



中国农业银行

AGRICULTURAL BANK OF CHINA



2021 Annual Results Presentation

Beijing/Hong Kong

IFRS

March, 2022



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Notes:

1. Except for special reference, all data are subject to International Financial Reporting Standards (IFRS) , and the currency is RMB.
2. Some numbers are rounded.



**In 2021,
The Agricultural Bank of China made solid progress with high-quality
development, and achieved a balanced and coordinated development of the
business scale, quality and efficiency.**



Performance Summary



RMB 100MM	31 Dec 2021	31 Dec 2020	Change	
Total Assets	290,692	272,050	↑	6.9%
Total Loans and Advances	171,751	151,704	↑	13.2%
Total Liabilities	266,478	249,943	↑	6.6%
Total Deposits	219,071	203,729	↑	7.5%
NPL Ratio	1.43%	1.57%	↓	0.14pps
Provision Coverage	299.73%	266.20%	↑	34pps
Capital Adequacy Ratio	17.13%	16.59%	↑	0.54pps
RMB 100MM	2021	2020	Change	
Total Operating Income	7,217	6,593	↑	9.5%
Net Interest Margin (NIM)	2.12%	2.20%	↓	0.08pps
Cost-to-income Ratio	30.46%	29.23%	↑	1.23pps
Net Profit	2,419	2,164	↑	11.8%
Return on Average Assets (ROAA)	0.86%	0.83%	↑	0.03%
Return on Average Equity (ROAE)	11.57%	11.35%	↑	0.22%
Basic Earnings per Share (RMB)	0.65 Yuan	0.59 Yuan	↑	0.06 Yuan



