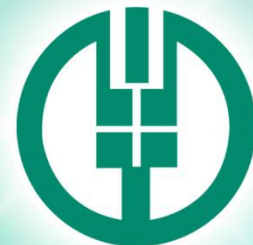




中国农业银行

AGRICULTURAL BANK OF CHINA



2017 Interim Results Presentation

Hong Kong / Beijing

IFRS

August 2017



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Financial Performance



Business Development



Future Outlook

Performance Summary



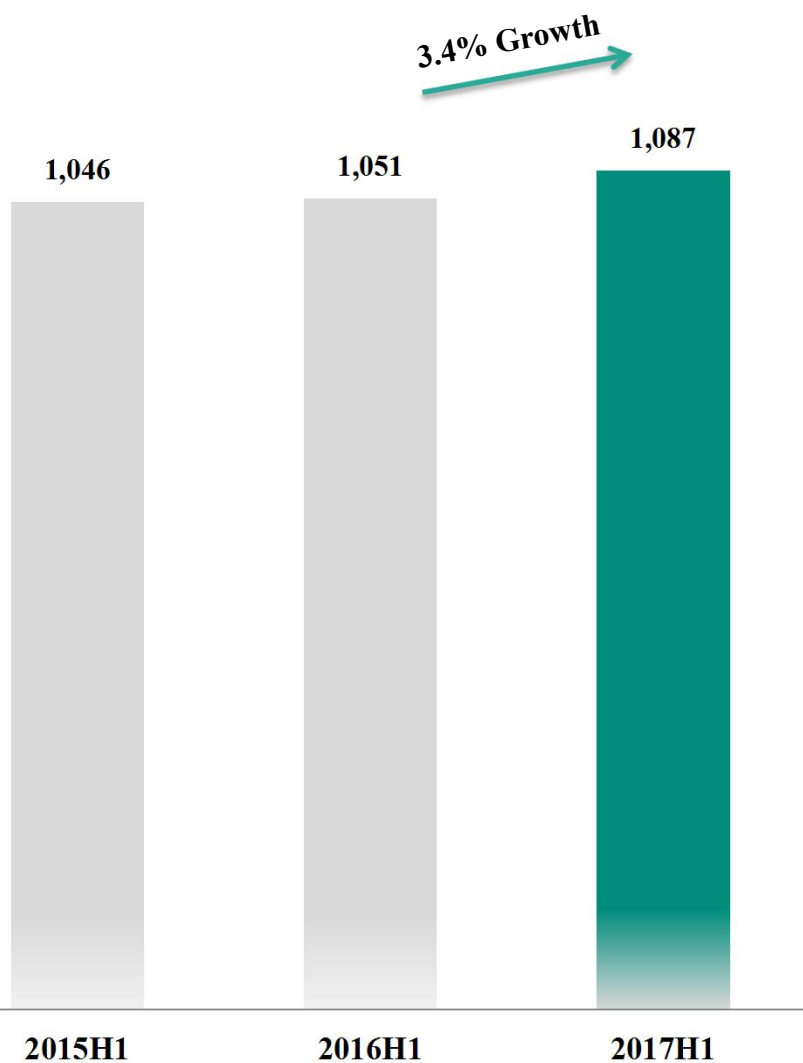
RMB 100MM	30 Jun 2017	31 Dec 2016		Change
Total Assets	205,736	195,701		5.1%
Total Loans and Advances	104,119	97,196		7.1%
Total Liabilities	192,151	182,485		5.3%
Total Deposits	161,049	150,380		7.1%
Capital Adequacy Ratio	13.16%	13.04%		0.12 pps
CET1 Capital Adequacy Ratio	10.58%	10.38%		0.2 pps
NPL Ratio	2.19%	2.37%		0.18 pps
Provision Coverage	182%	173%		9 pps
	Jan – Jun 2017	Jan – Jun 2016		Change
Net Interest Income	2,113	1,990		6.2%
Net Interest Margin (NIM)	2.24%	2.31%		0.07 pps
Net Fee and Commission income	425	511		16.9%
Cost-to-income Ratio	28.3%	30.0%		1.7 pps
Net Profit	1,087	1,051		3.4%
Basic Earnings per Share (RMB)	0.33	0.32		0.01

Profitability: Stable Growth in Net Profit with High Level of Shareholder's Return

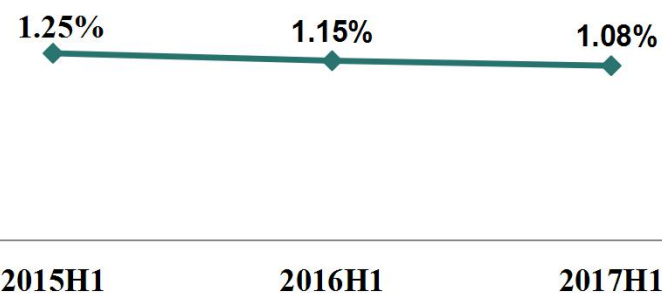


Net Profit

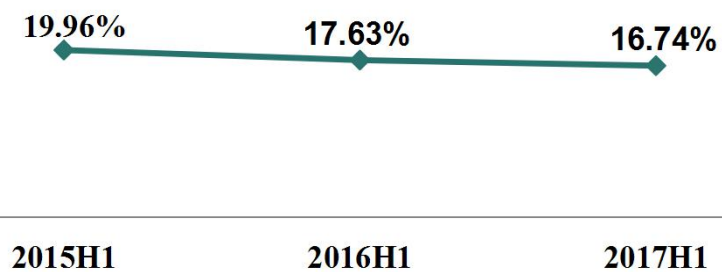
RMB 100MM



ROAA



ROAE

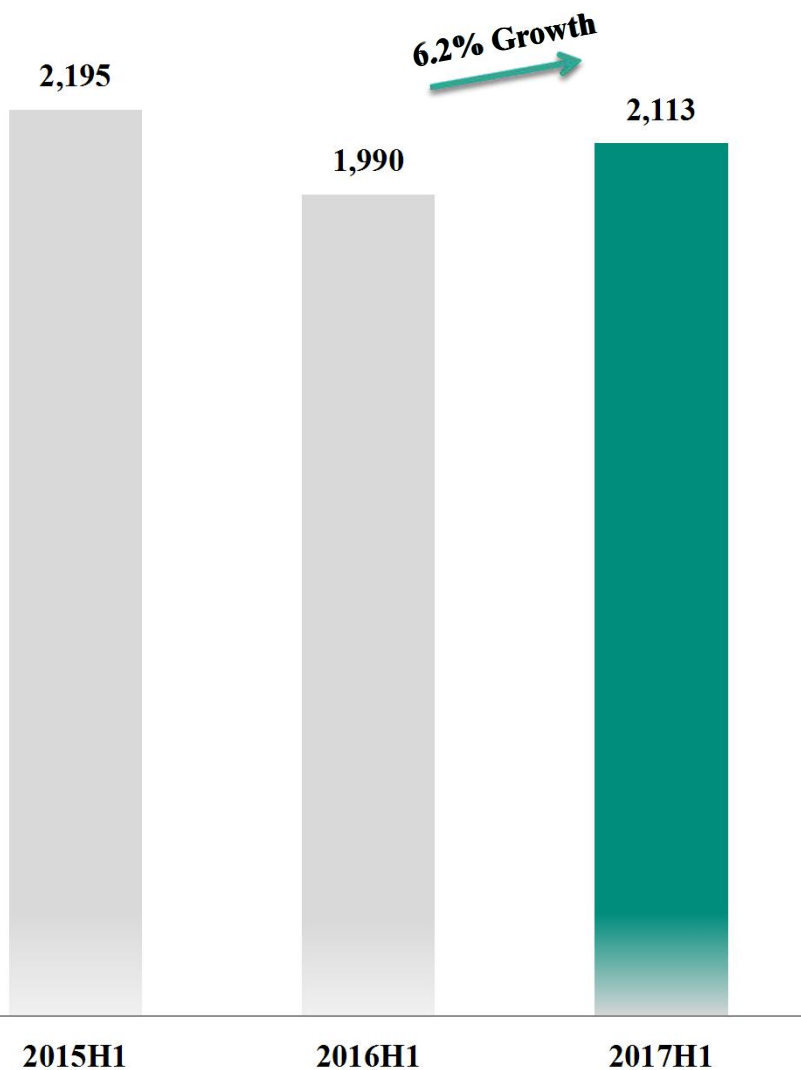


Recovering Net Interest Income with Stabilizing Interest Margin



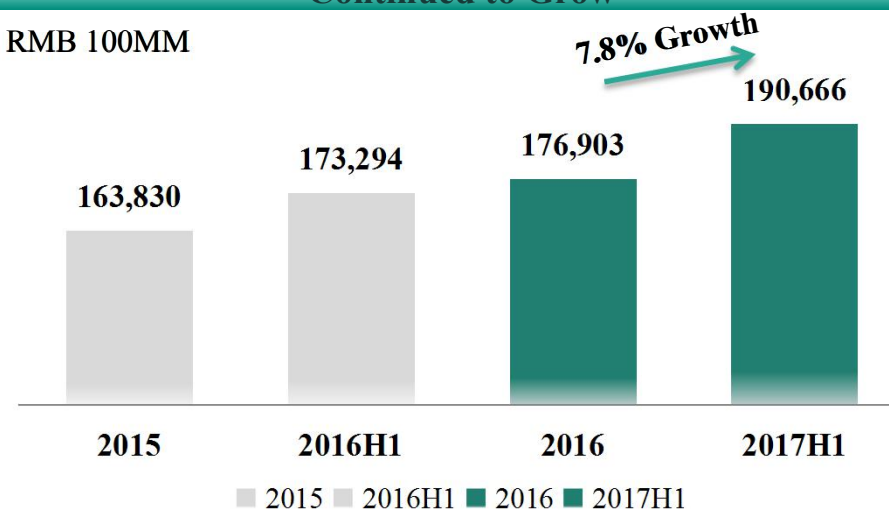
Recovery of Net Interest Income

RMB 100MM



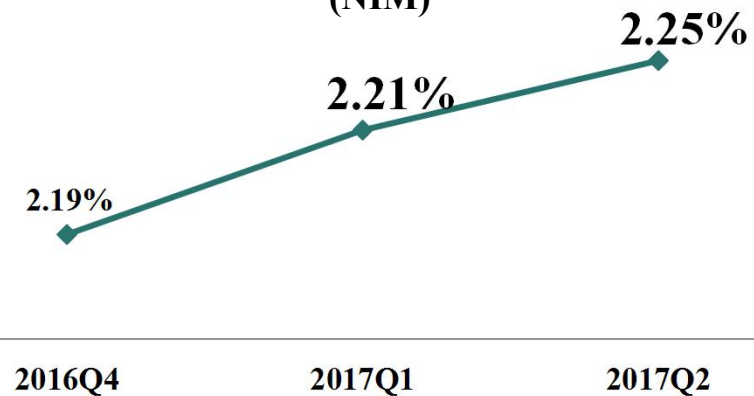
Daily Average Balance of Interest-bearing Assets Continued to Grow

