



中国农业银行

AGRICULTURAL BANK OF CHINA



2020 Interim Results Presentation

Beijing

IFRS

August, 2020

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Performance Summary



RMB 100MM	30 Jun 2020	31 Dec 2019		Change
Total Assets	264,721	248,783	↑	6.4 %
Total Loans and Advances	145,483	133,602	↑	8.9%
Total Liabilities	243,791	229,185	↑	6.4%
Total Deposits	203,631	188,492	↑	8.0%
Capital Adequacy Ratio	16.42%	16.13%	↑	0.29pps
Tier 1 Capital Adequacy Ratio	12.60%	12.53%	↑	0.07pps
NPL Ratio	1.43%	1.40%	↑	0.03pps
Provision Coverage	285%	289%	↓	4pps
	Jan-Jun 2020	Jan-Jun 2019		Change
Net Interest Income	2,589	2,376	↑	8.9%
Net Interest Margin (NIM)	2.14%	2.16%	↓	0.02pps
Net Fee and Commission income	524	509	↑	2.9%
Cost-to-income Ratio	24.64%	25.75%	↓	1.11pps
Net Profit	1,092	1,224	↓	10.8%
Basic Earnings per Share (RMB)	0.30	0.34	↓	0.04



The Banker

Ranked as No. 3 in “Top
1000 World Banks 2020”

**Ranked in top 3 for
2 consecutive years**

(Published on July 1 2020)

Ranked as No. 69 in “2020 BrandZ Top 100
Ranking Most Valuable Global Brands”

Up thirteen places

(Published on June 30 2020)



Ranked as No. 35 in
“Fortune Global 500”

Up one places

(Published on August 10 2020)

Pandemic Prevention and Control



Policies in response to the pandemic

- ◆ Specific credit policies.
- ◆ 31 measures to support resumption of work and production.
- ◆ 16 measures to sustain SMEs.
- ◆ 12 measures to fund spring farming and preparation as well as stable production and supply.
- ◆ The guidance on helping stabilize foreign trade.

Accurate Credit Extension

- ◆ A total of RMB33.6 billion of loans were granted to 1,082 key enterprises providing critical goods and services for prevention and control of the pandemic.
- ◆ Loans to key enterprises safeguarding stable production and supply of agricultural products increased by 40% as compared to the end of the previous year.
- ◆ Implement the policy of “Reasonable Extension” to provide more room to bail enterprises out.

Donation Activities

- ◆ Donated RMB0.18 billion to Hubei province for its fight against the pandemic.
- ◆ Our domestic and overseas institutions lent a helping hand with 1.469 million pieces of virus containment materials that fell short during the outbreak.
- ◆ Donated exclusive insurance to 0.465 million personnel who were on the front-line for pandemic prevention and control .