Financial Performance



Business Strategy & Development



Business Forecast

Stable Growth with a Favorable Trend in Business Performance



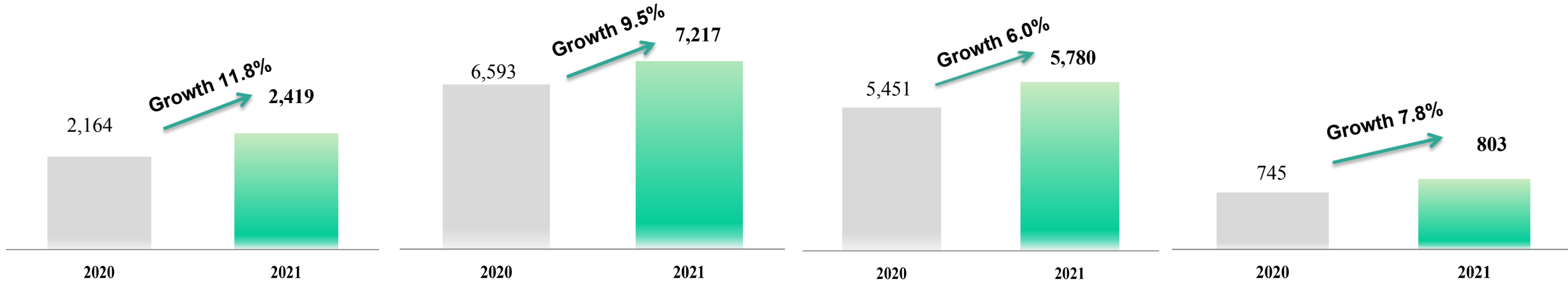
Net Profit

Operating Income

Net Interest Income

Net Fee and Commission

RMB 100MM



The Business Scale Grew Steadily

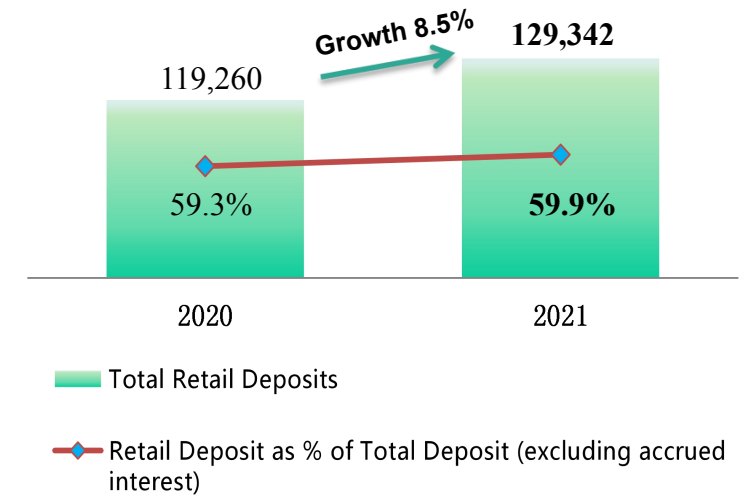
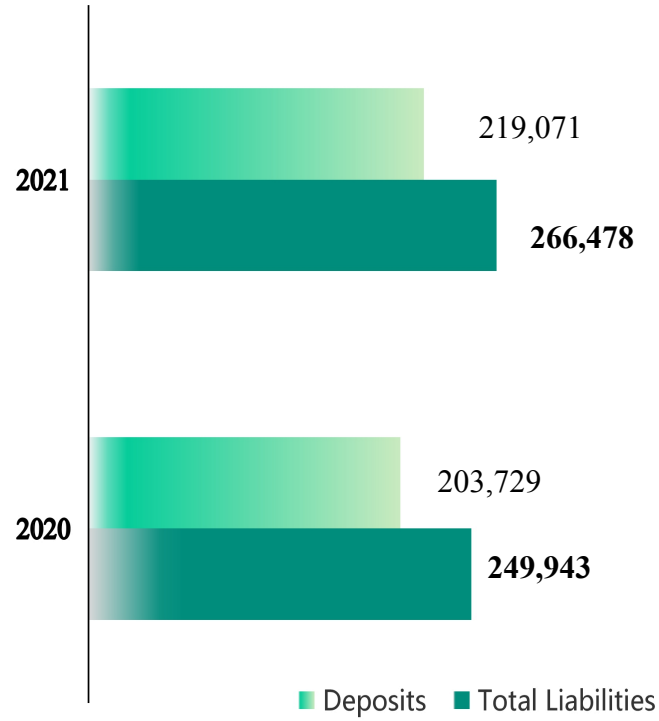
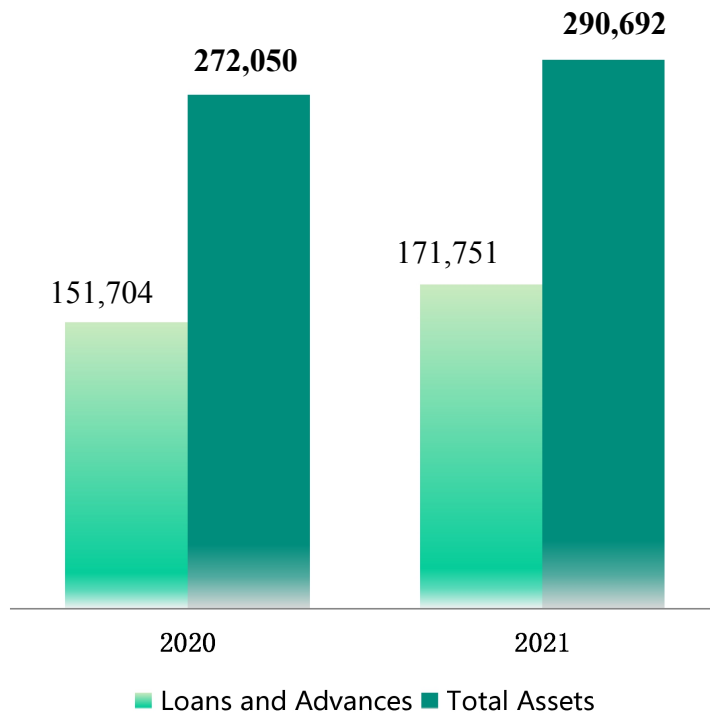


Loan Growth 13.2%

Deposit Growth 7.5%

Retail Deposit Growth 8.5%

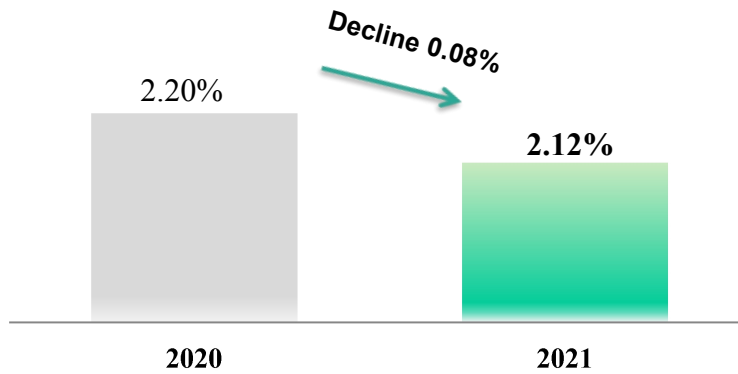
RMB 100MM



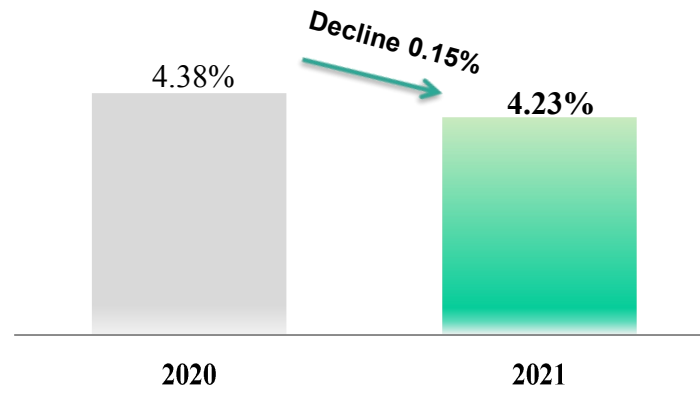
The Net Interest Margin Trend Aligned with the Industry