RMB 100MM



Interest Margin Stabilized and Ahead of Peers

Net Interest Margin (NIM)

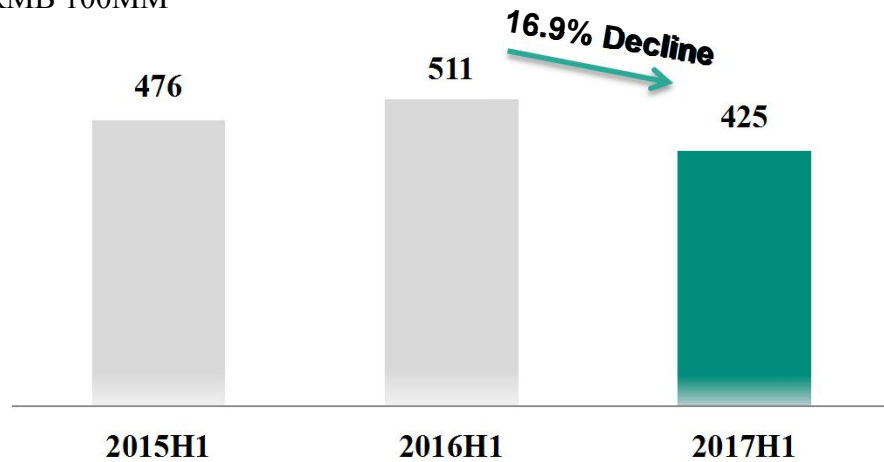


Intermediary Income: Declines YoY with New Growth Areas



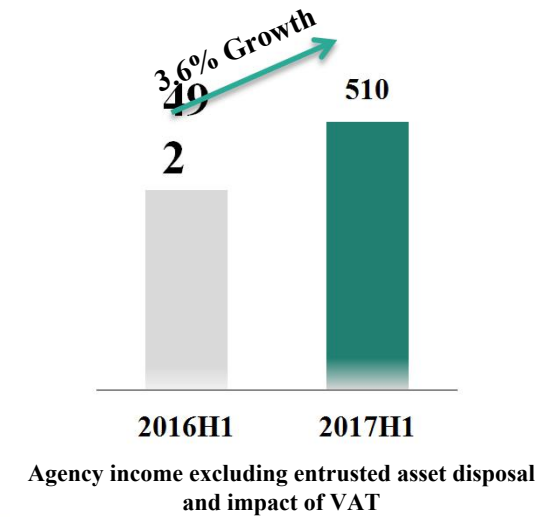
Net Fee and Commission income

RMB 100MM



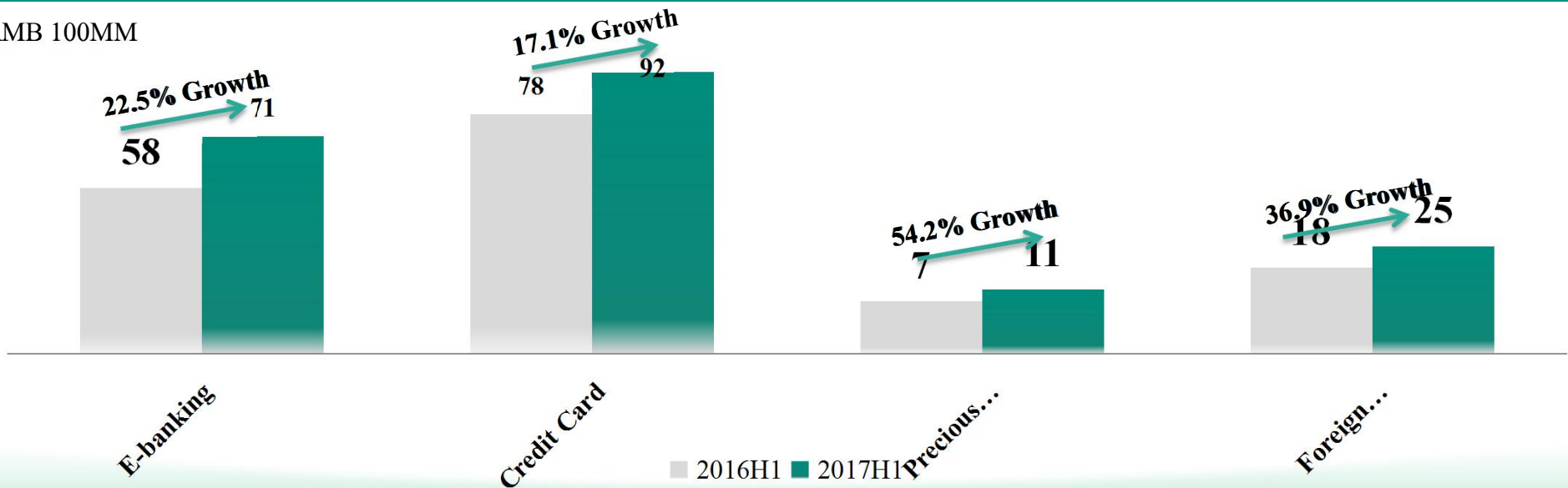
Intermediary Income Affected by Disposal of Entrusted Assets and VAT

RMB 100MM



Emerging Businesses Maintained Rapid Growth

RMB 100MM

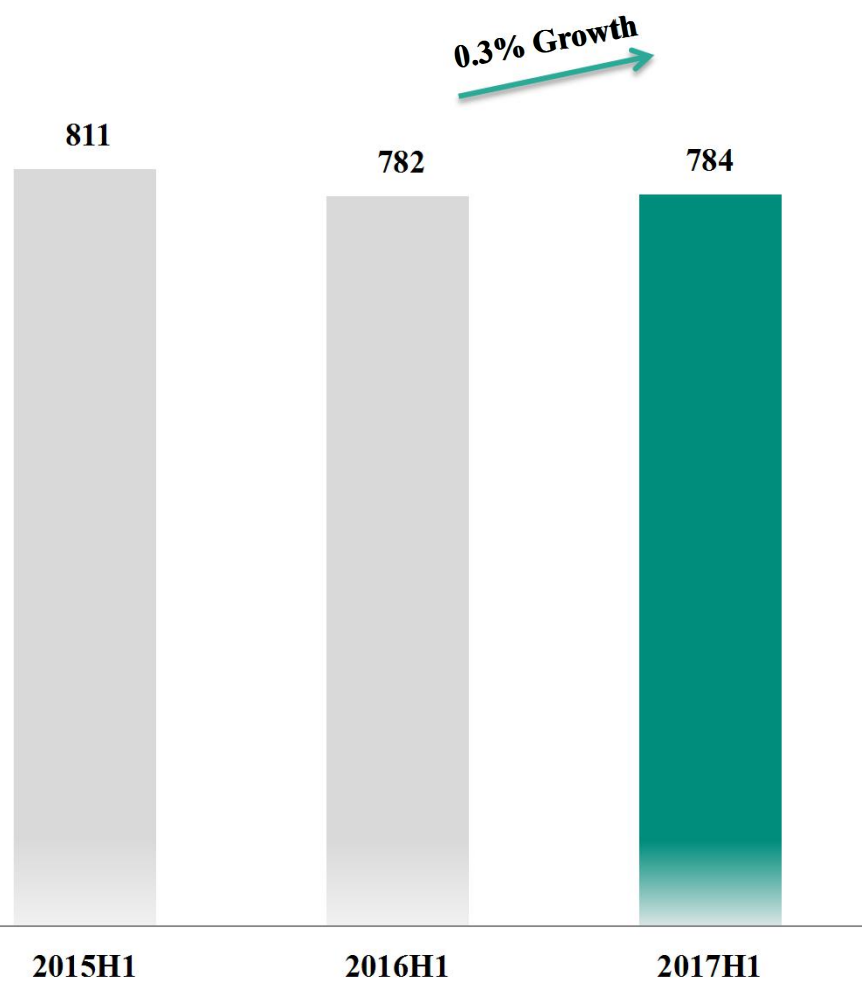


Cost and Expenses: Controlling Cost According to Income, Cost-to-Income Ratio Declines

