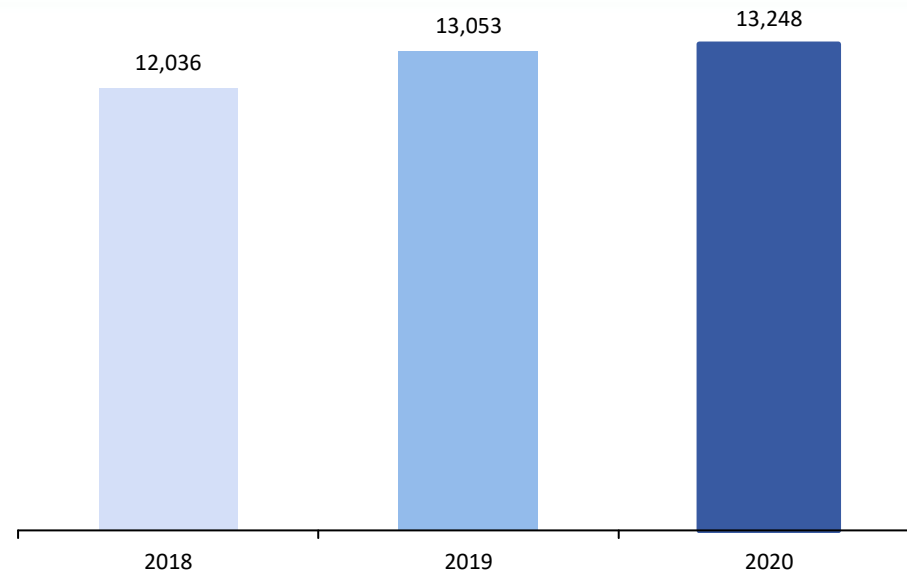
The Group's total assets

(in millions of RMB)



Profit attributable to equity holders of the Company

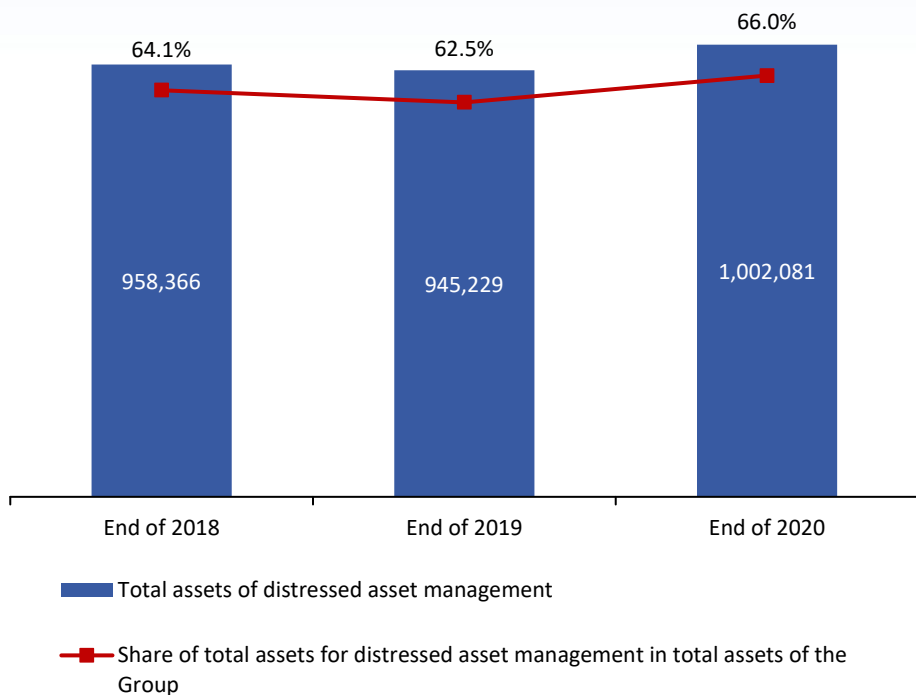
(in millions of RMB)



Core business remained stable, and the foundation for development was consolidated further

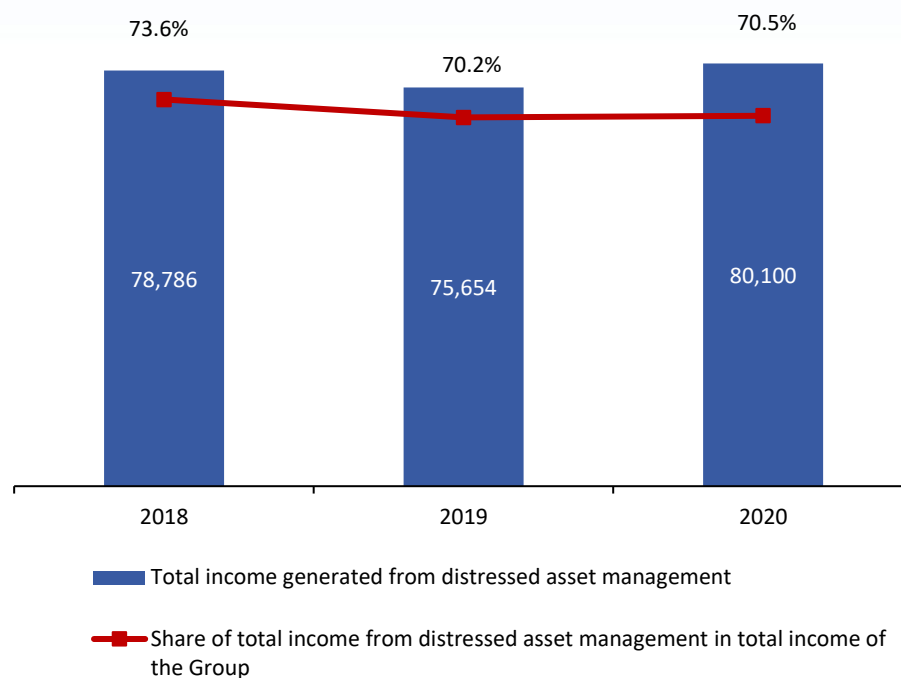
Total assets of distressed asset management and its proportion in total assets of the Group