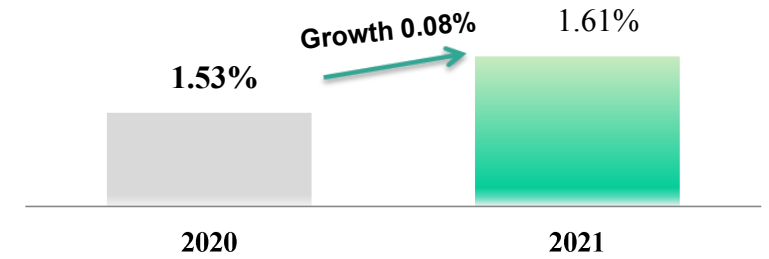
Net Interest Margin



Loan Yield



Average Cost of Deposit

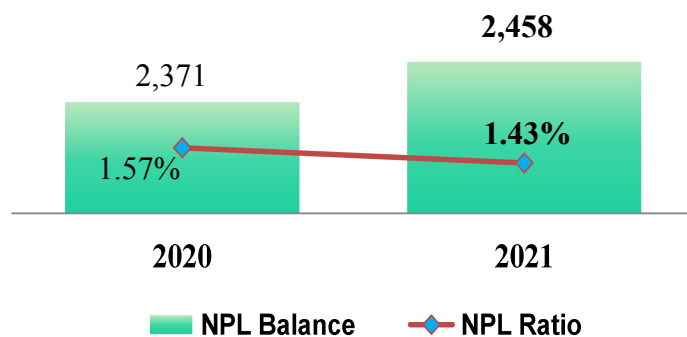


Assets Quality Remained Stable



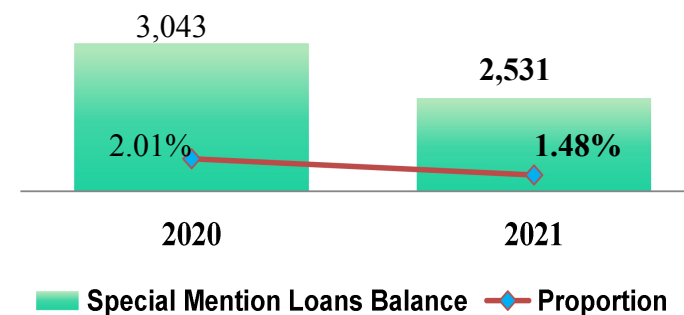
NPL Ratio Further Declined

RMB 100MM



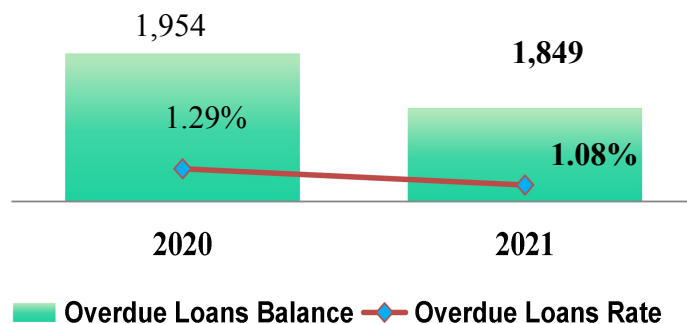
"Double Reduction" of Special Mention Loans

RMB 100MM



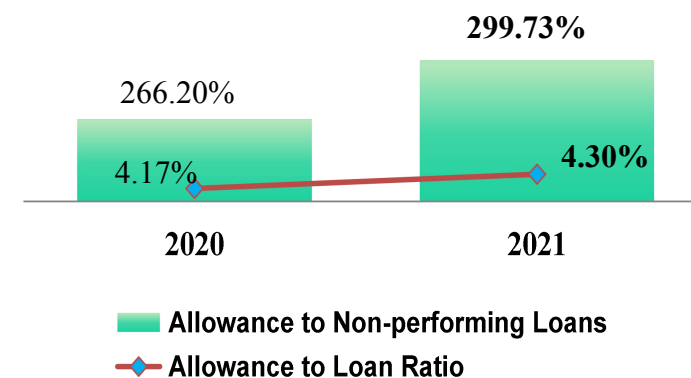
"Double Reduction" of Overdue Loans

RMB 100MM



Significant Improvement in Both Allowance to Non-performing Loans and Allowance to Loan Ratio

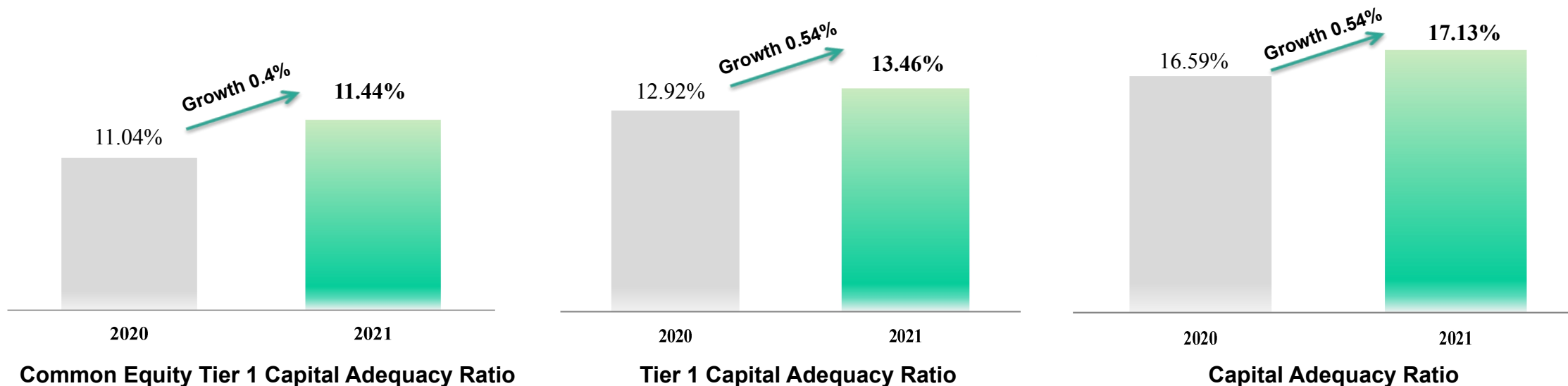
RMB 100MM



Capital Adequacy Ratio Rose Steadily



Further Consolidated the Capital Foundation



Significant Progress in Capital Management

Strengthened our sophisticated management of capital by significantly reducing businesses with high capital consumption and removing inefficient and ineffective capital occupation through multiple channels.

