



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

2020 Interim Results Announcement

August 2020



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1 Performance Overview

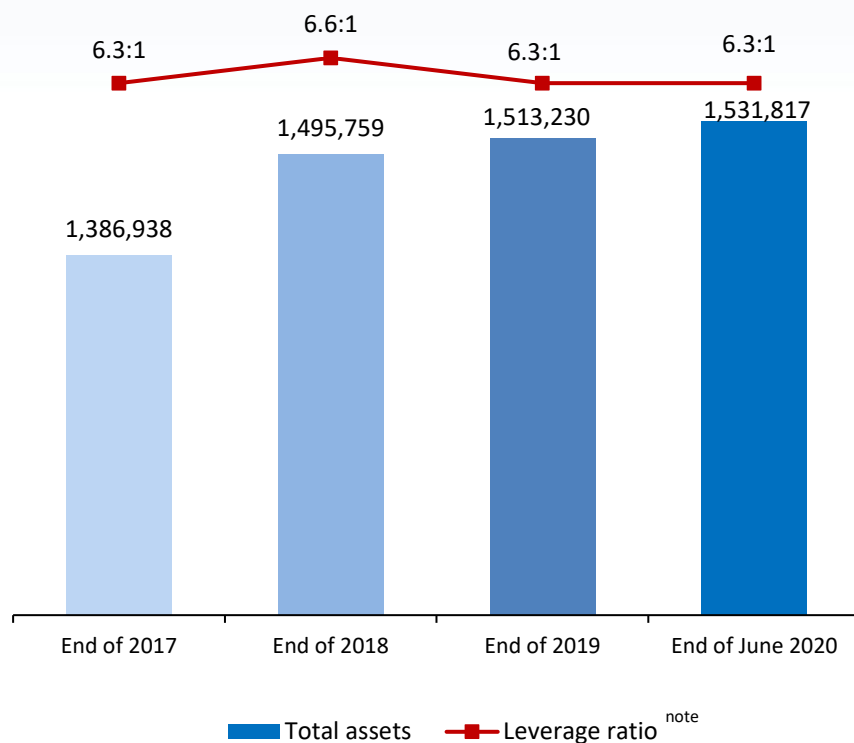
2 Business Development

3 Future Prospects

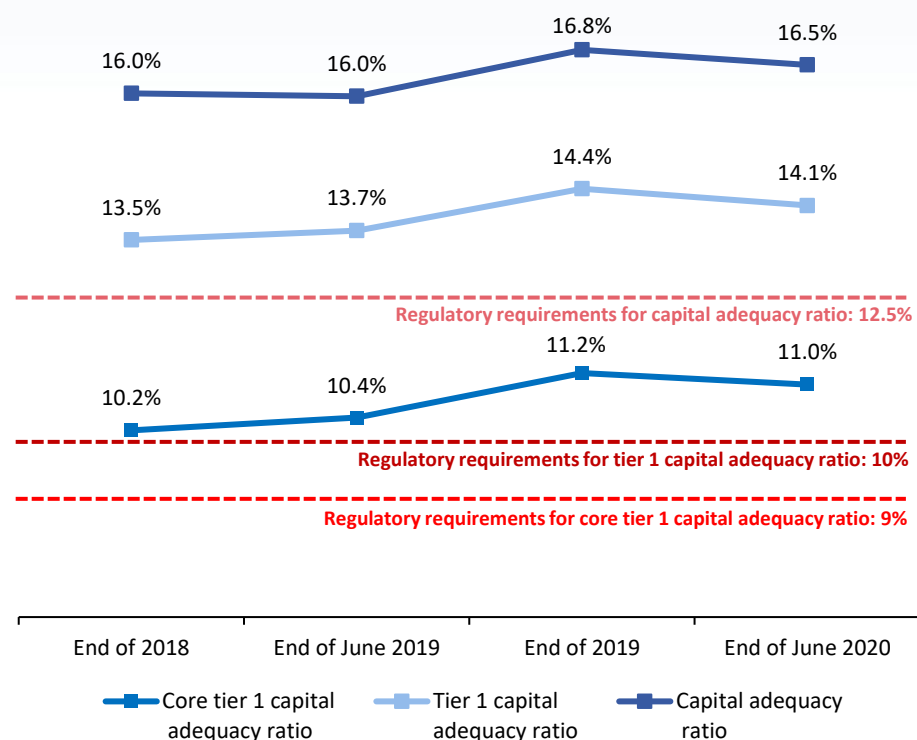
A slight growth in asset scale and a sufficient margin of security for capital

Total assets and leverage ratio

(In millions of RMB)



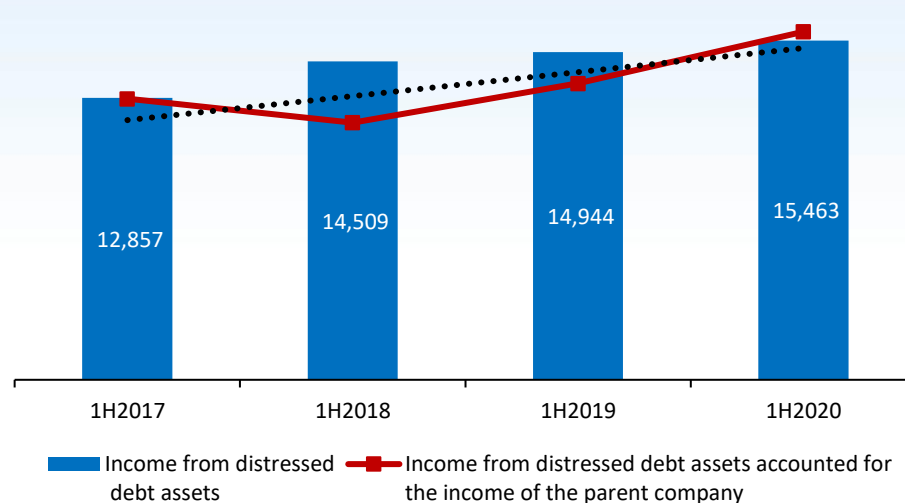
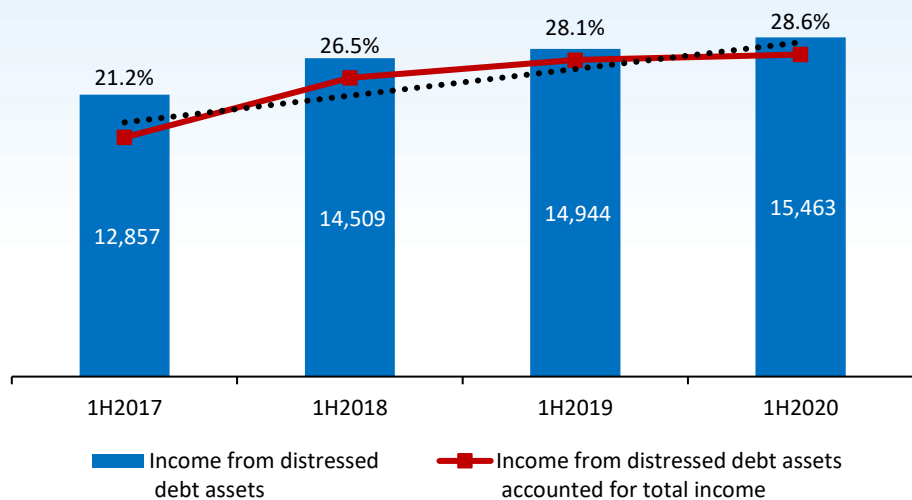
Capital adequacy ratio



