

2021 Annual Results Announcement

March 2022



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1 Performance Overview

2 Business Development

3 Future Prospects

Major achievements in 2021

1

Achieved stable development while making further progress and remained operating performance stable

2

Focused on distressed assets and advanced significant progress in core business operation

3

The quality and efficiency of equity management were improved and the value of equity assets were steadily realized

4

Continued optimizing the financing structure and consolidated the diversified financing system

5

Continuously strengthened capital management with reasonable and sufficient security margin

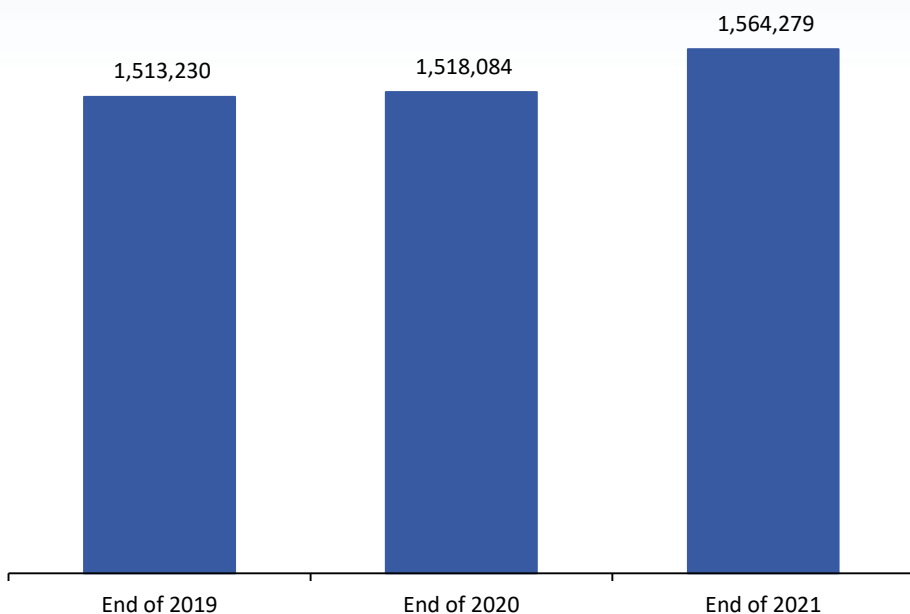
6

Assets quality was generally stable and risk offset capability was sufficient

Achieved stable development while making further progress and remained operating performance stable

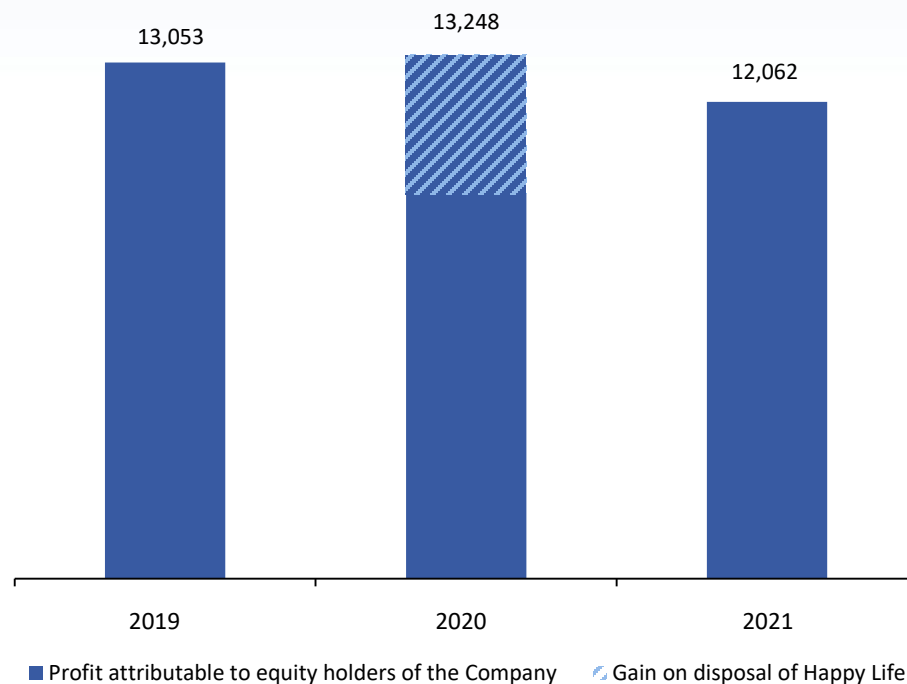
The Group's total assets

(in millions of RMB)



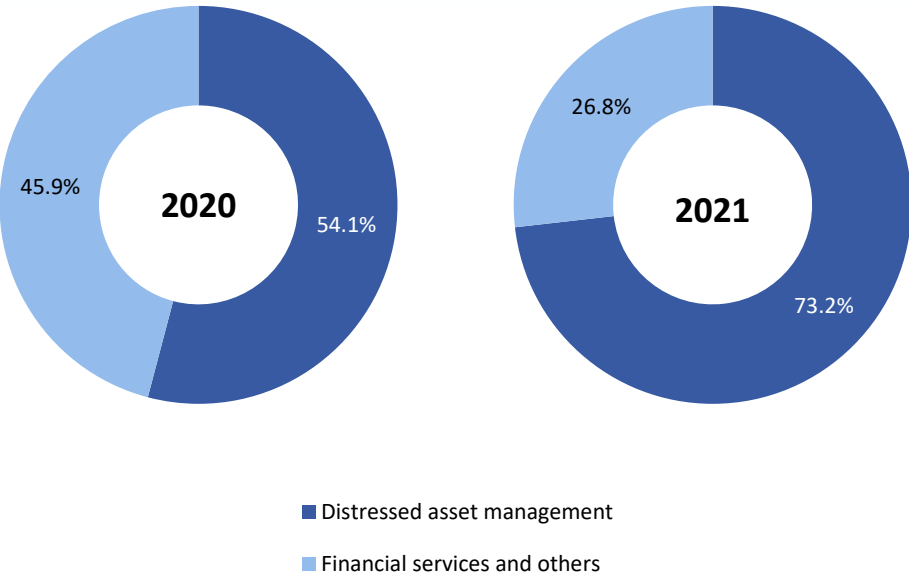
Profit of the year

(in millions of RMB)



