

# Potential Cooperation Opportunities in Africa



*China Development Bank*  
*October, 2007*

# Outlines

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- 1 Brief Introduction of CDB
- 2 Sound Business Development of CDB
- 3 Impressive Financial Track Record of CDB
- 4 Potential Cooperation in Africa

# Our Status, Mission and Objectives

- Established in 1994 under a Special Decree of the State Council
- China's statutory development financing institution
- Largest among China's three policy banks

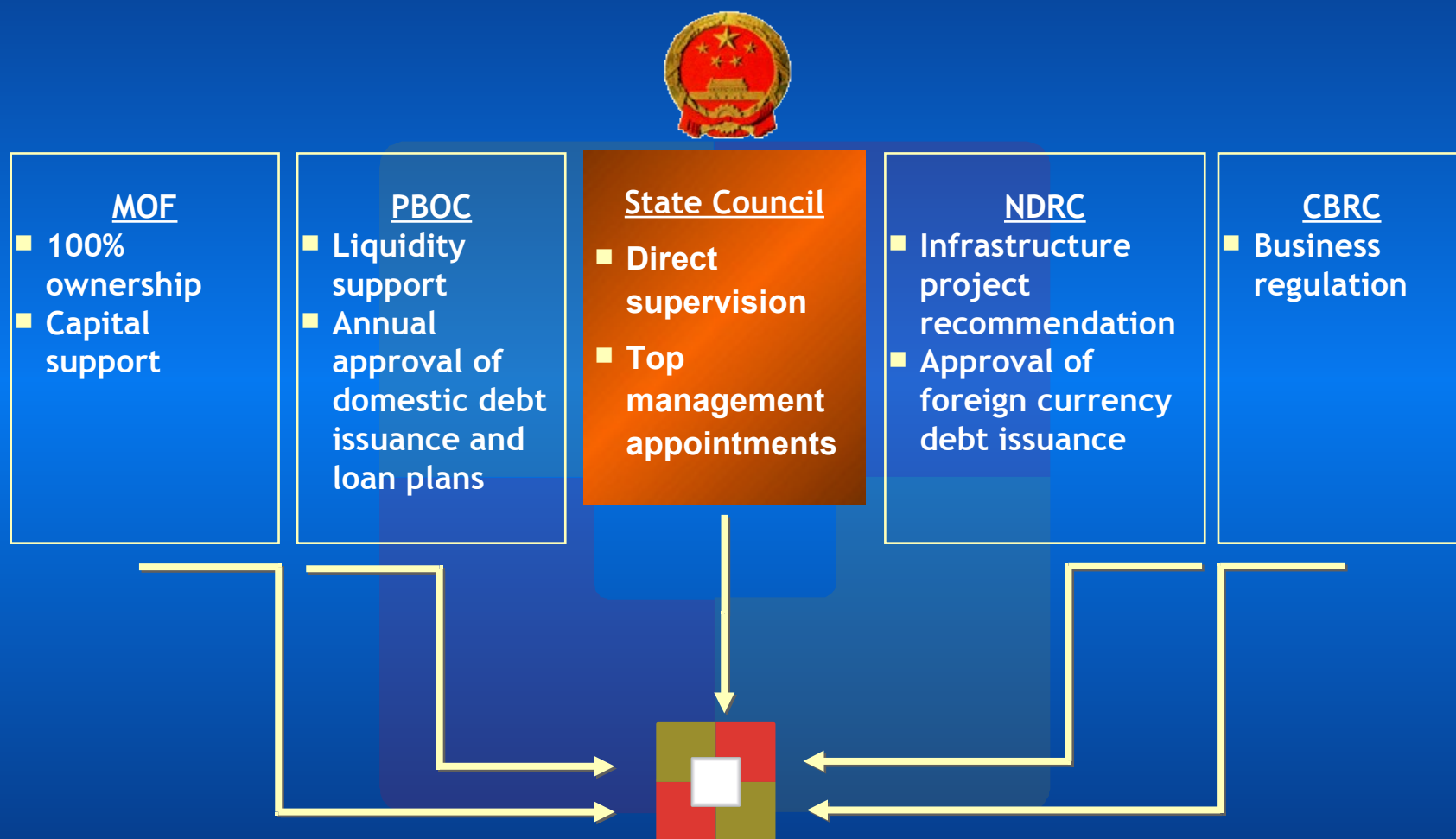
## Mission

- Backed by sovereign credit, raise and guide capital in the society
- Finance strategic infrastructure projects and support government priority development areas