(in millions of RMB)



Total income generated from distressed asset management and its proportion in total income of the Group

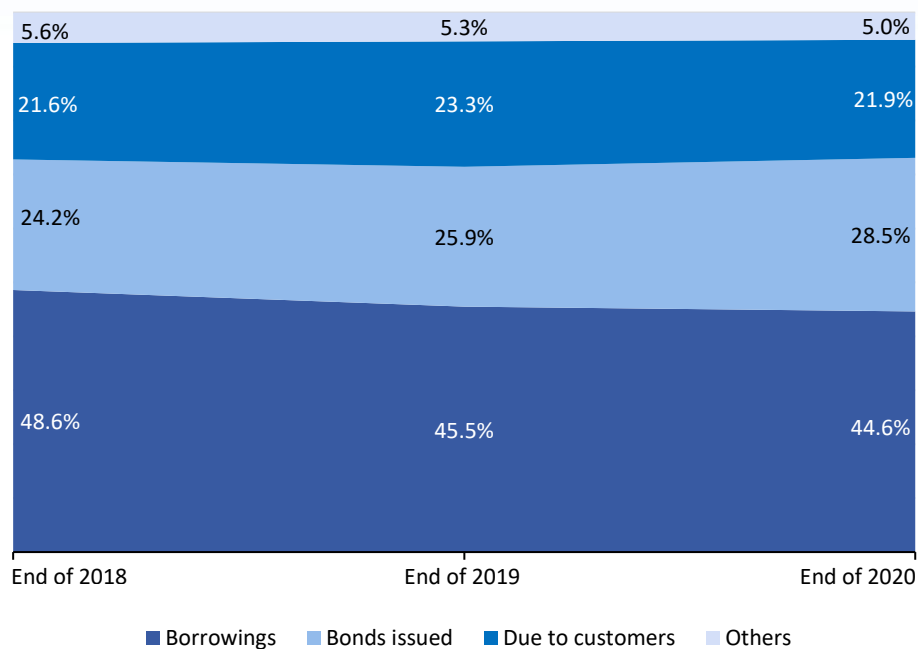
(in millions of RMB)



The financing structure continued to be improved, and interest costs were effectively controlled

Financing standardization continued to improve

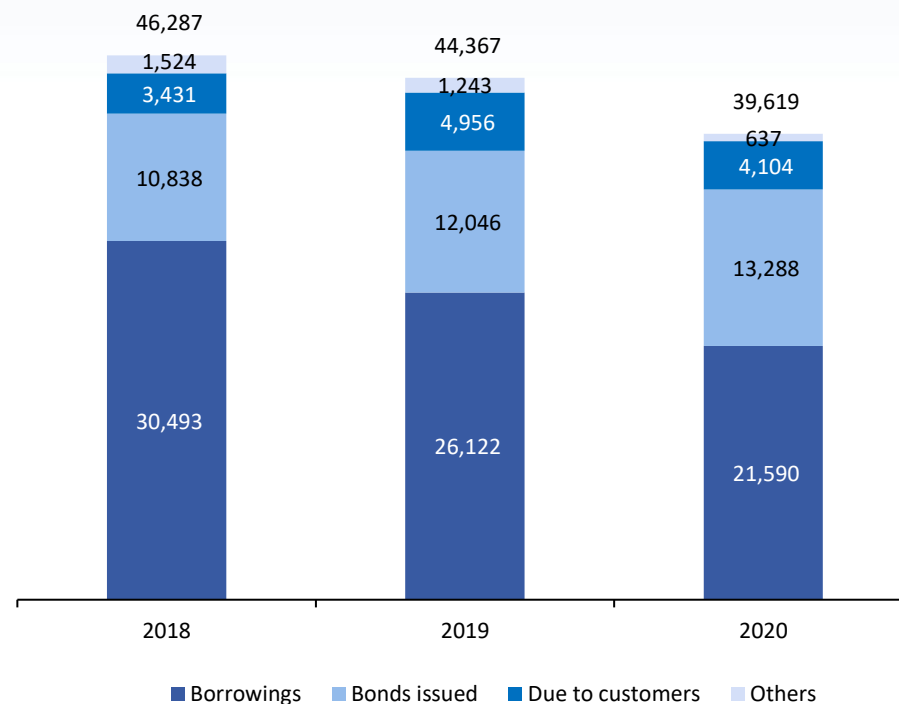
Interest-bearing liability structure



Interest expenses continued to decline

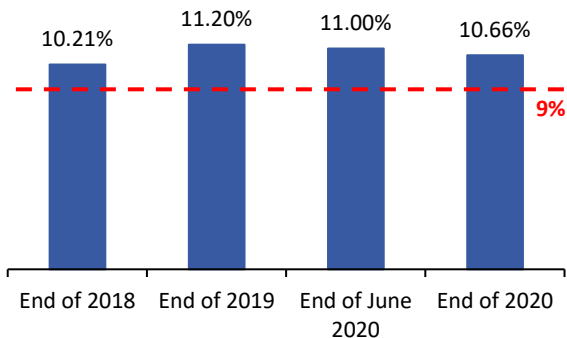
Interest expenses

(in millions of RMB)

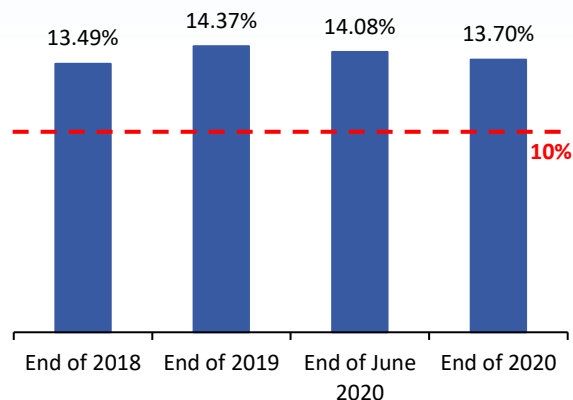


With dual support from internal and external sources, capital security margin was reasonably sufficient

