

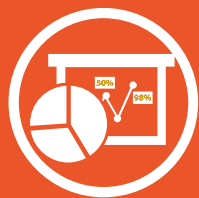
# Ping An Bank 2017 1Q Report Release

April 2017



# CONTENTS

目录



## 1. Financial Summary

- ▶ Earnings and Scale
- ▶ Quality and Efficiency
- ▶ Income and Expense
- ▶ Core Regulatory Indicators

# 1.1 Earnings and Scale

(in RMB100 mn)

	Jan-Mar 2017	Jan-Mar 2016	YoY	
			Change	Change %
<b>1. Net Profit</b>	<b>62.14</b>	<b>60.86</b>	<b>1.28</b>	<b>2.10%</b>
	2017-3-31	2016-12-31	YTD	
			Change	Change %
<b>2. Total Assets</b>	<b>30,062</b>	<b>29,534</b>	<b>528</b>	<b>1.79%</b>
<b>Total Loans</b>	<b>15,705</b>	<b>15,147</b>	<b>558</b>	<b>3.68%</b>
<b>Including: Loans and Advances</b>	<b>15,482</b>	<b>14,758</b>	<b>724</b>	<b>4.90%</b>
(1) Corporate Loans	9,630	9,348	282	3.01%
(2) Retail Loans	5,852	5,410	442	8.17%
<b>3. Total Liabilities</b>	<b>27,985</b>	<b>27,512</b>	<b>473</b>	<b>1.72%</b>
<b>Total Deposits</b>	<b>23,916</b>	<b>24,026</b>	<b>-110</b>	<b>-0.46%</b>
<b>Including: General Deposits</b>	<b>19,121</b>	<b>19,218</b>	<b>-97</b>	<b>-0.51%</b>
(1) Corporate Deposits	16,226	16,528	-302	-1.83%
(2) Retail Deposits	2,895	2,690	205	7.62%
<b>4. Shareholders' Equity</b>	<b>2,077</b>	<b>2,022</b>	<b>55</b>	<b>2.75%</b>

# 1.2 Quality and Efficiency

(in RMB100 mn)

	2017-3-31	2016-12-31	YTD
<b>1. Asset Quality</b>			
NPL Balance	269.27	257.02	4.77%
NPL Ratio	1.74%	1.74%	---
Provision Coverage Ratio	163.32%	155.37%	+7.95 pps
Provision-to-Loan Ratio	2.84%	2.71%	+0.13 pp
	Jan-Mar 2017	Jan-Mar 2016	YoY
<b>2. Return on Assets</b>			
Annualized Average Return on Total Assets	0.83%	0.94%	-0.11 pp
Annualized Weighted Average Return on Equity	12.35%	14.01%	-1.66 pps
<b>3. Net Interest Spread (NIS)</b>	<b>2.37%</b>	<b>2.76%</b>	<b>-0.39 pp</b>
<b>4. Net Interest Margin (NIM)</b>	<b>2.53%</b>	<b>2.91%</b>	<b>-0.38 pp</b>
<b>5. Cost/Income Ratio (Excluding Business Tax)</b>	<b>24.55%</b>	<b>29.35%</b>	<b>-4.80 pps</b>

# 1.3 Income and Expense

(in RMB100 mn)

	Jan-Mar 2017		YoY		
	Amount	% of Total	Change	Change %	Change in % of Total
<b>1. Operating Income</b>	<b>277.12</b>	<b>100.00%</b>	<b>1.80</b>	<b>0.65%</b>	
Net Interest Income	188.69	68.09%	-2.10	-1.10%	-1.21%
Net Non-interest Income	88.43	31.91%	3.90	4.61%	1.21%
<b>2. Operating Expense</b>	<b>70.50</b>		<b>-29.18</b>	<b>-29.27%</b>	
Operation and Administrative Expense	68.04	24.55%	-12.76	-15.79%	-4.80%
<b>3. Profit Before Provisions</b>	<b>206.62</b>		<b>30.98</b>	<b>17.64%</b>	
<b>4. Less: Asset Impairment Loss</b>	<b>124.34</b>		<b>28.84</b>	<b>30.20%</b>	
<b>5. Net Profit</b>	<b>62.14</b>		<b>1.28</b>	<b>2.10%</b>	
<b>6. EPS (RMB)</b>	<b>0.31</b>		<b>-0.04</b>	<b>-11.43%</b>	

# 1.4 Core Regulatory Indicators

(Unit: %)

	Benchmark	2017-3-31	2016-12-31
<b>1. Capital Adequacy</b>			
Capital Adequacy Ratio	≥10.5	11.48	11.53
Tier 1 Capital Adequacy Ratio	≥8.5	9.23	9.34
Core Tier 1 Capital Adequacy Ratio	≥7.5	8.28	8.36
<b>2. Liquidity</b>			
Liquidity Ratio	≥25	48.85	49.48
Liquidity Coverage Ratio	≥90 (Current year)	89.15	95.76