Financial Performance



Business Strategy & Development



Business Forecast

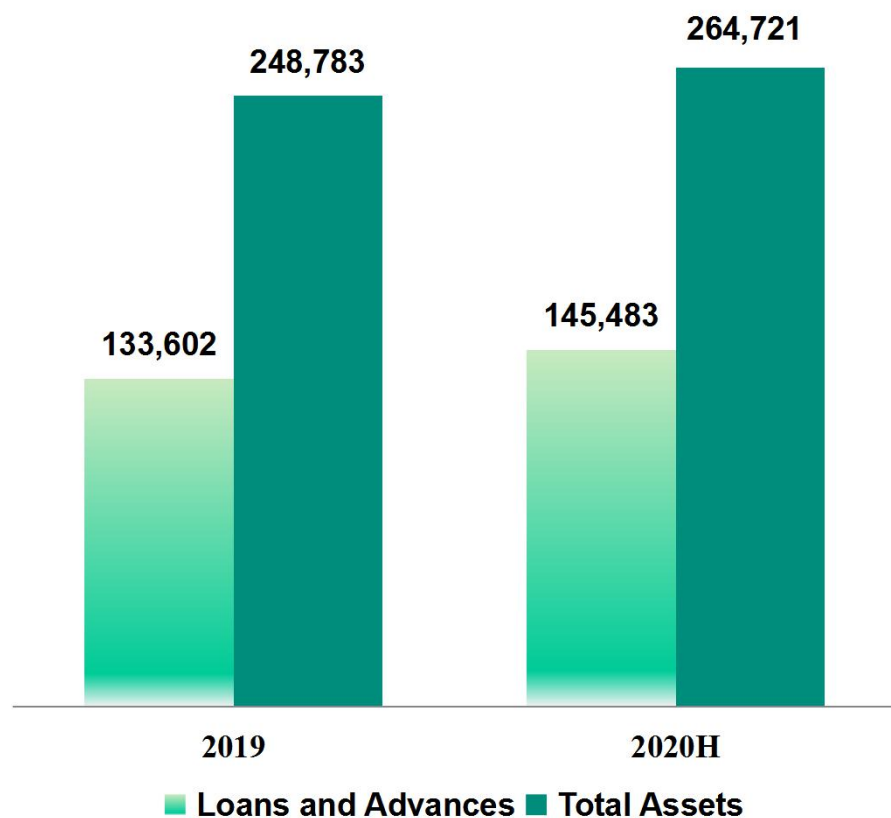
Stable Growth in Scale



Total Assets

RMB 100MM

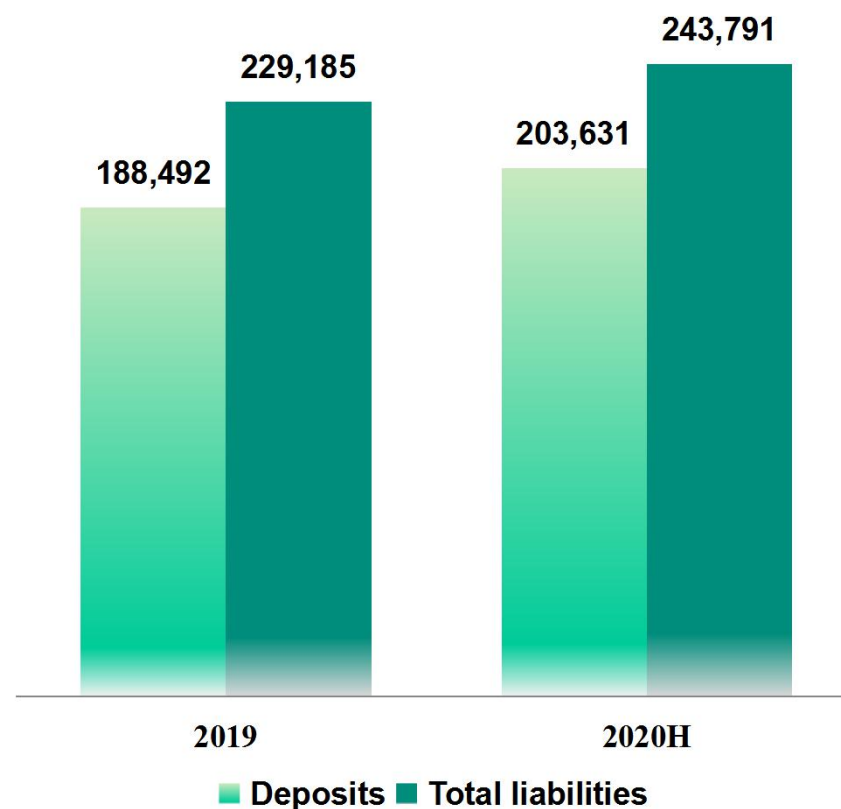
Loan Growth 8.9%



Total Liabilities

RMB 100MM

Deposit Growth 8.0%

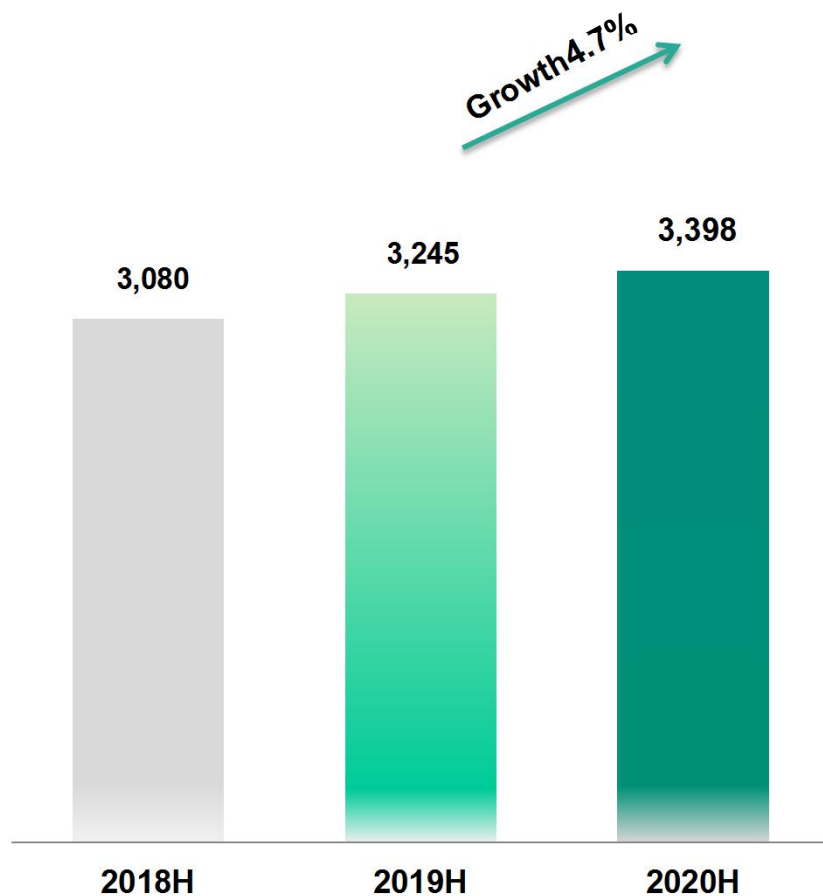


Stable Financial Situation



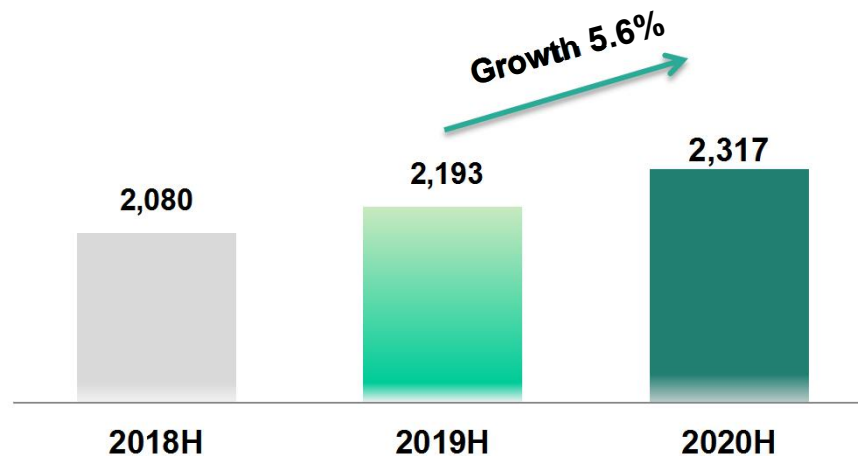
Stable Growth in Revenue

RMB 100MM



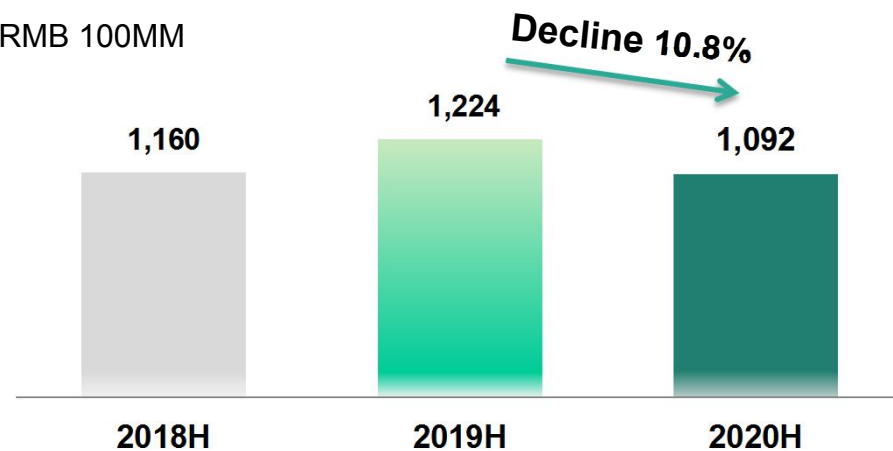
Growth in PPOP

RMB 100MM



Net Profit Declined

RMB 100MM

