

# 2010 Annual Results Presentation



April 2011

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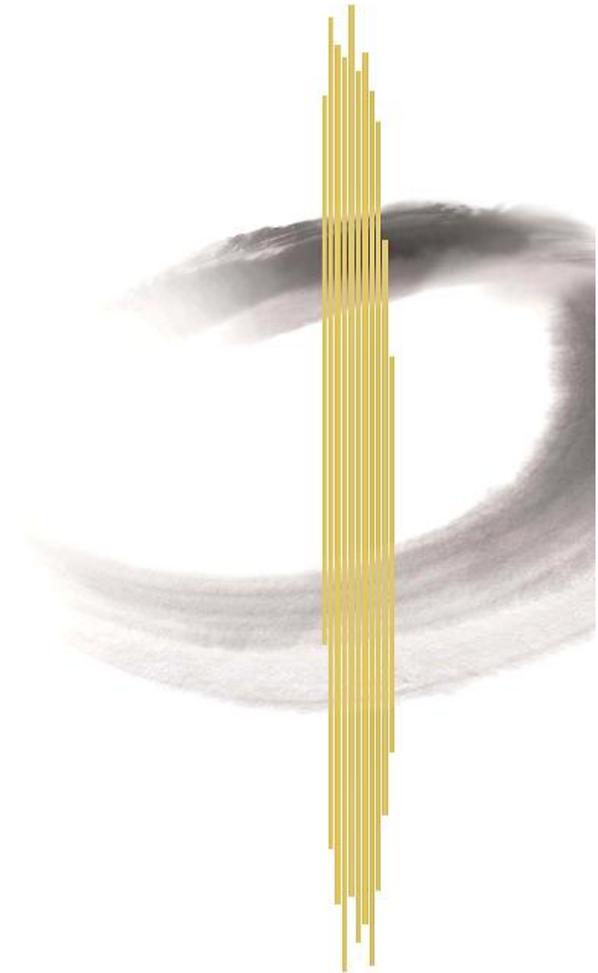
# Contents

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## Part I 2010 Business Overview