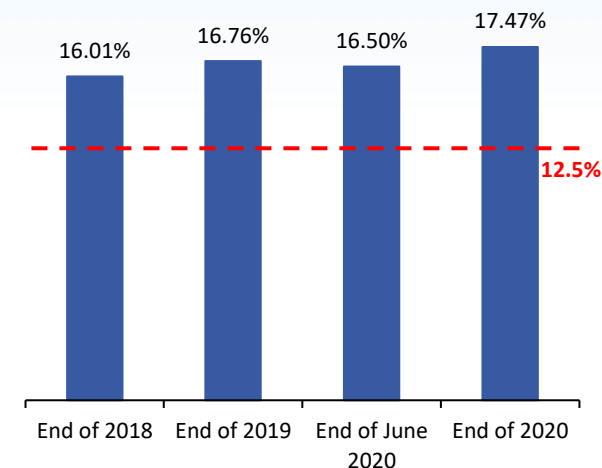
Core tier-1 capital adequacy ratio



Tier-1 capital adequacy ratio



Capital adequacy ratio



Strengthened refined capital management and optimized capital structure and allocation

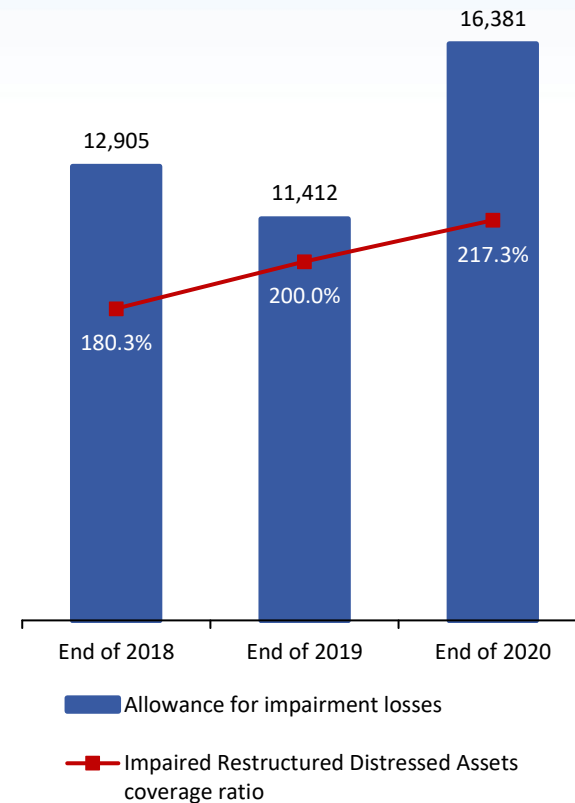
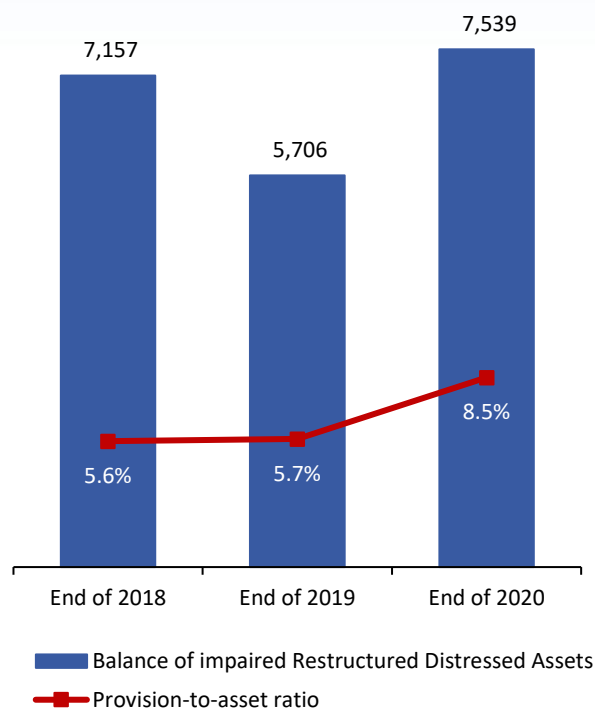
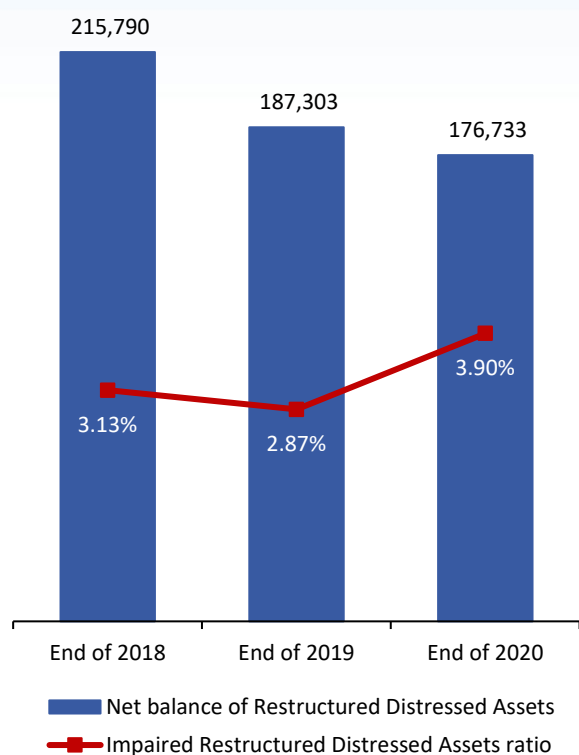


Managed capital foreseeingly and continued to expand external capital supplementary sources

Credit risk management was further strengthened, and asset quality was constantly consolidated

Asset quality and provision level of Restructured Distressed Assets

(in millions of RMB)



Continuous efforts were made in staff capacity building, and the professional advantages of distressed assets were reinforced



Enhanced staff training and competency improvement

- More than 1,700 training sessions were held throughout the year, and more than 150,000 head counts attended the training, providing a strong support and guarantee for the high-quality development of the Company
- Peking University Youth Cadre Training Courses, core business training courses and comprehensive business case training courses were organized to continuously strengthen the pertinence and practicality of the training