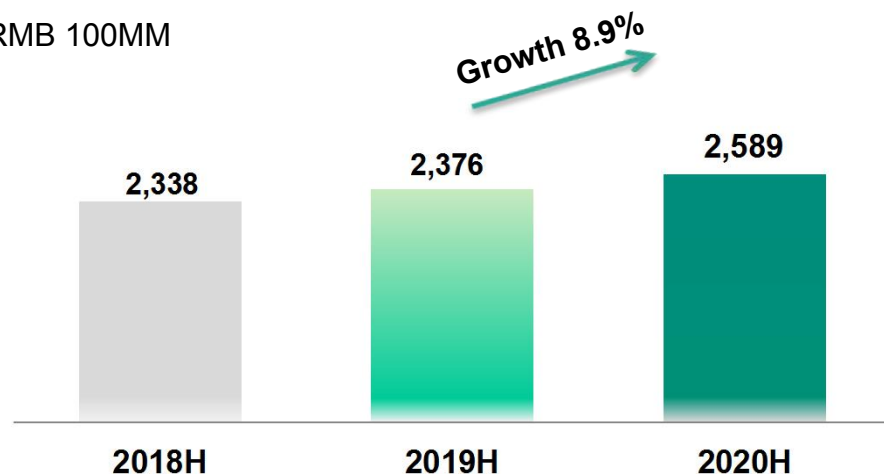


Steady Growth in Net Interest Income

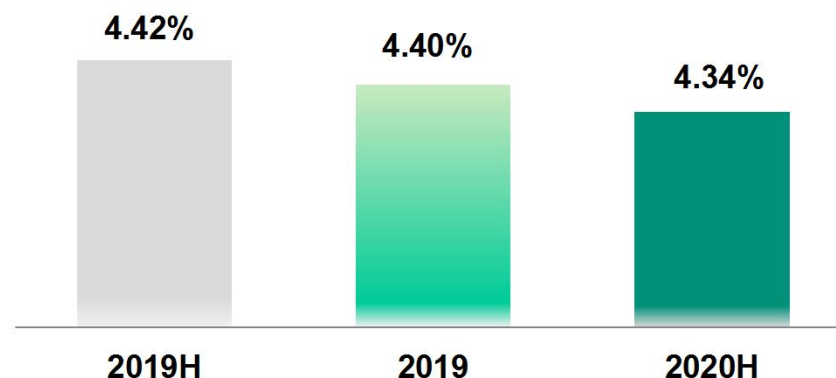


Steady Growth in Net Interest Income

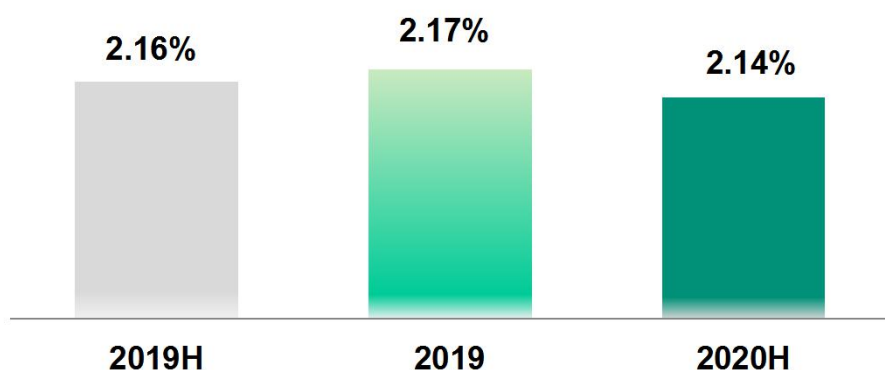
RMB 100MM



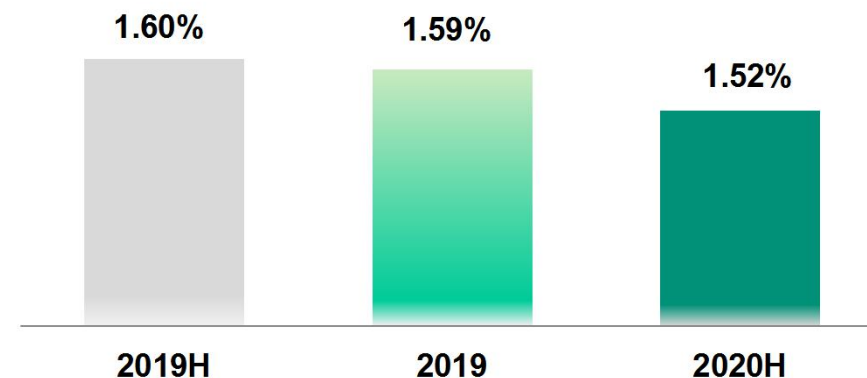
Loan Yield Keeps Declining



Slightly Decline in Net Interest Margin



Average Cost of Deposit Continue to Decline

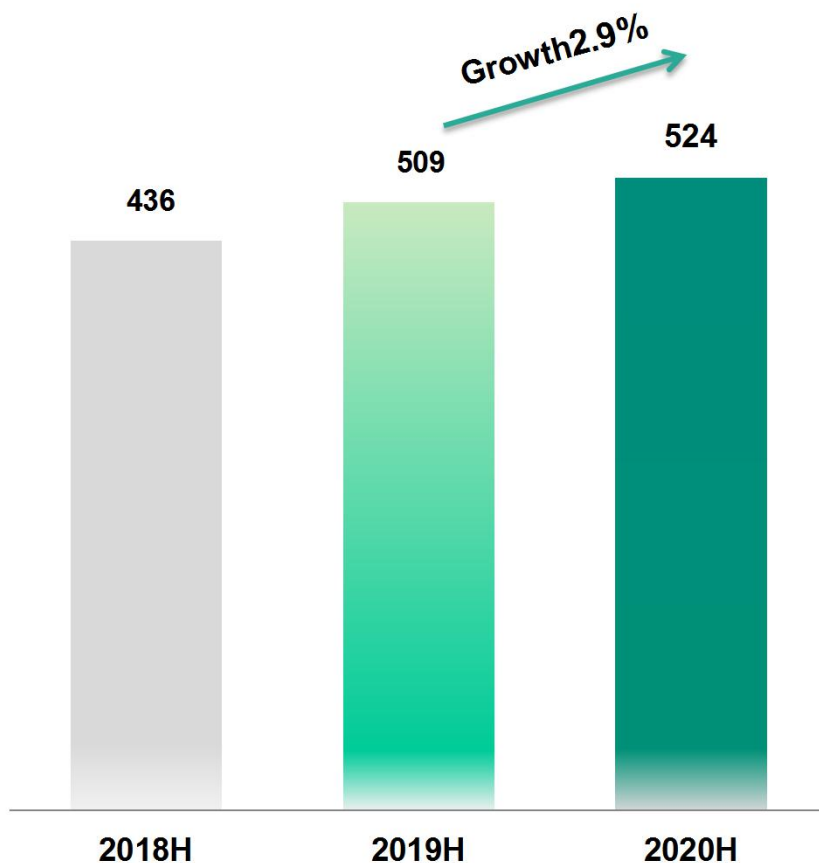


Steady Development in Intermediary business



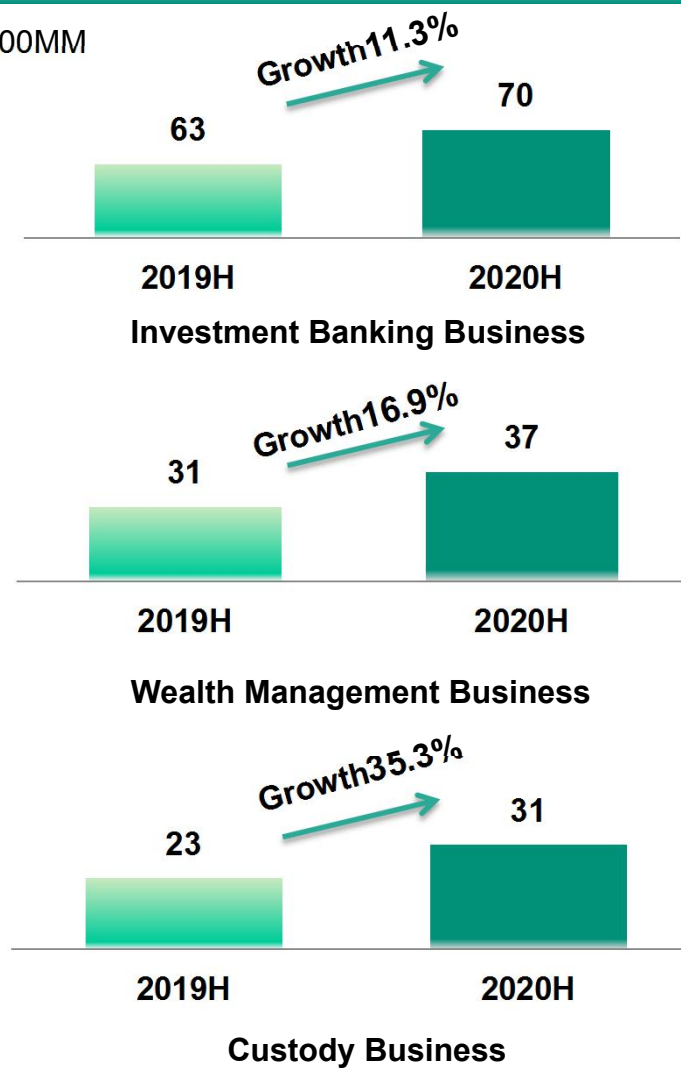
Stable Growth in Net Fee and Commission Income