The common equity tier 1 capital adequacy ratio increased by **0.4%**, compared to previous year



Financial Performance



Business Strategy & Development



Business Forecast

The New Pattern of the Bank's Development



One Theme :

High-quality
Development

Two Major Positions :

A Leading
Bank



A Major
Bank

A Leading Bank Serving
Rural Revitalization

A Major Bank Serving
the Real Economy

Three Strategies: :

Sannong and County
Area Strategy

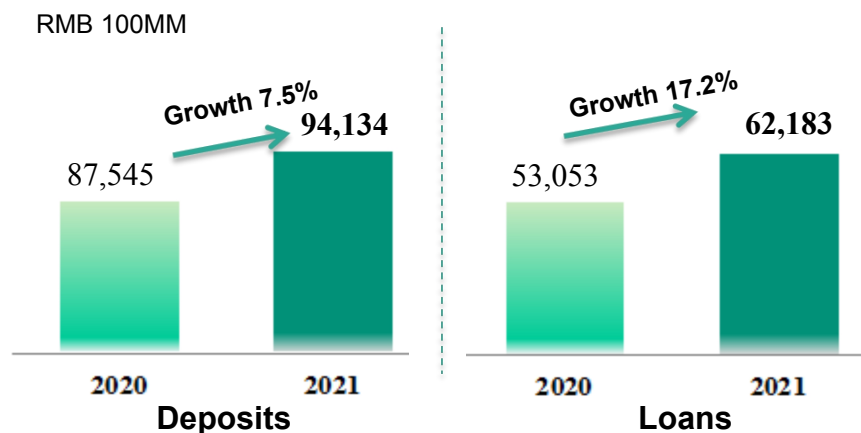
Green Finance
Strategy

Digital Operation
Strategy

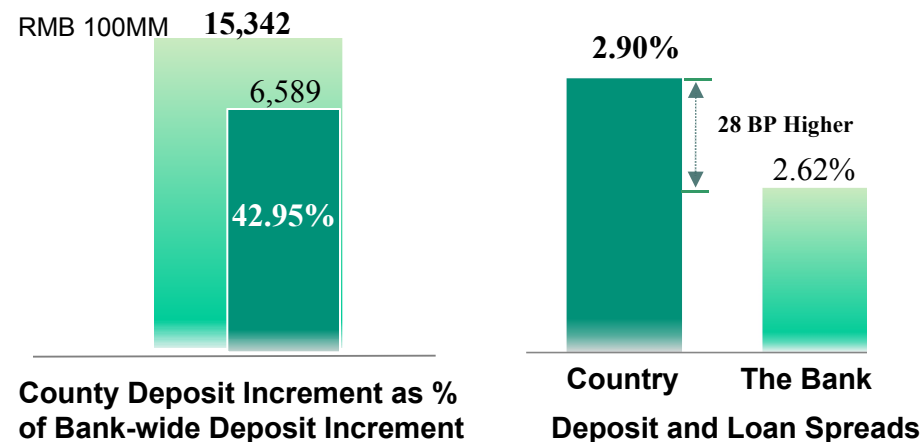
Significant Achievements in Serving Rural Revitalization



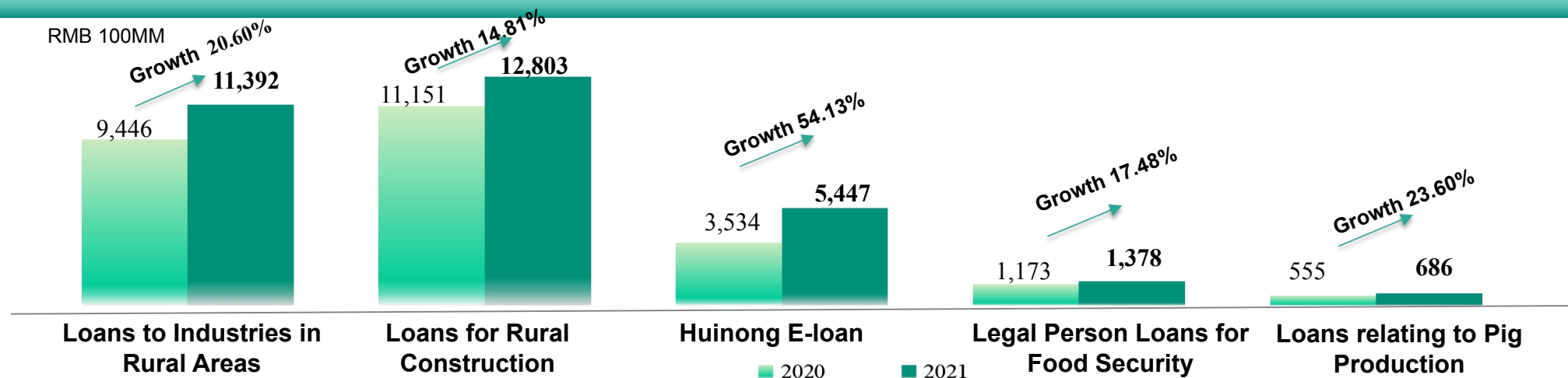
County Business Recorded Historical High



County Business Maintained a High Comprehensive Contribution



Loans to Key Areas Increased Well



Significant Achievements in Serving Rural Revitalization (Cont'd)



Significant Achievements in Poverty Alleviation

The balance of loans in 832 counties lifted out of poverty was RMB**1.47** trillion

Representing an increase of RMB**182.6** billion or **14.2%** as compared to the end of the previous year

1.0% higher than the Overall growth of the Bank

The balance of loans to key counties receiving assistance in pursuing rural revitalization was RMB**266.0** billion

Representing an increase of RMB**34.7** billion or **15.0%** as compared to the end of the previous year

1.8% higher than the Overall growth of the Bank

Continuous Innovation of Financial Products and Service Models

- Optimized and adjusted product innovation bases for Sannong, and set up 70 such bases.
- In collaboration with the National Rural Revitalization Administration, we launched a pilot product “Fumin Loan”.
- Jointly built a financial innovation demonstration zone of rural revitalization with the National Rural Revitalization Administration and the Sichuan Provincial Government.