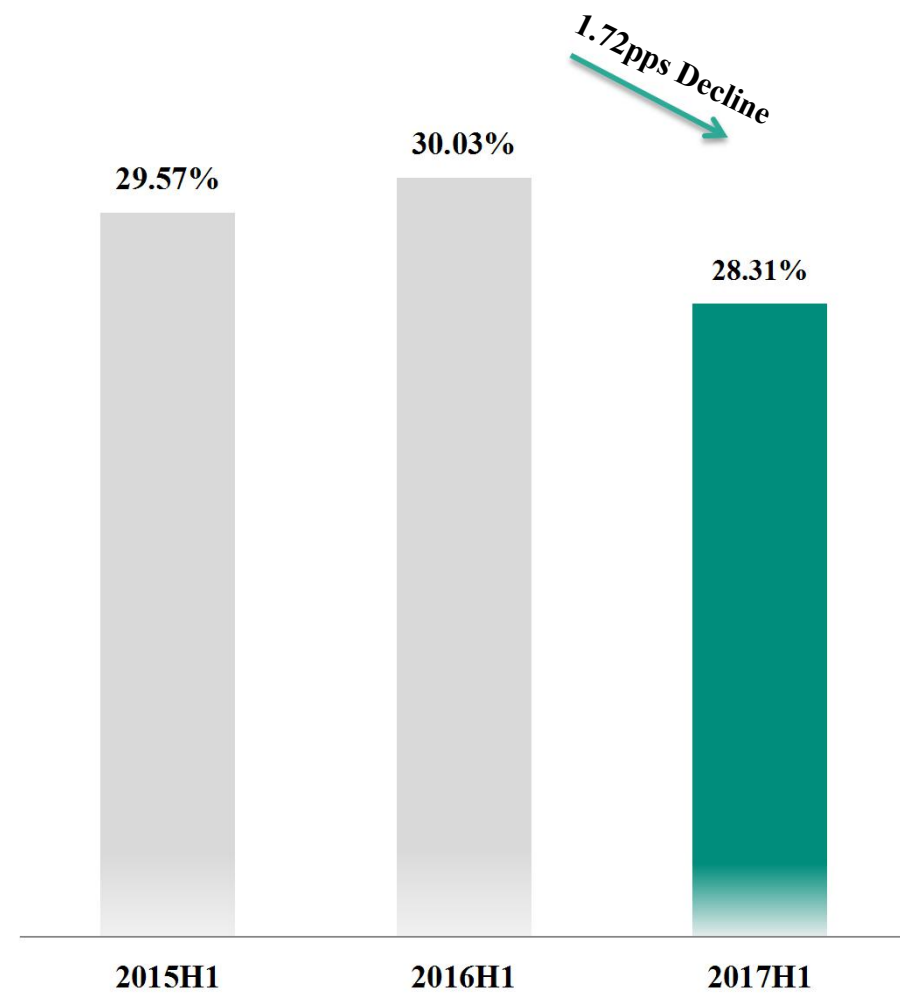


Stable Operating Expenses

RMB 100MM



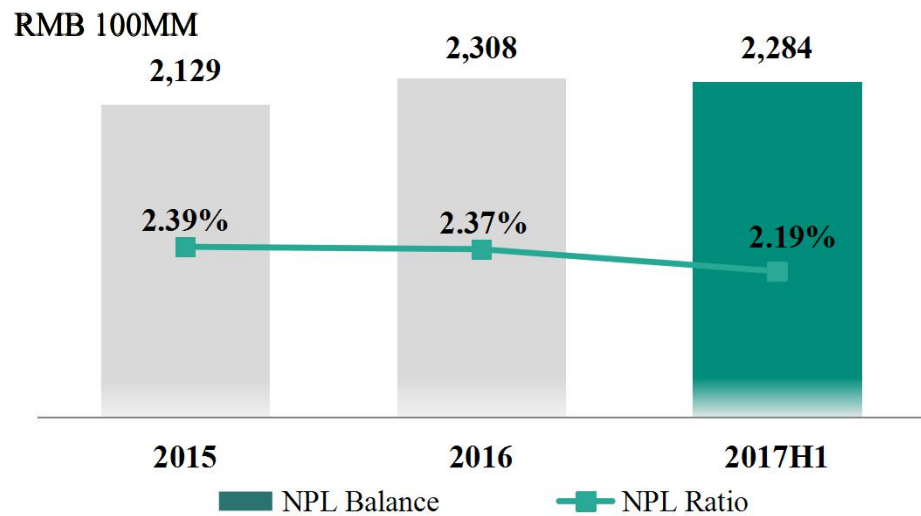
Declining Cost-to-Income Ratio



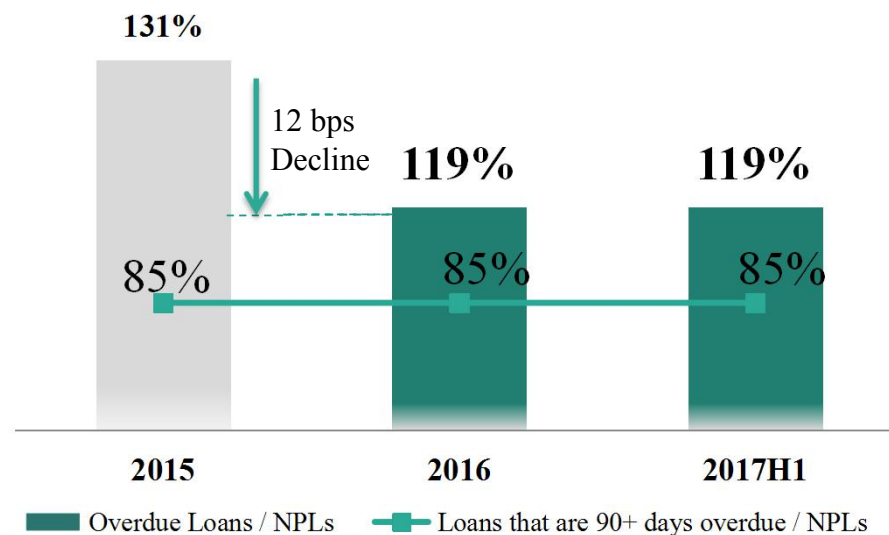
Asset Quality: Stabilizing and Improving