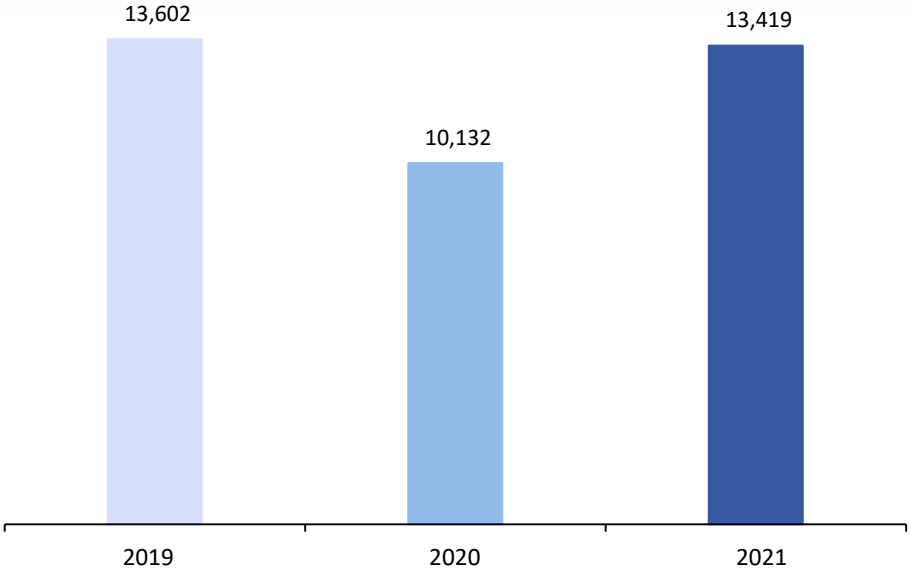
Focused on distressed assets and advanced significant progress in core business operation

Distribution of the profit before tax



Net income from Acquisition-operation Distressed Assets

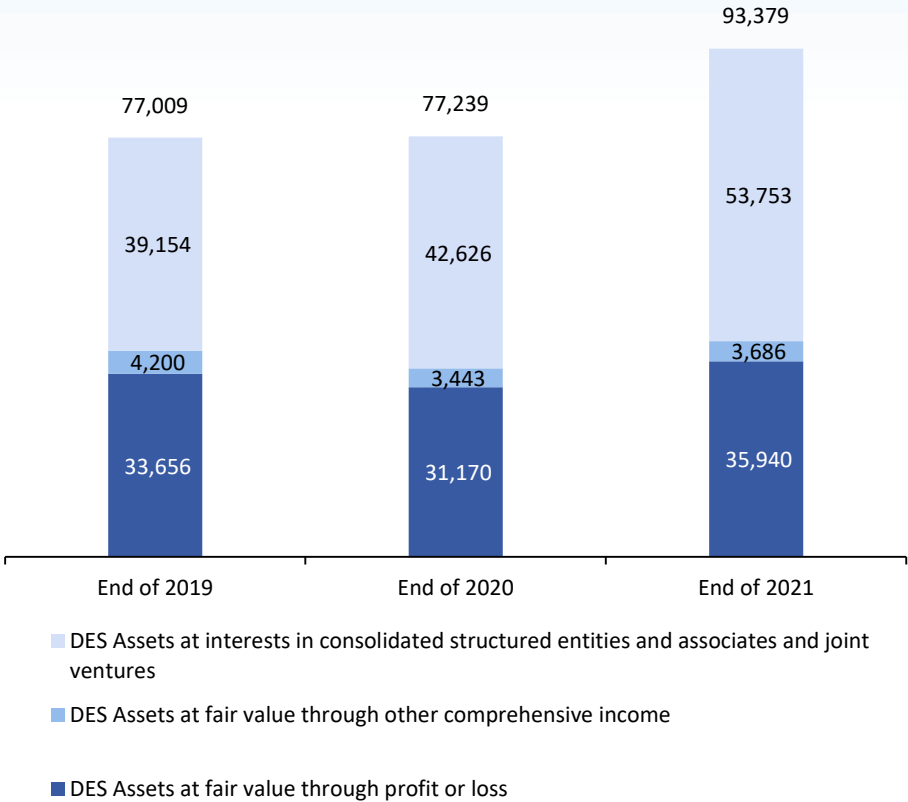
(in millions of RMB)



The quality and efficiency of equity management were improved and the value of equity assets were steadily realized

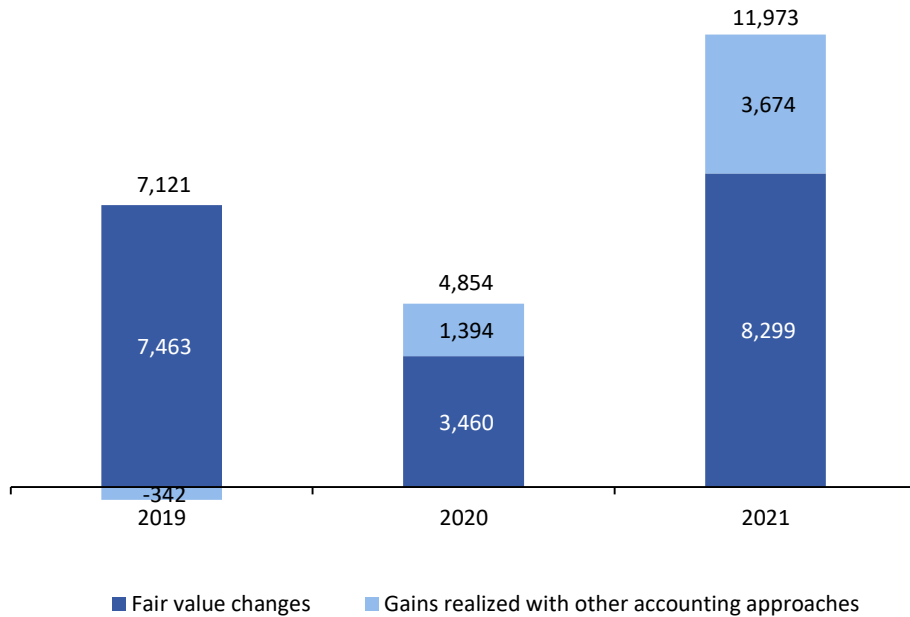
Book value of DES Assets

(in millions of RMB)