RMB 100MM



High Quality Growth in Emerging Businesses

RMB 100MM

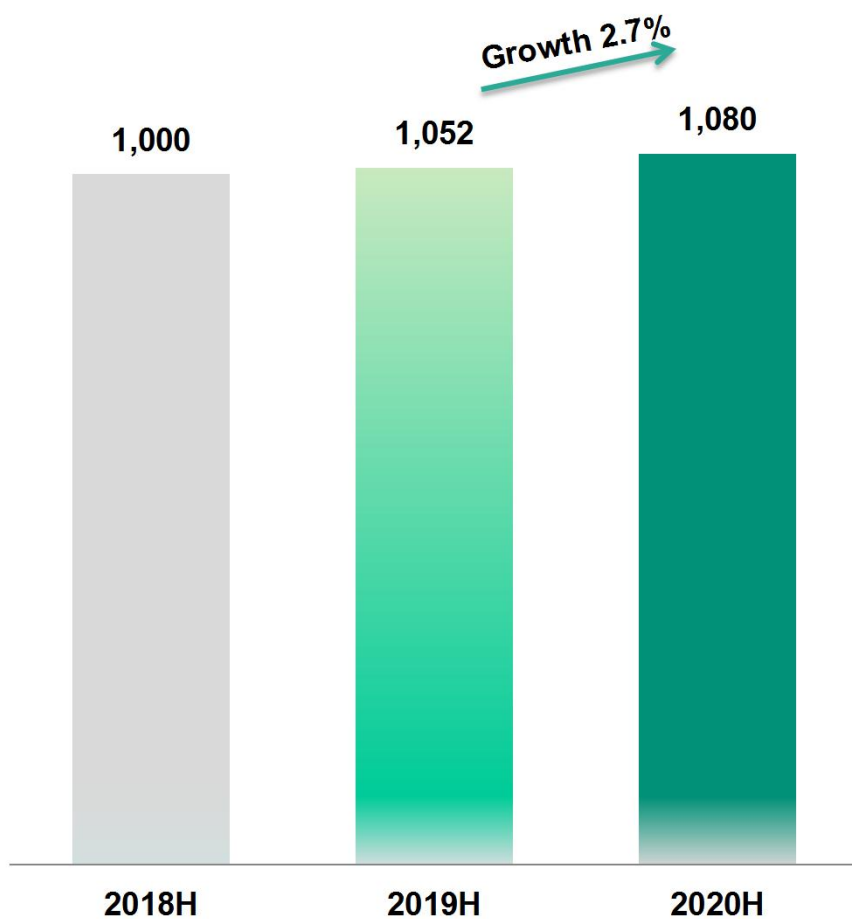


Improving Cost-to-Income Efficiency

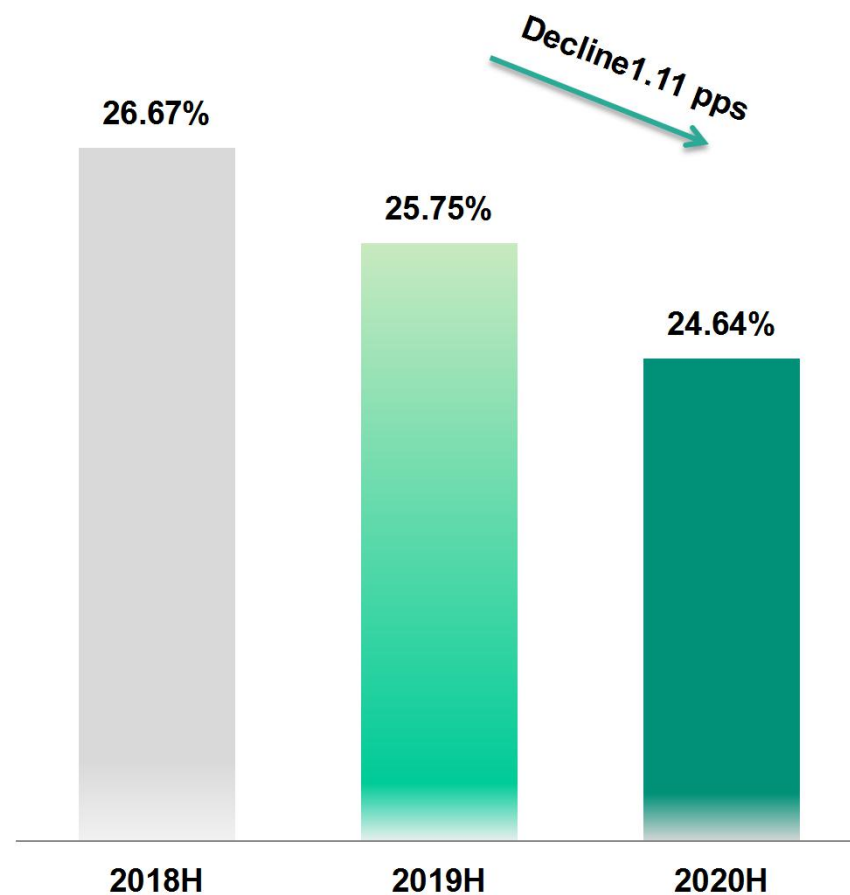


Stable Operating Expenses

RMB 100MM



Declining Cost-to-Income Ratio

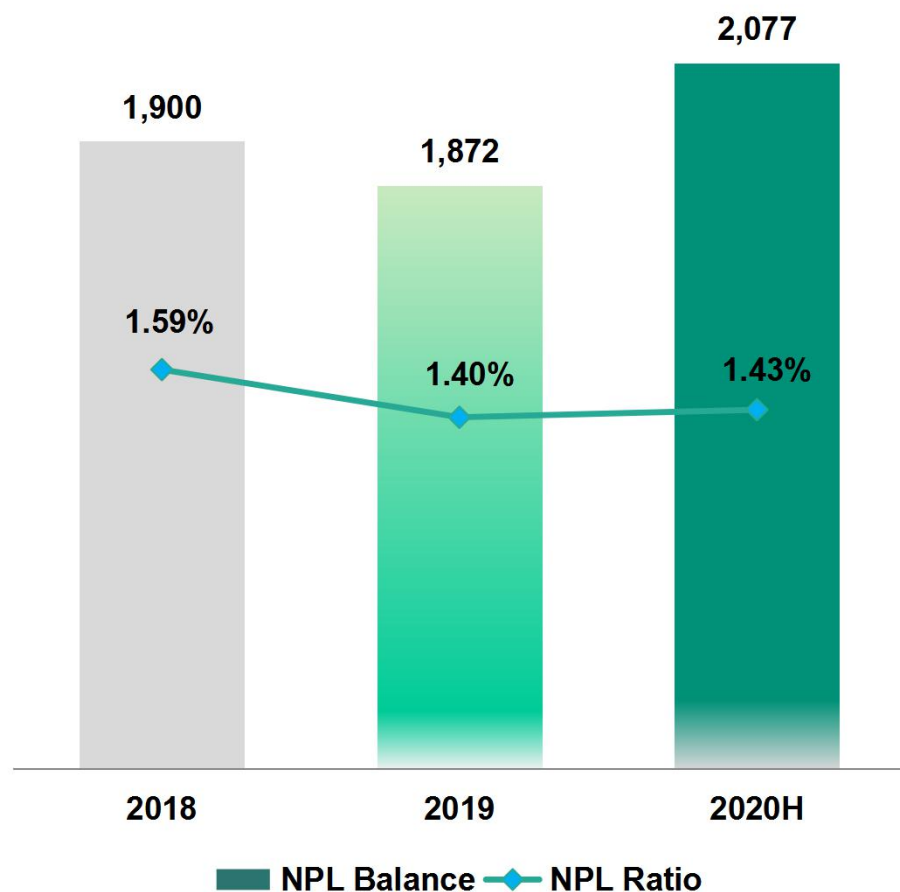


Stable Asset Quality



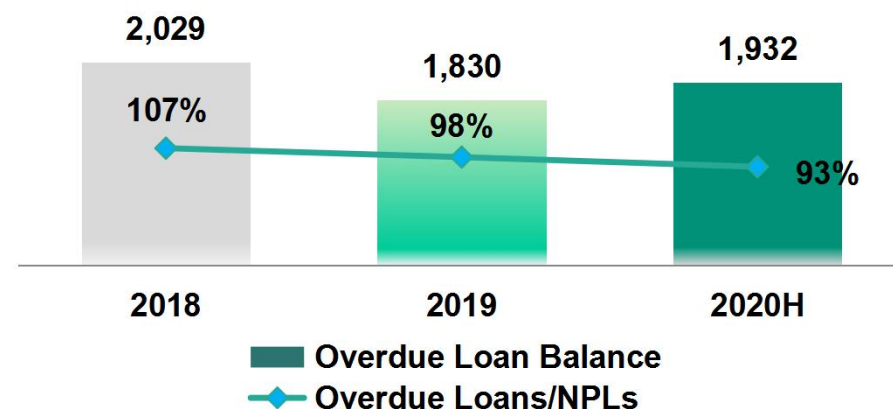
Slightly Rebound in NPL

RMB 100MM

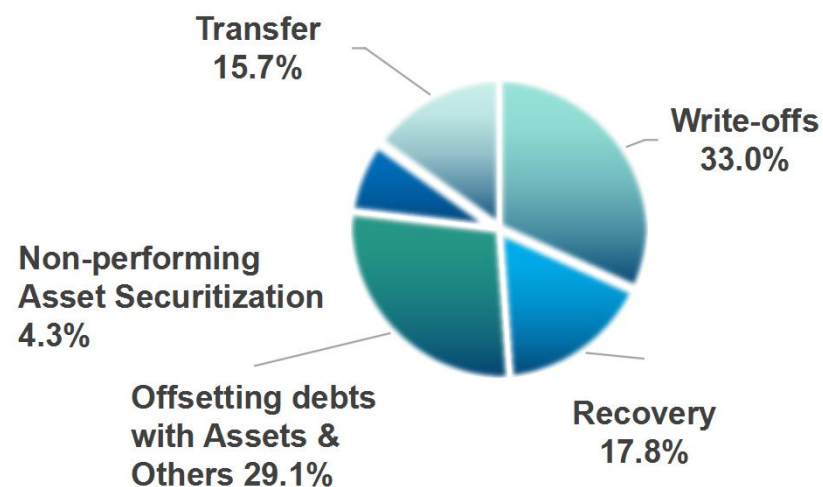


Stable Overdue Loans

RMB 100MM



Multiple Channel to Dispose Non Performing Assets

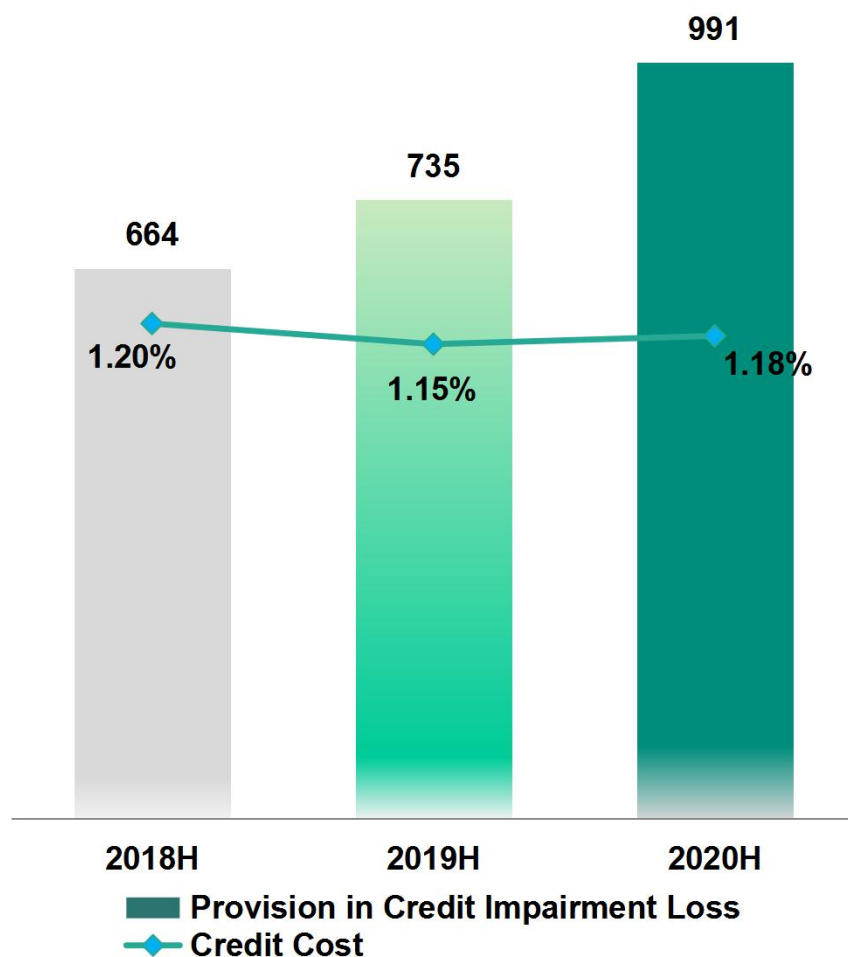


Prudent Provisions and Prevent Risks

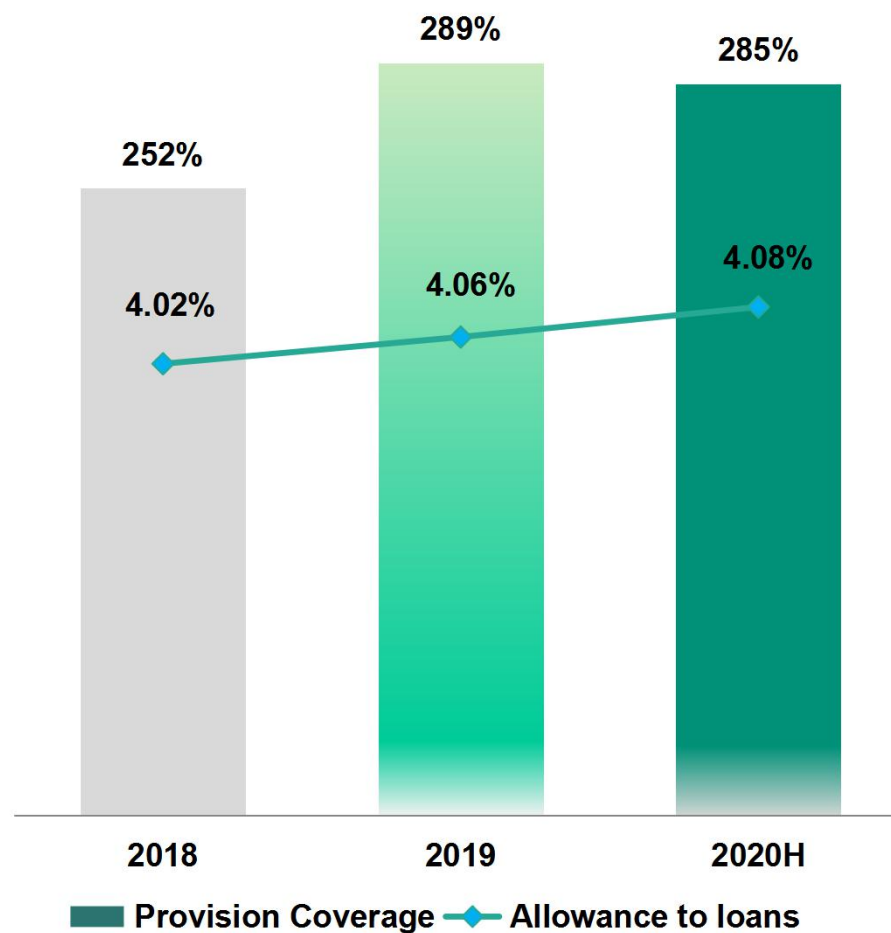


Prudent Provision in Credit Impairment Loss

RMB 100MM



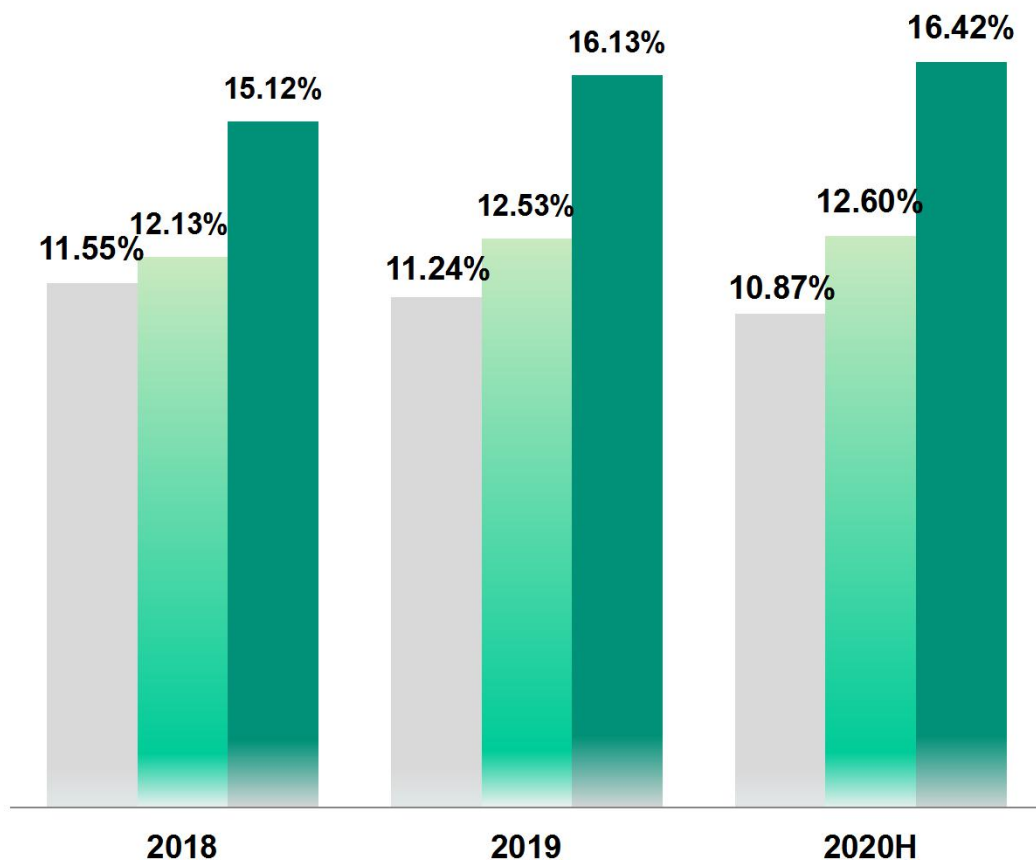
Provision Level Well-ahead of Peers



Continuously Promote “Capital Strengthen Plan”



Capital Adequacy Ratio



■ CET1 Capital Adequacy Ratio
■ Tier 1 Capital Adequacy Ratio
■ Capital Adequacy Ratio

Perpetual Bonds
(Tier 1 Capital)
85 Billion Yuan

Tier-2 Capital
Bonds
40 Billion Yuan



Capital Adequacy Ratio
Increased 0.76pps



Financial Performance



Business Strategy & Development



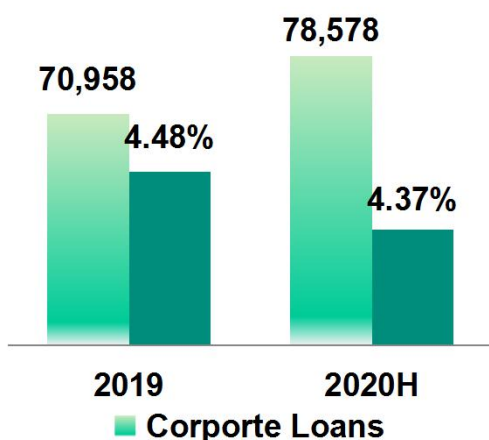
Business Forecast

Corporate Business: Remarkable Achievements in Supporting Real Economy



Corporate Loan

RMB 100MM