Developed replicable core competencies through case studies

- We timely summarized the classic cases of the first line, made in-depth research and exploration of sustainable and reproducible innovative distressed asset business model, in order to accelerate the transformation and upgrading of business model, and enhance the ability of value creation

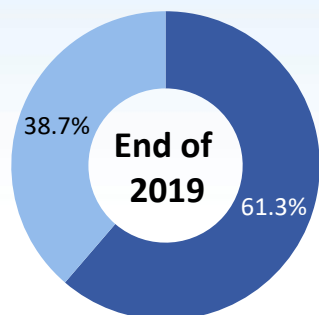
1 Performance Overview

2 Business Development

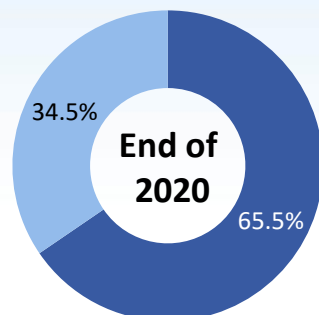
3 Future Prospects

Overview of the development of the Group's business segments

Distribution of the total assets ⁽¹⁾

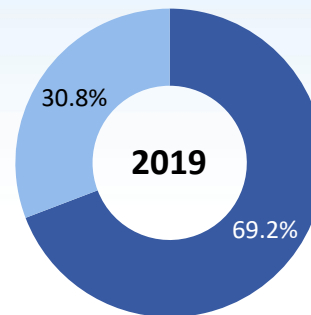


RMB1,513.2 billion

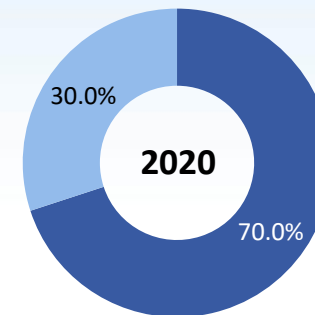


RMB1,518.1 billion

Distribution of the total income ⁽¹⁾



RMB107.8 billion

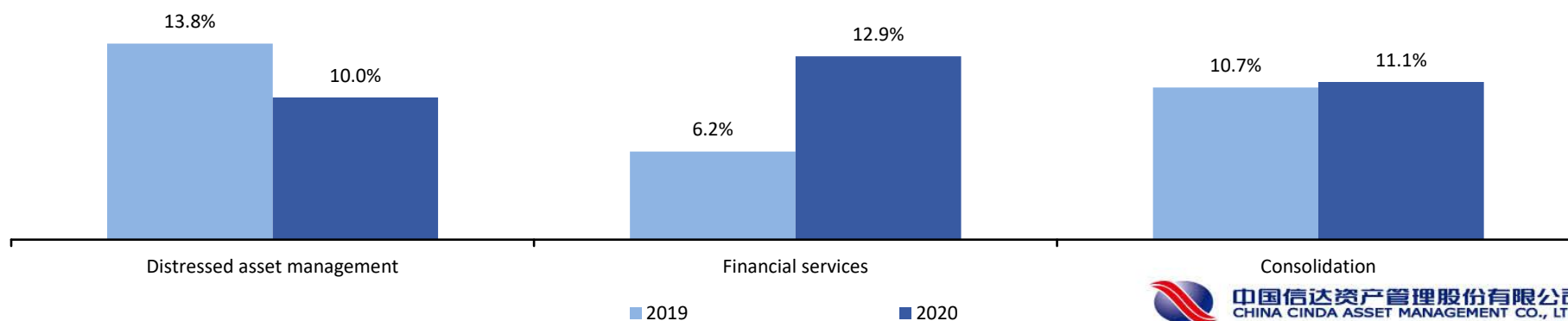


RMB113.6 billion

■ Distressed asset management

■ Financial services

Return on average net assets before tax

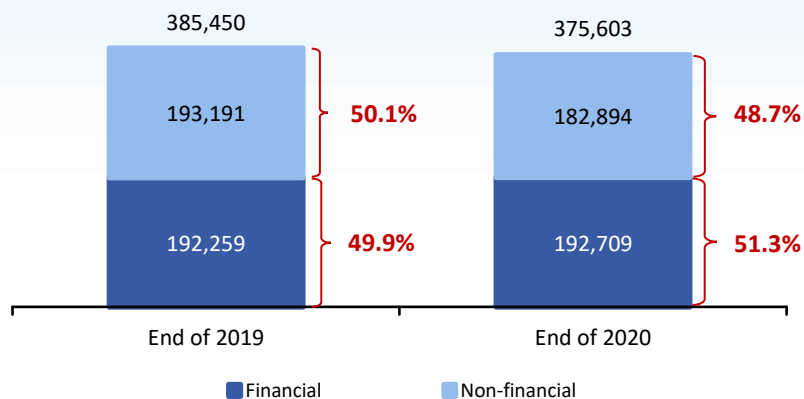


(1) Inter-segment elimination is not considered in the chart on this page

Distressed debt asset management

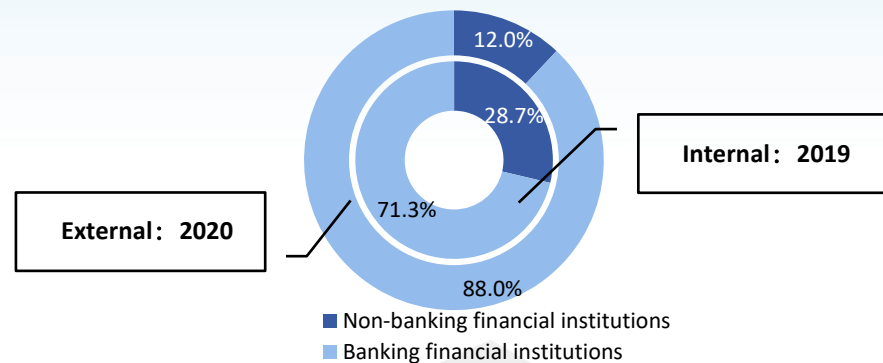
Net balance of distressed debt assets

(in millions of RMB)