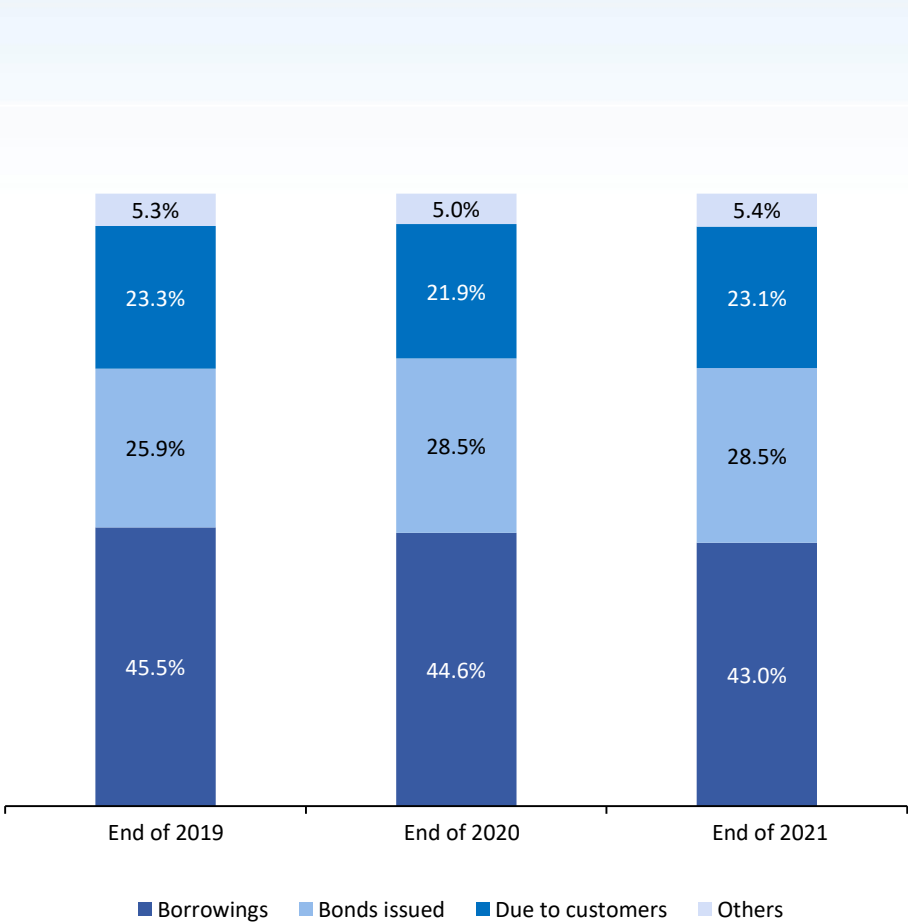
DES Assets income

(in millions of RMB)



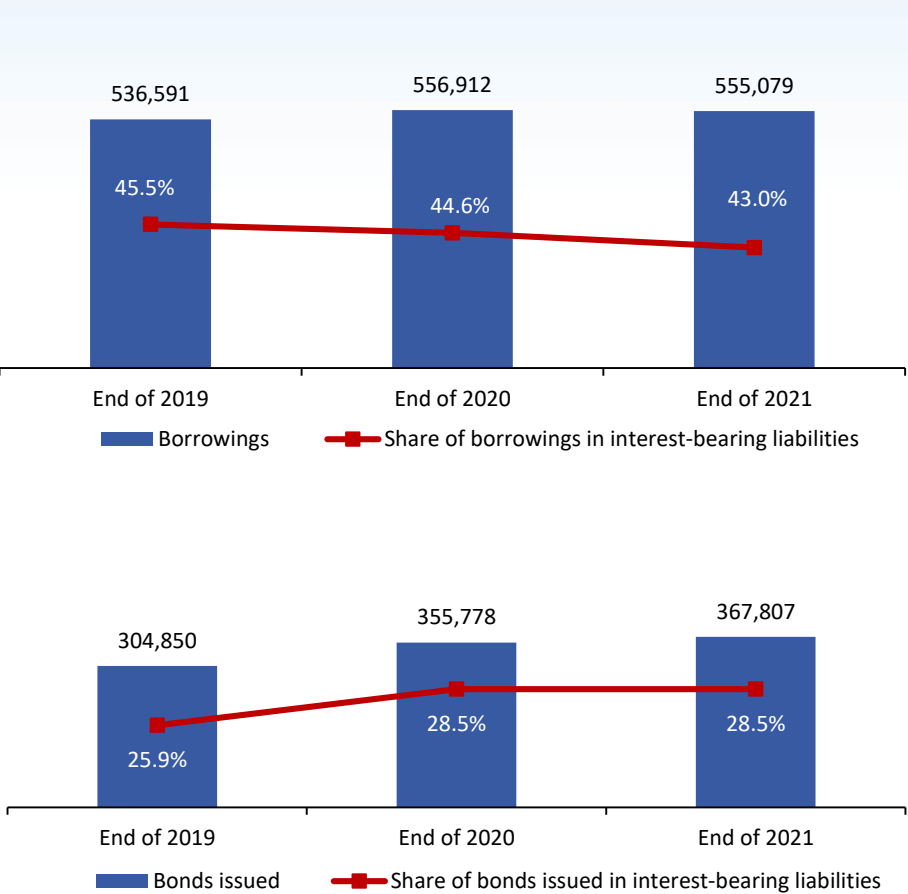
Continued optimizing the financing structure and consolidated the diversified financing system

Interest-bearing liability structure



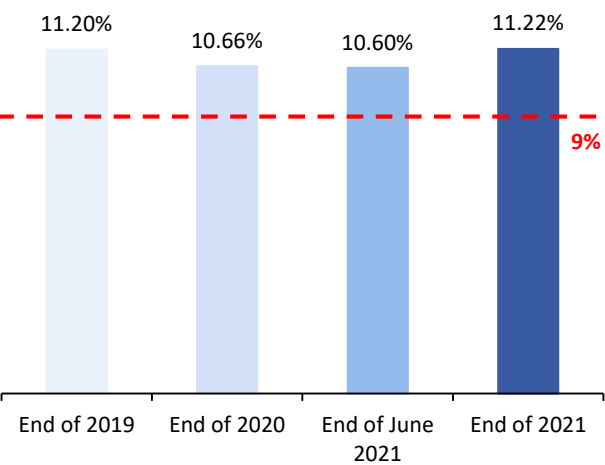
Borrowings and bonds issued

(in millions of RMB)

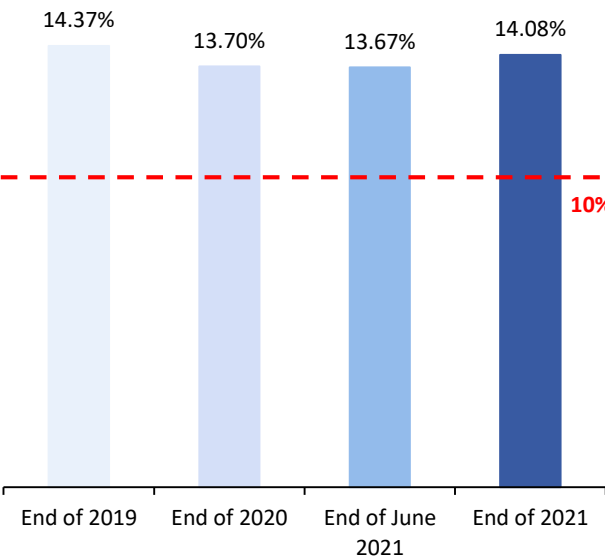


Continuously strengthened capital management with reasonable and sufficient security margin