The Financial Service of Digital Village Improved Remarkably

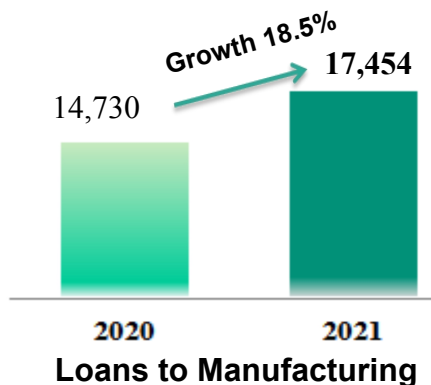
- Increased the supply of Huinong E-loan and vigorously promoted online financial services. The balance of Huinong E-loan increased by RMB **191.3 billion** or **54.13%**, as compared to the beginning of the year, amount to RMB **544.7 billion**.
- The pilot program of financial services for scenarios such as smart agriculture were comprehensively promoted, and the total number of featured financial scenarios in County Areas reached **12 thousand**, representing an increase of **7,537** as compared to the end of the previous year.
- **1,275** counties were contracted at management platform for collectively-owned funds, resources and assets in rural areas, and 908 counties launched this platform, covering **123 thousand** administrative villages.
- Initially built a smart rural comprehensive service cloud platform, with 61 scenario functions of 3 categories.

Increased Credit Allocation to the Real Economy



Served the National Manufacturing Power Strategy

RMB 100MM

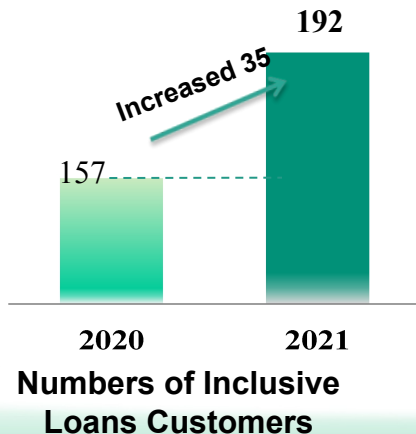
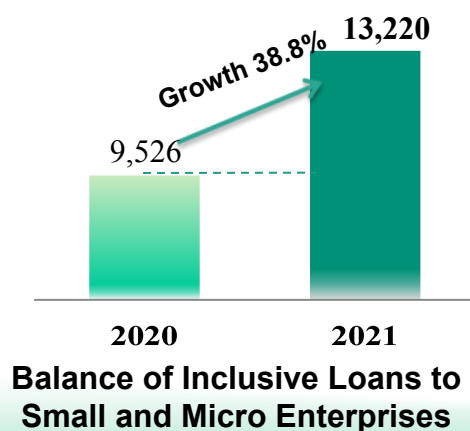


of Which :

- The growth rate of medium and long-term manufacturing loans was **39%**
- The growth rate of high-tech manufacturing loans was **26%**

Increased Size and Variety of Inclusive Finance to Small and Micro Enterprises

RMB 100MM, 10,000 units

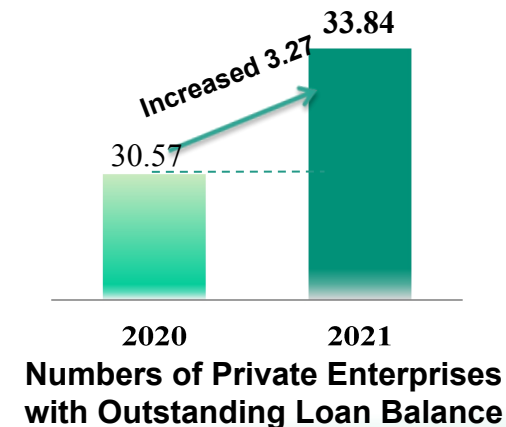
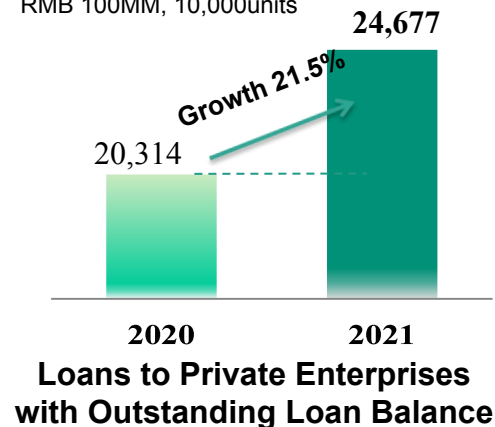


Focused on the Construction of National Scientific and Technological Innovation System

- Established partnerships with **2,853** specialized and sophisticated “little giant” enterprises that produce new and unique products, of which **1,251** enterprises had outstanding loans with a balance of **RMB19.7 billion**, representing an increase of **33.1%** compared to the end of the previous year
- Balance of Strategic Emerging Industry Loans Exceeds **RMB 850 billion**

Fully Supported to the Development of Private Economy

RMB 100MM, 10,000units



Green Finance Development Entered the Fast Lane



Steady Growth in the Scale of Green Finance Business

By the end of 2021, the loan balance of green credit business was **RMB 1.98 trillion**, with an increase rate of **30.6%**

The loan balance of green credit business was **RMB 88.3 billion**, with an increase rate of **35.0%**

Actively used the carbon-reduction supporting instruments launched by the PBOC and supported various projects with significant carbon emission reduction effect in the key areas of carbon emission reduction.