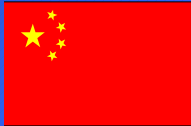







## Objectives

- Achieve government policy objectives with sound operating performance
- Continuously enhance China's ability to support economic and social development

# Strong Relationship with the Government



# CDB has Consistent Rating as China's Sovereign Rating

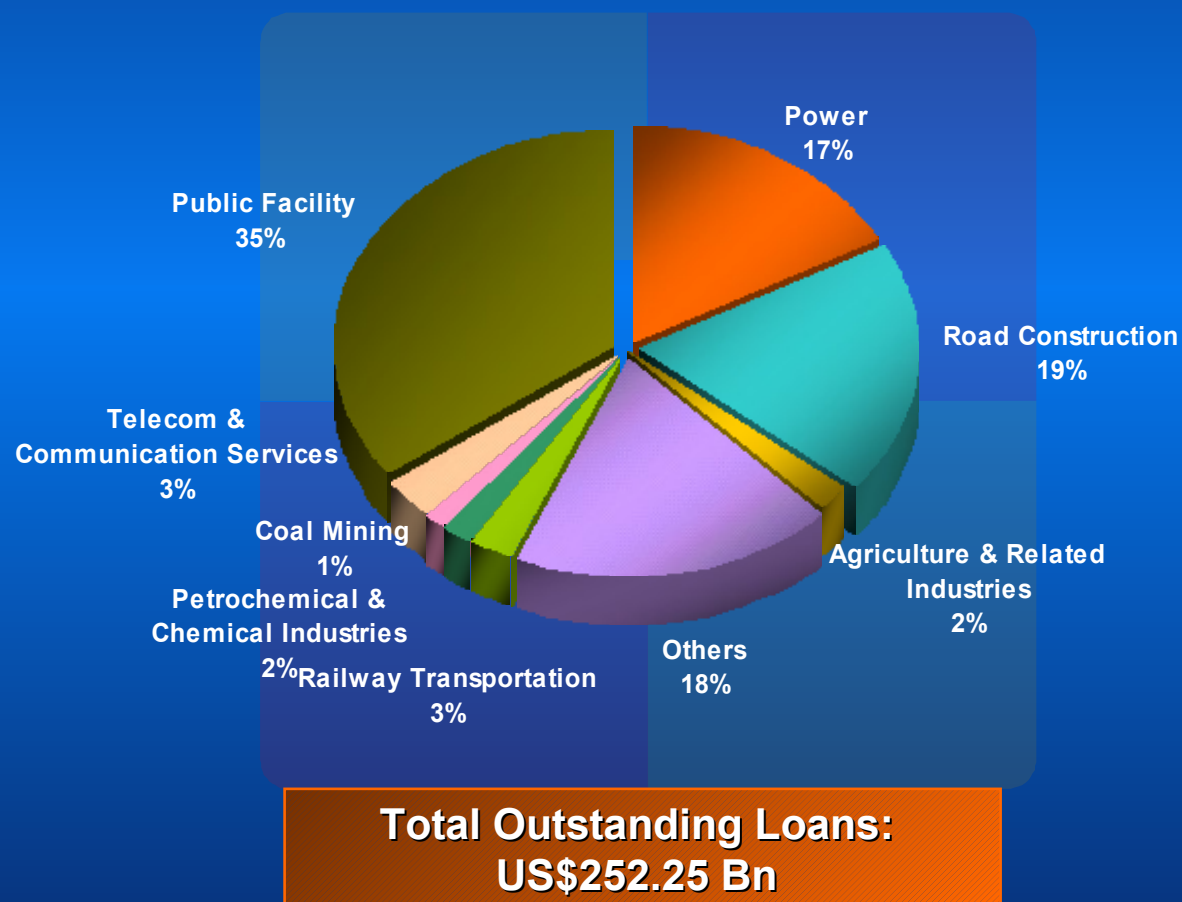
	China	CDB
		
	 A2 (stable)	A2 (stable)