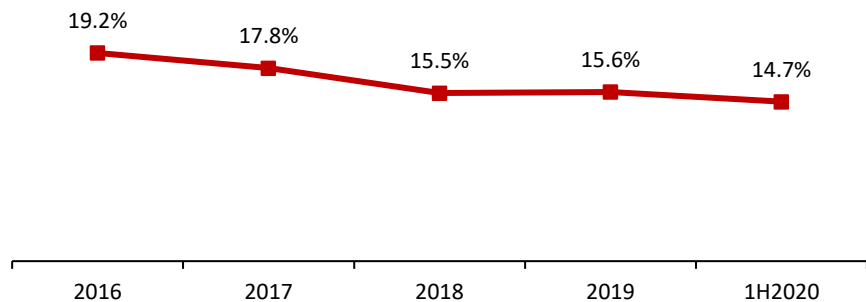
Focused on the Core business of distressed assets, continued to optimize income structure

Income from distressed debt assets accounted for income

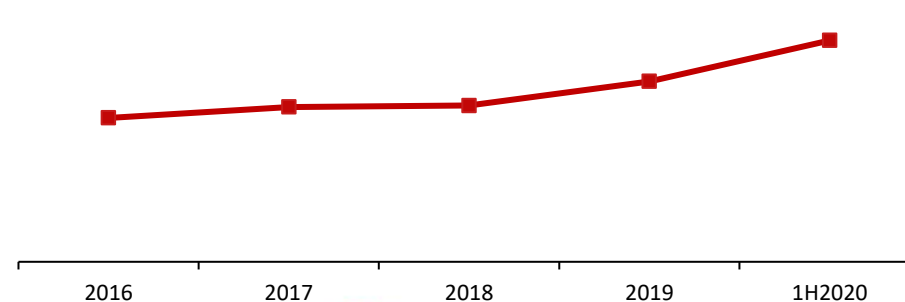
(In millions of RMB)



IRR of Acquisition-operation Distressed Assets business



ROA of Acquisition-operation Distressed Assets business



We continued to optimize the debt structure and reduce financing costs

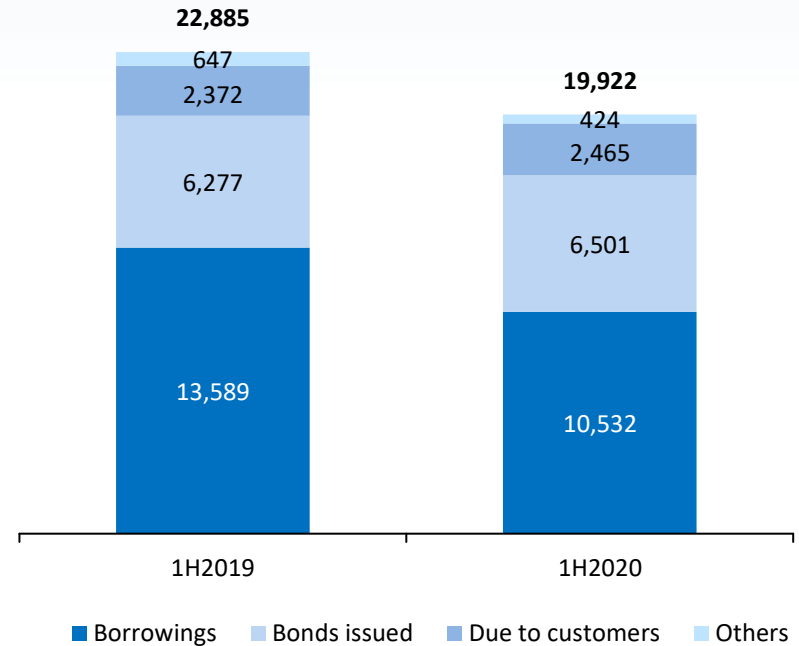
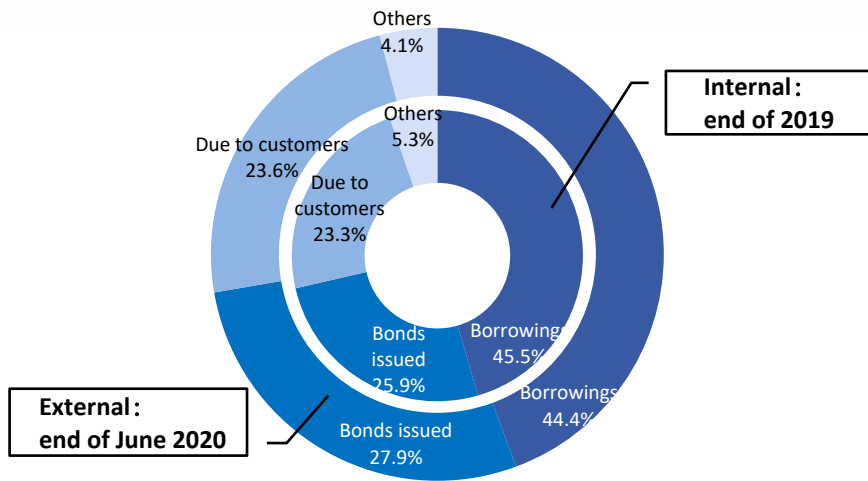
Interest-bearing liability structure optimized and proportion of standardized financing further increased

Continuous reduction of financing costs and significant decrease in interest expense

(In millions of RMB)