## Part II Strategies for 2011



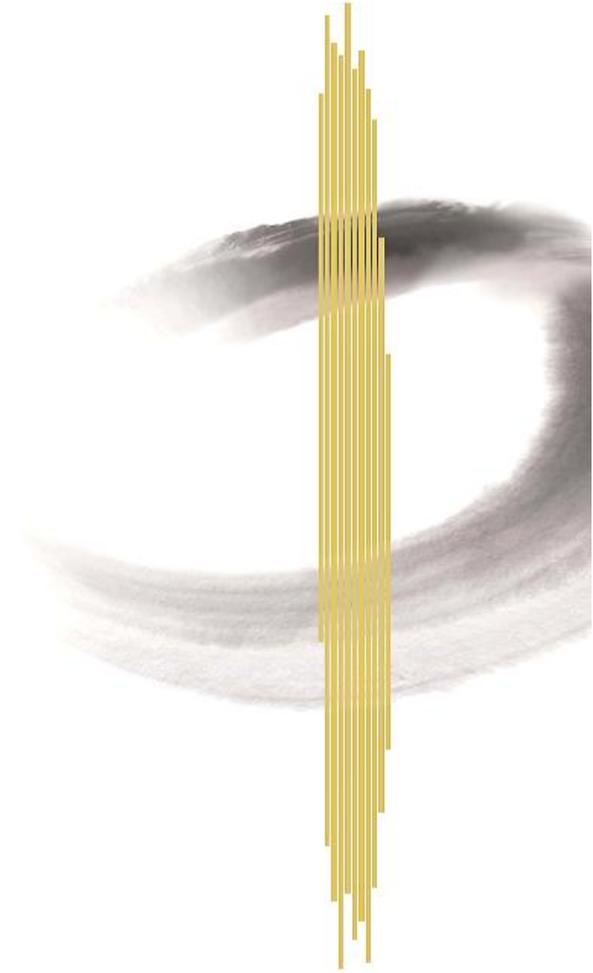


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# Part I

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## 2010 Business Overview

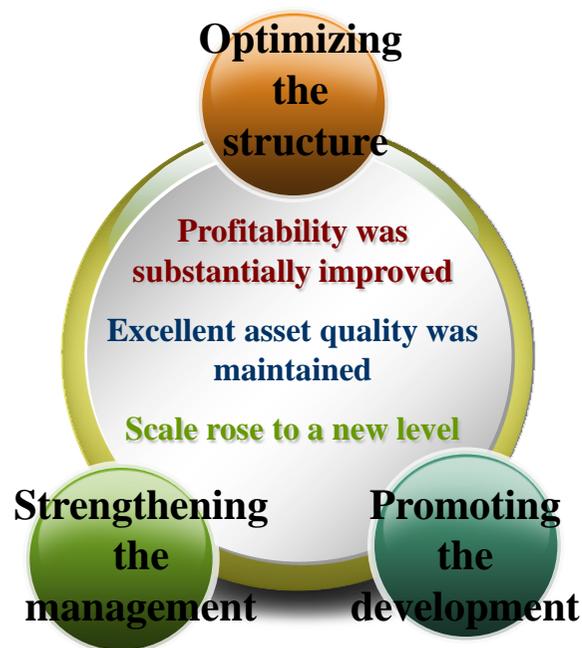


# Part I 2010 Business Overview—indicators



## ❖ Major indicators

Unit: RMB 100Million

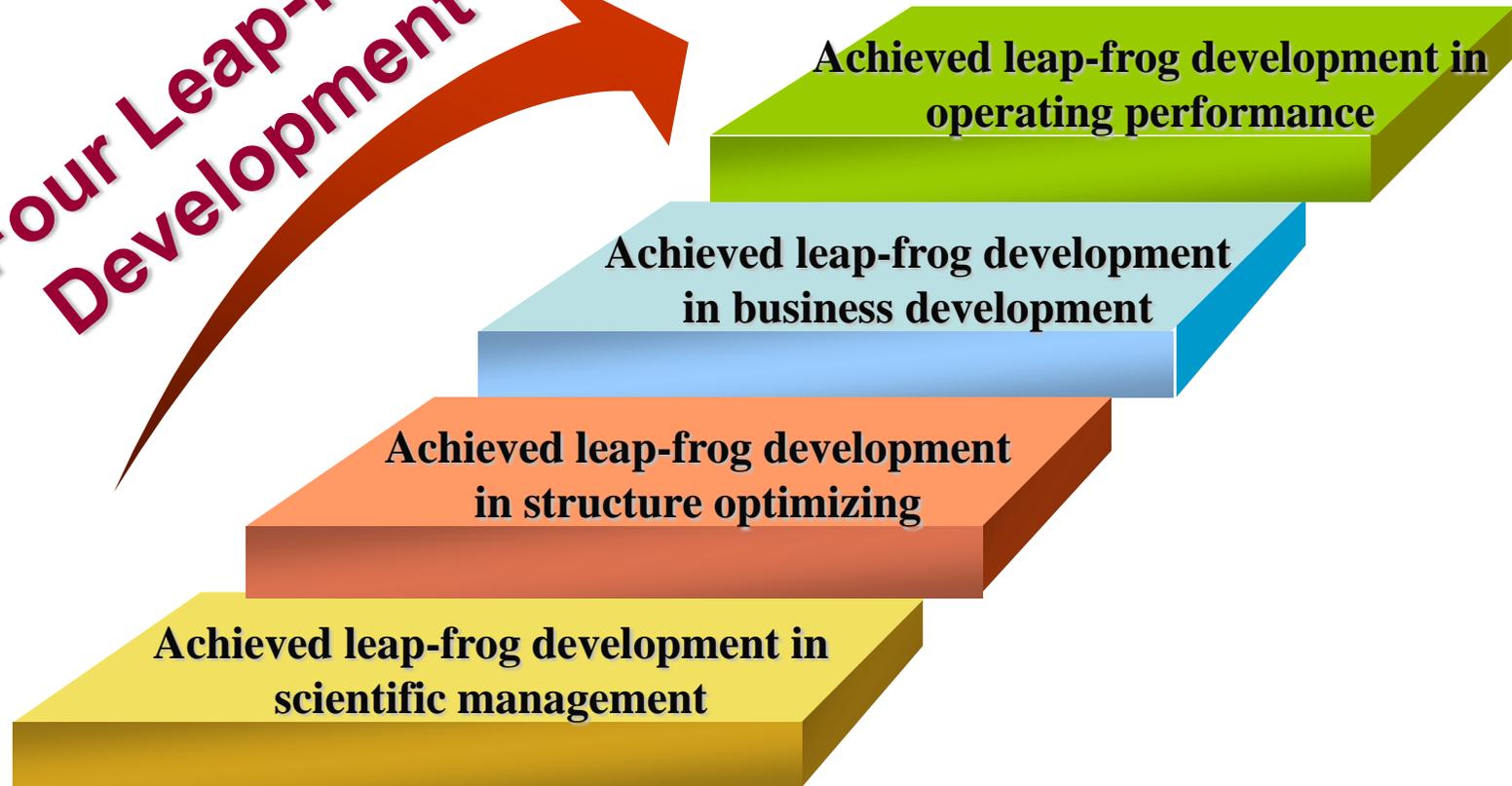


Indicator	Total	Increment	Growth rate
Net profit attributable to shareholders	215.1	71.9	50.2%
Net interest income	481.4	121.5	33.8%
NIM	2.63%	Up by 0.12 percentage point	
Net non-interest income	76.3	28.1	58.4%
Proportion of non-interest income	13.68%	Up by 1.87 percentage points	
Cost-to-income ratio	33.8%	Down by 6.13 percentage points	
Indicator	Total	Increment	Growth rate
NPL balance	85.3	-16.2	-16.0%
NPL ratio	0.67%	Down by 0.28 percentage points	
Provisioning coverage Ratio	213.5%	Up by 64.2 percentage points	
Indicator	Total	Increment	Growth rate
Total assets	20813	3063	17.3%
Total loans	12642	1986	18.6%
Including: Corporate loans	9923	1696	20.6%
Discounted bills	557	-391	-41.3%
Retail loans	2163	680	45.9%
Customer deposits	17308	3889	29.0%
Including: Corporate deposits	14301	3322	30.3%
Retail deposits	3008	567	23.2%

# Part I 2010 Business Overview-Four Leap-frog Development

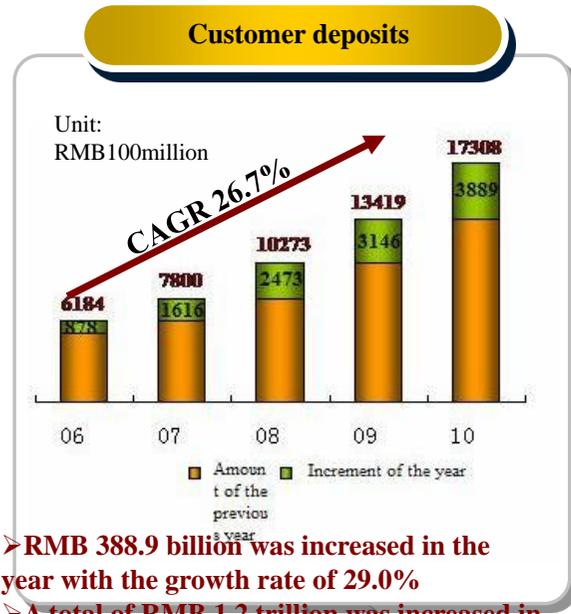


**Four Leap-frog Development**

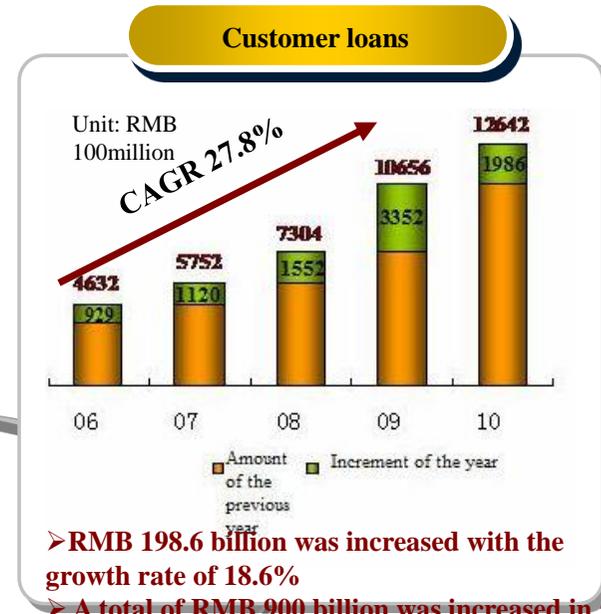


# Part I 2010 Business Overview-Four Leap-frog Development

## ❖ (I) Achieved Leap-frog Development in Operating Performance - Business Scale Rose to a New Level

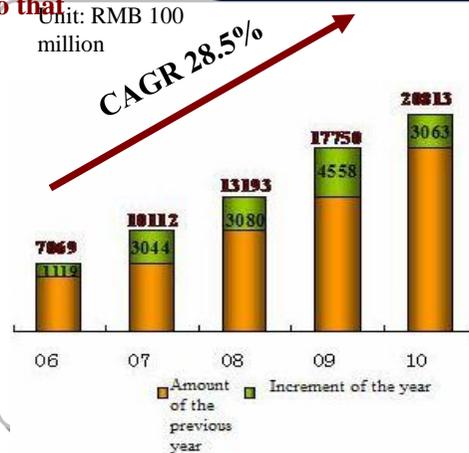


- RMB 388.9 billion was increased in the year with the growth rate of 29.0%
- A total of RMB 1.2 trillion was increased in 5 years and the balance was 3.3 times to that of 5 years ago



- RMB 198.6 billion was increased with the growth rate of 18.6%
- A total of RMB 900 billion was increased in 5 years and the balance was 3.4 times that of 5 years ago

### Total assets



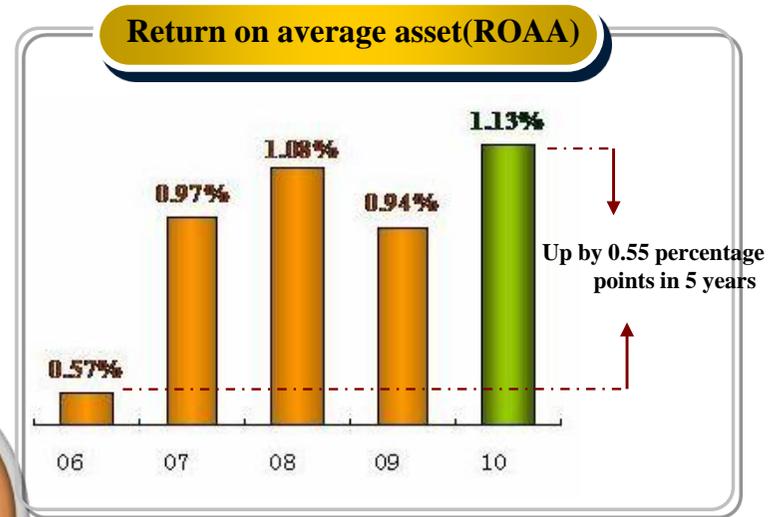
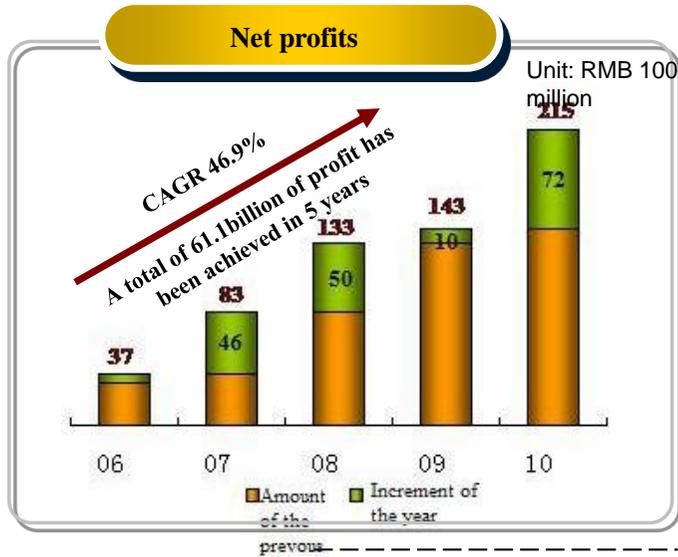
- Total assets increased by 306.3 billion or 17.3% during the year
- A total of RMB 1.5 trillion was increased in 5 years and the balance was almost 3.5 times to that of 5 years ago