Corporate loan increased 10.7% as compared to the end of 2019.

Corporate loan yield declined 11 bps as compared to 2019.

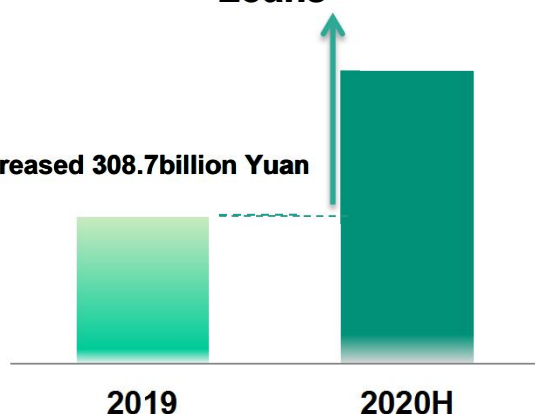
Services to Support Major National Strategies



Strong Support to Private Enterprises

Private Enterprises Loans

Increased 308.7 billion Yuan



Supported the pandemic prevention and control and resumption of work and production of private enterprises by introducing supportive policies, increasing credit and innovating financial services.

At the end of June, private enterprises with outstanding loan balances reached 284.4 thousand, representing an increase of 89.3 thousand customers as compared to the end of the previous year.

Serve the Key Industries of Real Economy

A total of RMB33.6 bn of loans were granted to 1,082 key enterprises providing critical goods and services for prevention and control of the pandemic.

The number of customers with outstanding loan balances and the balance of loans in manufacturing industry increased by 47.7 thousand and RMB143,620 million as compared to the end of the previous year, respectively.

The balance of loans for strategic emerging industries and growing modern service industries amounted to RMB11,826 million, representing an increase of RMB1,079million as compared to the end of the previous year.