The first batch of companies to carry out green bond investment and financing businesses such as carbon neutral bonds and sustainable development linked bonds

Improved the Policy System and Promoted the Concept of Green Development

- **Continuously improved the green finance credit policy system.** clarified the implementation path and key tasks for green finance business development. We included the green finance development requirement to our annual credit policy guideline, Sannong credit policy guideline and inclusive finance credit policy guideline.
- **Green development concept was in-depth integrated with our industry-specific credit policies.** We implemented the indicators related to efficiency, effectiveness, environmental protection, resource consumption and social management in the industry-specific credit policies, and continued to expand the industrial coverage of green credit indicator system, so that gave full play to its role in customer access, classification management, and environmental and social risk prevention and control.

Promoted Green Finance Business in Line with International Standards

- Signed up to the *Principles for Responsible Banking* (PRB) , became a member of UN Environment Programme Finance Initiative



- Became the supporting organization of the Task Force on Climate-related Financial Disclosures (TCFD)



- Attended the Ecological Civilization Forum of the 15th Conference of the Parties to the UN Convention on Biological Diversity and signed the *Joint Declaration of Banking Financial Institutions in Support of Biodiversity Conservation*



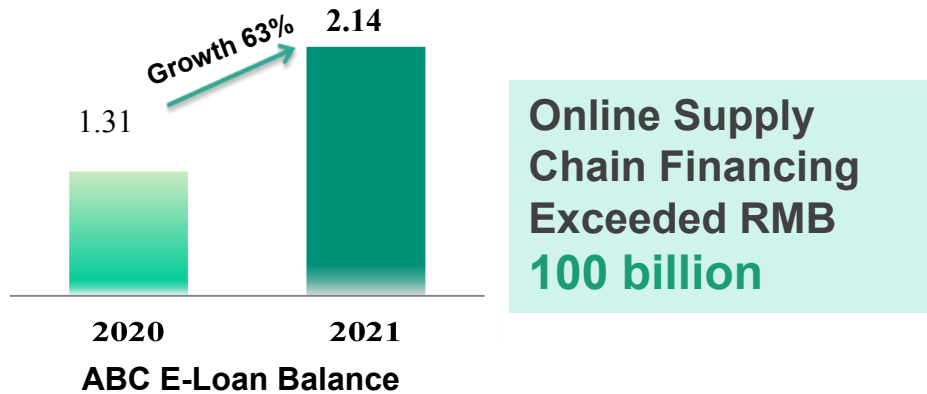
- Attended in Annual Conference of Financial Street Forum 2021, and signed the *Beijing Initiative for Climate Friendly Banking*

Successful Implementation of Digital Transformation Achievements



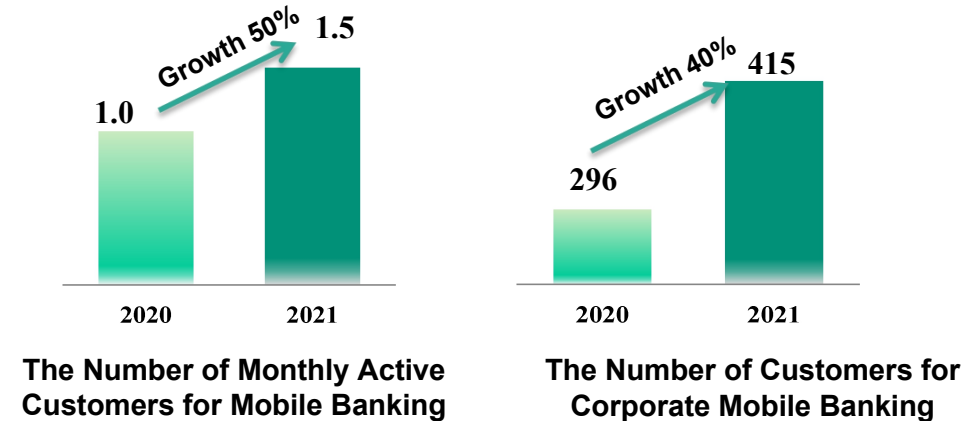
Stable Development of Online Credit Business