The total assets exceeded RMB 2 trillion

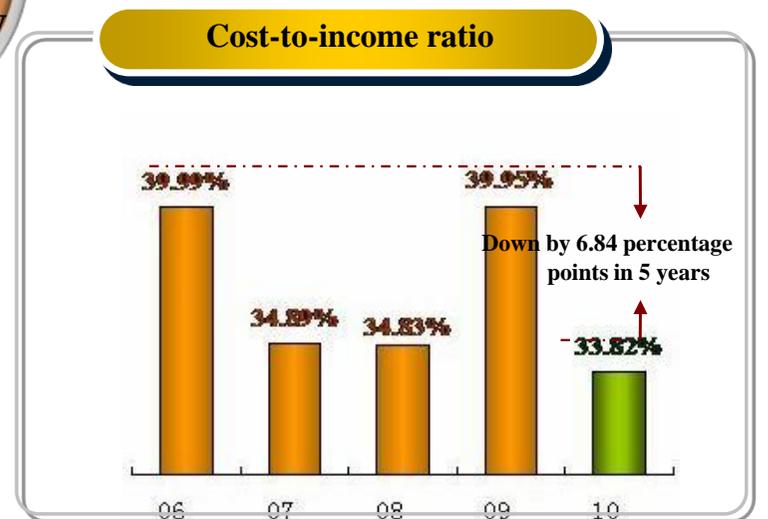
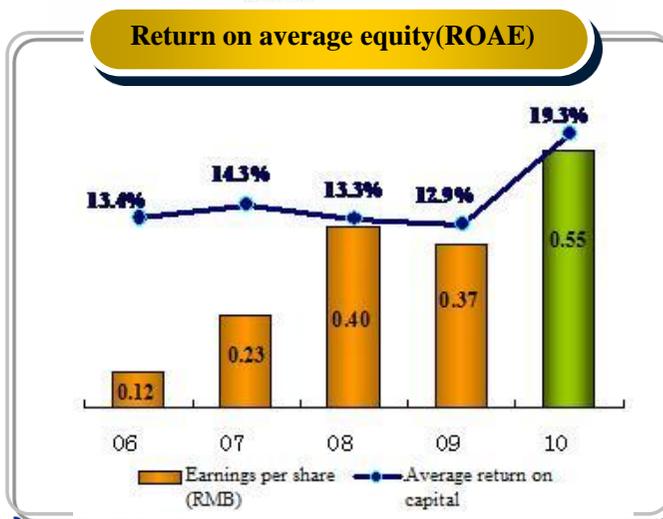
# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in Operating Performance—Profitability improved significantly



**Profitability improved significantly**



# Part I 2010 Business Overview-Four Leap-frog Development



## ❖ Achieved Leap-frog Development in operating performance - market competitiveness further enhanced

**1.** Awarded again with the title of “Best Joint Stock Bank” (by *Financial Times & Chinese Academy of Social Sciences*)



**Maintained highest regulatory ranking among banks of the same category for 4 consecutive years**

**2.** Ranking of total assets up to No. 72 in 2010 from No. 152 in 2005 (by *The Banker*)



**3.** Ranking of tier-1 capital up to No. 67 in 2010 from No. 200 in 2005, taking the lead among medium-sized joint stock banks (by *The Banker*)



**4.** Brand value up to No. 73 with concurrent promotion of its brand value and ranking in 2 consecutively years (by *The Banker*)

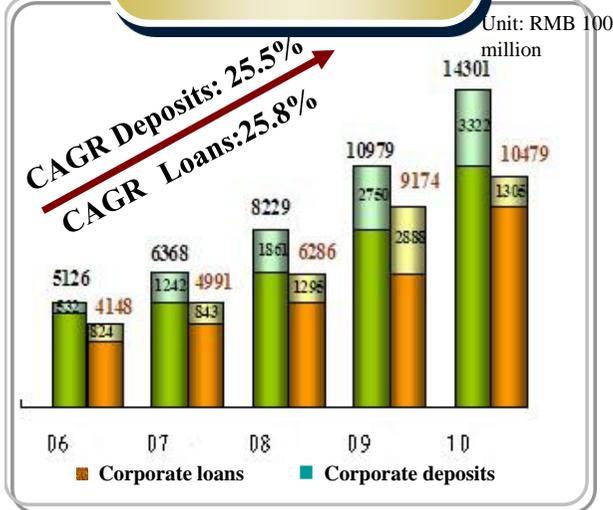


# Part I 2010 Business Overview-Four Leap-frog Development

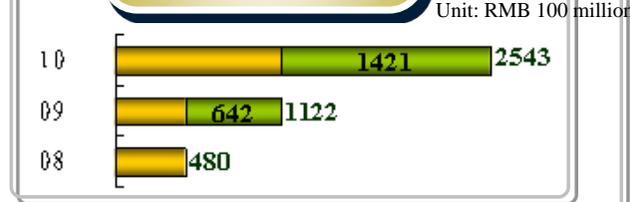


❖ Achieved Leap-frog Development in business development – corporate banking system further improved

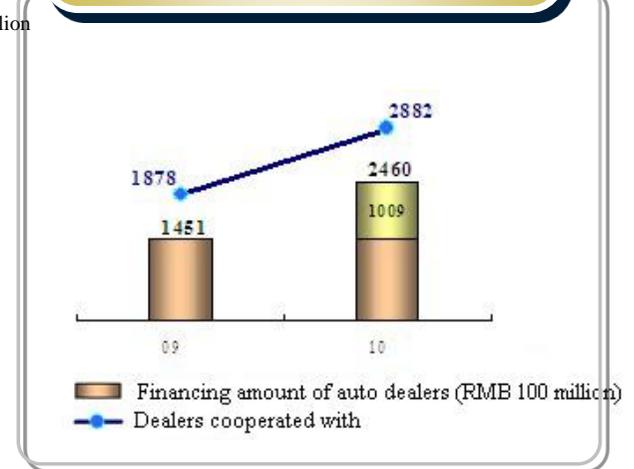
Corporate deposits and loans



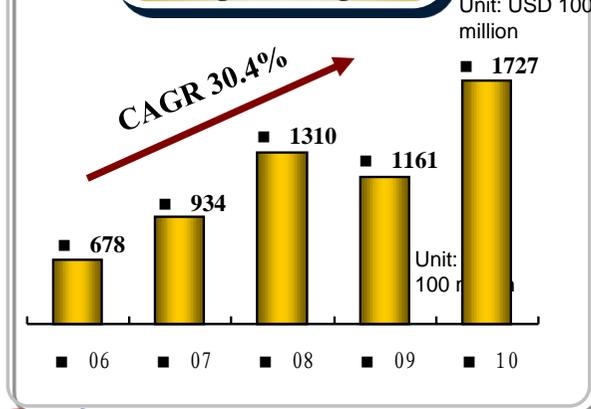
Scale of custody assets



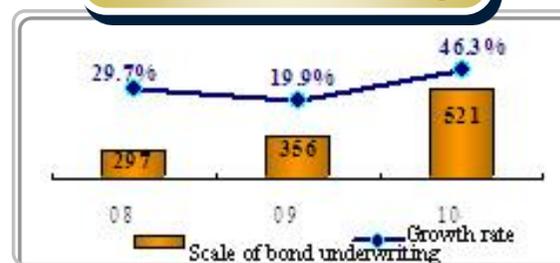
Financing amount of auto dealers



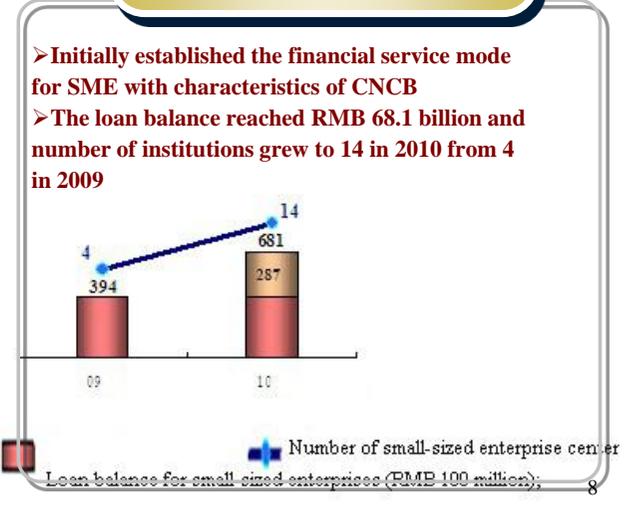
Amount of settlement for foreign exchange