Interest-bearing liability structure

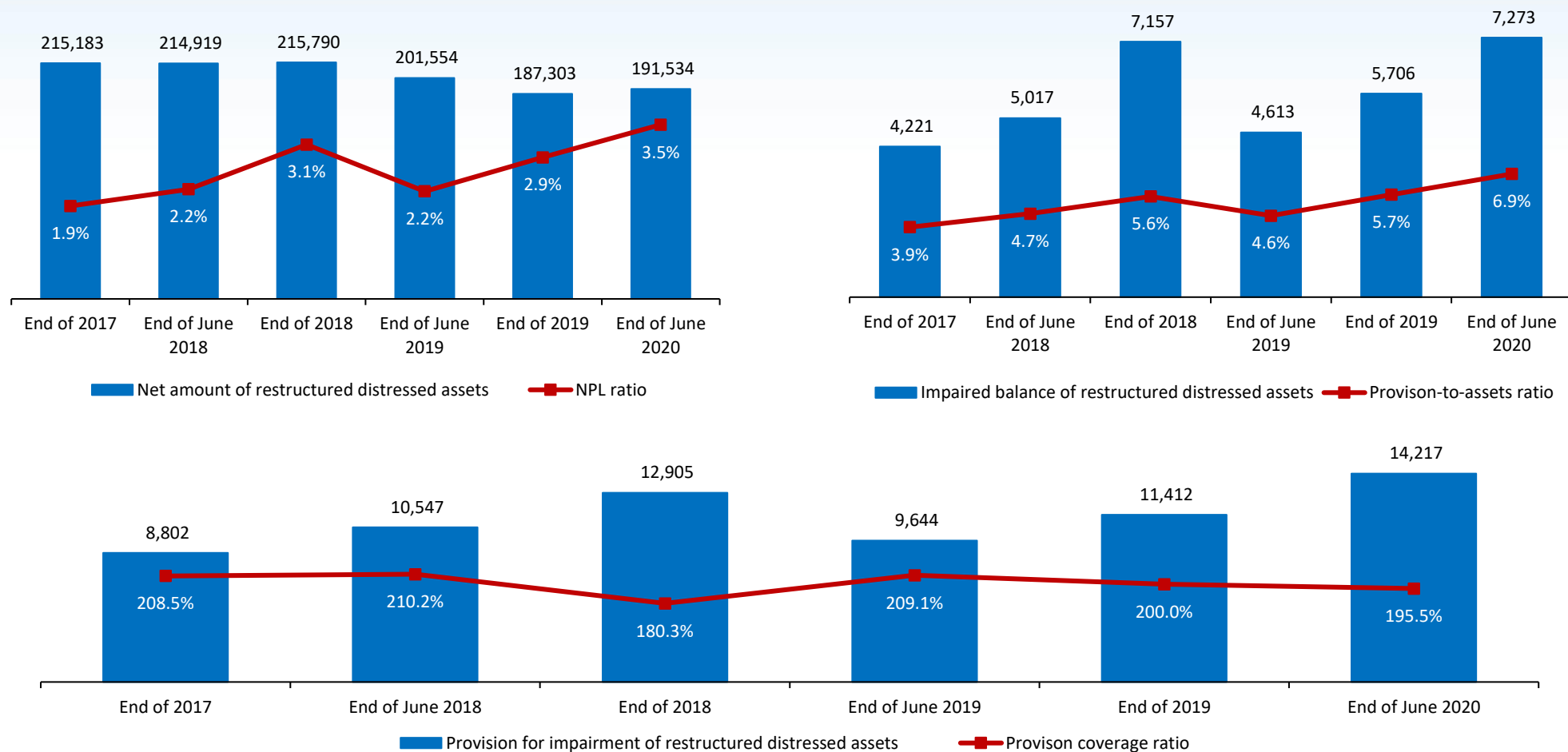
Interest expense



Effective control of credit risk and improvement of asset quality

Quality and Provision level of Restructured Distressed Assets

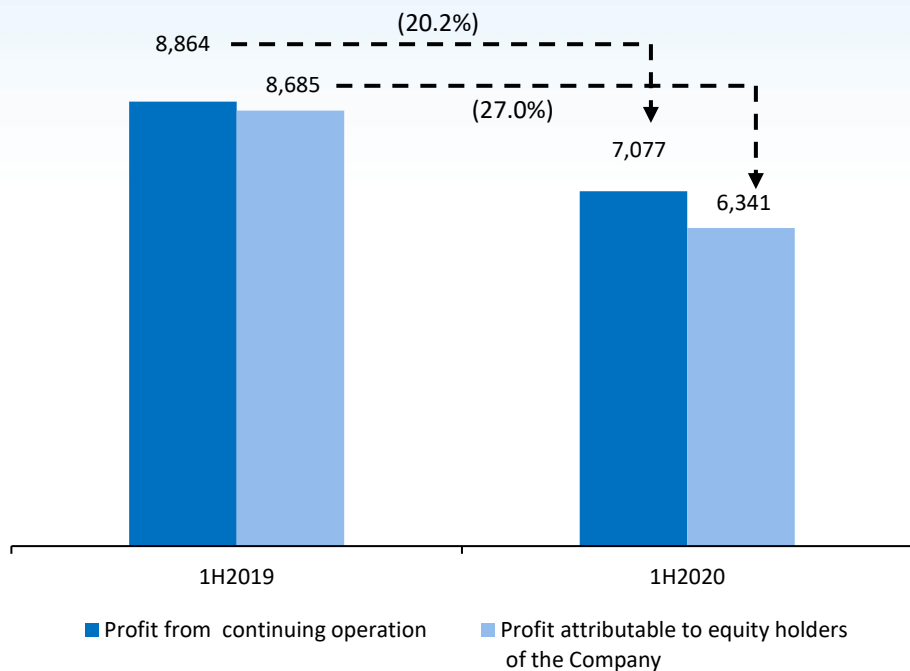
(In millions of RMB)



Analysis of profit changes

Profit

(In millions of RMB)

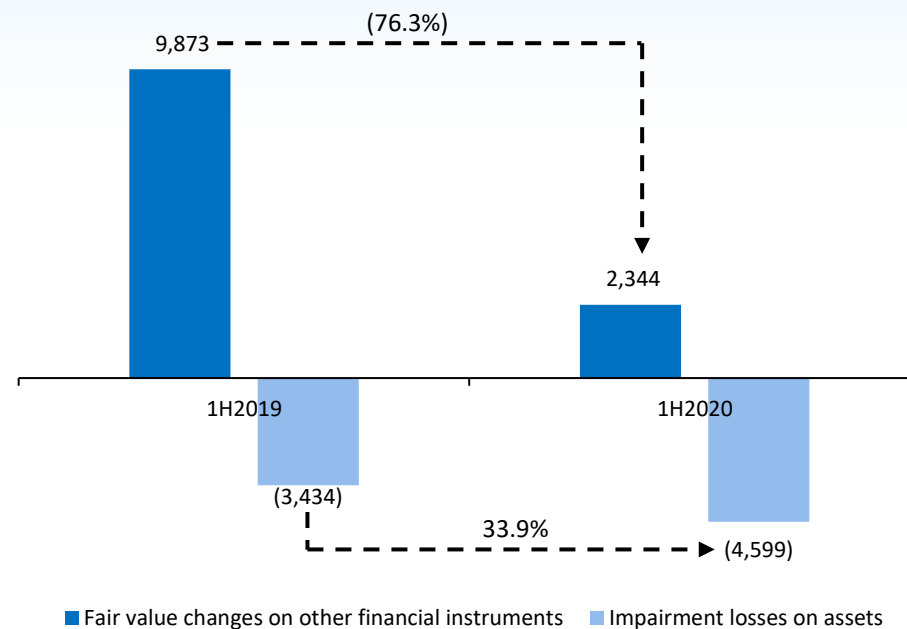


1

Affected by the fluctuations in the capital market, the gains on fair value changes of certain financial assets at fair value decreased year-on-year.