Retail Business: Improving the Competitiveness



Stable Growth in Personal Deposits

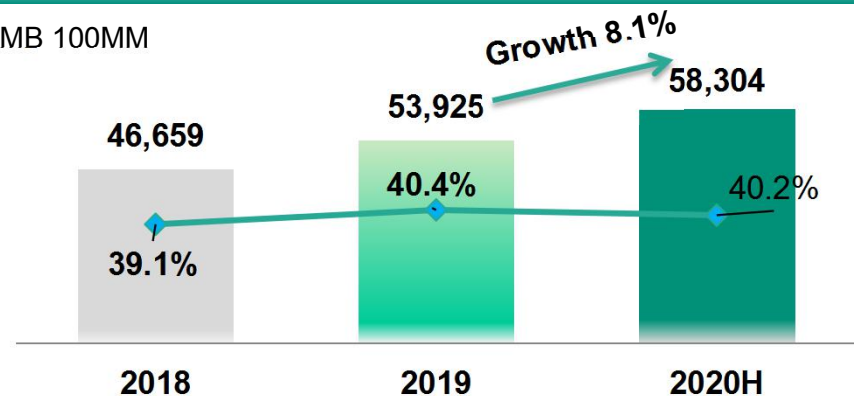
RMB 100MM



■ Personal Deposits
◆ Personal Deposits as % of Total Deposits

Rapidly Growing Personal Loans

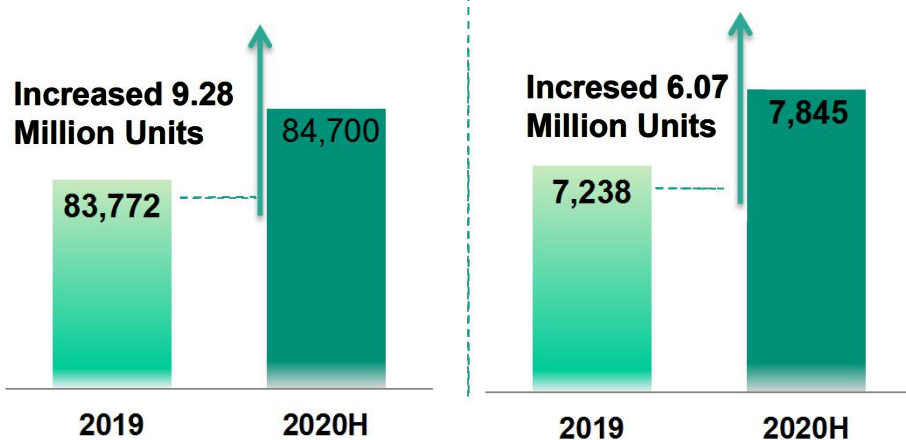
RMB 100MM



■ Personal loans ◆ Personal Loans as % of Total Loans

Moderate Growth in Numbers of Retail Customers

10,000 Units

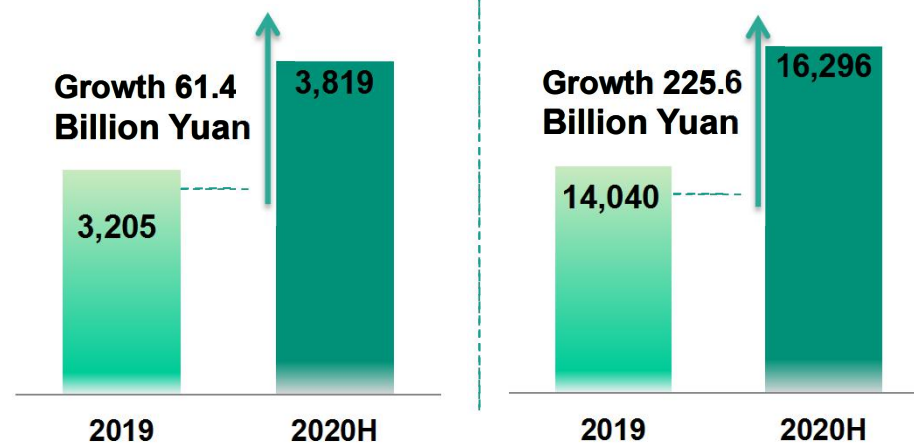


Number of Personal Clients

Number of Monthly Active Customers through Mobile Banking

Reinforced Management Capability in Private Banking

RMB 100MM



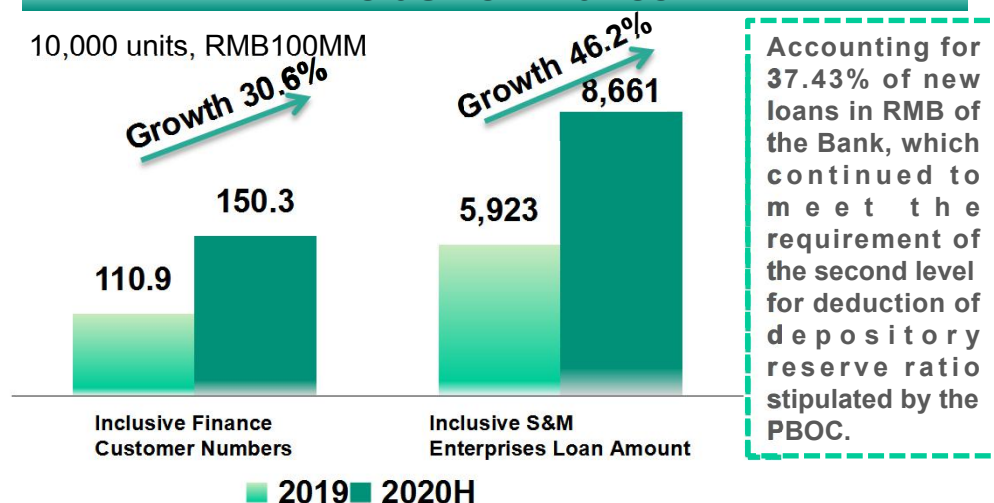
Existing Scale of Products Exclusive

Private Banking Asset Management Scale

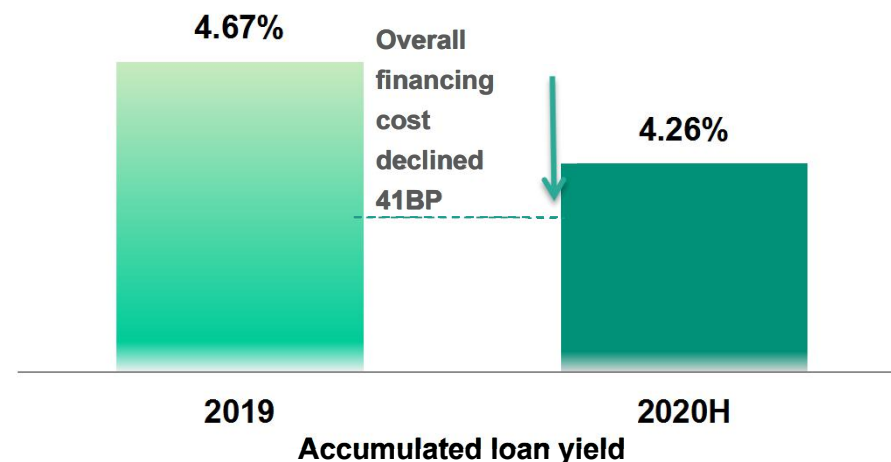
Inclusive Finance: Active and Promising



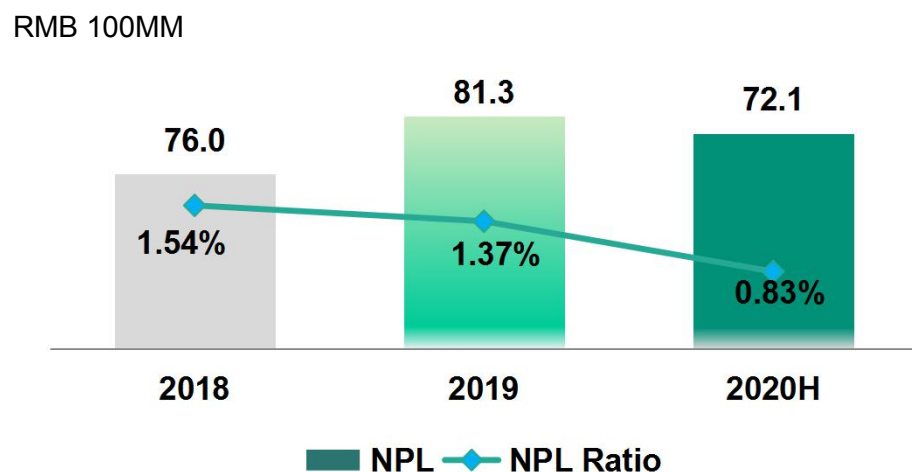
Increased Volume and Expanded Areas in Inclusive Finance