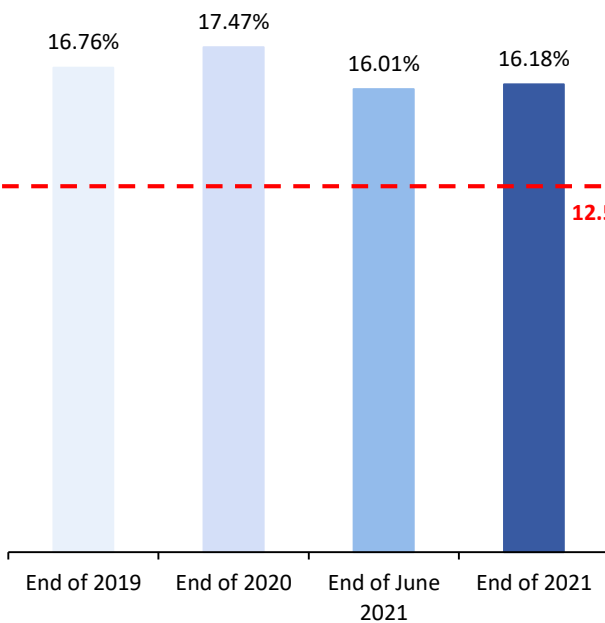
Core tier-1 capital adequacy ratio



Tier-1 capital adequacy ratio



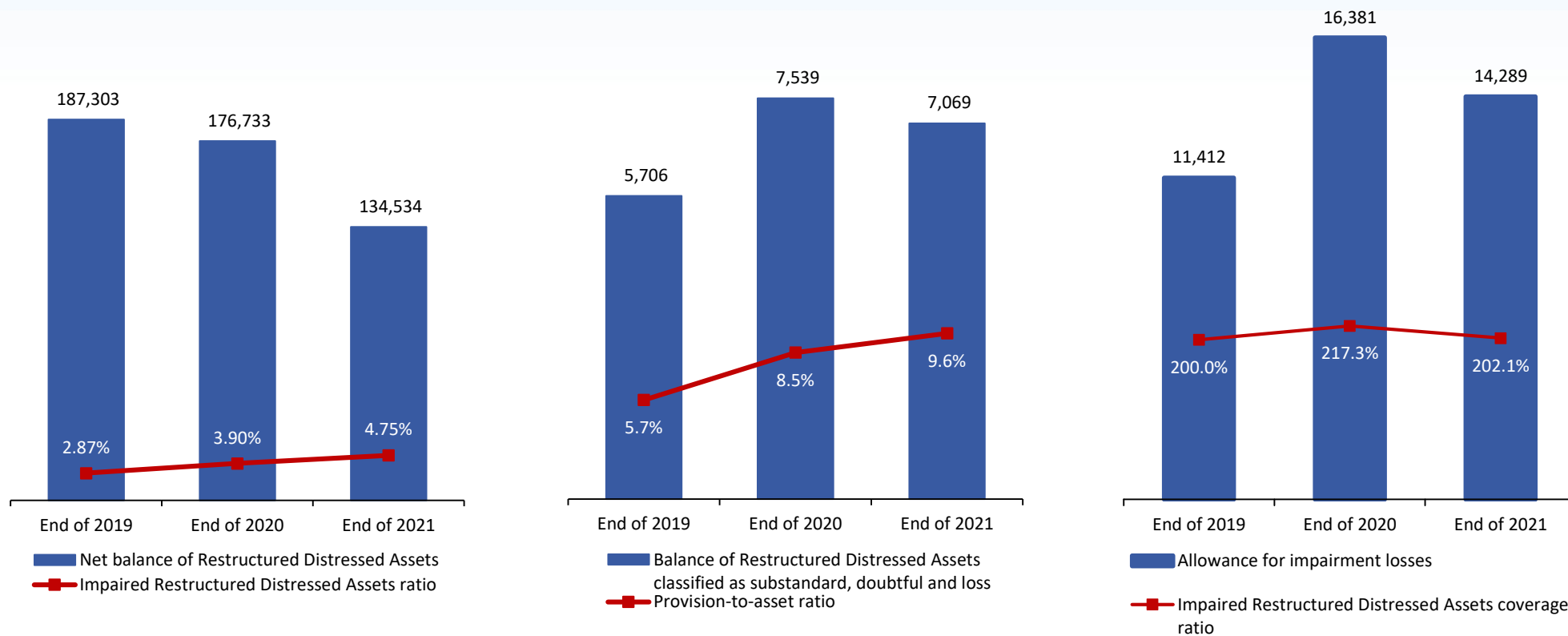
Capital adequacy ratio



Assets quality was generally stable and risk offset capability was sufficient

Asset quality and provision level of Restructured Distressed Assets

(in millions of RMB)