Main reasons for profit changes

(In millions of RMB)



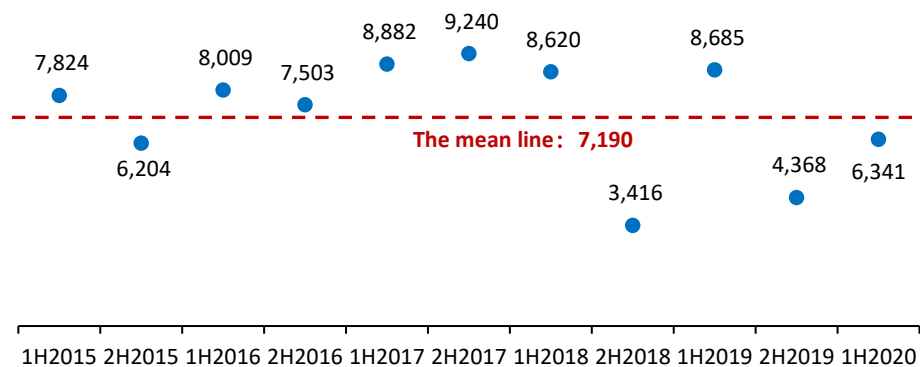
2

Increased the provisions for credit risk out of prudent consideration as quality of certain financial assets at amortized cost were under increasing pressure due to the COVID-2019 epidemic and changes of external economic conditions.

Stable profit contribution and competitive dividend return

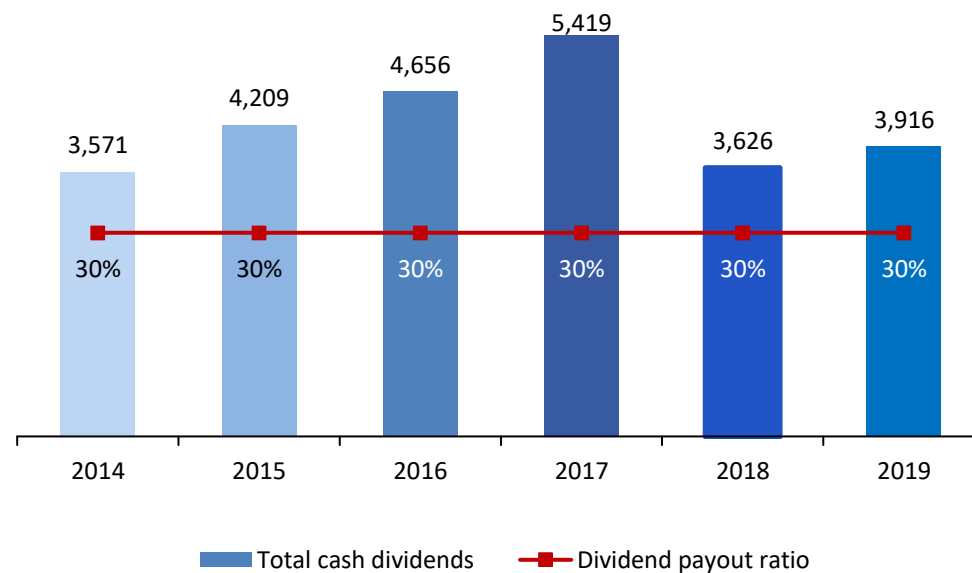
Profit attributable to equity holders of the Company

(In millions of RMB)



Dividend distribution

(In millions of RMB)



1 Performance Overview

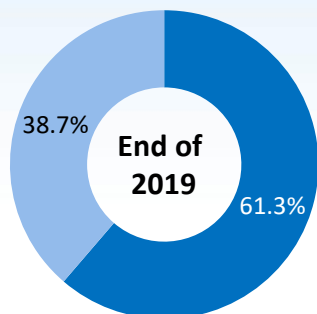
2 Business Development

3 Future Prospects

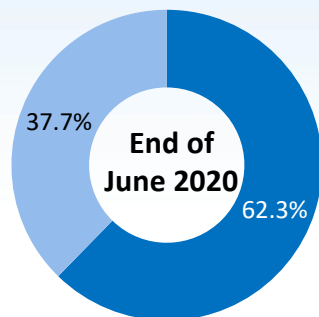
Overview of the development of the Group's business segments

Distribution of the total assets ⁽¹⁾

(In millions of RMB)



1,513,230

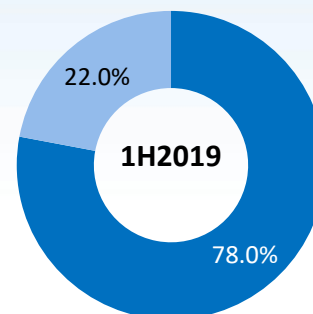


1,531,817

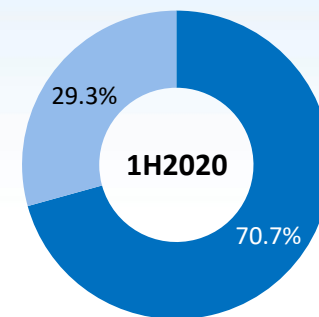
■ Distressed asset management ■ Financial services and others

Distribution of profit before tax ⁽¹⁾

(In millions of RMB)