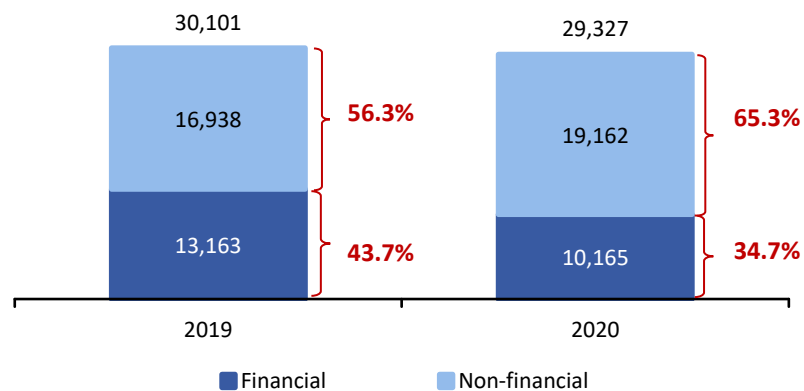
Acquisition cost of financial institutions distressed assets

Structure of acquisition cost

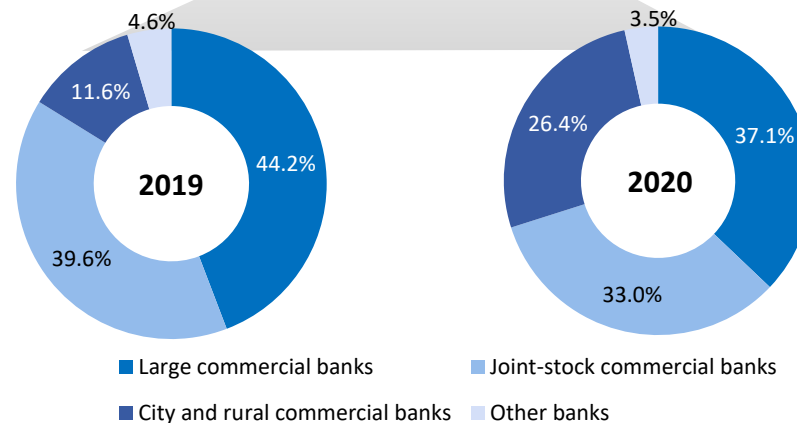


Income from distressed debt assets

(in millions of RMB)



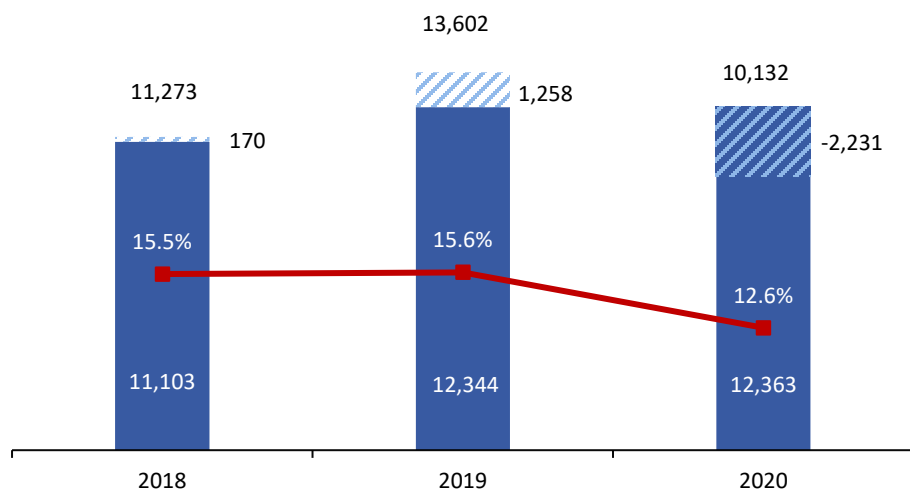
Proportion of banking financial distressed assets



Acquisition-operation Distressed Assets business

Proceeds and internal rate of return

(in millions of RMB)



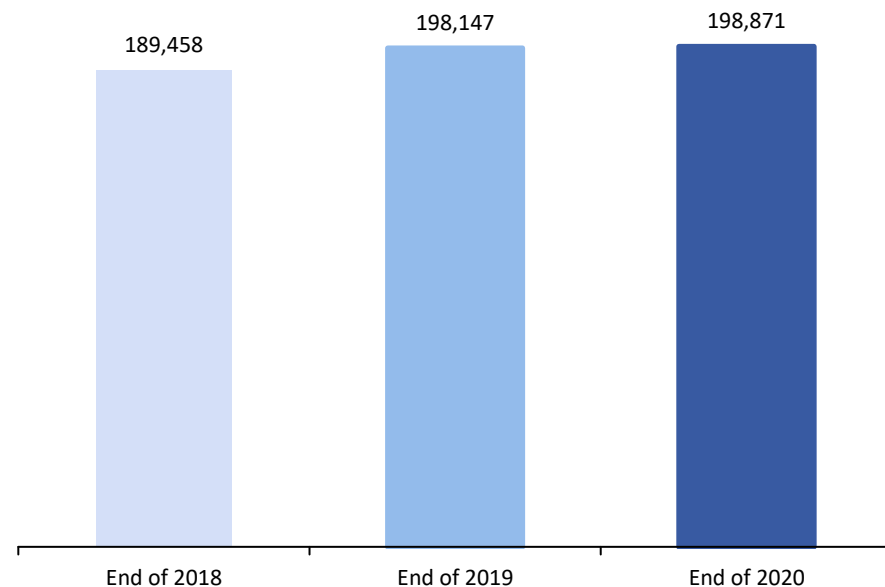
/// Unrealized fair value changes

■ Proceeds from disposal of Acquisition-operation Distressed Assets

—■ IRR

Net balance of Acquisition-operation Distressed Assets

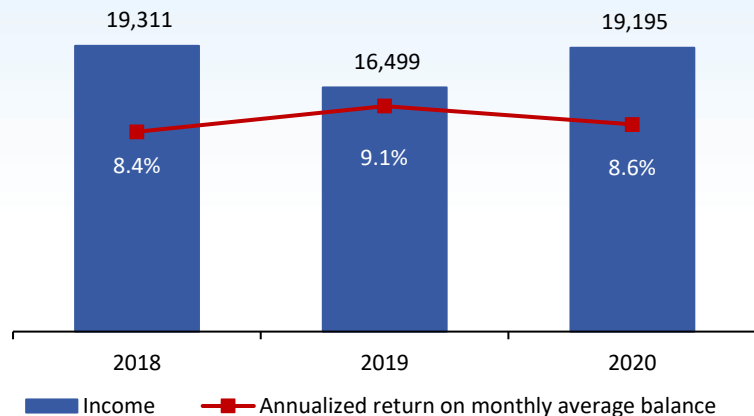
(in millions of RMB)