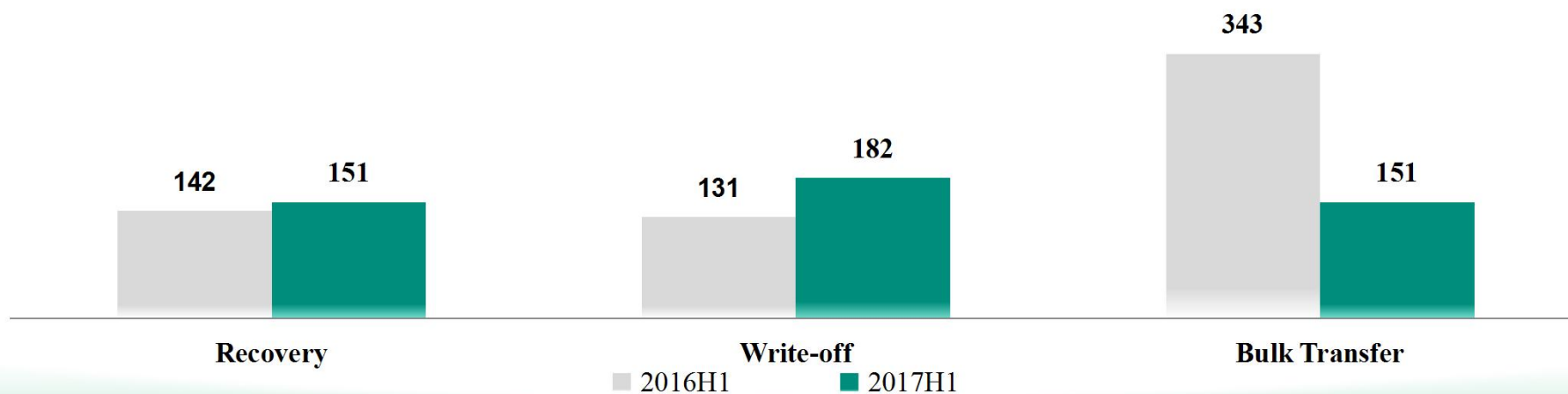
NPL Balance and NPL Ratio Both Declined



Prudent Asset Classification



Multiple Initiatives to Reduce Non-Performing Assets

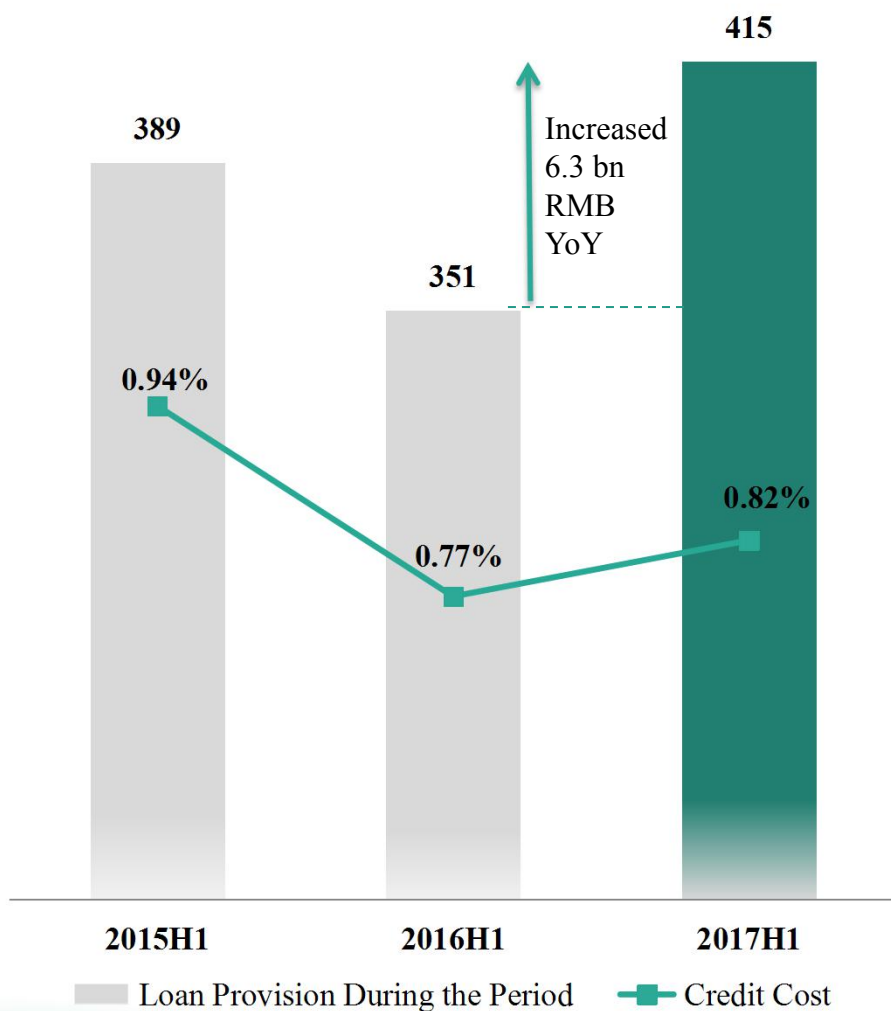


Provision Coverage: Continuously Enhanced Risk Buffer

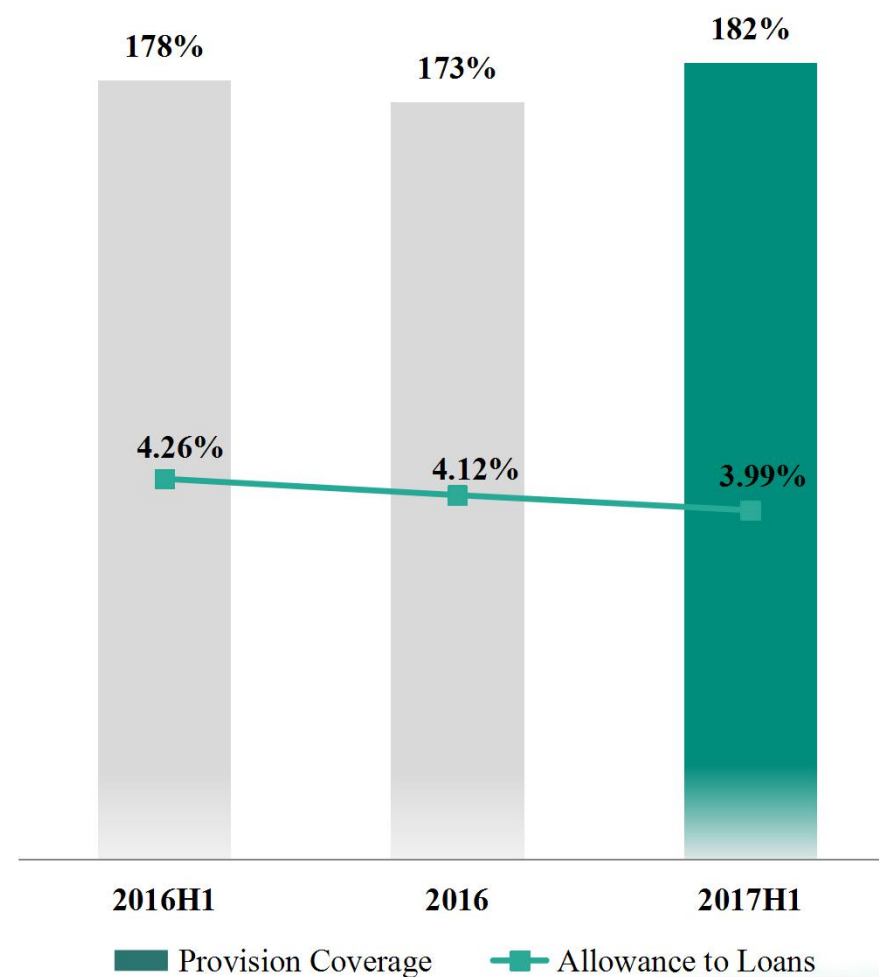


Sufficient Loan Provisions

RMB 100MM



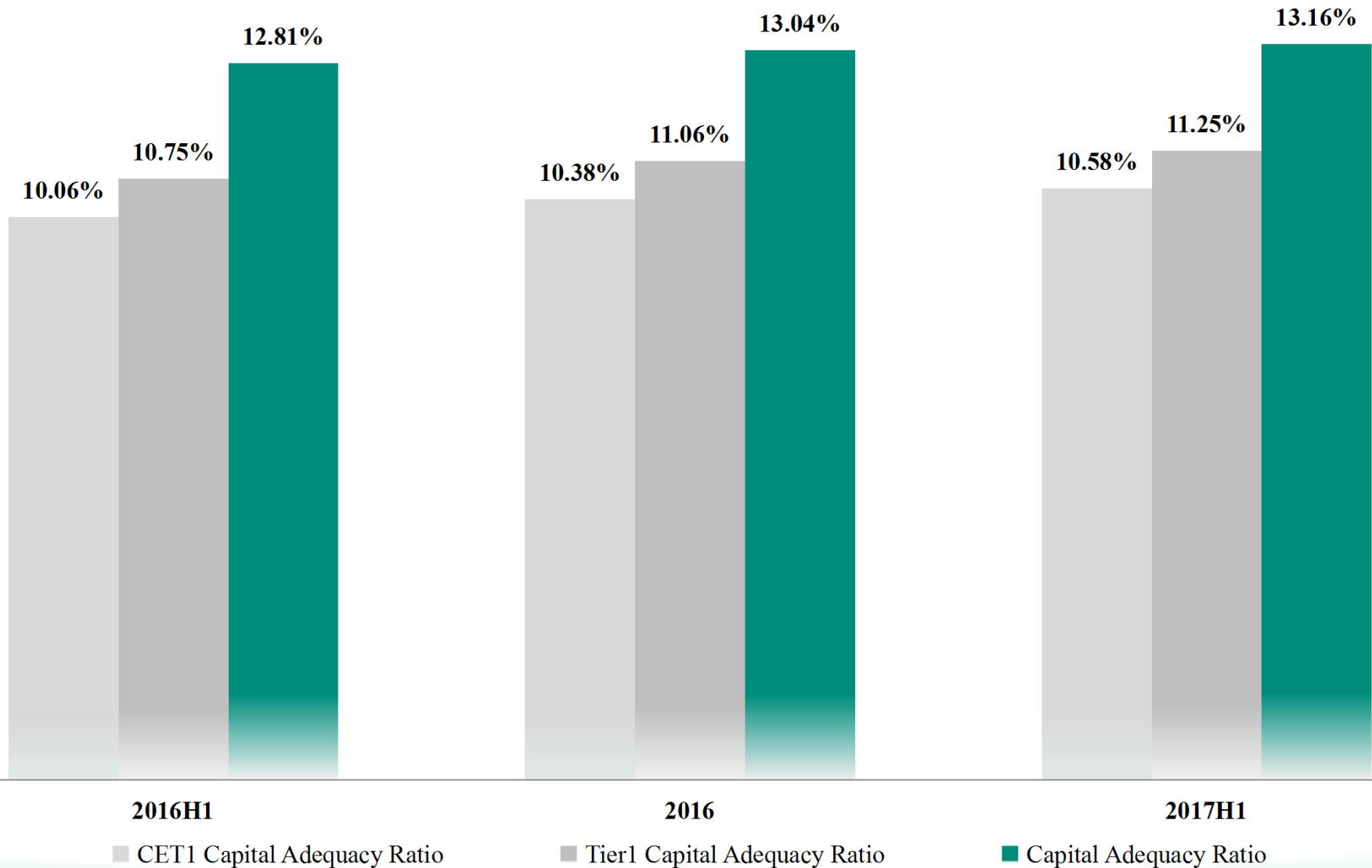
Strong Provision Level Well-ahead of Peers



Capital Adequacy Ratio: Continues to Meet Regulatory Requirements



Capital Adequacy Ratio





Financial Performance



Business Development

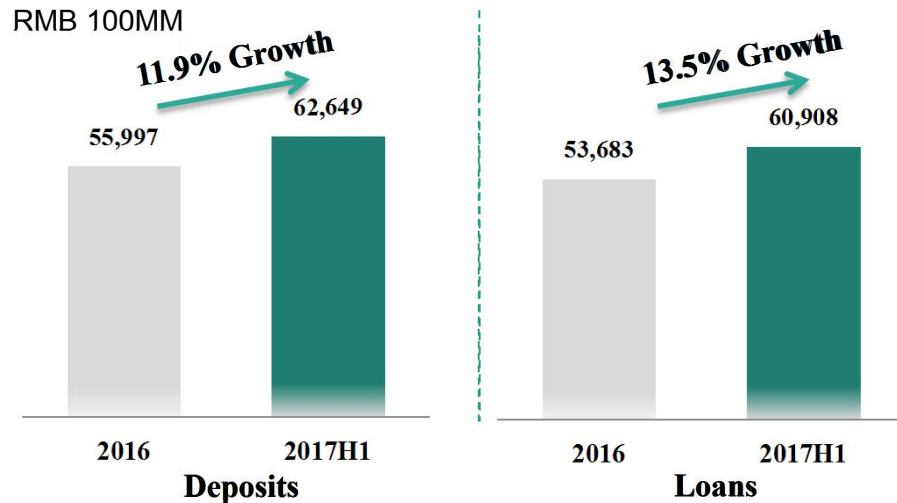


Future Outlook

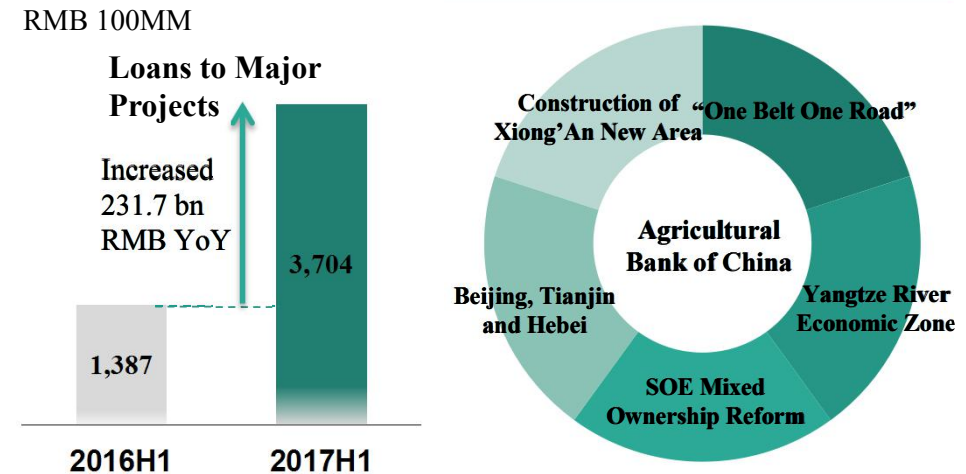
Corporate Banking Business: Remarkable Success in Supporting Real Economy with Continued Structural Optimization