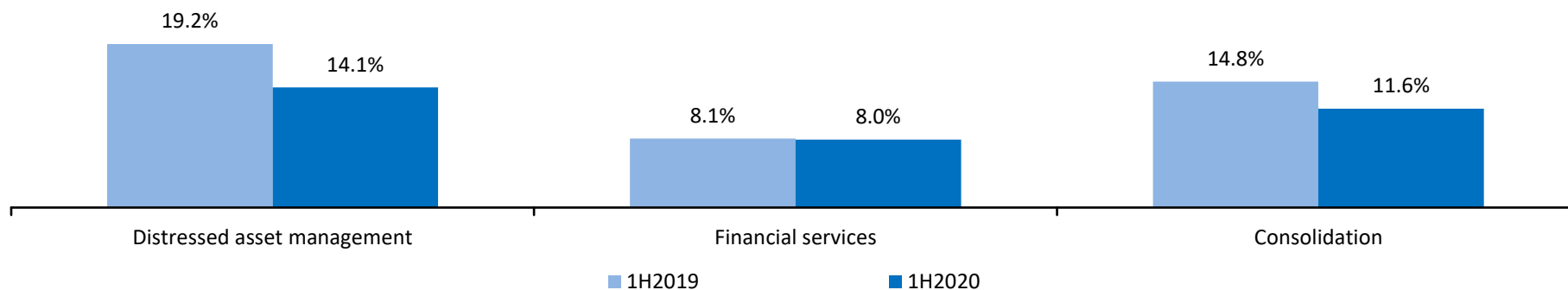


13,409.2



11,009.6

Average return on net assets before tax

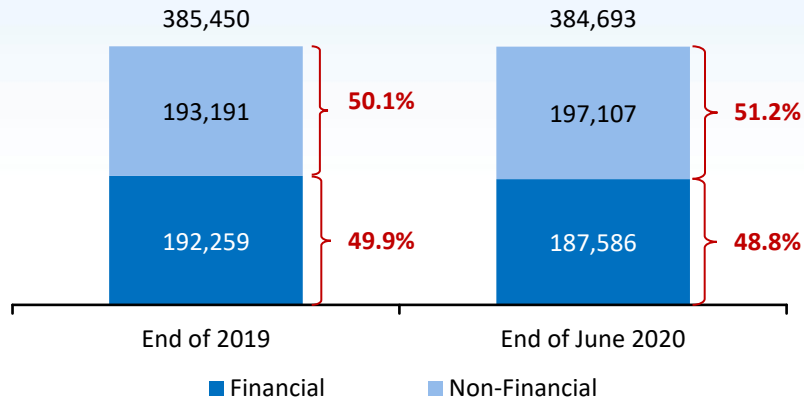


(1) Inter-segment elimination is not considered in the chart on this page

Distressed debt asset management

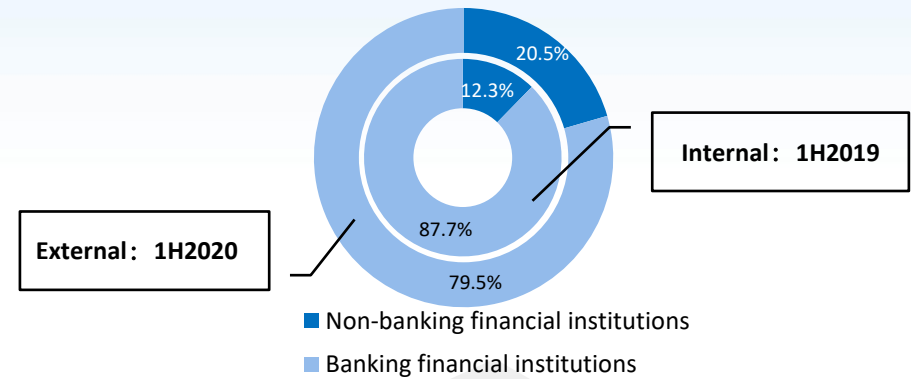
Net balance of distressed debt assets

(In millions of RMB)



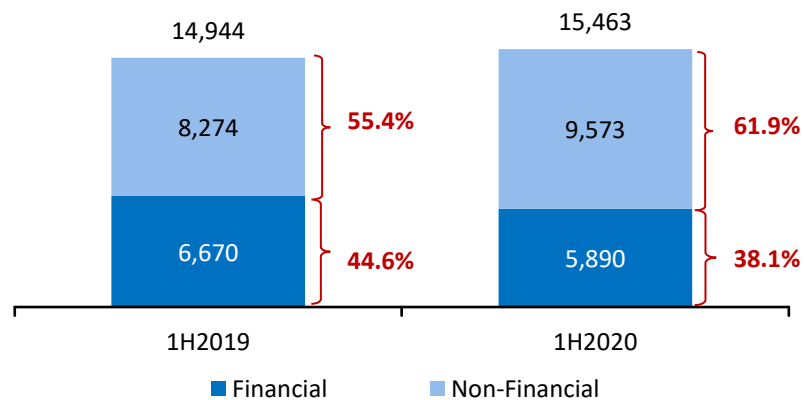
Acquisition cost of financial institutions distressed assets

Structure of acquisition cost

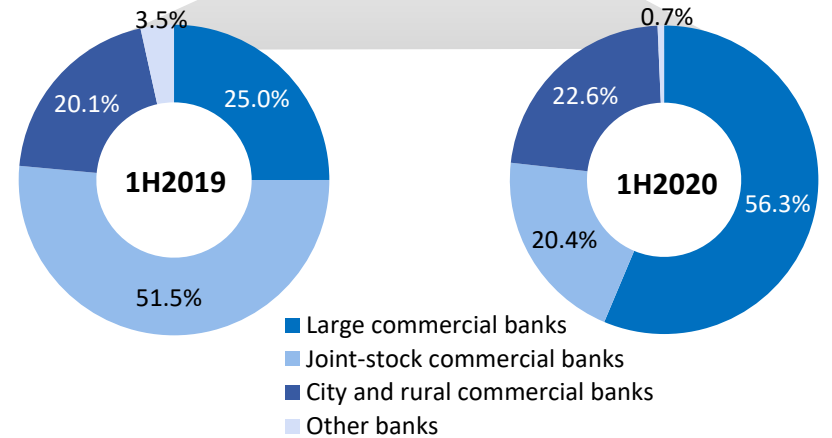


Income from distressed debt assets

(In millions of RMB)



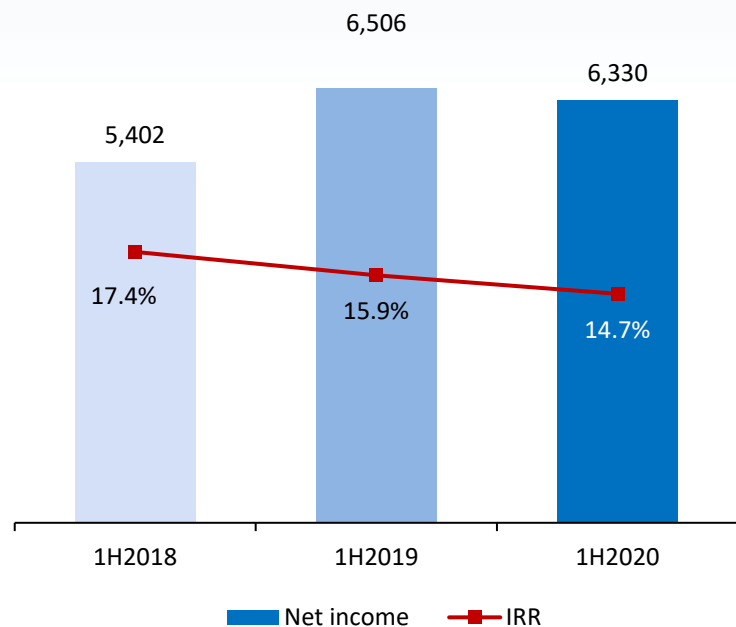
Proportion of banking financial distressed assets