Restructured Distressed Assets business

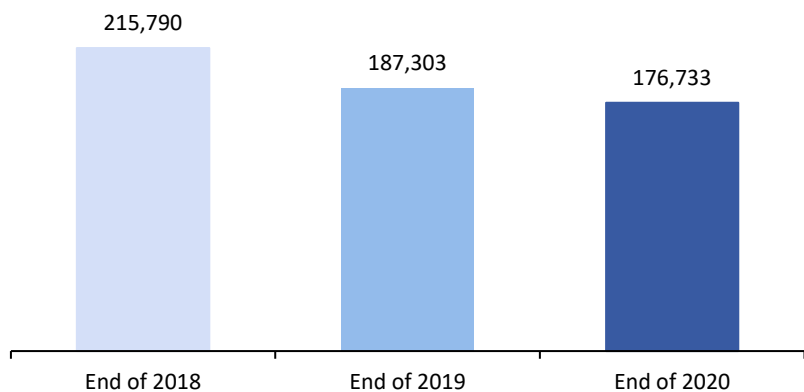
Income and annualized return on monthly average balance of Restructured Distressed Assets

(in millions of RMB)



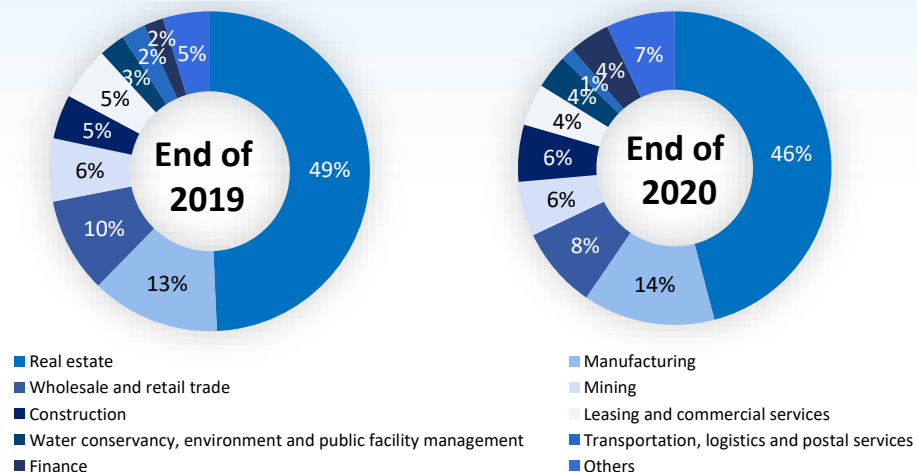
Net balance of Restructured Distressed Assets

(in millions of RMB)

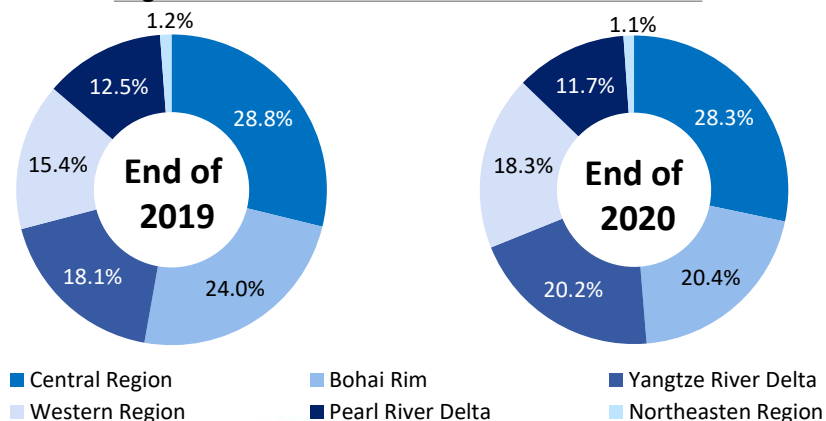


The structure of asset allocation has been continuously improved

Industry distribution of Restructured Distressed Assets



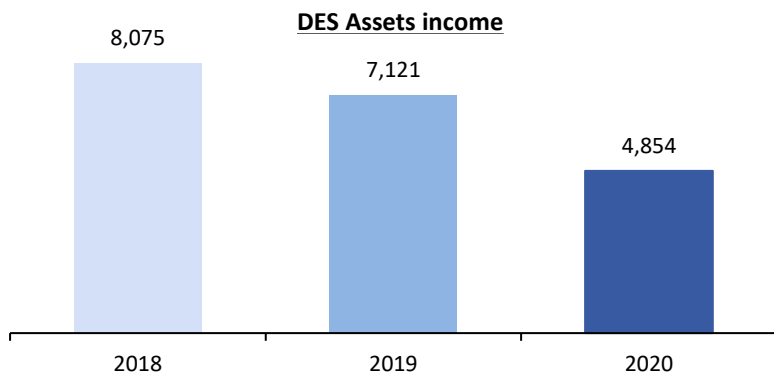
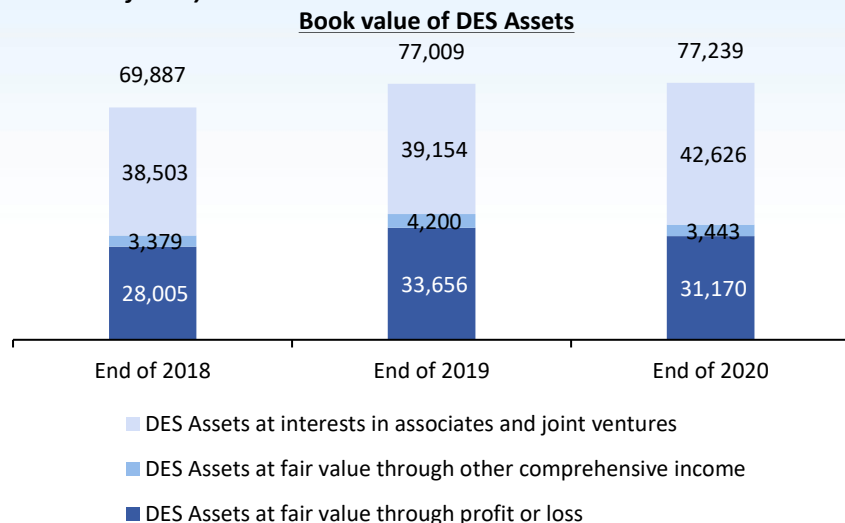
Region distribution of Restructured Distressed Assets