Scale of bond underwriting



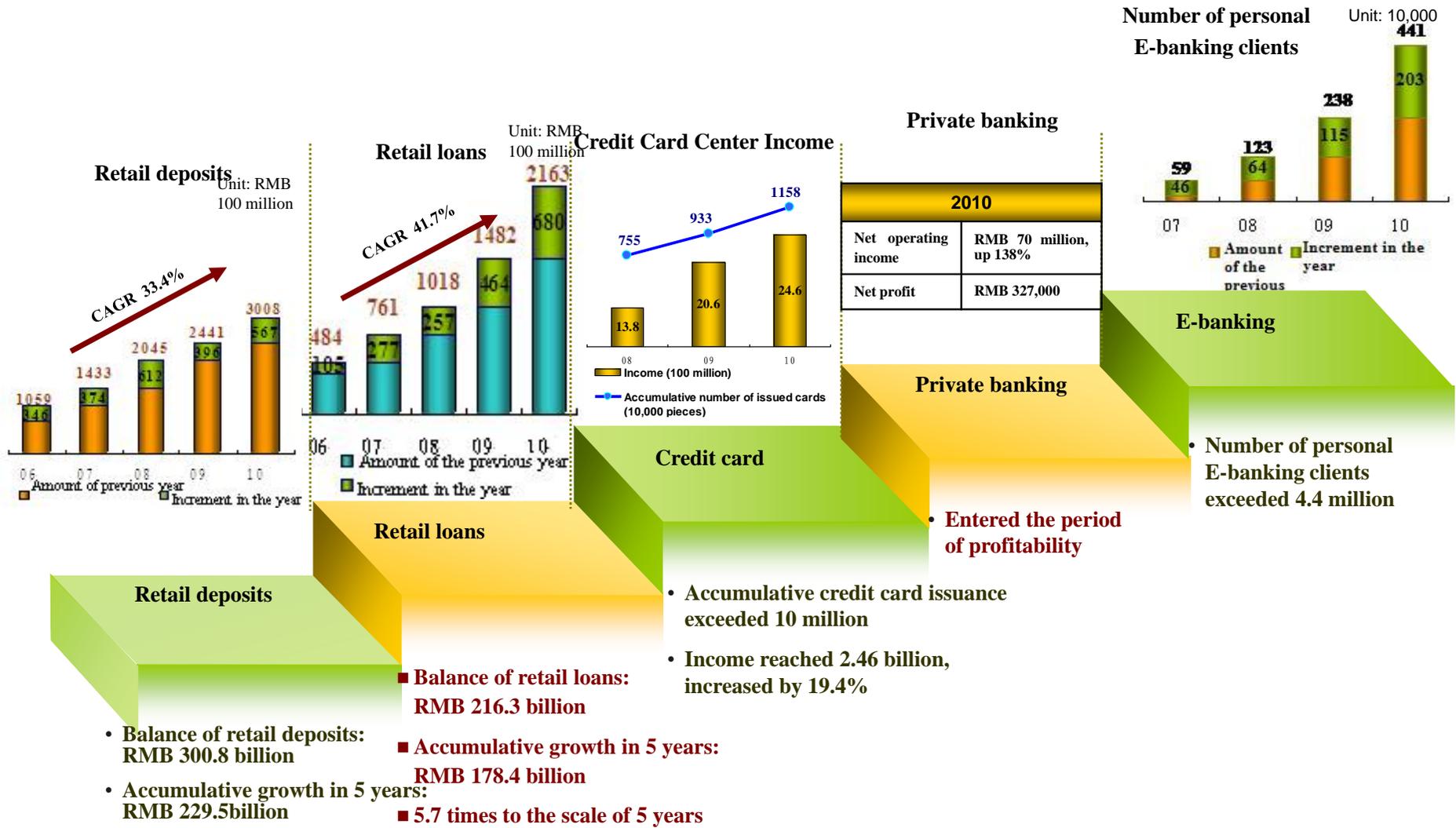
SME loans



# Part I 2010 Business Overview-Four Leap-frog Development



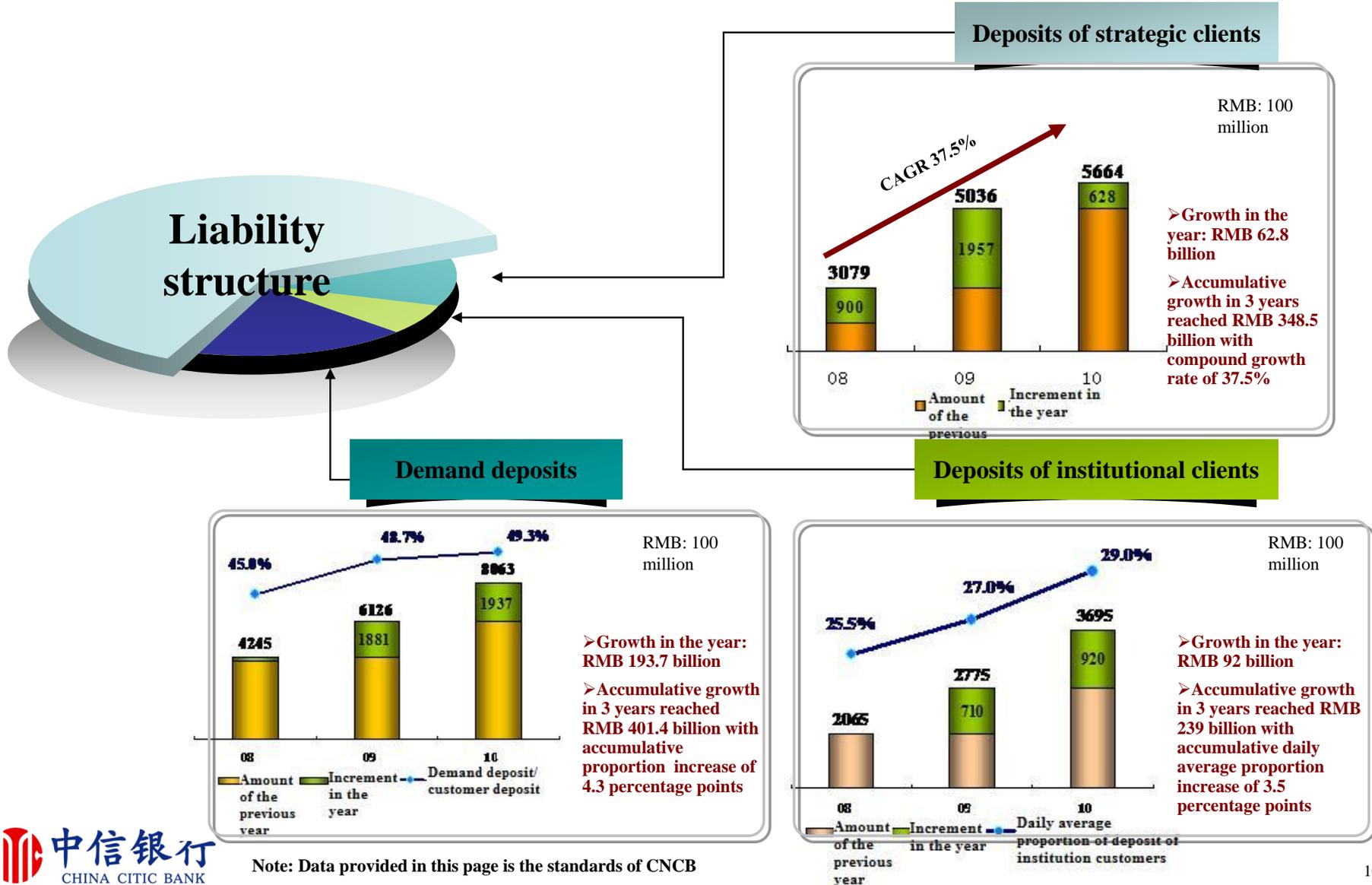
## ❖ Achieved Leap-frog Development in business development –retail banking system developed in depth



# Part I 2010 Business Overview-Four Leap-frog Development



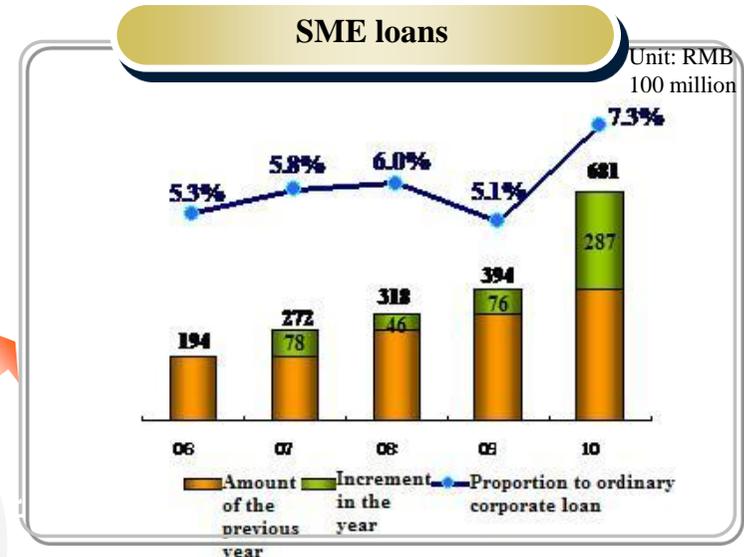
❖ Achieved Leap-frog Development in structure optimizing –liability structure optimized dramatically