Acquisition-operation Distressed Assets business

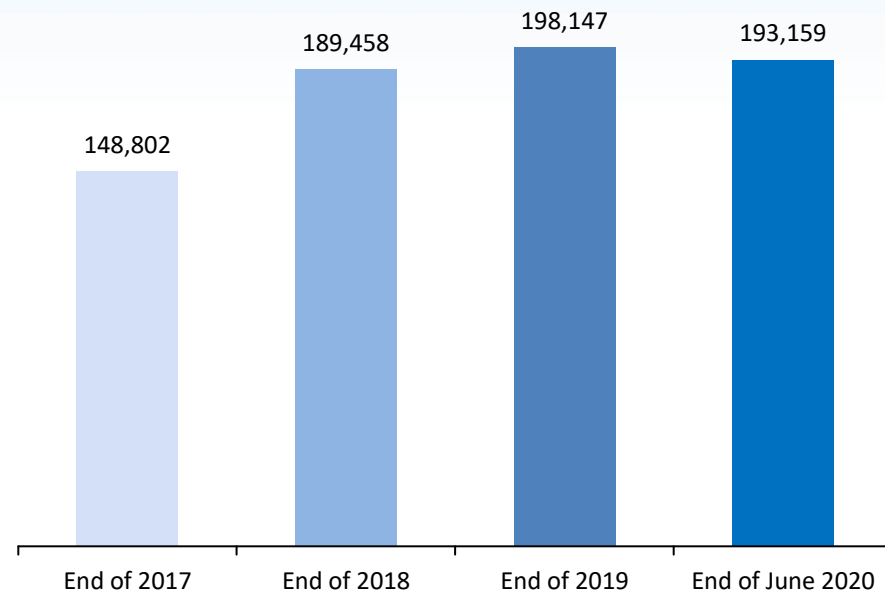
Net income and internal rate of return

(In millions of RMB)



Net balance of Acquisition-operation Distressed Assets

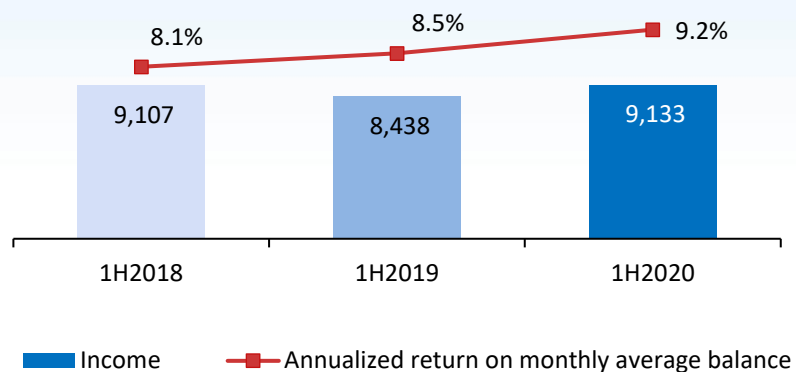
(In millions of RMB)



Restructured Distressed Assets business

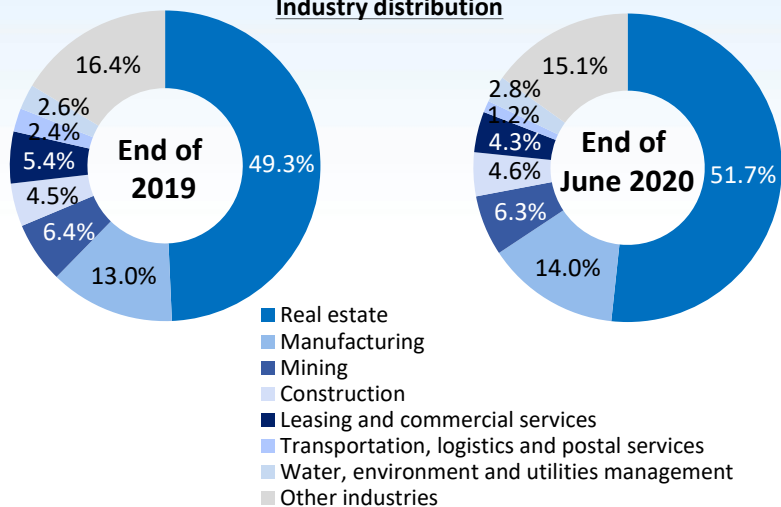
Income and annualized return on monthly average balance of Restructured Distressed Assets

(In millions of RMB)



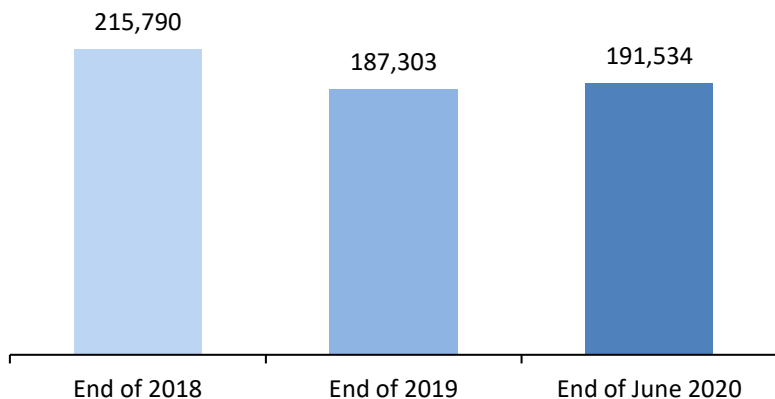
Industry distribution and regional distribution of Restructured Distressed Assets

Industry distribution

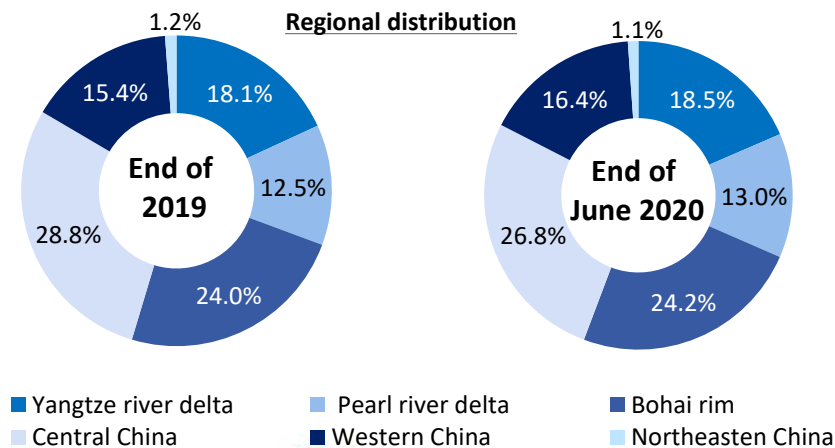


Net amount of Restructured Distressed Assets

(In millions of RMB)