# CONTENTS

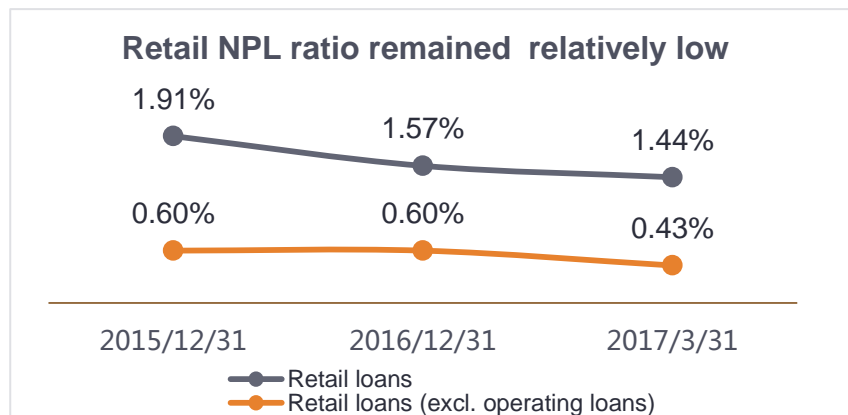
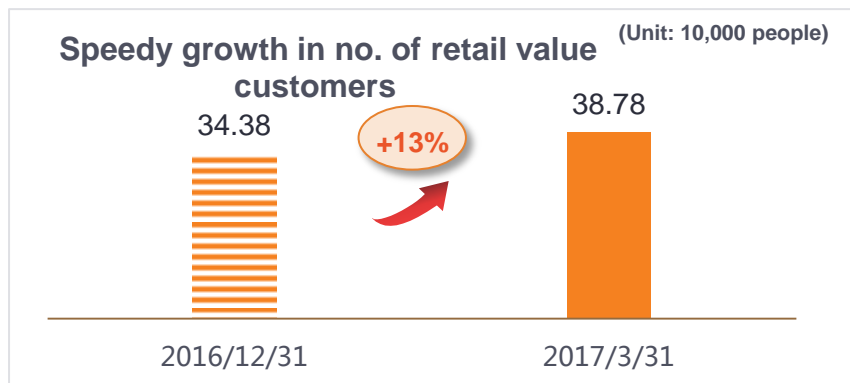
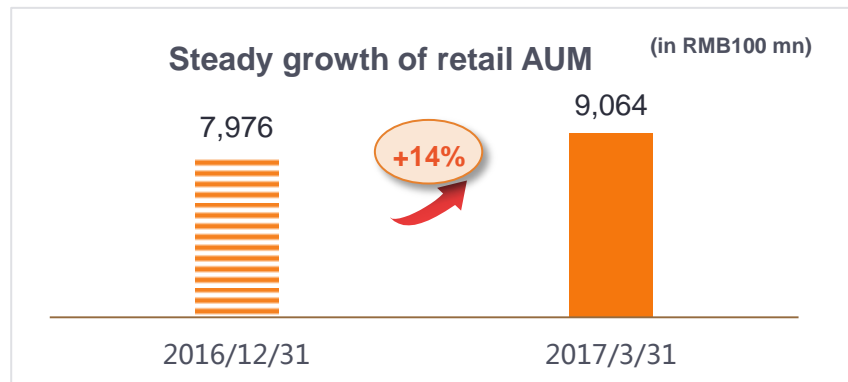
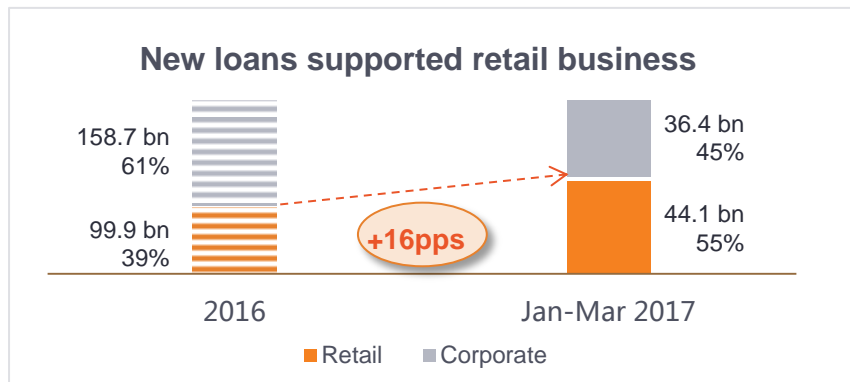
目录



## 2. Performance Highlights

- ▶ Significant value from strategic transformation
- ▶ Continued optimization of operation
- ▶ Initial success of dual light strategy in corporate business
- ▶ Enhanced capability in risk prevention