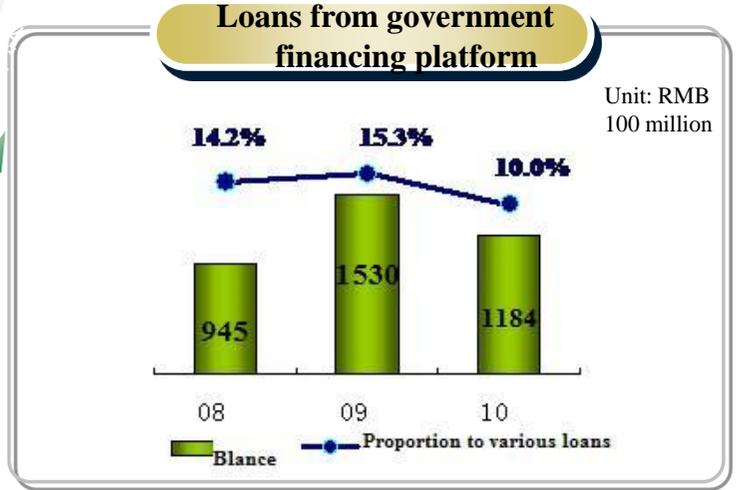
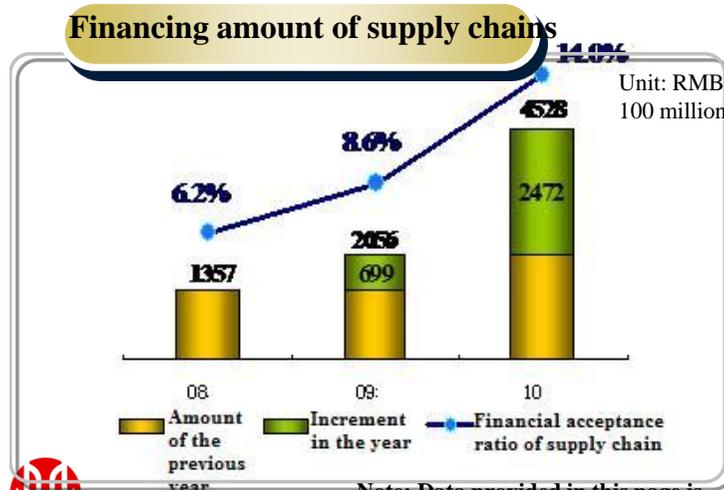
# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in structure optimizing – credit structure optimized dramatically



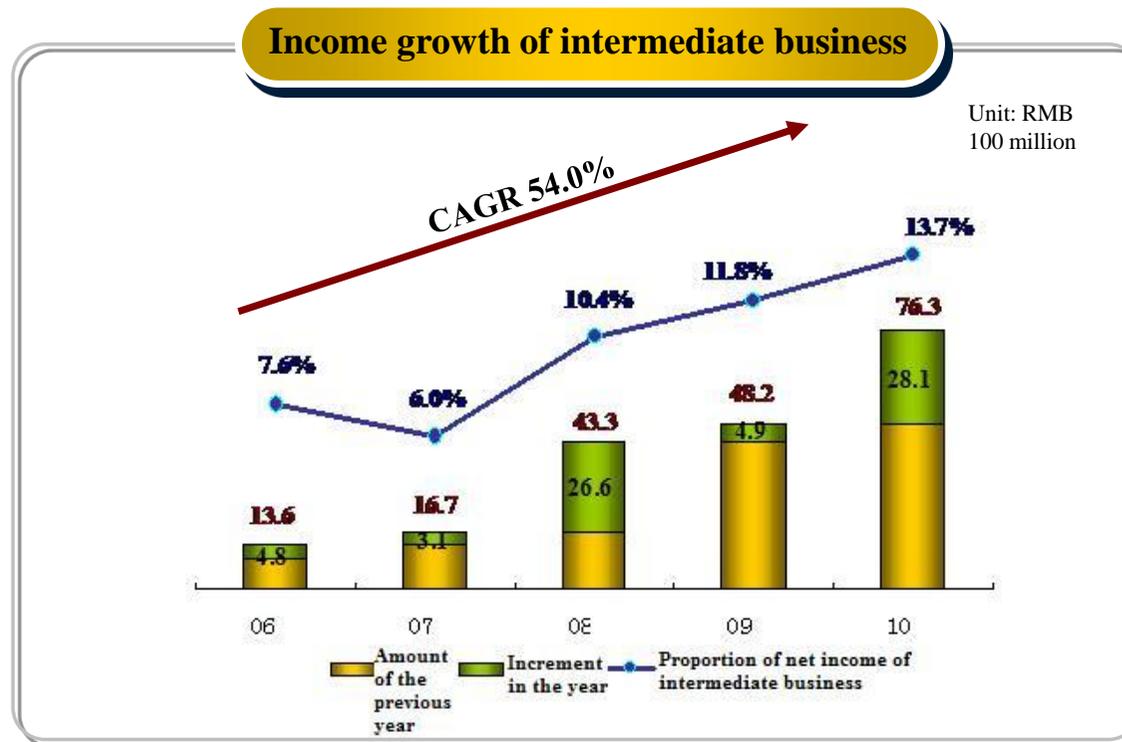
**Credit structure optimized dramatically**



# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in structure optimizing – income structure optimized dramatically



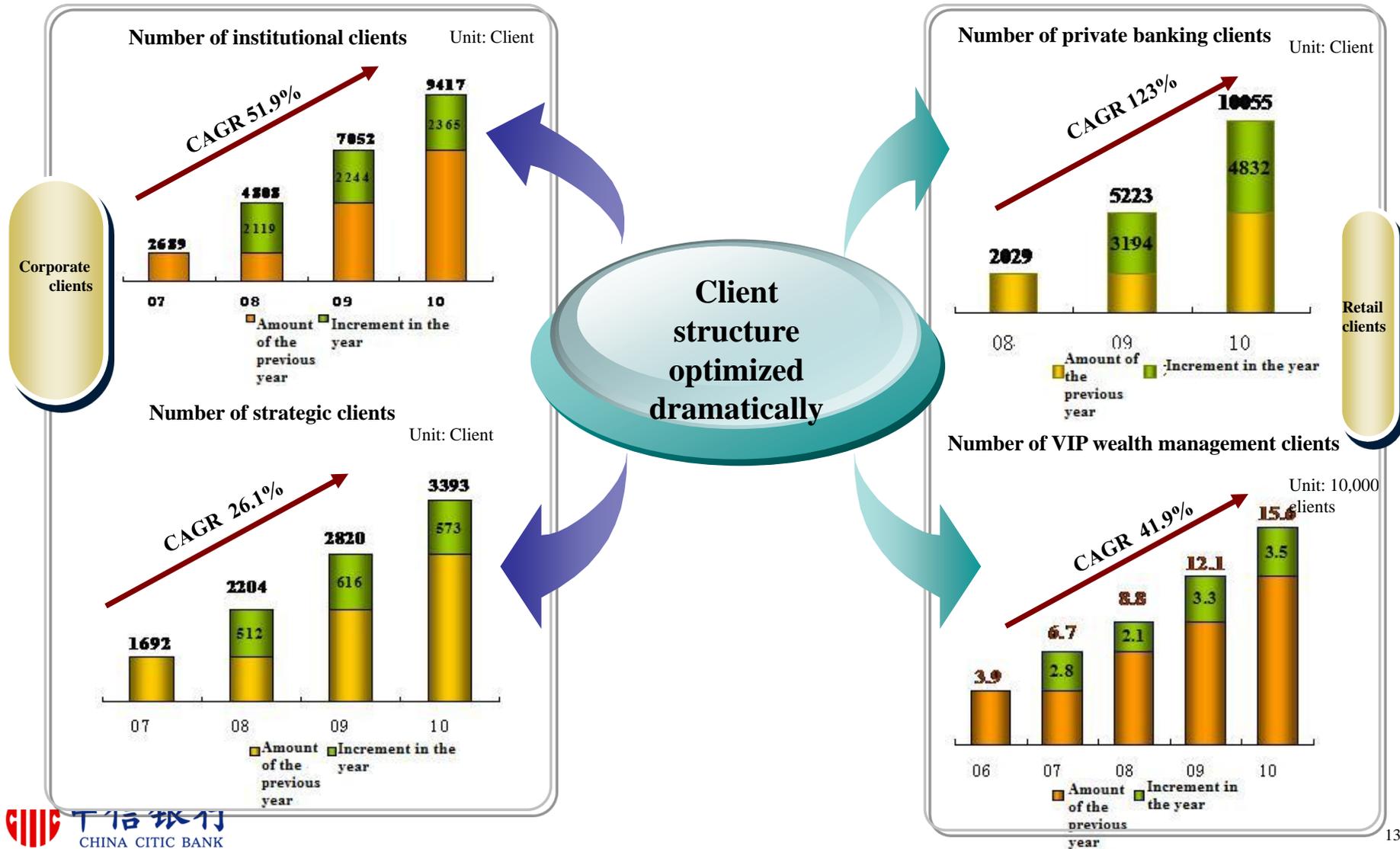
➤ Net income of intermediate business in 2010 reached RMB 7.63 billion, an increase of RMB 2.81 billion, up by 58.3% with the compound growth rate of 54.0% in 5 years