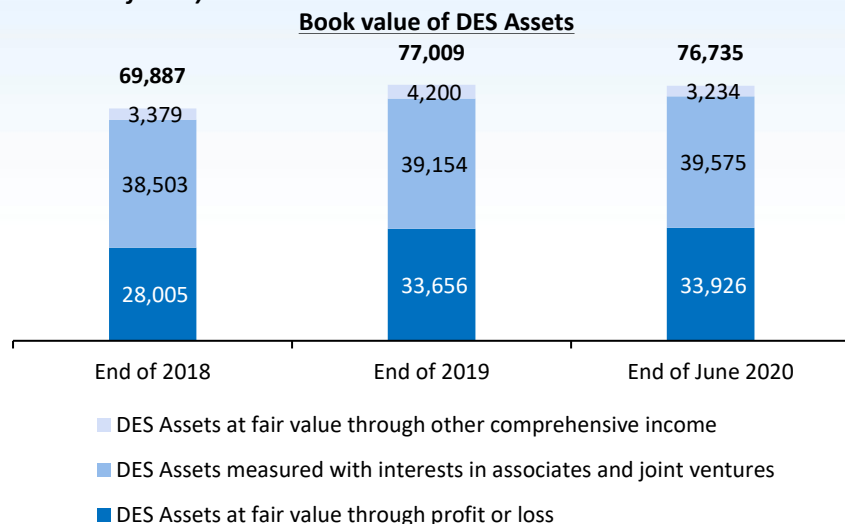
Regional distribution



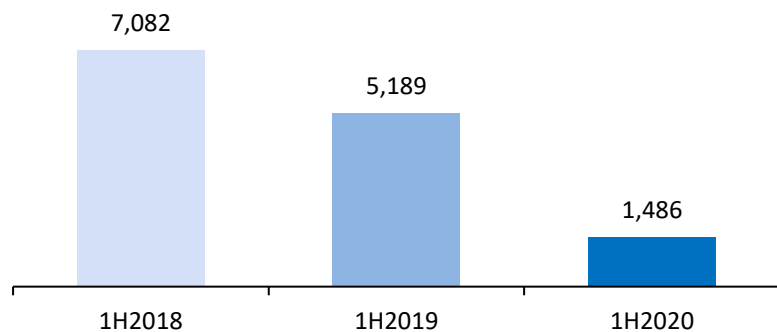
DES Assets and other distressed assets business

DES Assets business scale and income

(In millions of RMB)

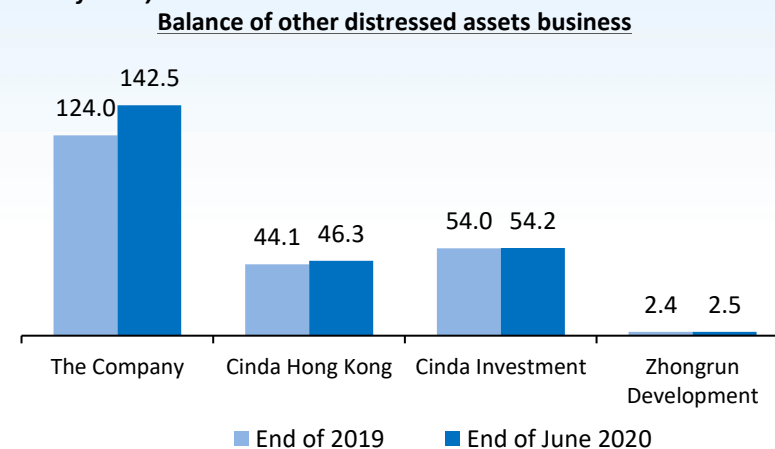


DES Assets income

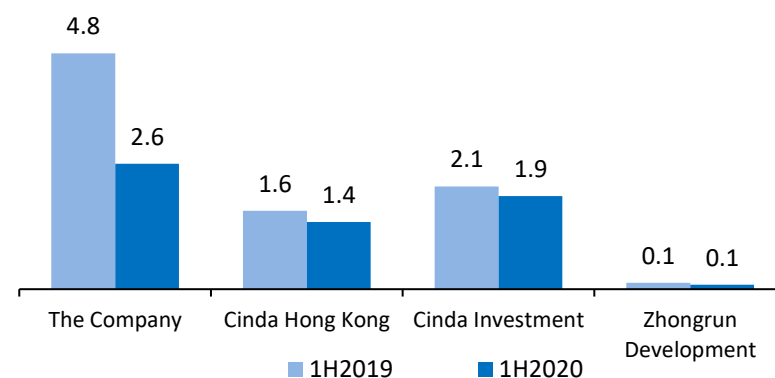


Other distressed assets business

(In billions of RMB)



Income of other distressed assets business

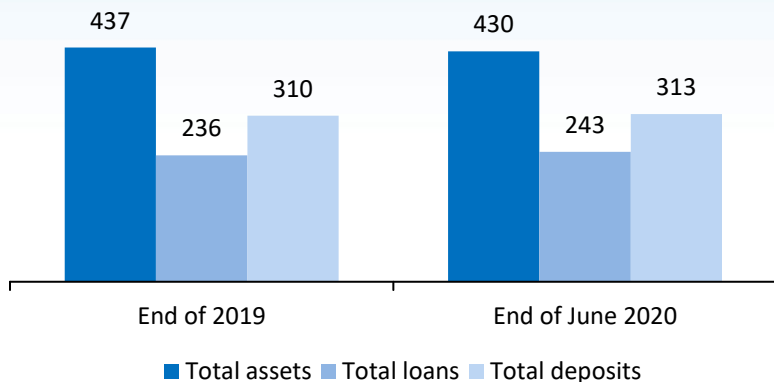


Financial services business

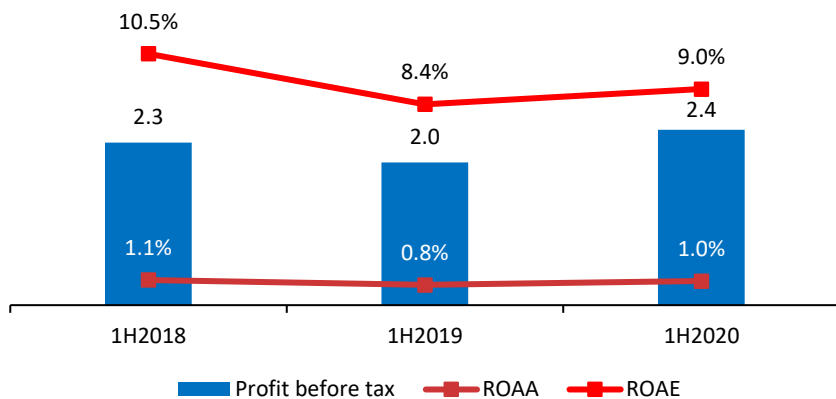
Banking business

(In billions of RMB)