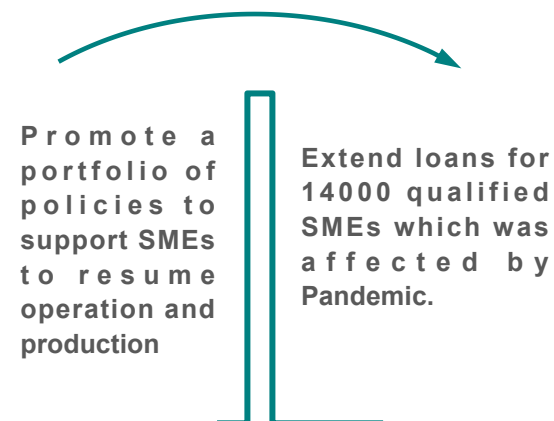
Help Relief Cost Pressure in SMEs Financing



Decline in Both NPL Balance and NPL Ratio



Help Enterprises to Overcome Difficulties

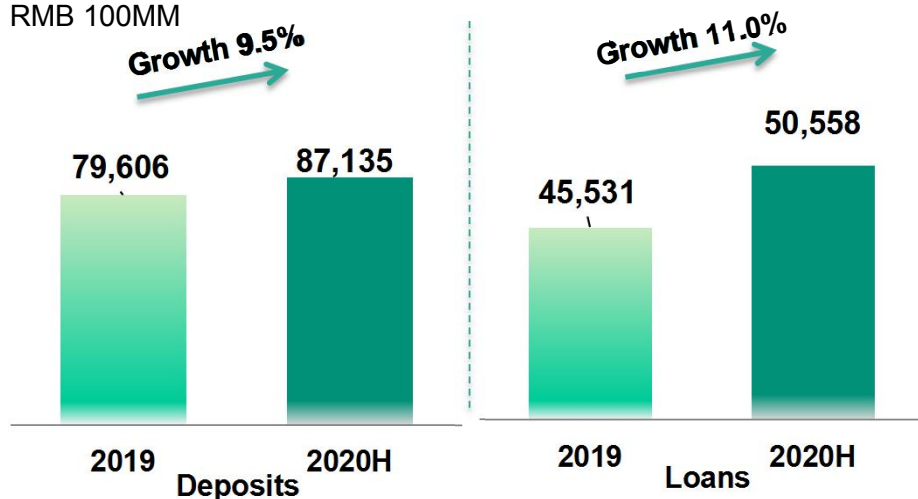


County Business: Good Momentum

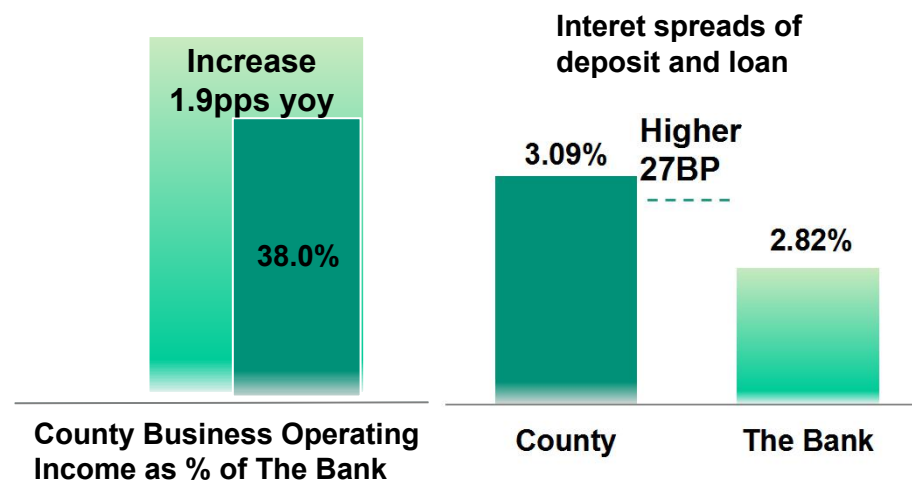


Rapid Growth in County Deposits and Loans

RMB 100MM

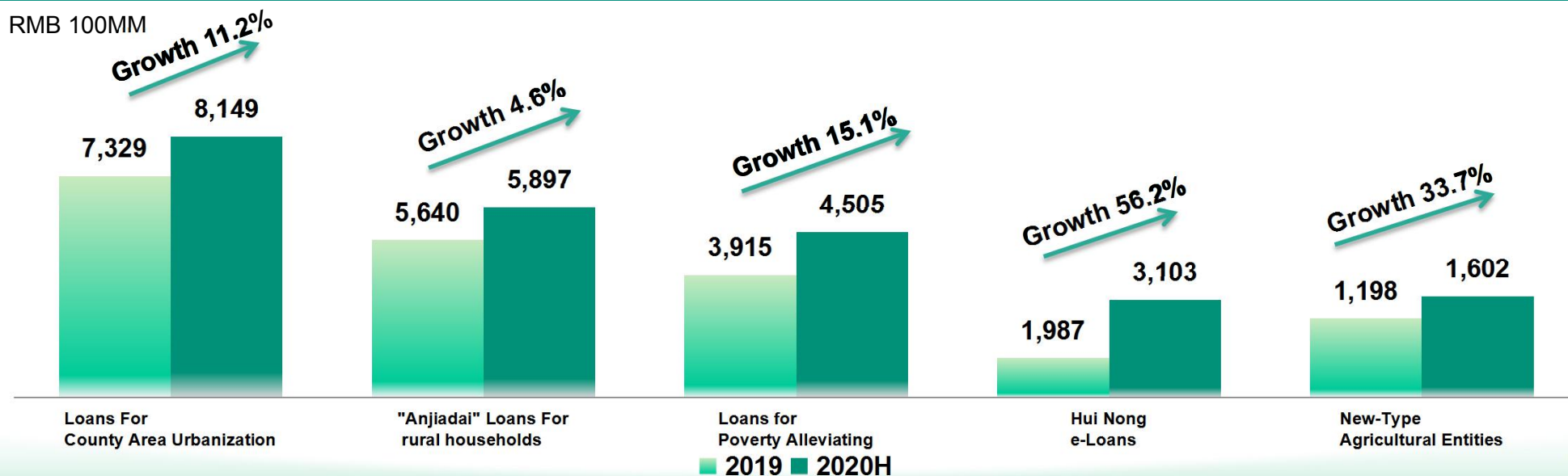


Increasing Contribution of County Business



Remarkable Achievements of Financial Services in Key Areas

RMB 100MM



Digitization: Promote Strategy and Open New Prospect



Continuously Improving Product System



At the end of June 2020, the balance of ABC E-loan was RMB999.3 billion, increased 69.6% as compared to the end of the previous year.

Improving Online Operation Capability

Integrated operation of all online and offline channels and whole-process service coordination, providing customers with 7 × 24 and zero-contact financial services.

Publish 5.0 version of online banking, continuously strengthen online business.

Improving Capability in Scene-Based Finance Services



Added 26.8 thousand scenes, reaching 26.05 million customers in 1H

Good Achievements in Digital marketing

Promote Marketing Tools

- Digital customer relationship management system
- “Digital human” managing customers
- Financial shops

Discover New Marketing mode

- Internet broadcast for public welfare
- Short video

Fintech: Business Upgrade

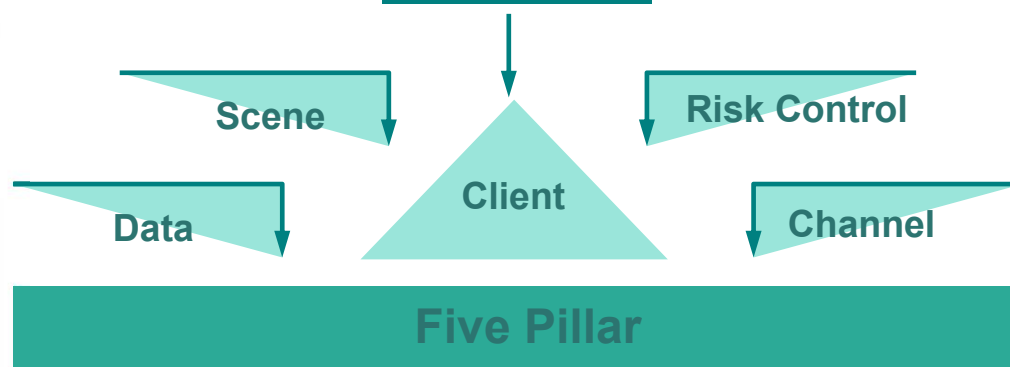


“iABC” Strategy: to build an intelligent, user-oriented and resources and capabilities integrated ABC with FinTech as its impetus.