Stable Growth in Corporate Deposits and Significant Loan Expansion

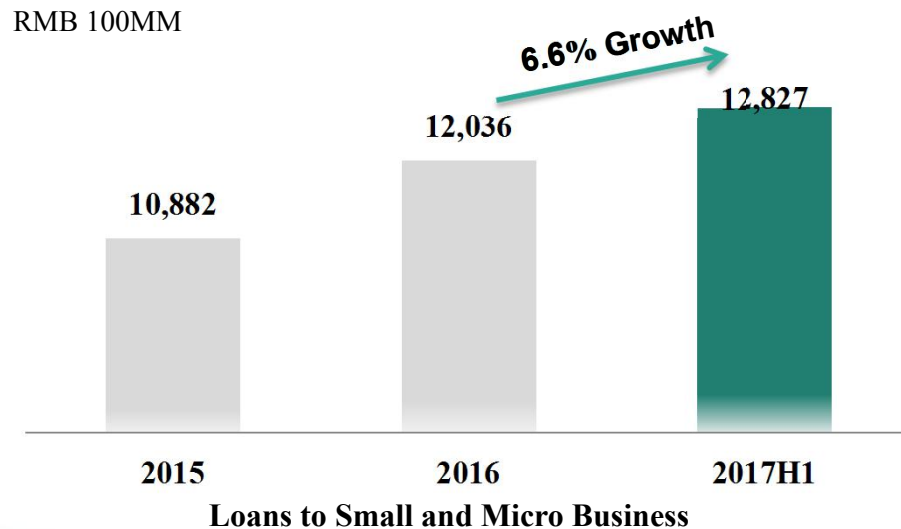


Support for National Strategies

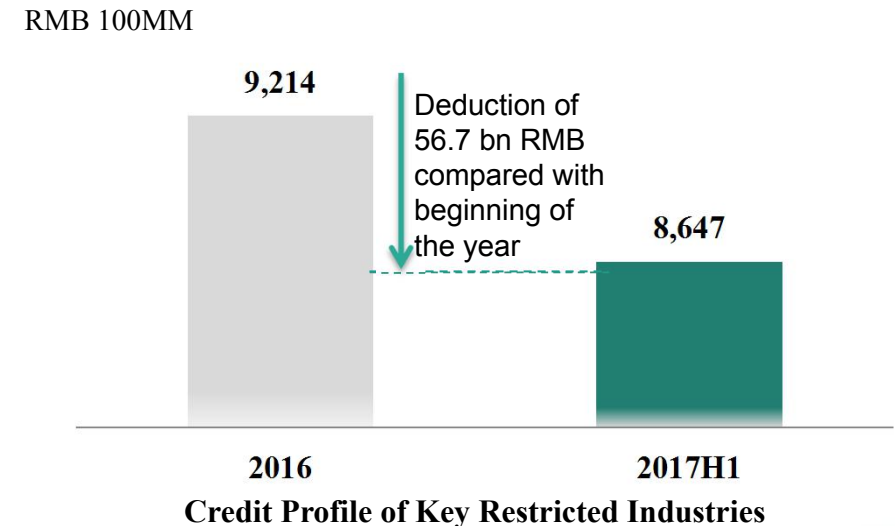


Note: major projects include national and provincial level key projects

Reinforced Small and Micro Business Services



Implement Capacity Deduction Policies and Reduce Credit to Industries with Excess Capacity



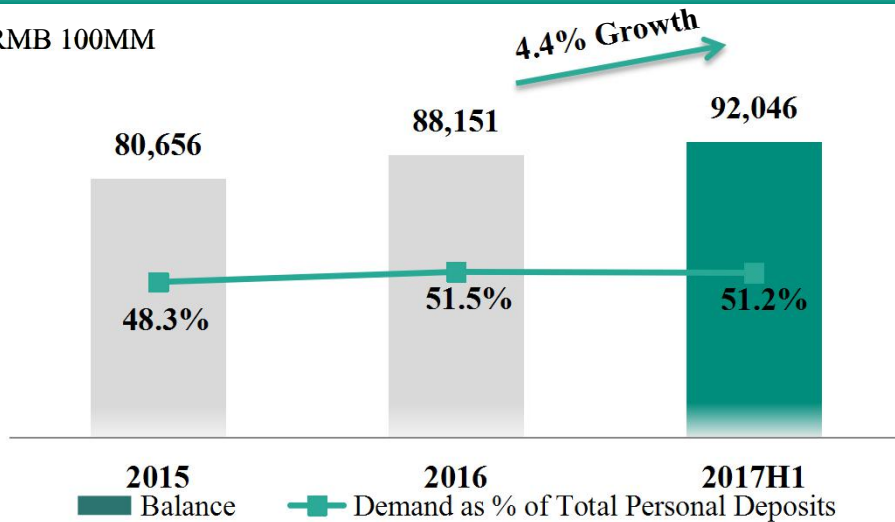
Note: restricted industries mainly include coal, steel, certain whole sale and retail sectors and manufacturing sectors with high NPL ratios

Retail Banking Business: Further Solidified Competitiveness



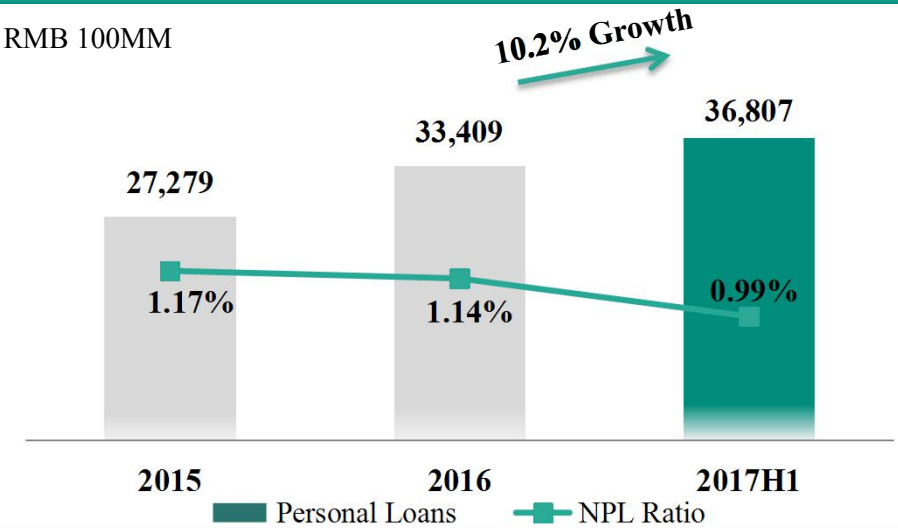
Stable Growth in Personal Deposits

RMB 100MM



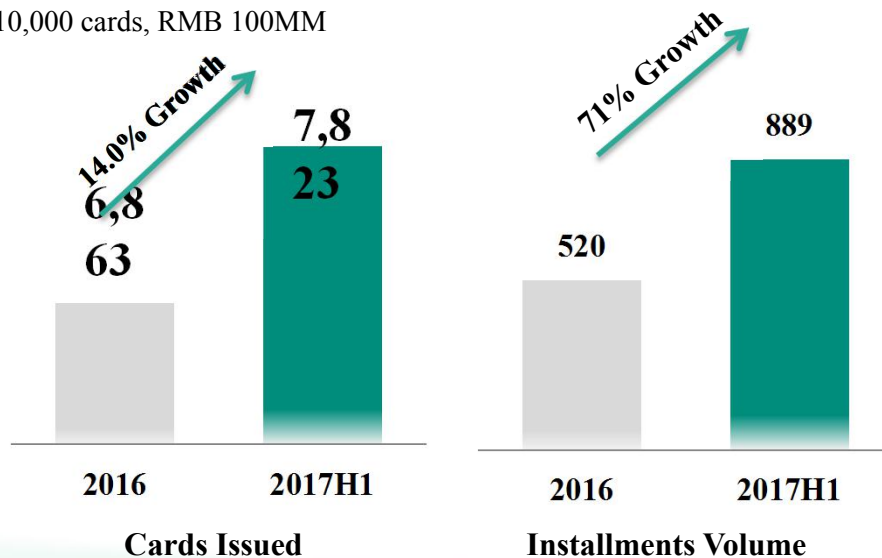
Differentiated Mortgage Loans, Slower Growth in Personal Loans