➤ Proportion of net income of intermediate business reached 13.7% in 2010, up by 1.9 percentage points with accumulative growth of 7.2 percentage points in 5 years

# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in structure optimizing – client structure optimized dramatically



# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in scientific management – detailed management level promoted remarkably

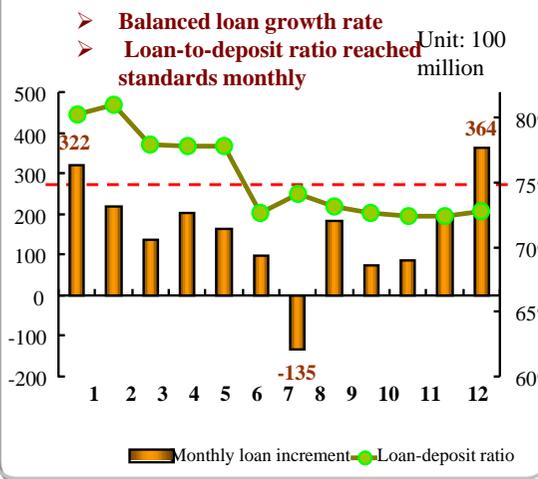
## Detailed management level promoted remarkably

Asset-liability optimization was enhanced to meet regulatory requirements

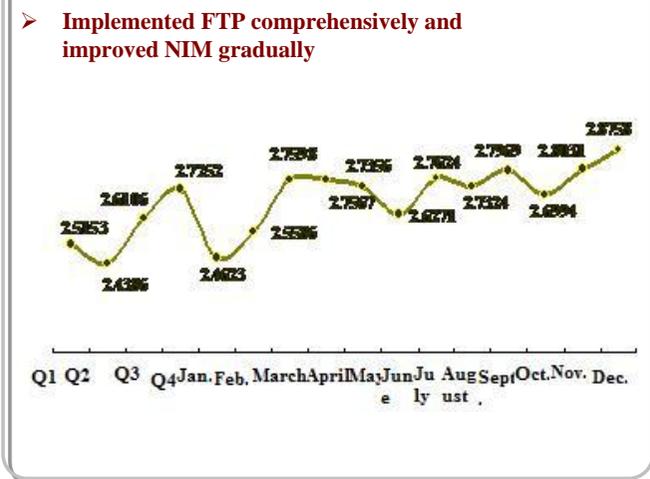
FTP management was implemented comprehensively to promote interest rate pricing level

Expense allocation mode was optimized to improve input-output efficiency

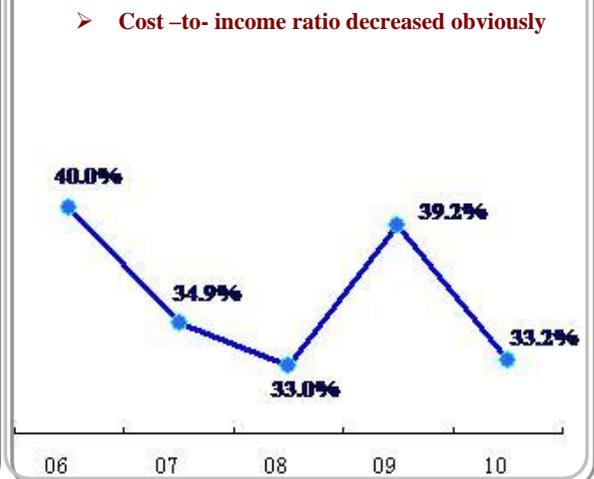
### Monthly credit issuance and LTD ratio in 2010



### NIM from the first quarter of 2009 to December 2010



### Cost-to-income ratio in 2006-2010



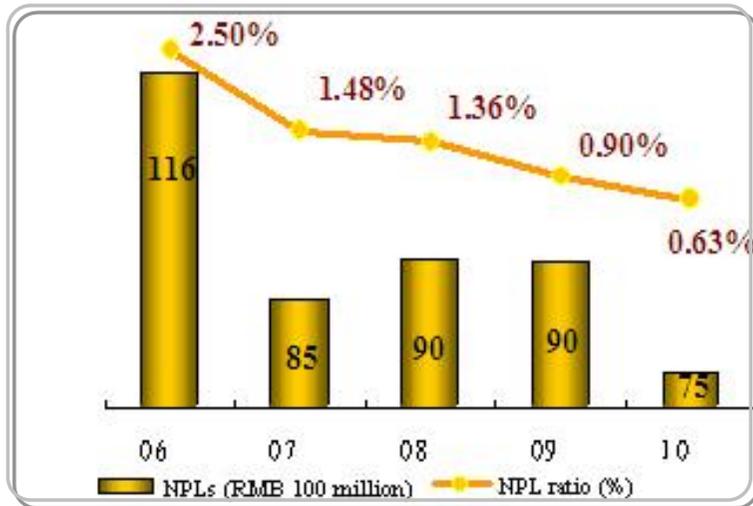
Note: Data provided in this page is the standards of CNCB

# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in scientific management –capability of risk management promoted remarkably

**NPL balance and NPL ratio**



**Reduction achieved in both NPL balance and NPL ratio**

**Provisioning balance and provisioning coverage ratio further increased**

**Provisioning balance and provisioning coverage ratio**



# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in scientific management –capability of risk management promoted remarkably

## 1. Credit Risk Management

- ★ Issued the credit policy early this year, and implemented differentiated authorization to optimize credit structure
- ★ Intensified the credit management on government financing platform and real estate industry
- ★ Accelerated the development and application of risk quantities technologies
- ★ Strengthened the review and approval of loans and after-loan inspection

## 2. Liquidity Risk Management

- ★ Dynamically adjust the structure of liquidity portfolio via periodical pressure test

## 3. Market Risk Management

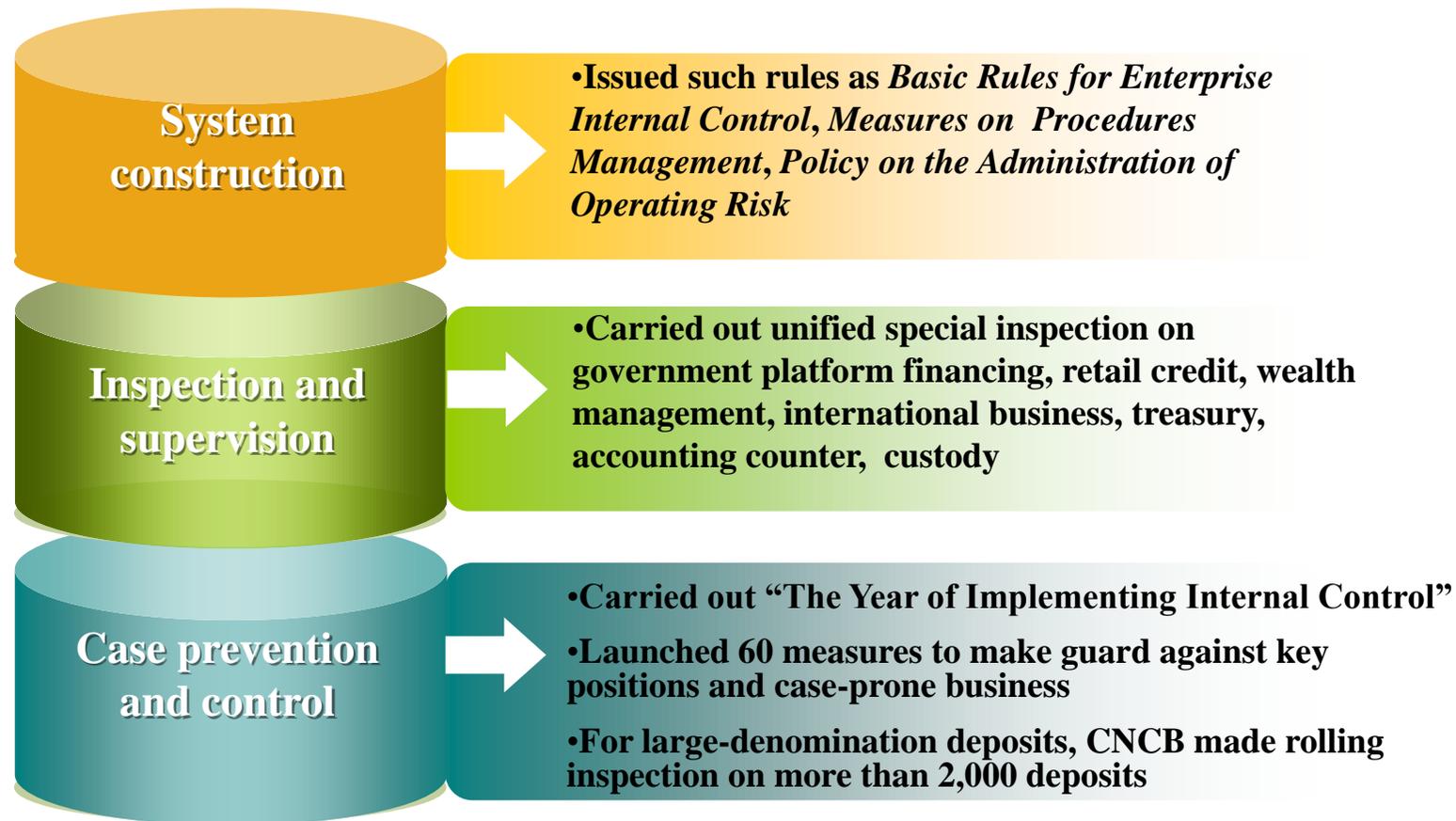
- ★ Improved the construction of system
- ★ Steadily promoted the internal market risk model project