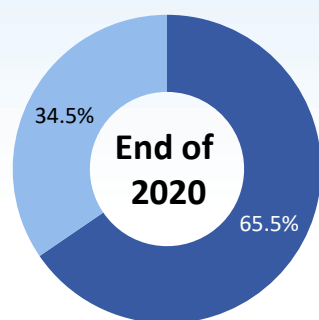
1 Performance Overview

2 Business Development

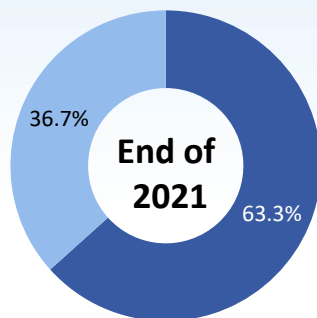
3 Future Prospects

Overview of the development of the Group's business segments

Distribution of the total assets ⁽¹⁾



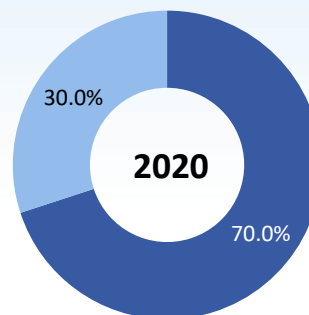
RMB1,518.1 billion



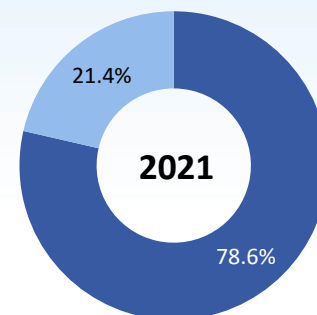
RMB1,564.3 billion

■ Distressed asset management ■ Financial services

Distribution of the total income ⁽¹⁾

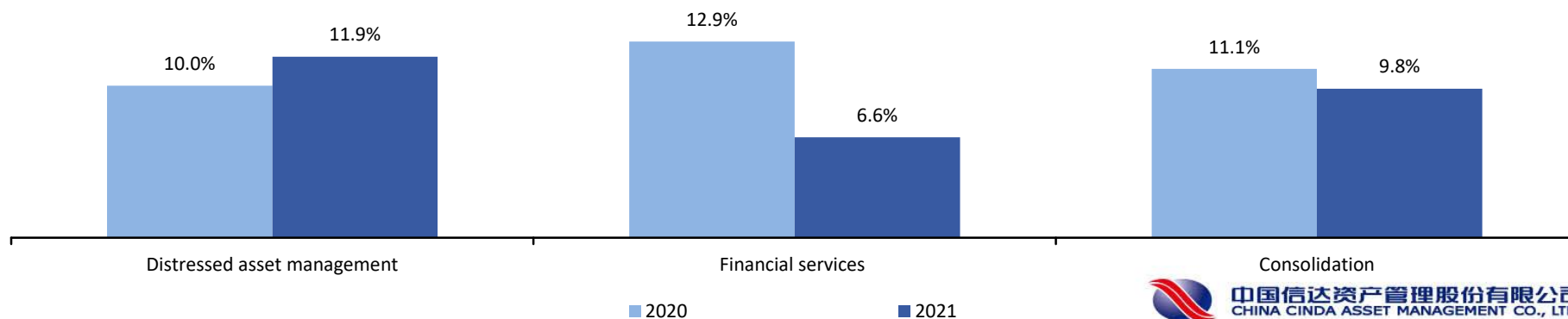


RMB113.6 billion



RMB97.7 billion

Return on average net assets before tax

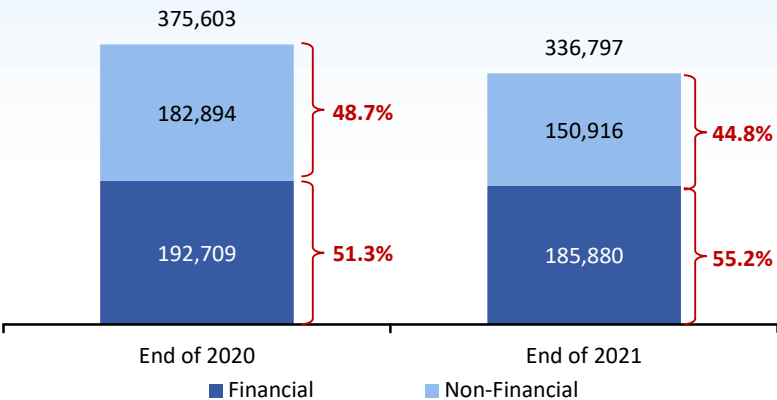


(1) Inter-segment elimination is not considered in the chart on this page

Distressed debt assets management

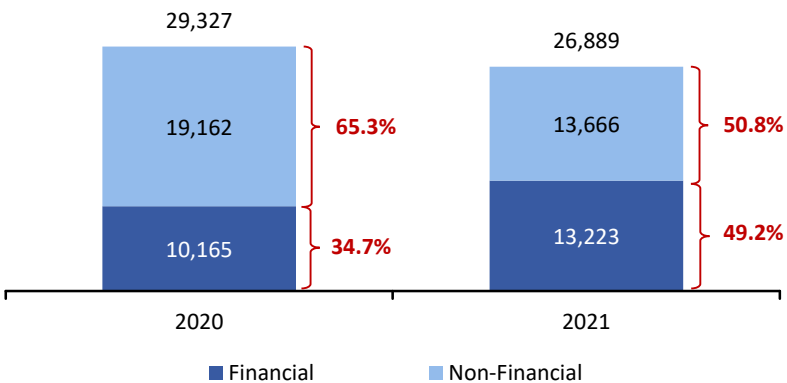
Net balance of distressed debt assets

(in millions of RMB)



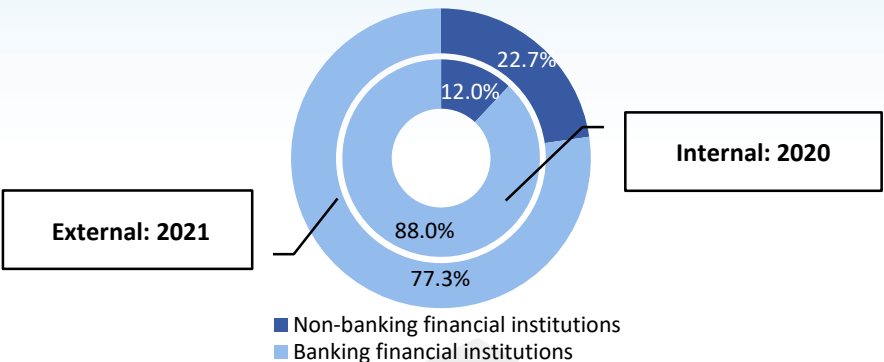
Income from distressed debt assets

(in millions of RMB)