DES Assets and other distressed assets business

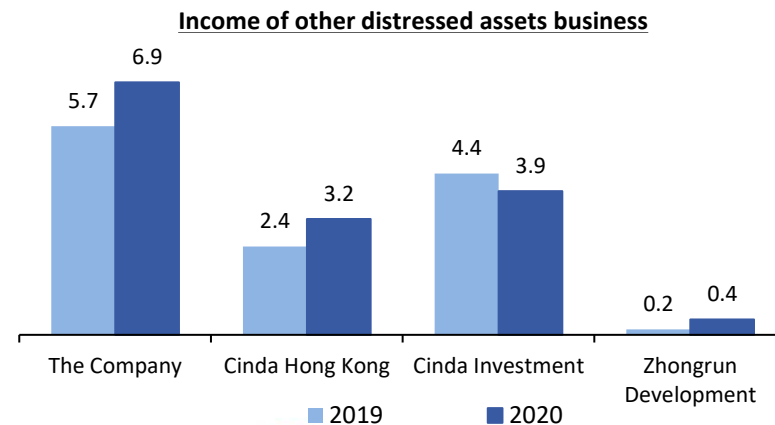
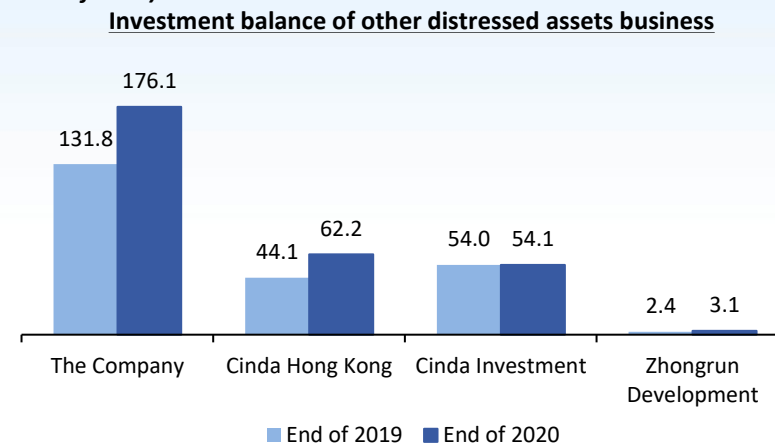
DES Assets business scale and income

(in millions of RMB)



Other distressed assets business

(in billions of RMB)

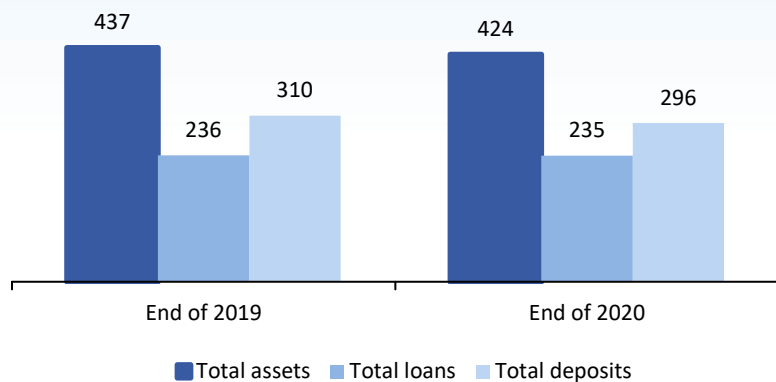


Financial Services Business

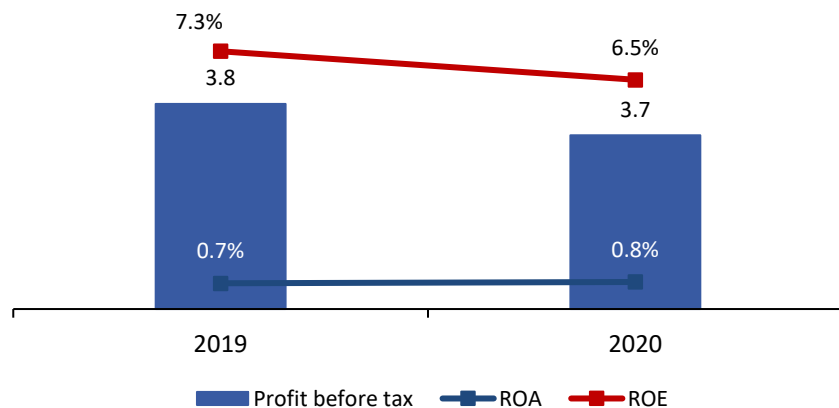
NCB

(in billions of RMB)