RMB trillion



Customers for Mobile Banking as a Leading Position in the Industry

Units: 100 MM Units, 10,000 Units

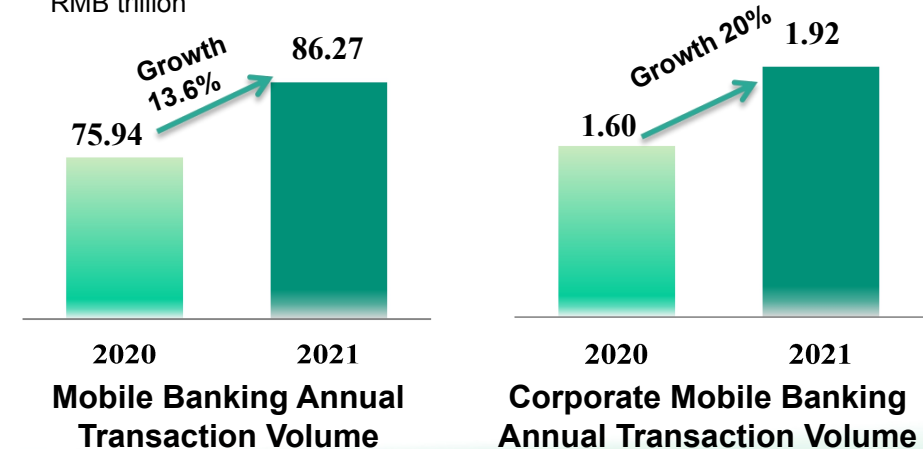


The Intelligent Service Constantly Improved



Intermediate Business Increased Rapidly

RMB trillion



Continuously Strengthened the Financial Services Related to People's Livelihood



1

Adhering to the principle of people first and customers first, we continued to make our service accessible to customers and optimize our service system to better meet the diversified financial needs of the people and the real economy.

2

Continuously extended the service coverage to County Areas. 65% of our relocated branch outlets in 2021 were deployed to rural-urban fringe, County Areas and towns.

3

Strengthened the supply of financial services related to people's livelihood, such as housing, education, medical care and pensions, so as to solve their problems by means of finance.

4

Implemented layered management for customers and classified management for customer managers, launched the rural version and large-font version of the mobile banking APP, and built senior-friendly and barrier-free service facilities, so as to provide customers with inclusive, fast and more considerate financial services.

5

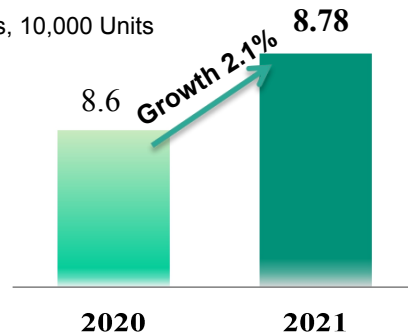
Strengthened the protection of consumers' rights and interests, improved the related systems, further smoothed customer complaint channels and responded proactively to customers' demands so as to increase their satisfaction and sense of benefit.

Further Promoted the Business Transformation



Further Enhancement of the Customer Bases

100MM Units, 10,000 Units



Total Amount of Retail Customers



Total Amount of Corporate Customers



Put **customers first** and focused on improving our customer service capabilities.

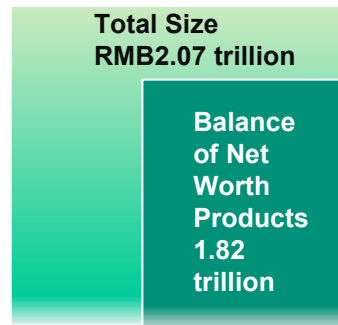


Continued to expand the customer base and improve our service quality, and further solidified our customer base by obtaining customers from the source of businesses and in batches as well as based on scenes.

Steady Improvement of Broad Wealth Management

Consolidated the Foundation of Wealth Management Business

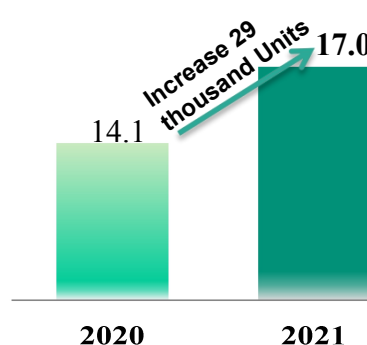
RMB 1trillion



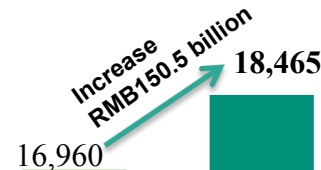
The Scale of Wealth Management Products

Rapid Growth of Private Banking Business

10,000 Units, RMB 100MM



Number of Private Banking Customers



Asset Under Management by Private Banking

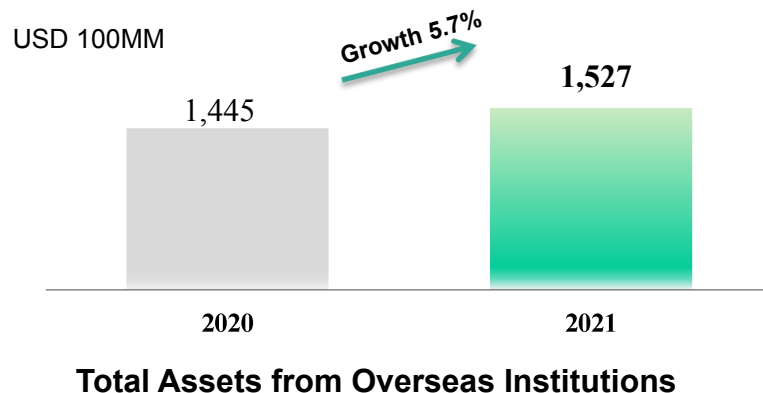
Sustained Improvement of Value Creativity

- The transaction volume of credit card for the year amounted to RMB**2,276.29** billion.
- In 2021, the number of funds distributed by the Bank amounted to **2,330**, with sales volume amounting to RMB**34.45** billion.
- The scale of custodian reached RMB**12 trillion**, and achieved **full coverage** of central and local occupational annuity custodianship.