# Part I 2010 Business Overview-Four Leap-frog Development



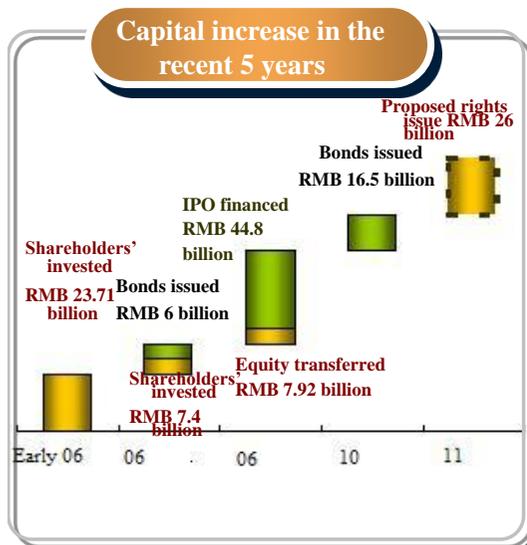
❖ Achieved Leap-frog Development in scientific management –capability of compliance management promoted remarkably



# Part I 2010 Business Overview-Four Leap-frog Development



❖ Achieved Leap-frog Development in scientific management –capability of backup promoted remarkably



**Capital security**  
(Equity RMB 39.03 billion)

- Successfully issued subordinated debts of RMB 16.5 billion
- Launched A+H rights issue financing project of RMB 26 billion

**Operation security**

- Put the accounting monitoring system into operation
- Put the e-banking internet system into operation
- Carried out the pilot program of transformation of counter's depository function

**Institution security**

- Number of institutions hit 701, increased by 86 compared with that in 2009

**Reputation security**

- Intensified supervision on public opinions and emergency mechanism for risks treatment

**Staff security**

- Intensified the construction of leader group and staff training



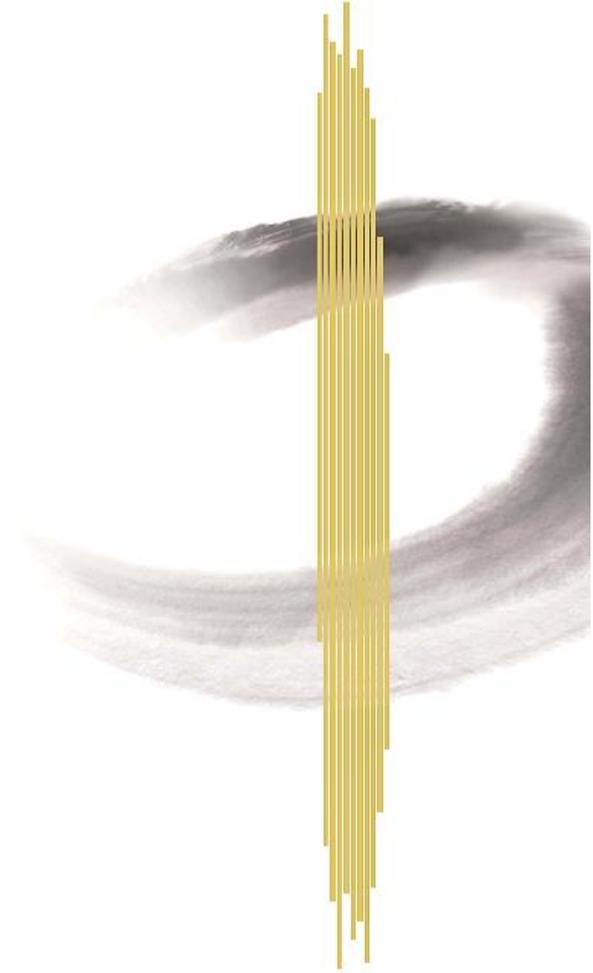


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## Part II

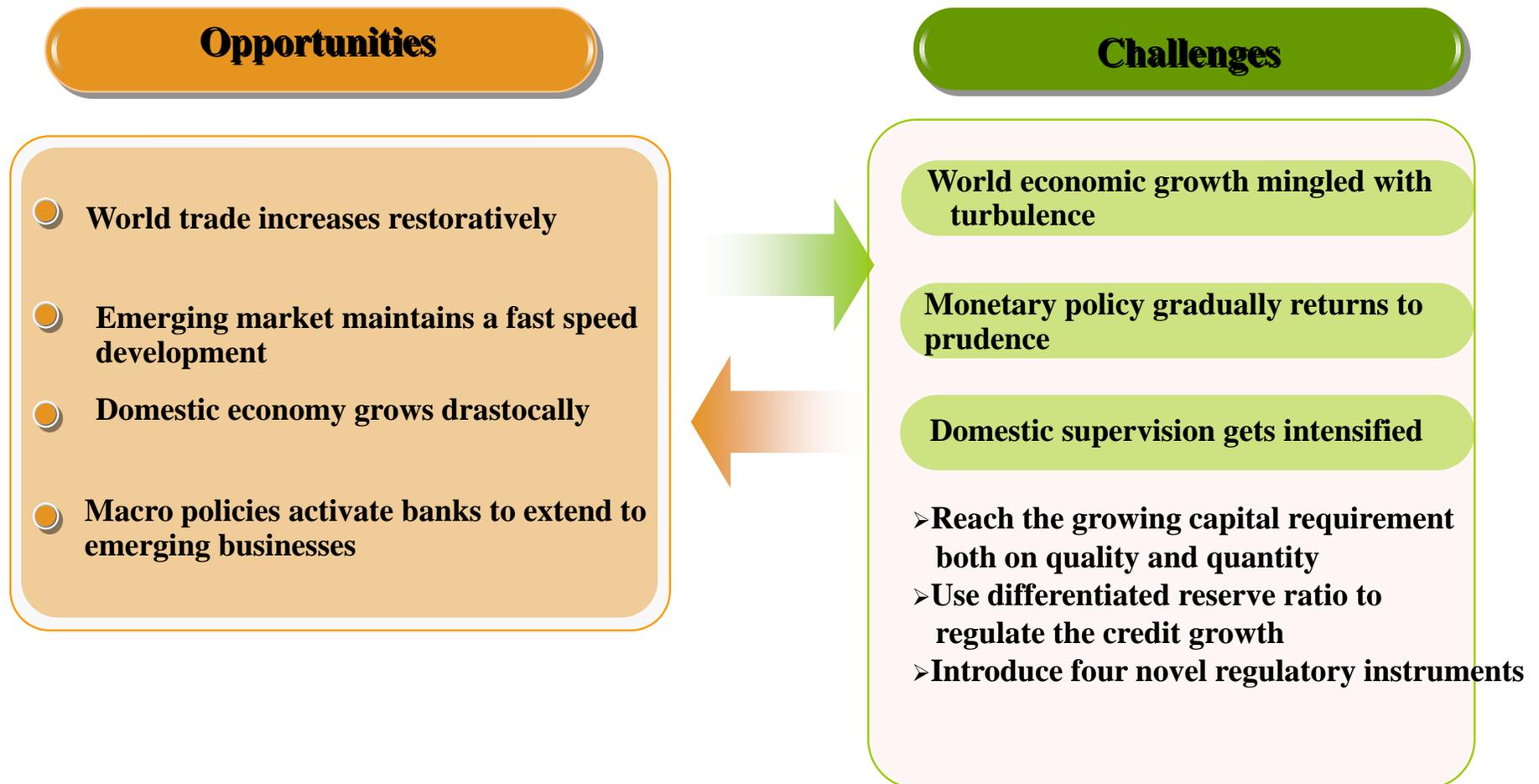
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### Strategies for 2011