Total assets, loans and deposits



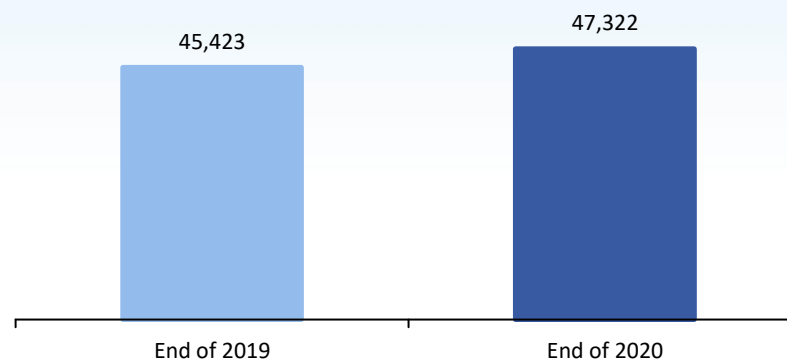
Profit before tax and profitability index



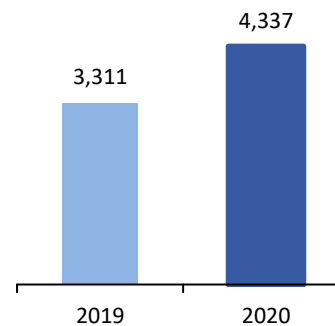
Cinda Securities

(in millions of RMB)

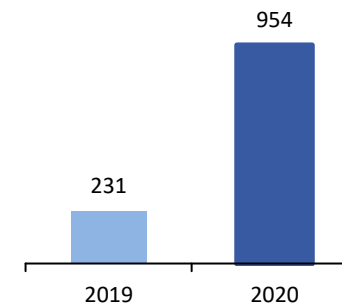
Total assets



Income



Profit before tax



1 Performance Overview

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Potential business opportunities

Background

- A new pattern of development in which domestic cycles are the mainstay and domestic and international cycles reinforce each other is taking shape at a faster pace
- The world economic situation is complex and grave, and the foundation for China's economic recovery is still not solid. The various risks caused by COVID-19 cannot be ignored
- As the backbone in preventing and resolving financial risks, financial asset management companies shall focus on their main responsibilities and core businesses

Target market and business opportunities

1

The economic downturn is still a challenge due to the stagnating financial cycle and recurring epidemic and the demand of risk alleviation and disposal demand will further increase

2

A distressed assets industry ecosystem with upstream and downstream will be formed at a faster pace, with more standardized industry and more fierce market competitions

3

The amount of distressed assets disposal will further increase while risks with respect to small and medium-sized financial institutions continuing to be exposed and the pilot of batch transfer of non-performing individual loans has been carried out.

4

The reformation of capital market continues to further advance, creating new business opportunities in areas such as bailout of listed companies and stock delisting risks resolution

5

The further optimization of supply-side structural reform provides a market for investment banking businesses such as merger and restructuring, mezzanine investment, and bridging financing

Effectively fulfilling professional responsibilities in resolving financial risks, serving the real economy,
and supporting supply-side structural reform

Key works for 2021

-  Focus on the core business of distressed assets, adhere to effective investment, and accelerate the realization of assets
-  Further promote business innovation, rationally deploy investment banking operations, and enhance the capability of value creation
-  Take the advantages of strong regional synergy, concentrating on national key regions, in order to cultivate quality strategic customer base and ecosystem
-  Properly promote market-based reform of the subsidiaries to enhance their own business development and the group synergy, achieving their health and sustainable development
-  Strengthen the mechanism of risk prevention and control, defuse existing risks and enhance the control of new risks, building the firm line of risk management
-  Constantly optimize the liability structure and prepare for the issuance of undated capital bonds and preference shares, so as to consolidate the foundation of the further development

Appendix

Summary of financial data

Summary of consolidated statement of profit or loss

(in millions of RMB)

	2020	2019	Change
Continuing operations			
Income from distressed debt assets at amortized cost	19,151	16,404	16.7%
Fair value changes on distressed debt assets	12,547	13,645	(8.0%)
Fair value changes on other financial instruments	12,567	14,840	(15.3%)
Investment income	323	465	(30.6%)
Interest income	23,899	25,402	(5.9%)
Revenue from sales of inventories	24,316	18,169	33.8%
Other income and other net gains or losses	7,332	7,222	1.5%
Total income	100,134	96,147	4.1%
Impairment losses on assets	(14,097)	(8,924)	58.0%
Interest expenses	(39,619)	(44,367)	(10.7%)
Purchases and changes in inventories	(17,360)	(12,869)	34.9%
Other costs and expenses	(12,984)	(12,398)	4.7%
Total costs and expenses	(84,060)	(78,558)	7.0%
Profit before tax from continuing operations	16,309	19,272	(15.4%)
Profit for the year from continuing operations	10,985	13,518	(18.7%)
Discontinued operations			
Profit after tax for the year from a discontinued operations	3,752	1,500	150.1%
Profit for the year	14,737	15,018	(1.9%)
Profit attributable to equity holders of the Company	13,248	13,053	1.5%

Summary of consolidated statement of financial position

(in millions of RMB)

	End of 2020	End of 2019	Change
Cash and balances with central banks	15,375	19,002	(19.1%)
Deposits with banks and financial institutions	87,954	70,838	24.2%
Financial assets at fair value through profit or loss	446,917	412,165	8.4%
Financial assets at fair value through other comprehensive income	123,729	136,803	(9.6%)
Financial assets at amortized cost	220,233	227,645	(3.3%)
Loans and advances to customers	353,456	337,859	4.6%
Assets held for sale	-	61,394	(100.0%)
Others	270,421	247,524	9.3%
Total assets	1,518,084	1,513,230	0.3%
Borrowings	556,912	536,591	3.8%
Bonds issued	355,778	304,850	16.7%
Due to customers	273,644	275,206	(0.6%)
Accounts payable to brokerage clients	16,584	14,320	15.8%
Liabilities held for sale	-	57,924	(100.0%)
Others	120,124	135,928	(11.6%)
Total liabilities	1,323,041	1,324,820	(0.1%)
Total equity	195,042	188,410	3.5%
Equity attributable to equity holders of the Company	172,109	164,898	4.4%
Key ratios			
	2020	2019	Change
ROA	0.97%	1.00%	(0.03%)
ROE	8.26%	8.56%	(0.30%)
Cost-income ratio	25.46%	30.68%	(5.22%)