Total assets, loans and deposits of NCB



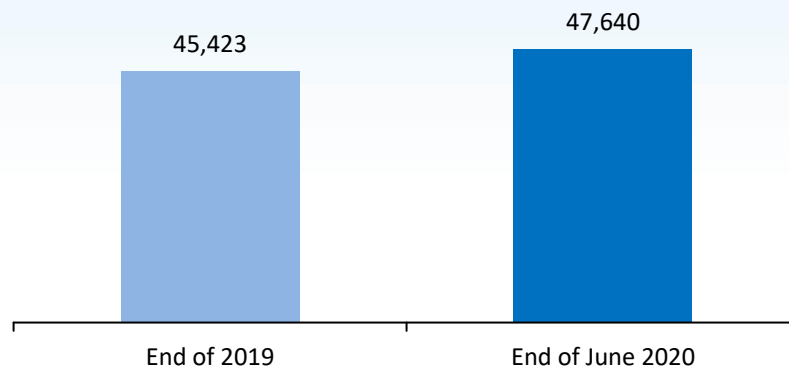
Profit before tax and profitability index of NCB



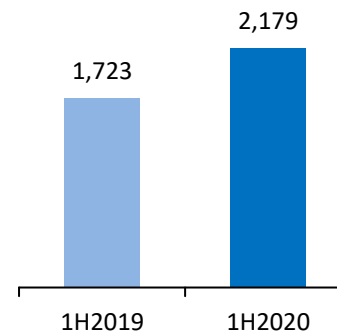
Securities, futures and fund business

(In millions of RMB)

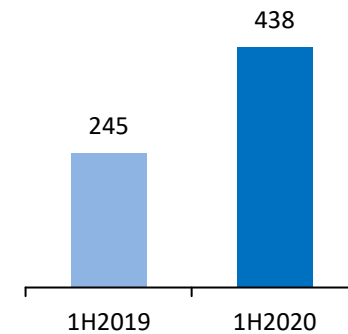
Total assets



Income



Profit before tax



1 Performance Overview

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Potential business opportunities for China Cinda

Background

- The form of a new pattern in which domestic cycle plays a dominant role and both domestic and international cycles reinforce each other has been accelerated
- COVID-19 has affected the normal operation of domestic and international economies, increasing new financial risks and challenges
- It is necessary to give full play to the functions of financial asset management companies for the precaution and defusion of major financial risks

Target market and business opportunities

1

Distressed assets will continue to be exposed, requesting a higher demand for disposing the distressed assets in advance

2

A stable industry ecosystem has been initially formed around the upstream and downstream of distressed assets, realizing a harmonious cooperation between the functional benefits of defusing financial risks and the economic benefits of industry development

3

Risks with respect to small and medium-sized financial institutions will continue to be exposed and the demand for risk alleviation and disposal will be increased

4

Asset management business and the standardization transformation of non-standard assets continue to be deepened, creating new opportunity for the distressed assets

5

The optimization of industry structure under the economic restructuring provides a broad 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 in the second half of 2020



Consolidate current business competitiveness, further improve investment quality, and strengthen capabilities in identifying and managing assets



Strengthen stable income business and develop quality customers to achieve stable income and keep risks under control



Expand innovative business, enhance capabilities in operating investment bank project and promote the upgrade of business model



Continue to promote the market-oriented reform of subsidiaries and stimulate their surging development momentum



Keep focusing on risk management and control, defuse risks of existing assets, make the risks of incremental assets under control, and improve assets quality

Appendix

Summary of financial data

Summary of consolidated statement of profit or loss

(in millions of RMB)

	1H2020	1H2019	Change
Continuing operations			
Income from distressed debt assets at amortized cost	9,106	8,438	7.9%
Fair value changes on distressed debt assets	7,474	6,270	19.2%
Fair value changes on other financial instruments	2,344	9,873	(76.3%)
Investment income	317	110	188.6%
Interest income	12,014	12,532	(4.1%)
Revenue from sales of inventories	9,659	4,919	96.4%
Other income and other net gains or losses	4,906	3,322	47.7%
Total income	45,820	45,464	0.8%
Impairment losses on assets	(4,599)	(3,434)	33.9%
Interest expense	(19,922)	(22,885)	(12.9%)
Purchases and changes in inventories	(6,366)	(3,106)	105.0%
Other costs and expenses	(5,250)	(4,888)	7.4%
Total costs and expenses	(36,137)	(34,313)	5.3%
Profit before tax from continuing operations	10,713	12,730	(15.8%)
Profit for the period from continuing operations	7,077	8,864	(20.2%)
Discontinued operation			
Profit after tax for the year from a discontinued operation	269	682	(60.6%)
Profit for the period	7,346	9,546	(23.0%)
Profit attributable to equity holders of the Company	6,341	8,685	(27.0%)

Summary of consolidated statement of financial position

(in millions of RMB)

	2020-6-30	2019-12-31	Change
Cash and balances with central banks	17,496	19,002	(7.9%)
Deposits with banks and financial institutions	75,597	70,838	6.7%
Financial assets at fair value through profit or loss	411,852	412,165	(0.1%)
Financial assets at fair value through other comprehensive income	120,611	136,803	(11.8%)
Financial assets at amortized cost	235,539	227,645	3.5%
Loans and advances to customers	349,918	337,859	3.6%
Assets held for sale	61,392	61,394	(0.0%)
Others	259,413	247,524	4.8%
Total assets	1,531,817	1,513,230	1.2%
Borrowings	534,565	536,591	(0.4%)
Bonds issued	336,872	304,850	10.5%
Due to customers	284,411	275,206	3.3%
Accounts payable to brokerage clients	16,785	14,320	17.2%
Liabilities held for sale	55,743	57,924	(3.8%)
Others	111,266	135,928	(18.1%)
Total liabilities	1,339,643	1,324,820	1.1%
Total equity	192,174	188,410	2.0%
Equity attributable to equity holders of the Company	167,200	164,898	1.4%
Key ratios			
	1H2020	1H2019	Change
ROAA(annualized)	0.96%	1.28%	(0.32%)
ROAE(annualized)	8.76%	12.62%	(3.86%)
Cost-income ratio	25.71%	23.39%	2.32%