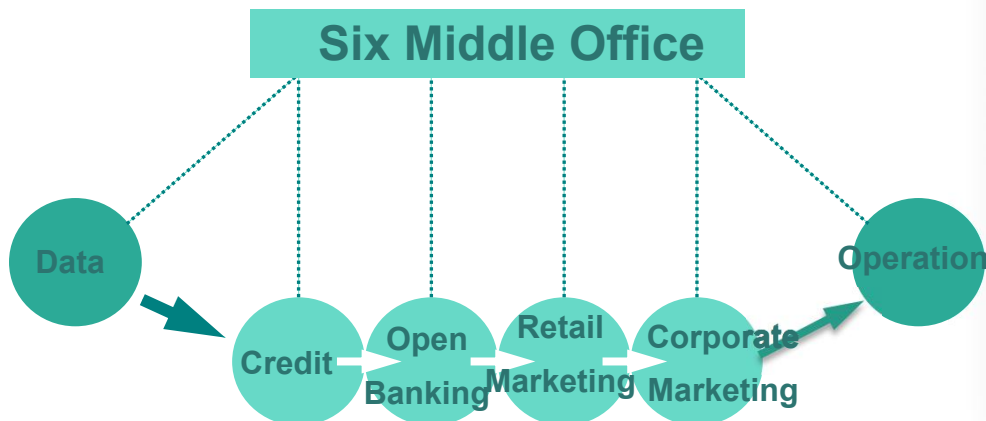
Seven Technique

- ◆ Big Data Service System
- ◆ Cloud Computing Technique
- ◆ Basic Artificial Intelligence ability
- ◆ distributed architecture R&D and application
- ◆ Blockchain technique innovation
- ◆ Information security technique
- ◆ Network technology innovation

Product



Six Middle Office



Continuously optimized IT governance structure

Two guarantee

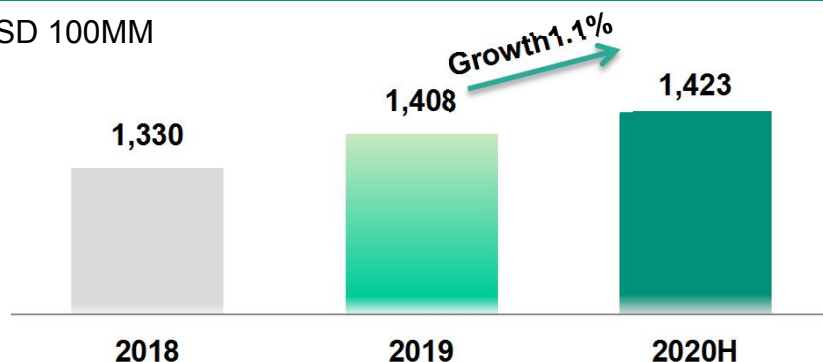
Strict approach to secure safe production

International Business and Comprehensive Operations: Keep Optimizing Cross-border Financial Service System, Achieving Synergy Effects in Comprehensive Business



Stable Development in Cross-border Service

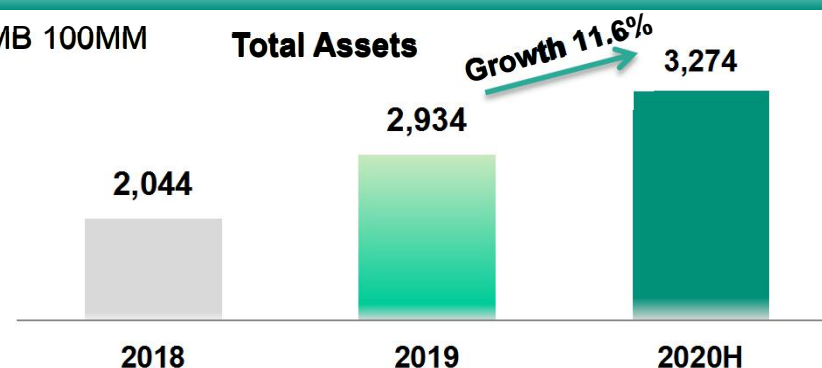
USD 100MM



Total Assets of Overseas Institutions

Good Momentum in Comprehensive Business

RMB 100MM



Note: Including ABC-CA Fund, ABCI, ABC Leasing, ABC Insurance and ABC Investment

Global Network Coverage

Europe

- Frankfurt Branch (2013)
- UK Subsidiary (2011) / London Branch (2017)
- Luxembourg Subsidiary (2014) / Branch (2015)
- Moscow Subsidiary (2014)

Americas

- New York Branch (2012)
- Vancouver Representative Office (2012, Upgrading to Branch)
- São Paulo Representative Office (2017)

Asia Pacific

- Hong Kong Branch (1995)
- ABC International Holding (2009)
- China Agricultural Finance (1988)
- Singapore Branch (1995)
- Seoul Branch (2012)
- Dubai DIFC Branch (2013) / Dubai Branch (2016)
- Tokyo Branch (2013)
- Sydney Branch (2014)
- Hanoi Branch (2017) / Hanoi Representative Office (2012)
- Taipei Representative Office (2015)
- Macao Branch (2017)

Africa

- Sino-Congolese Bank (2015)



Financial Performance



Business Strategy & Development

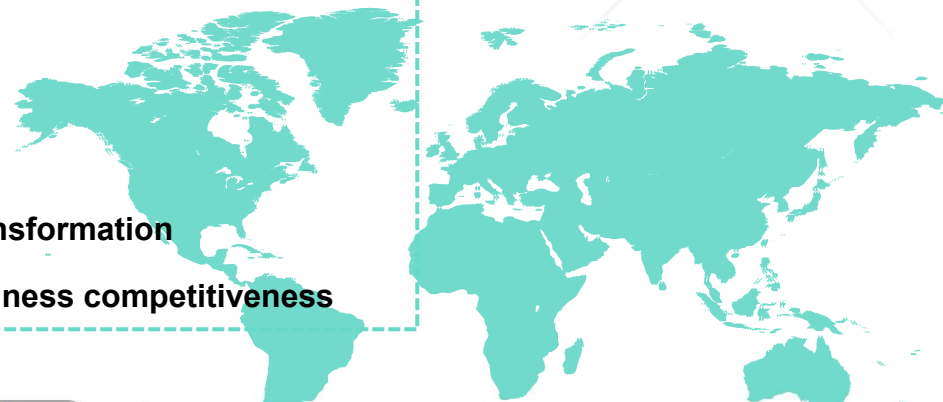


Business Forecast

Business Forecast



- ◆ Precise target, sacrifice part of profits to support poverty alleviation
- ◆ More focused, Strengthen financial service to real economy
- ◆ Strictly prevent risks and comply with risk control bottom line
- ◆ Continuously promote and strive for new breakthrough in digital transformation
- ◆ Consolidate advantage and make up for the deficiency, improve business competitiveness



Poverty Alleviation

- ◆ **Full support to poverty alleviation:** Comprehensive security measure in credit, finance, product, policy and human resource
- ◆ **Construct long term financial poverty alleviation mechanism :** emphasize the effect of poverty alleviation, construct larger and stronger poverty alleviation mall.
- ◆ **Use multiple ways to leave profit to the real economy and help SMEs overcome**
- Difficulties:** continue issuing debt for SMEs, providing credit with lower cost for "agriculture, rural areas and farmers" and SMEs. Implement policies for help SMEs.
- ◆ **Full support to industry supply chain:** Prevent Capital Chain and Industry chain Rupture.

Serve the Real Economy

- ◆ **Serve the national key strategies:** Implement Yangtze River Delta Development, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Zone construction and other financial services, enhance support to new economy including local Science Technology innovation and advanced manufacturing enterprises.
- ◆ **Support "two new and one key "construction**
- ◆ **Serve to "expanding domestic demand":** Promote personal consumption loan development and strengthen cooperation with large and online retail platform, enhance ability in customer acquisition.

Comply with Risk Control Bottom Line

- ◆ **Strict control in asset quality:** Comply with the principal of real and strict report of NPL, reflect the risks in time. Fully consider the effect of epidemic, reasonably increase the provision level and speed up the disposal of Non-Performing Assets.
- ◆ **Prevent potential risks of new economy:** Match business development with the ability of risk control. Fully consider the potential market fluctuation, and make emergency response plan for extreme conditions.
- ◆ **Strict risk control.**

Continuously Promote Digital Transformation

- ◆ **Improve online business management capability and promote business development with high quality:** Focus on new business model including "Stay at Home Economic", "Zero Contact Service " and "Live Stream Shopping", accelerate development speed of online business innovation , to build an integrated business together with offline business.
- ◆ **Promote Scene construction:** Copy successful business model and accelerate intelligent scene development. Focus on county management demand and actively explore digital county scene.
- ◆ **Strengthen technology and data support:** Improve technology support, accelerate reform in technology subsidiary and put into production as soon as possible.

Consolidate advantage in county and retail area, enhance service in urban area and to corporates

- ◆ **Consolidate advantage in county business:** Further improve country financial service, promote digital transformation in county area and increase contribution.
- ◆ **Consolidate advantage in retail business:** Combine online and offline marketing, increase client acquisition ability. Improve asset allocation services for mid to high end clients, promote development in asset management business.
- ◆ **Enhance competitiveness in corporate business:** Seize new clients from industry chain and key area. Provide better comprehensive Service.
- ◆ **Increase competitiveness in business of urban area:** Implement diversified policies in key areas, accelerate reform in capital cities.



Thank you!

Q&A