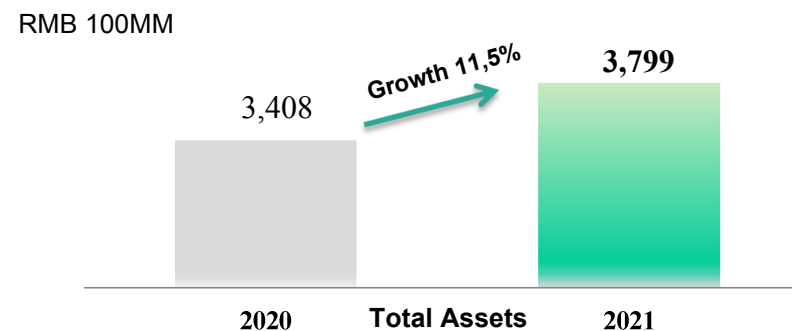
Further Promoted the Business Transformation (Cont'd)



Enhanced Cross-Border Financial Service Capability

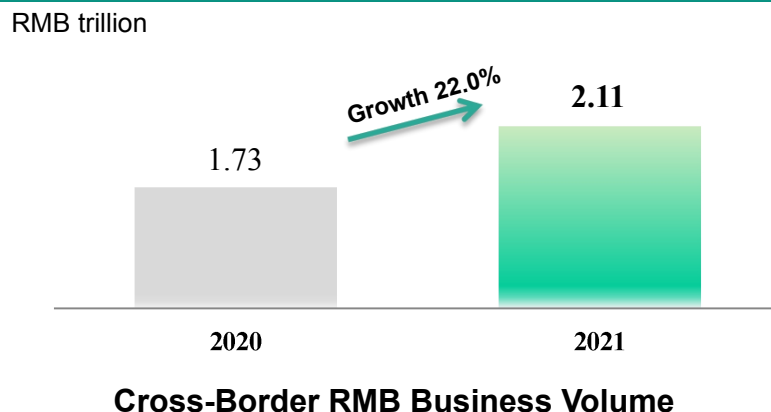


Steady Development of Subsidiaries of Integrated Operation



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

Progressive Development of Cross-Border RMB Business



Supported the Belt and Road Initiative and “Going Global” Demand of Enterprises



The volume of loans, letters of guarantee and overseas bond issuance related to enterprises “going global” amounted to USD **52,166 million**



Businesses in countries along the Belt and Road Initiative amounted to USD **3,216 million**



Managed Credit Risk

- Optimized the credit risk management mechanism, implemented the centralized management and the whole-process management for credit risk.
- Strengthened the internal rating management of credit risk and improved the risk management ability of online credit business.
- Improved the system of principal responsible persons for loans and the mechanism of accountability evaluation and strengthened their responsibility for loan management.
- Continuously prevented risk in key areas.

Strengthened IT and Network Security Risk Prevention

- Continued to optimize the IT technical architecture. Strengthened the development of a disaster recovery system. Upgraded the cyber security and data security defense system.
- Regularly carried out emergency disaster recovery and cyber-attack and defence drills, so that our capabilities to guarantee our business continuity and protect our information security were significantly strengthened.



Actively Prevented Market Risks

- Strengthened the tracking and research process of the market situation. Strengthened the integrated management of market risk. Controlled foreign exchange risk exposure.
- Improved the market risk measurement and limited management. Strengthened the penetration management of underlying asset, and strictly prevented risk spillover and cross-contamination.

Strengthened Internal Control and Compliance Management

- The building of the compliance system was comprehensively deepened, through carrying out the activities of Year of Establishment of Internal Control and Compliance and Year of Establishment of System and Compliance.
- Strengthened anti-money laundering and sanctions risk management.



Financial Performance



Business Strategy & Development



Business Forecast



Continuously Provide High Quality Financial Services, and Become a Leading Bank in Rural Revitalization



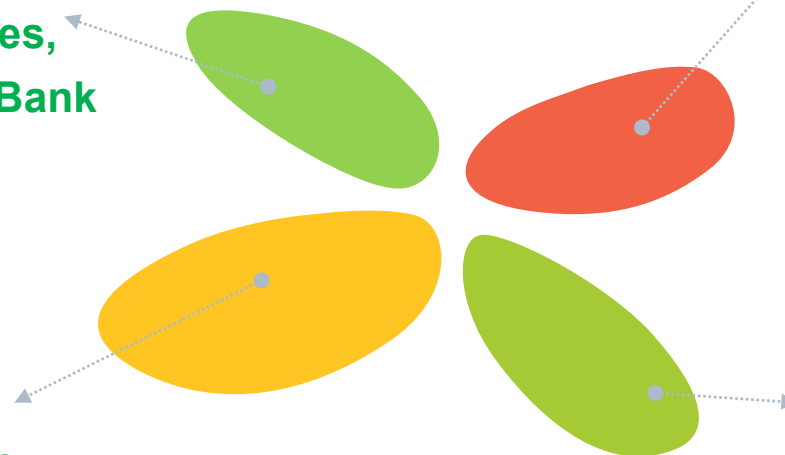
Deepen the Reform and Transformation of Key Areas, and Continuously Stimulate Development Vitality



Build the Creation of a New Pattern of Development, and Position the Bank as a Major Bank Serving the Real Economy



Strengthen Risk Management Comprehensively, and Firmly Hold the Risk Limitations in Our Operations and Development





Thank you!

Q&A