RMB 100MM



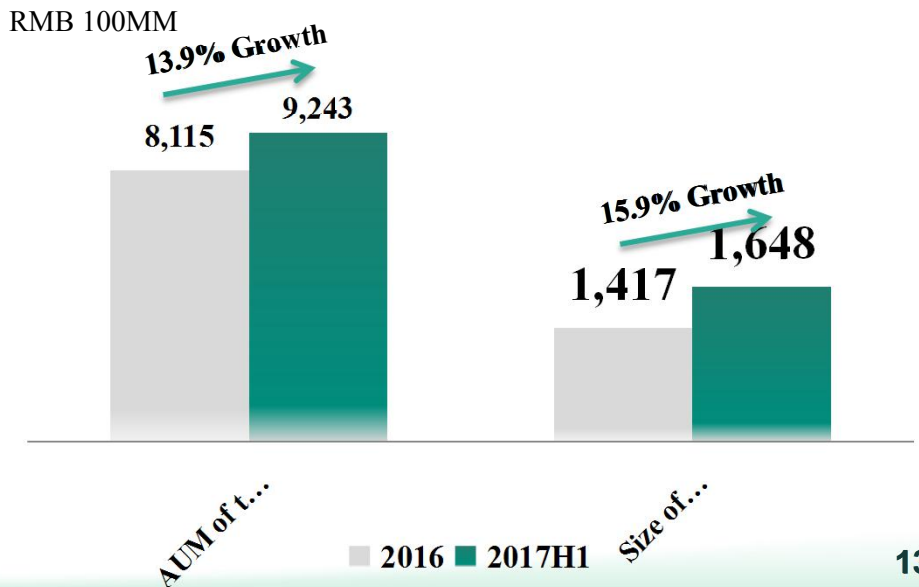
Improved Market Competitiveness of Credit Card Business

10,000 cards, RMB 100MM



Reinforced Management Capability in Wealth Management and Private Banking

RMB 100MM

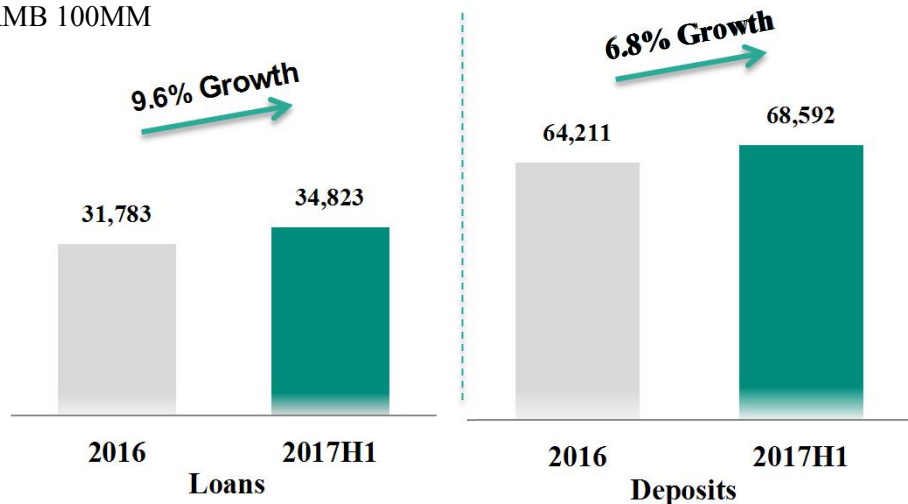


County Business: Contribution Continues to Rise

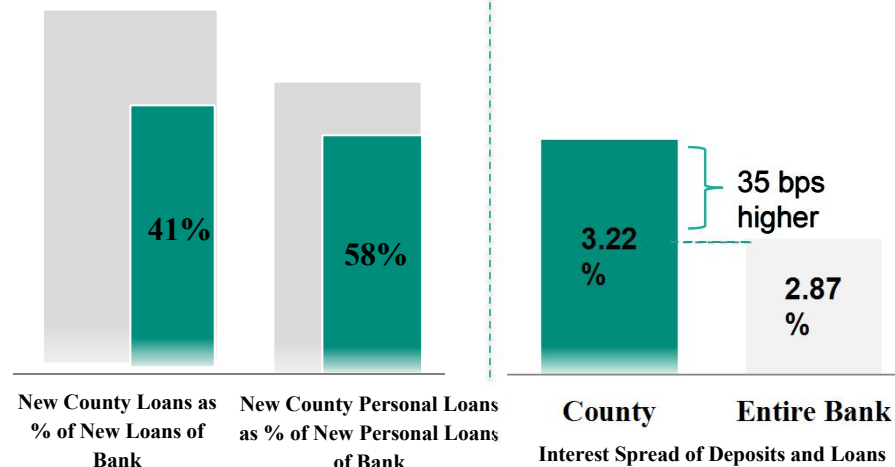


Rapid Growth in County Deposits and Loans

RMB 100MM

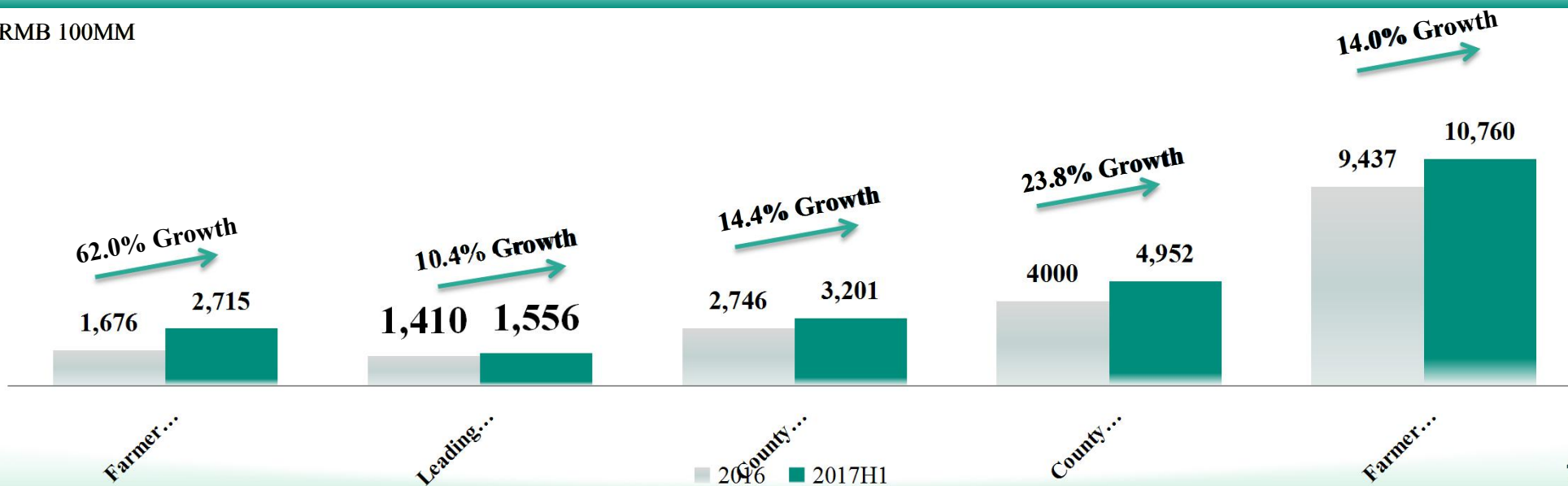


Higher Overall Contribution of County Business



Remarkable Achievements in Financial Services in Key Areas

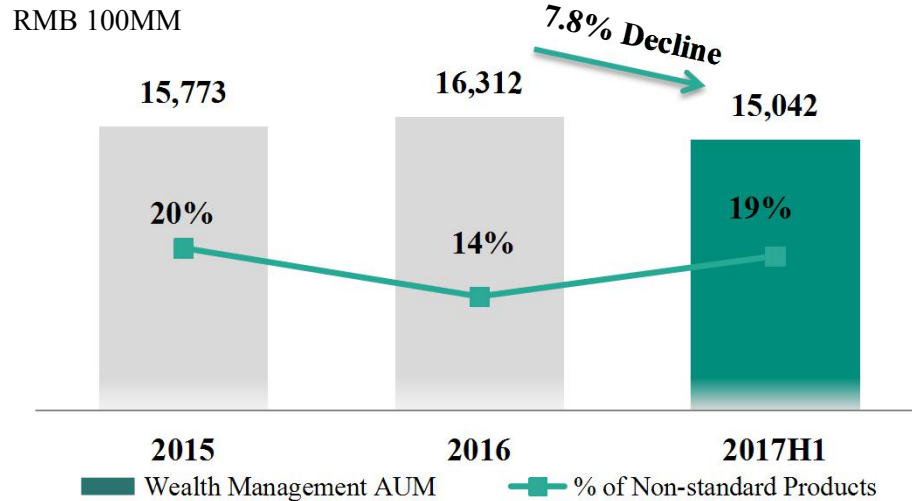
RMB 100MM



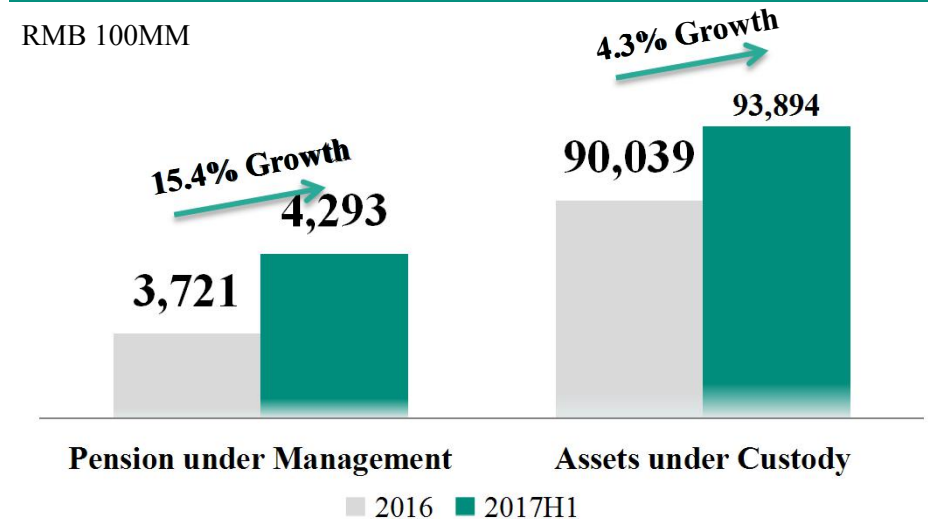
Asset Management Business: Steady Development