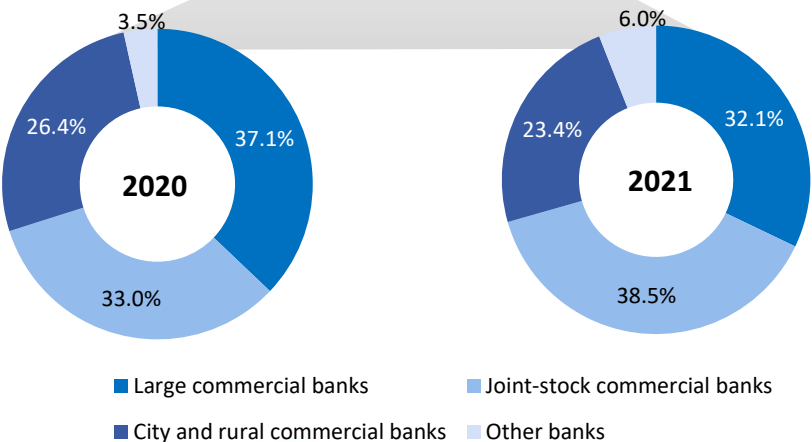


Acquisition cost of financial institutions distressed assets

Structure of acquisition cost



Proportion of banking financial distressed assets

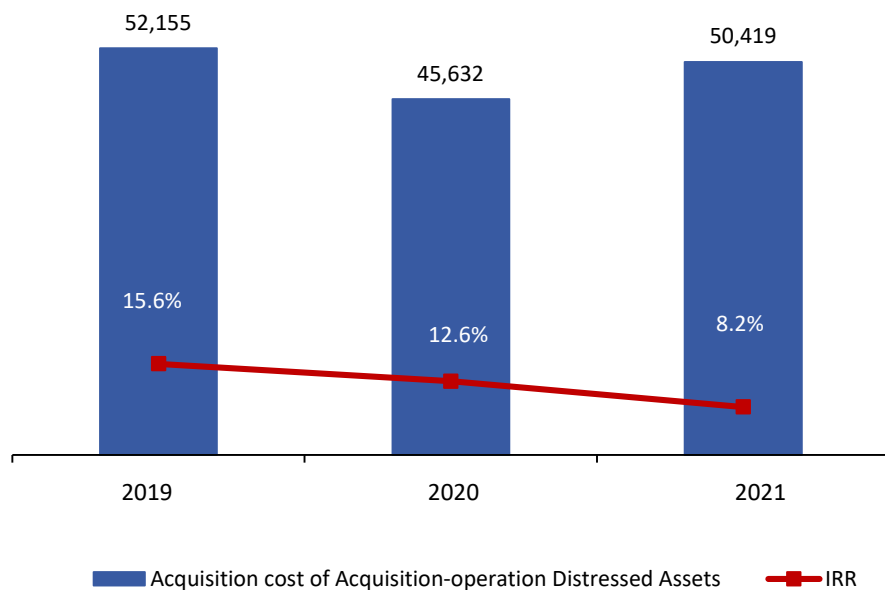


中国信达资产管理股份有限公司
CHINA CINDA ASSET MANAGEMENT CO., LTD.

Acquisition-operation Distressed Assets business

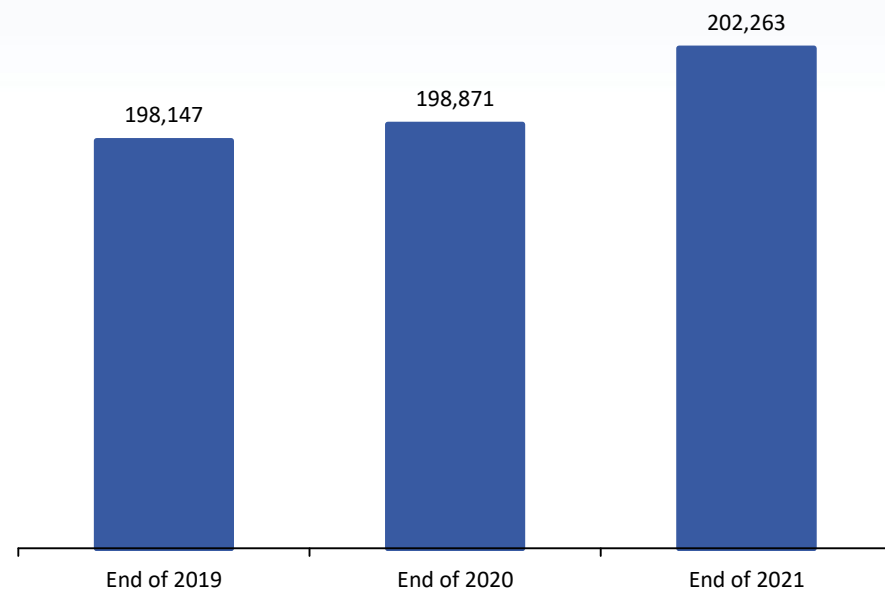
Acquisition cost of Acquisition-operation Distressed Assets and internal rate of return

(in millions of RMB)



Net balance of Acquisition-operation Distressed Assets

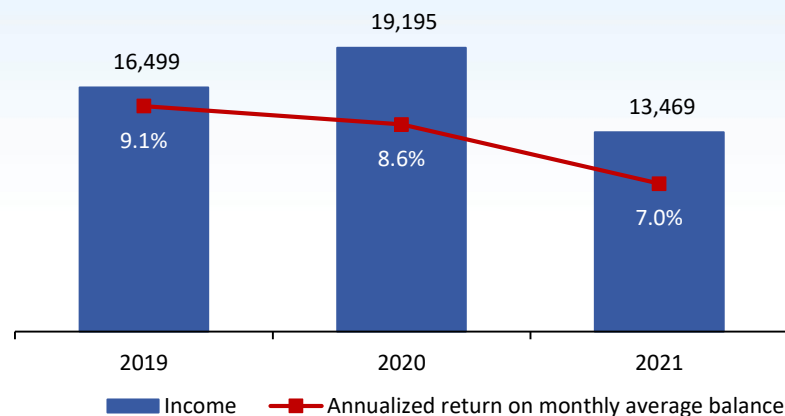
(in millions of RMB)



Restructured Distressed Assets business

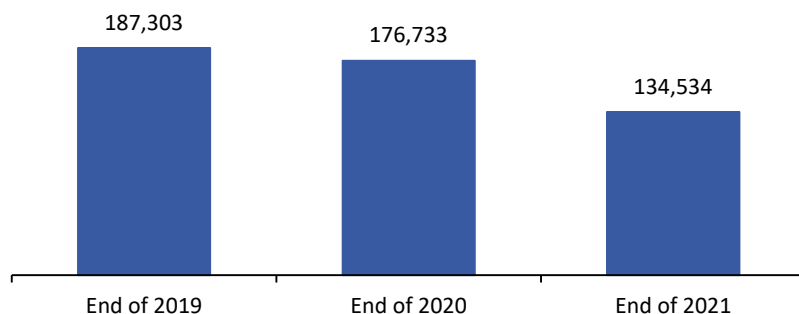
Income and annualized return on monthly average balance of Restructured Distressed Assets

(in millions of RMB)



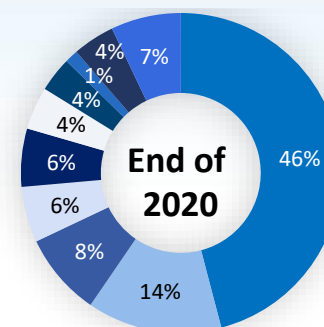
Net balance of Restructured Distressed Assets

(in millions of RMB)

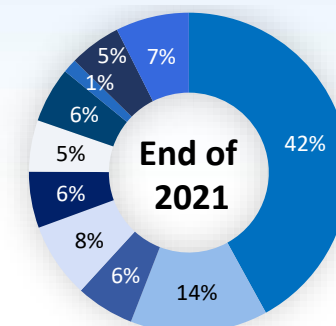


Structure of asset allocation

Industry distribution of Restructured Distressed Assets

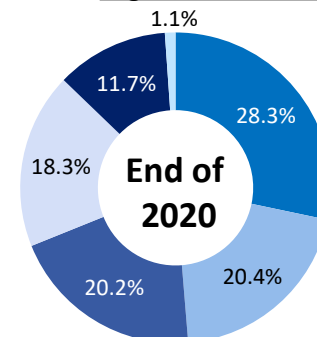


- Real estate
- Wholesale and retail trade
- Construction
- Water conservancy, environment and public facility management
- Finance