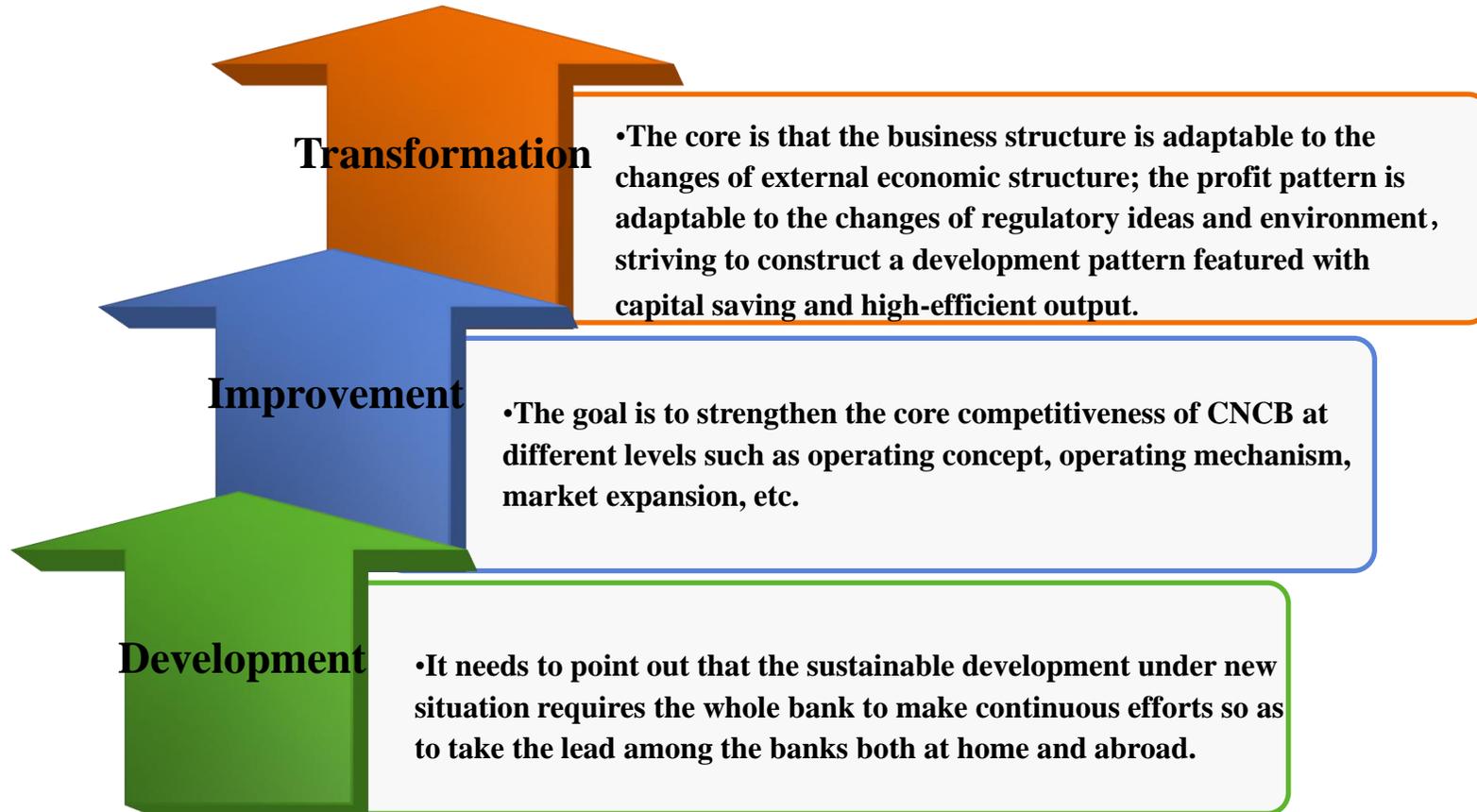


### ❖ Opportunities and Challenges the Bank Meeting





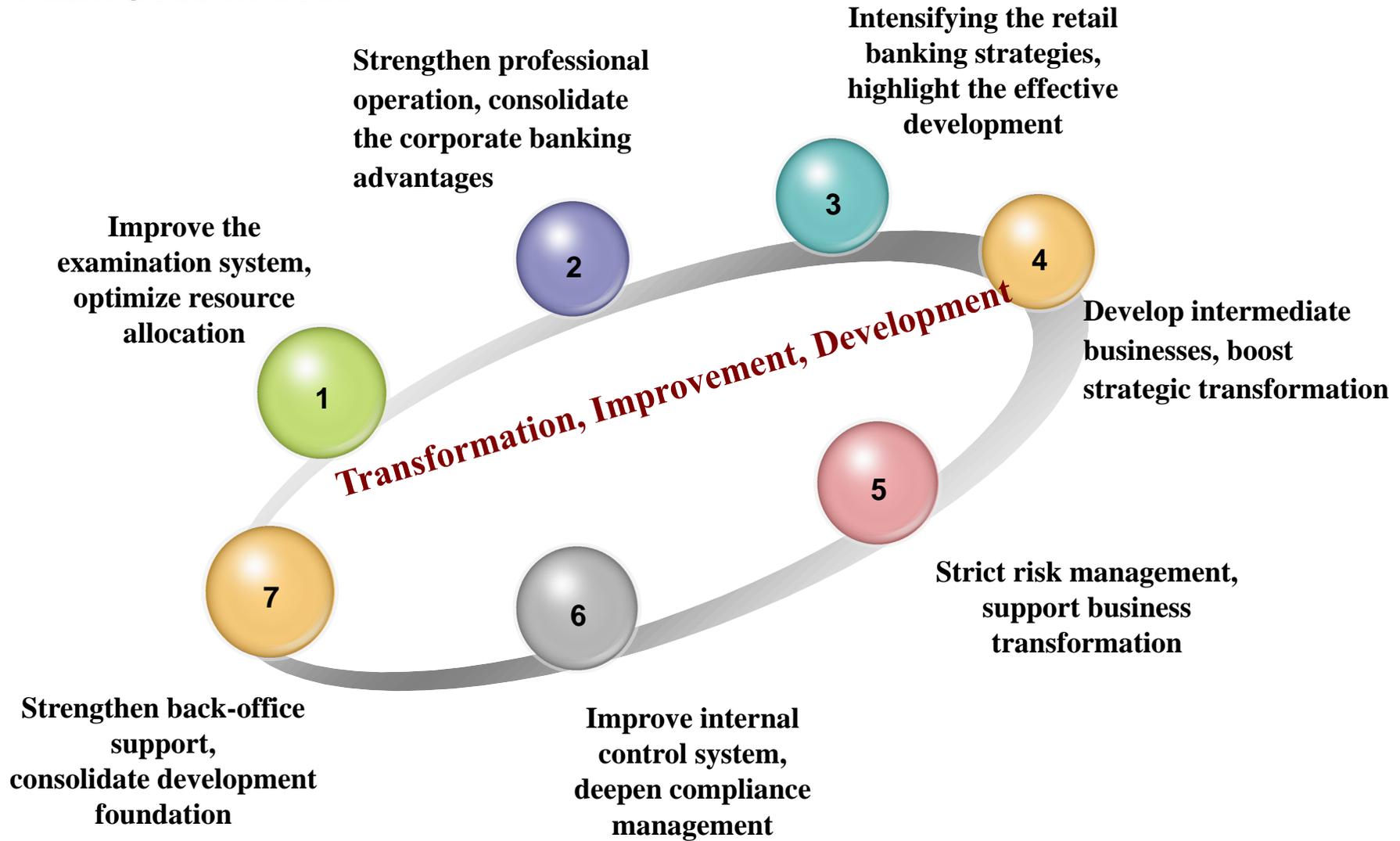
## ❖ Our guidelines in 2011



# PART II Strategies for 2011 --Works in 2011



## ❖ Main Jobs in 2011





Thank You!

Q & A