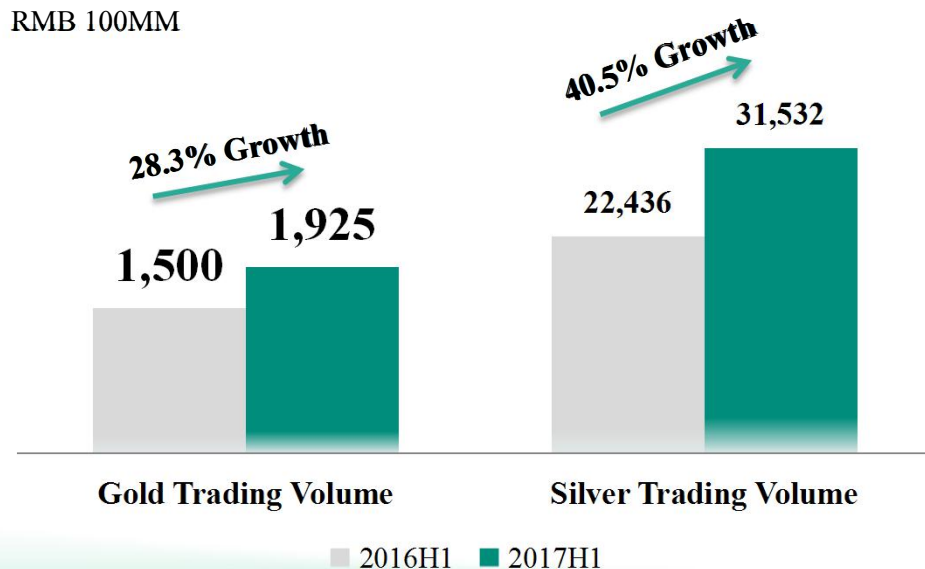
Stable Development of Wealth Management Business with Slight Decline in Balance



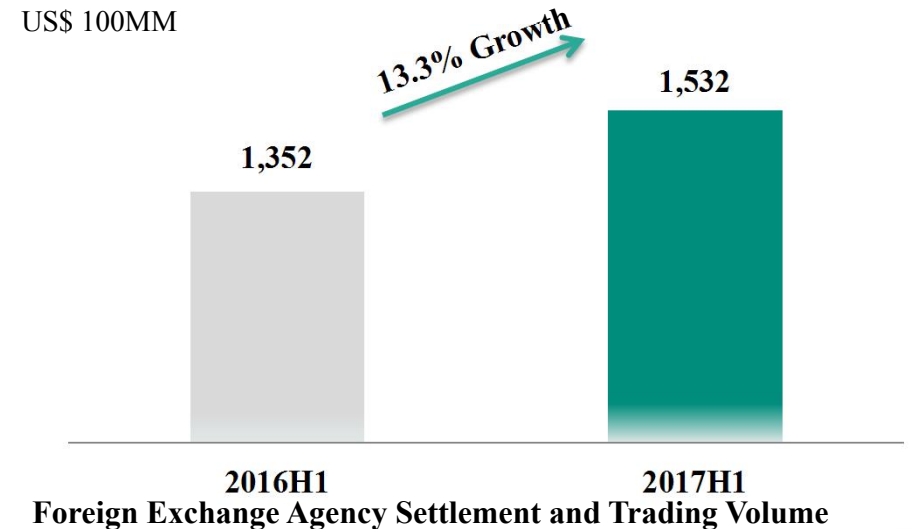
Continuous Growth in Assets under Custody



Rapid Growth in Precious Metals Trading



Increased Competitiveness in Foreign Exchange Settlement and Trading

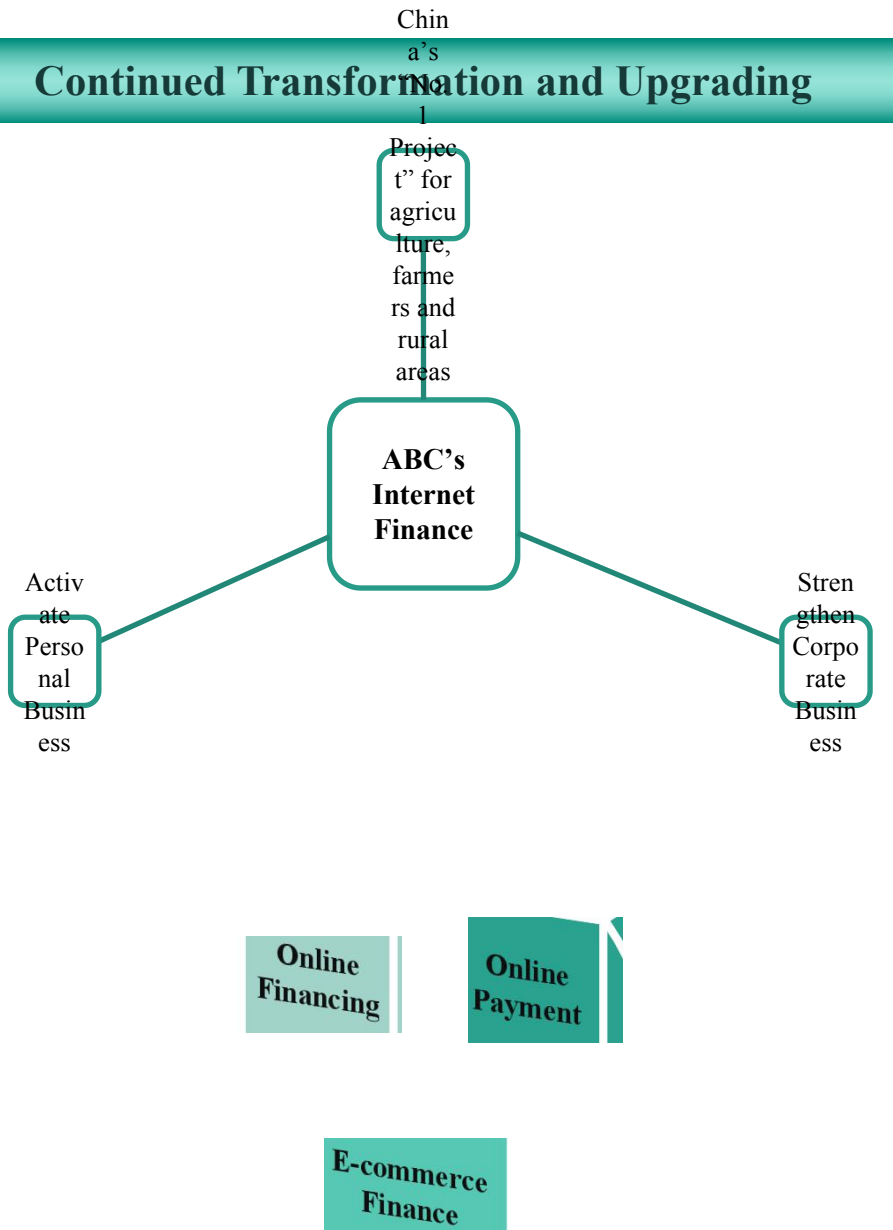


Note: include volume of agency T+0 foreign exchange settlement and trading, forward and swap foreign exchange settlement and trading contracts

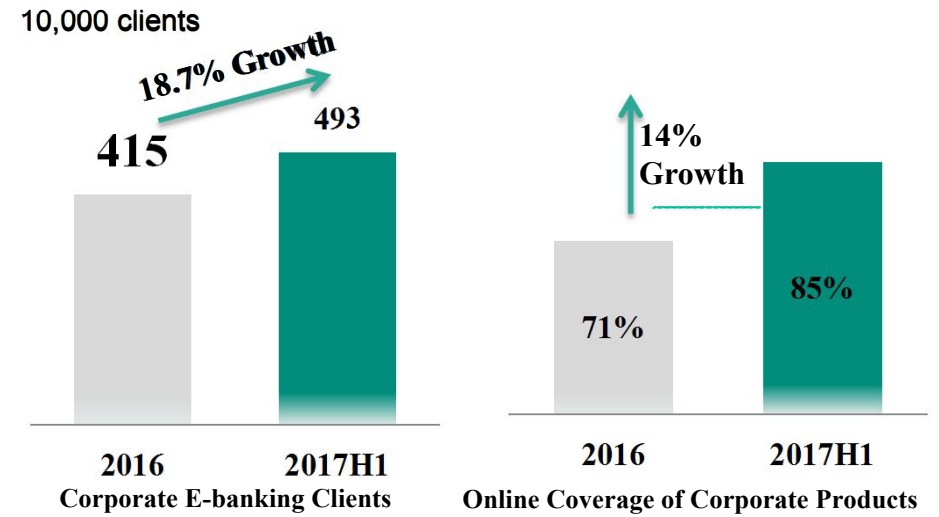
Internet Finance: Improved Value Creation