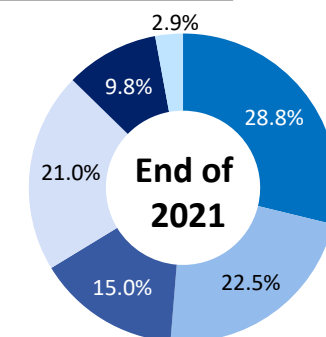


- Manufacturing
- Mining
- Leasing and commercial services
- Transportation, logistics and postal services
- Others

Region distribution of Restructured Distressed Assets



- Central Region
- Bohai Rim
- Western Region

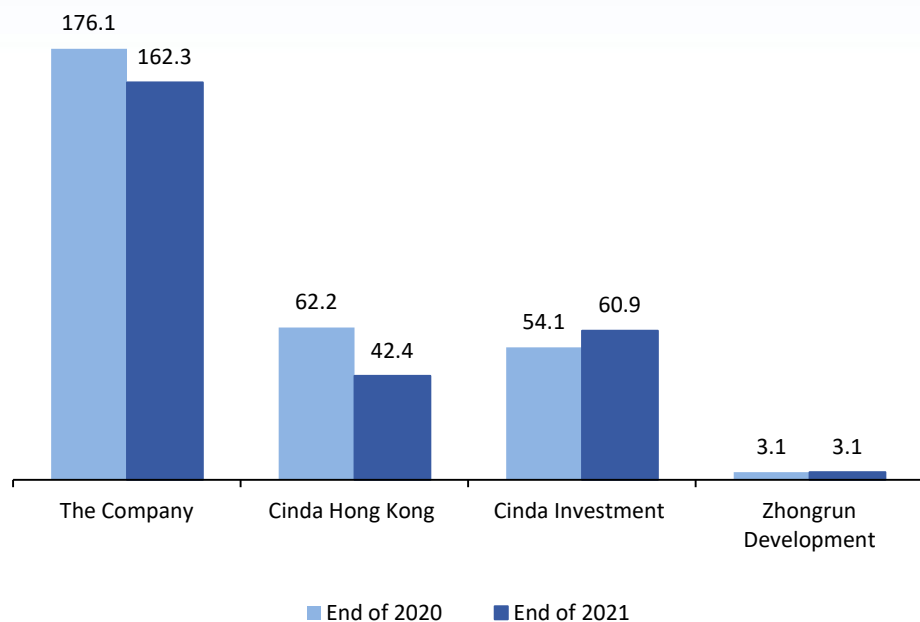


- Bohai Rim
- Yangtze River Delta
- Northeastern Region

Other distressed assets business

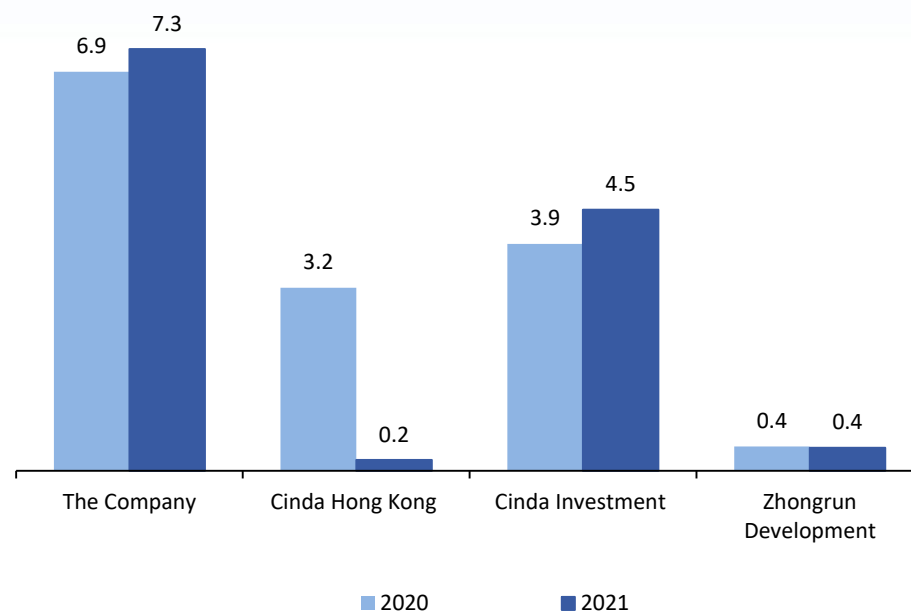
Investment balance of other distressed assets business

(in billions of RMB)



Income of other distressed assets business

(in billions of RMB)

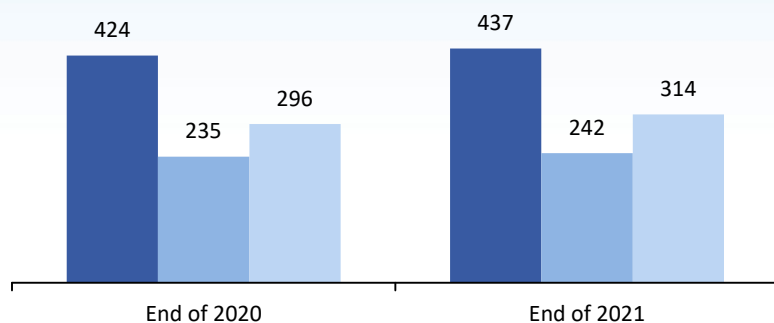


Financial Services Business

NCB

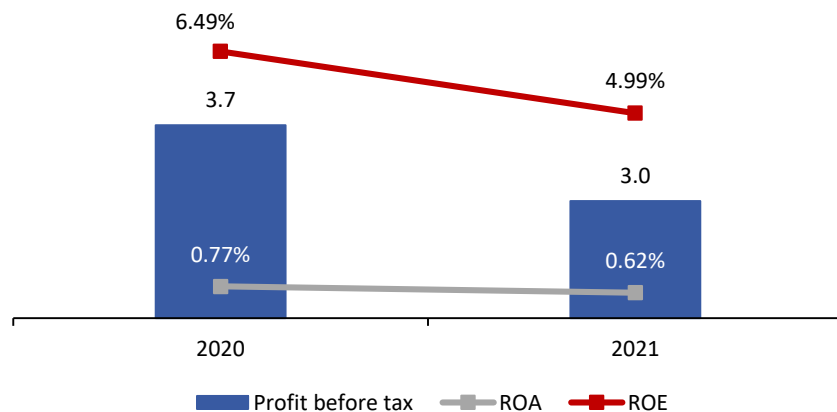
(in billions of RMB)