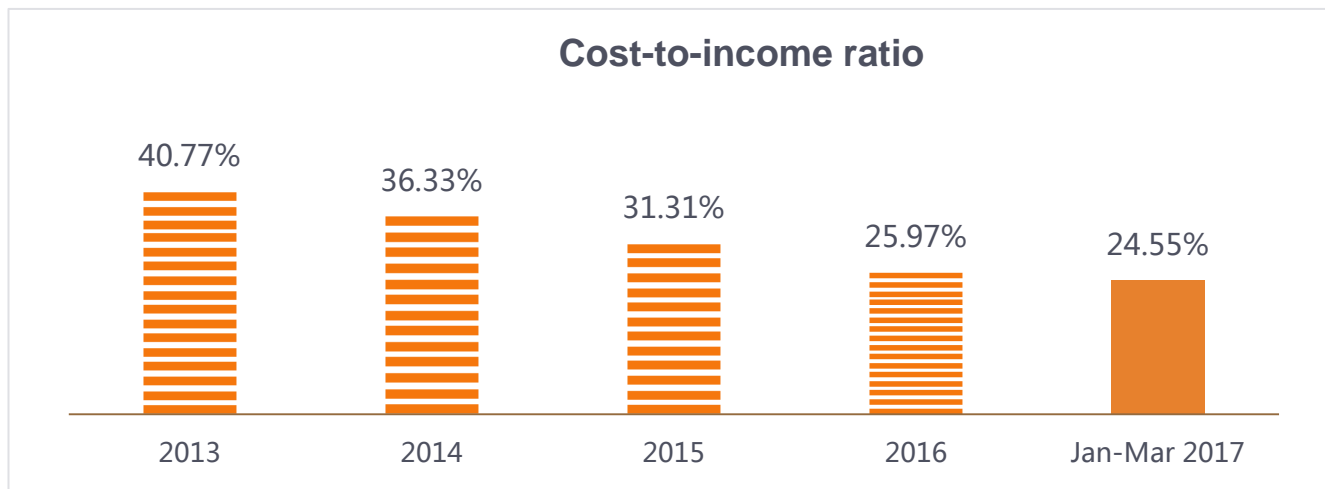
## 2.1 Significant value from strategic transformation





## 2.2 Continued optimization of operation

- Cost-to-income ratio continued to optimized. Q1 cost-to-income ratio was 24.55%, down by 1.42% over the entire 2016 or 4.8% YoY.



## 2.3 Initial success of dual light strategy in corporate business



## 2.4 Enhanced capability in risk prevention

### Greatly Increase Provisions

- Q1 accumulative provision amounted to RMB12.4bn, up by RMB2.9 bn or 30% YoY;
- Closing balance of provision for loans was RMB44.0 bn, up by RMB4.1 bn or 10% YTD. Capability in risk prevention was enhanced.
- Provision-to-loan ratio was 2.84%, up by 0.13% over the end of previous year; provision coverage ratio was 163.32%, up by 7.95% over the end of previous year.

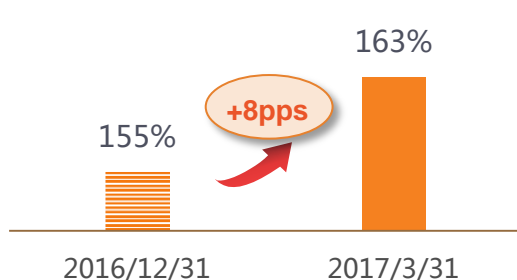
### Improved Management of NPL

- Established Special Asset Management BU and professional team to collect and operation professionally and intensively;
- Total recoverable assets in 2017Q1 were RMB2.394 bn, up by 111.86% YoY; of which, 90% was recovered in cash and the rest in the form of paying debt in kind.

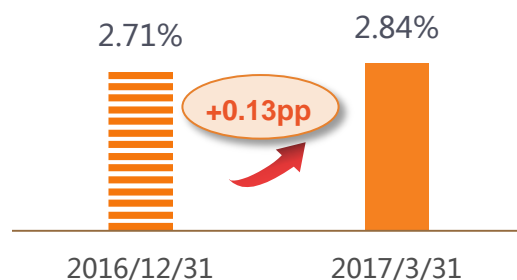
Balance of provision (in RMB100 mn)



Provision coverage ratio



Provision-to-loan ratio



# CONTENTS

目录



## 3. Business Initiatives for 2017Q2

# Business Initiatives 2017Q2

## Business Initiatives



- Actively promote transformation of retail business, improve SAT construction and utilization to achieve speedy growth



- Promote dual-light transformation of corporate business from scale driven to quality and value driven



- Strengthen risk management, strictly monitor risks associated with new businesses and put great efforts to alleviate NPL



- Actively build a credit platform based on big data and accelerate the development of standard network financing business (KYB)



- Strengthen team management, enhance the building of talent team and enhance the professional level and management skills

Thanks

中国平安

保险·银行·投资

平安银行  
PING AN BANK

平安银行投资团队

[PABIR@pingan.com.cn](mailto:PABIR@pingan.com.cn)