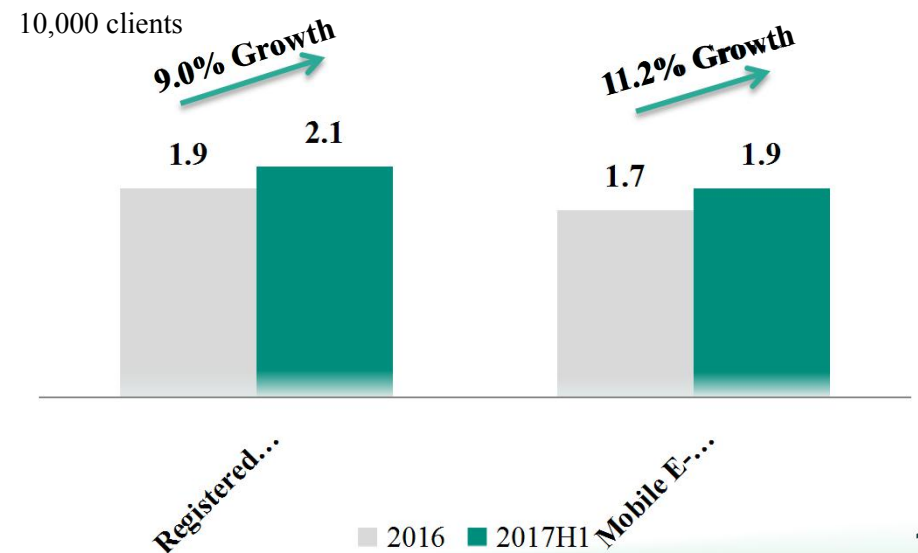
Continued Transformation and Upgrading



Improved Service Functions and Strengthened Corporate Business



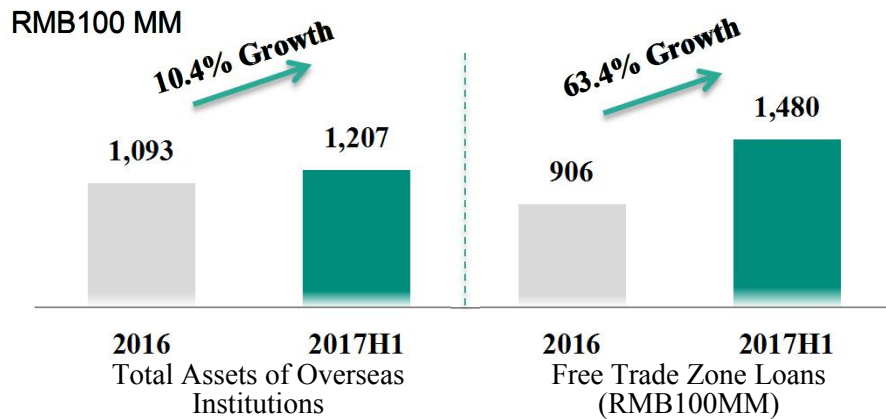
Expedite Product Innovation and Engage Retail Clients



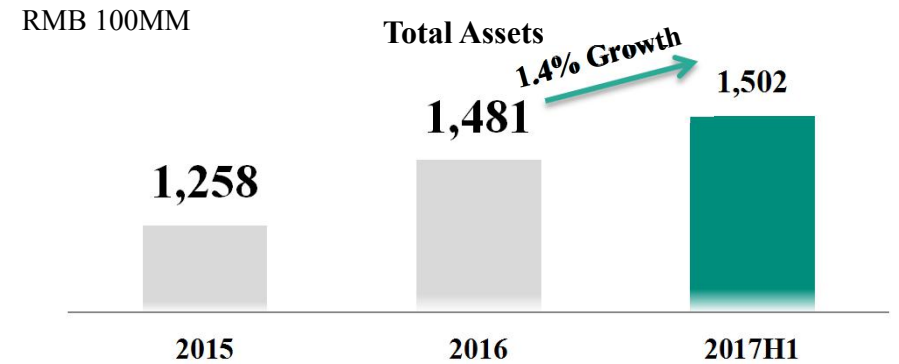
International Business and Comprehensive Operations: Improved Cross-border Multi-functional Service Capabilities



Enhanced Cross-border Service Capabilities

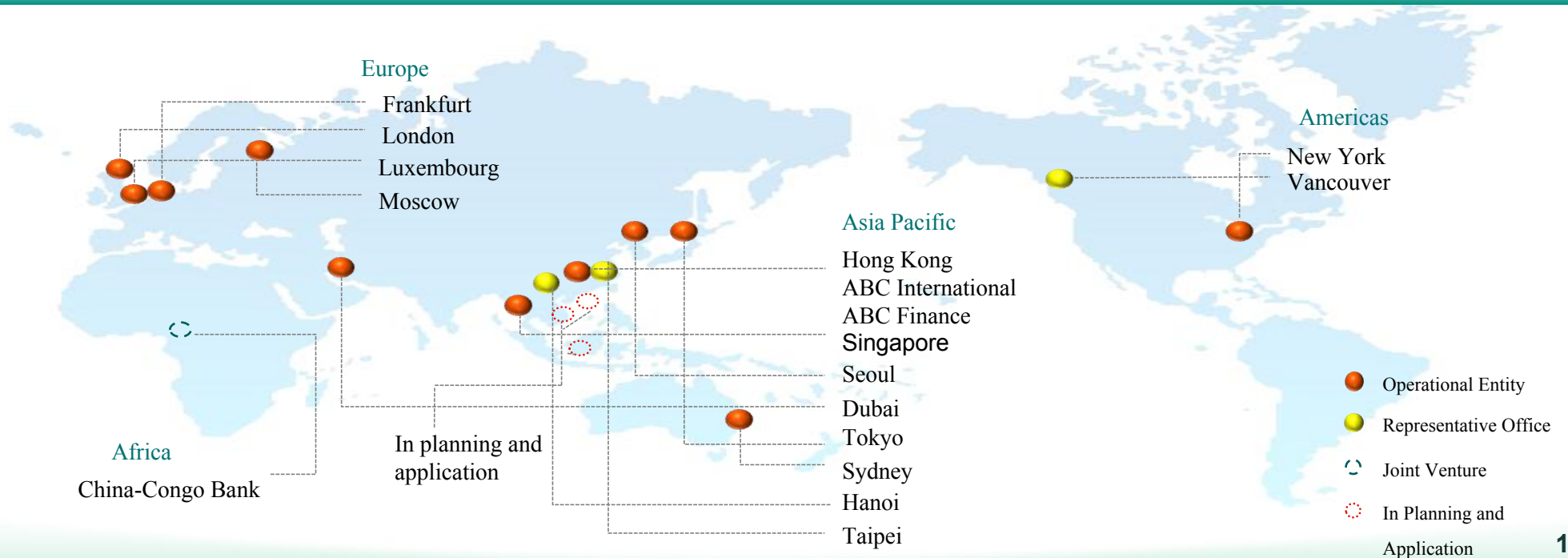


Stable Development of Subsidiaries with Comprehensive Business



Note: Includes ABC-CA Fund Management, ABC International, ABC Leasing, and ABC Life

Network Coverage in Asia, Europe, North America, Oceania and Africa





Financial Performance



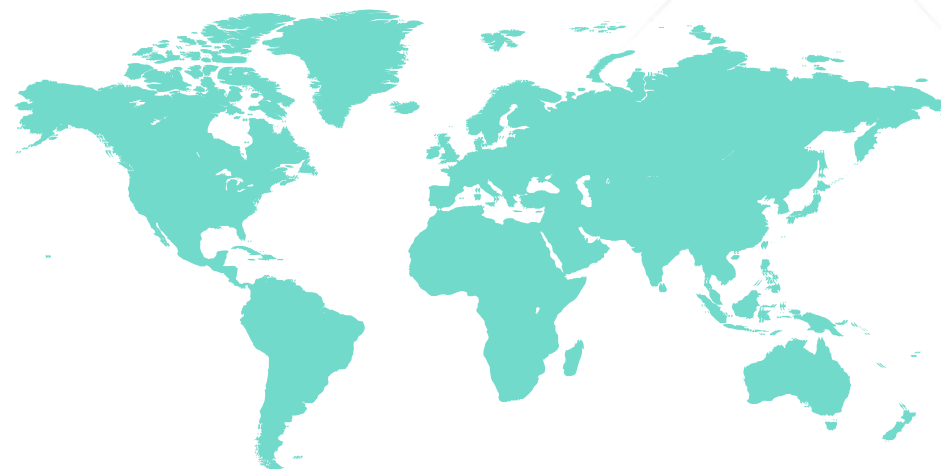
Business Development



Future Outlook



Strive to become a first-class international commercial bank group with unique operations, efficient and convenient services, comprehensive and synergetic functions, and exceptional value creation abilities



Return to Financial Services

- ◆ **Highlight service focus:** focus on inclusive financial services, the nation's key development strategies and innovation-driven development services
- ◆ **Optimize operating strategies:** Optimize financial services for local governments; prevent SOE credit flow from the real economy to the virtual economy; support SOE deleveraging
- ◆ **Improve customer experience:** Optimize service process, enhance service standardization and strengthen technological support

Strengthen Entity Responsibility

- ◆ **Strictly control credit risk:** Continue to promote comprehensive risk management system and effectively address high NPL ratio
- ◆ **Strictly control liquidity and market risks:** Strengthen monitoring and conduct liquidity stress testing, and improve active liability capability to maintain reasonable provision level
- ◆ **Strictly control case-specific risk:** Ensure case-specific risk is under control, and enhance AML compliance management

Focus on Continuous Reform

- ◆ **Improve modern financial enterprise system:** Promote healthy interaction and integration between high-level design and basic-level exploration
- ◆ **Strengthen reform research:** Strengthen systematic and prospective analysis on key issues in the in-depth financial reform, promptly develop response mechanism, and devote greater effort to reform and transformation in key areas

Future Outlook – Business Initiatives for 2017H2



- Stress the focus, optimize credit structure and further strengthen services for the real economy**
- Serve “Sannong” and enhance county business to further improve financial service quality for “Sannong”**
- Strengthen capabilities in non-price competing areas and maintain stable growth of the liability business at reasonable costs**
- Transform the development model, increase income while control expenses, and ensure realization of full-year financial goals**
- Prioritize active prevention and mitigation of financial risks, strictly adhere to the bottom line**
- Improve corporate governance, strengthen the internal risk control system, prevent case-specific risk and promote basic level management**
- Fulfill social responsibility as a large state-owned bank and ensure safety and stability of operations**



Thank you!

Q&A