Total assets, loans and deposits



■ Total asset ■ Total loans ■ Total deposits

Profit before tax and profitability index

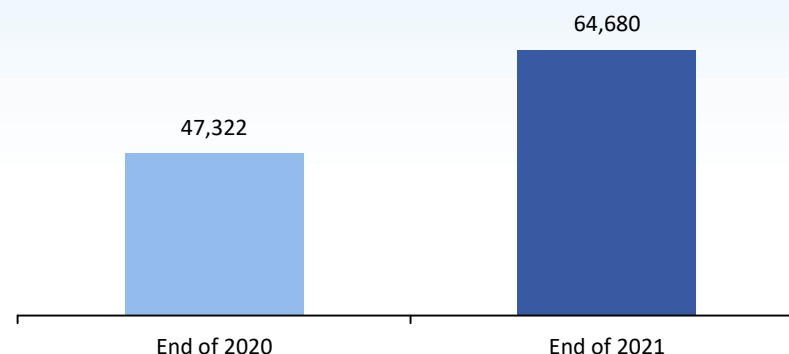


■ Profit before tax ■ ROA ■ ROE

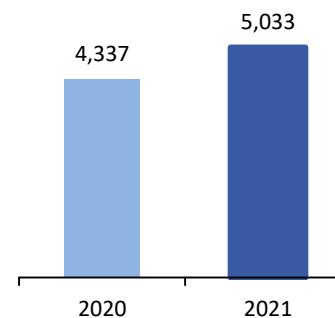
Cinda Securities

(in millions of RMB)

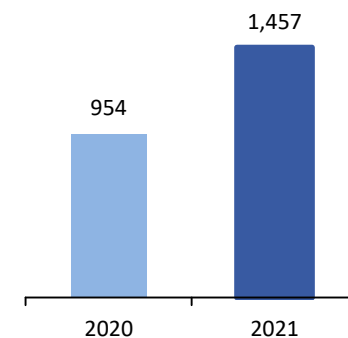
Total assets



Income



Profit before tax



1 Performance Overview

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Potential business opportunities

Background

- Against the backdrop of profound changes and a pandemic both unseen in a century, the world has entered a period of turbulence and transformation, the external environment has become increasingly volatile, grave and uncertain
- In pursuing economic development, China is under the triple pressures of shrinking demand, disrupted supply and weakening expectations, but the fundamentals of our economy remain unchanged, and they will maintain long-term growth
- Financial asset management companies should uphold the right path and innovation, and unwaveringly follow the path of financial development with Chinese characteristics

Target market and business opportunities

1

The stable growth of the domestic economy is under pressure, the task of preventing and resolving financial risks remains arduous, and the supply of distressed assets remains abundant

2

Financial risks are extensive, the risks of some small and medium-sized banks need to be resolved, and the demand for disposal of distressed assets of non-banking financial institutions and defaulted bonds of troubled enterprises has increased

3

The reform of central and state-owned enterprises continues to deepen, the layout structure of state-owned capital accelerates adjustment, and there is a wide market space for the divestment of the “non-main business, non-dominant business and inefficient assets, ineffective assets” and auxiliary businesses

4

The clearing of "The Gray Rhino" risk of real estate is accelerating, and opportunities of mergers and acquisitions, bankruptcy restructuring, crisis relief and other businesses continue to emerge

5

Capital market reform is entering a “deep-water zone”, and there are opportunities in areas such as listed companies bailouts, disposal of distressed assets in new economy, and risk resolution of private equity funds

Key works for 2022

-  Focus on the main responsibility and core business, expand acquisition channels, and innovate disposal methods, to strengthen the distressed assets business
-  Cultivate high-quality strategic customer base, increase effective investment, promote transformation and innovation, and enhance the quality and effectiveness of service to the real economy
-  Optimize the whole process of risk control mechanism, upgrade the effect of risk monitoring, giving full play to the value of risk management
-  Expand diversified funding channels, continuously optimize the debt structure, boosting the prudent operation of the Company
-  Deepen the market-oriented reform of subsidiaries to refine professionalism and to boost synergies for core businesses, forming the joint effort for the development of the Group
-  Accelerate the process of digital transformation and improve data governance

Appendix

Summary of financial data

Summary of consolidated statement of profit or loss

(in millions of RMB)

	2021	2020	Change
Continuing operations			
Income from distressed debt assets at amortized cost	13,467	19,151	(29.7%)
Fair value changes on distressed debt assets	15,476	12,547	23.3%
Fair value changes on other financial instruments	14,675	12,567	16.8%
Investment income	157	323	(51.4%)
Interest income	25,101	23,899	5.0%
Revenue from sales of inventories	20,385	24,316	(16.2%)
Other income and other net gains or losses	8,471	7,332	15.5%
Total income	97,731	100,134	(2.4%)
Impairment losses on assets	(11,723)	(14,097)	(16.8%)
Interest expenses	(41,937)	(39,619)	5.9%
Purchases and changes in inventories	(16,906)	(17,360)	(2.6%)
Other costs and expenses	(13,582)	(12,984)	4.6%
Total costs and expenses	(84,149)	(84,060)	0.1%
Profit before tax from continuing operations	19,379	16,309	18.8%
Profit for the year from continuing operations	13,000	10,985	18.3%
Discontinued operations			
Profit after tax for the year from a discontinued operations	-	3,752	-
Profit for the year	13,000	14,737	(11.8%)
Profit attributable to equity holders of the Company	12,062	13,248	(9.0%)

Summary of consolidated statement of financial position

(in millions of RMB)

	End of 2021	End of 2020	Change
Cash and balances with central banks	18,046	15,375	17.4%
Deposits with banks and financial institutions	99,921	87,954	13.6%
Financial assets at fair value through profit or loss	456,204	446,917	2.1%
Financial assets at fair value through other comprehensive income	122,592	123,729	(0.9%)
Financial assets at amortized cost	183,535	220,233	(16.7%)
Loans and advances to customers	368,031	353,456	4.1%
Assets held for sale	-	-	-
Others	315,950	270,421	16.8%
Total assets	1,564,279	1,518,084	3.0%
Borrowings	555,079	556,912	(0.3%)
Bonds issued	367,807	355,778	3.4%
Due to customers	298,748	273,644	9.2%
Accounts payable to brokerage clients	17,606	16,584	6.2%
Liabilities held for sale	-	-	-
Others	123,264	120,124	2.6%
Total liabilities	1,362,504	1,323,041	3.0%
Total equity	201,775	195,042	3.5%
Equity attributable to equity holders of the Company	178,801	172,109	3.9%
Key ratios	2021	2020	Change
ROA	0.84%	0.97%	(0.13%)
ROE	7.15%	8.26%	(1.11%)
Cost-income ratio	32.15%	25.46%	6.69%