	 A- (positive)	A- (positive)
	 A	A

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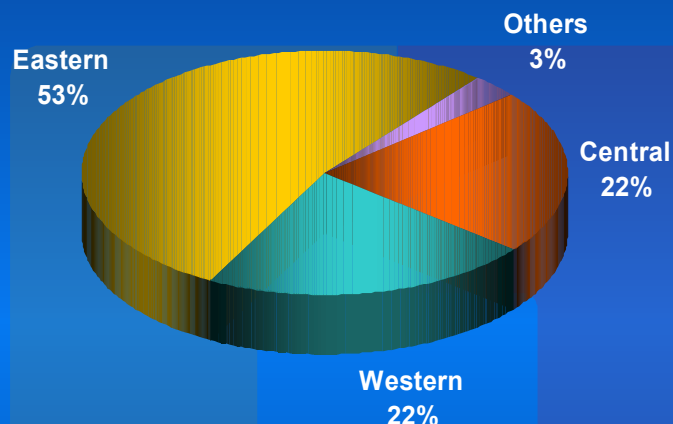
# Supporting Key Industrial Sectors

## Outstanding Loans by Sector (End of 2006)

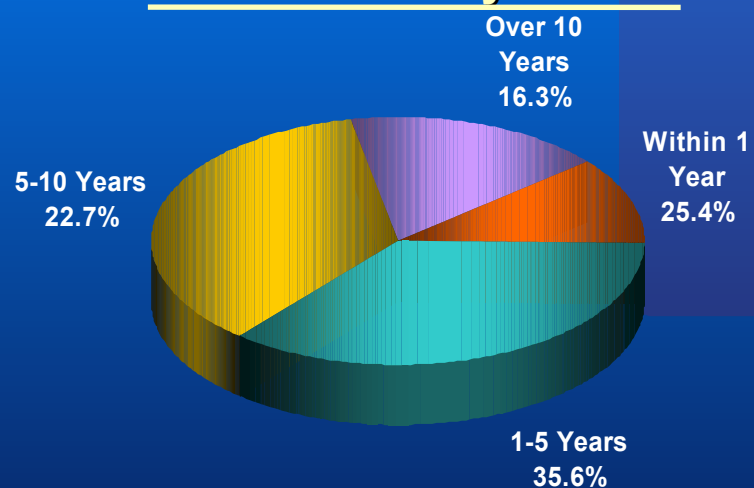


# Breakdown of Outstanding Loans

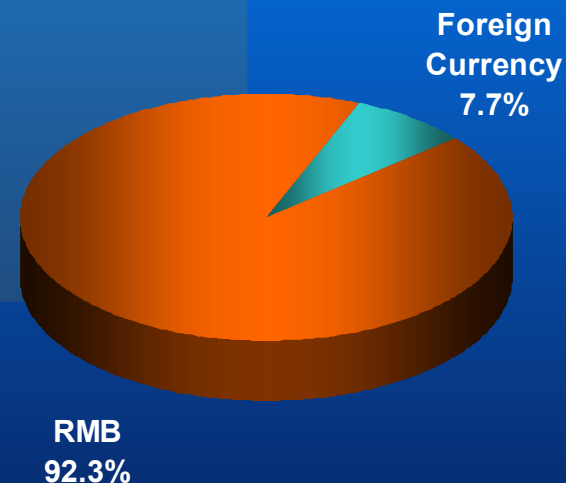
## By Region



## By Remaining Maturity



## By Currency

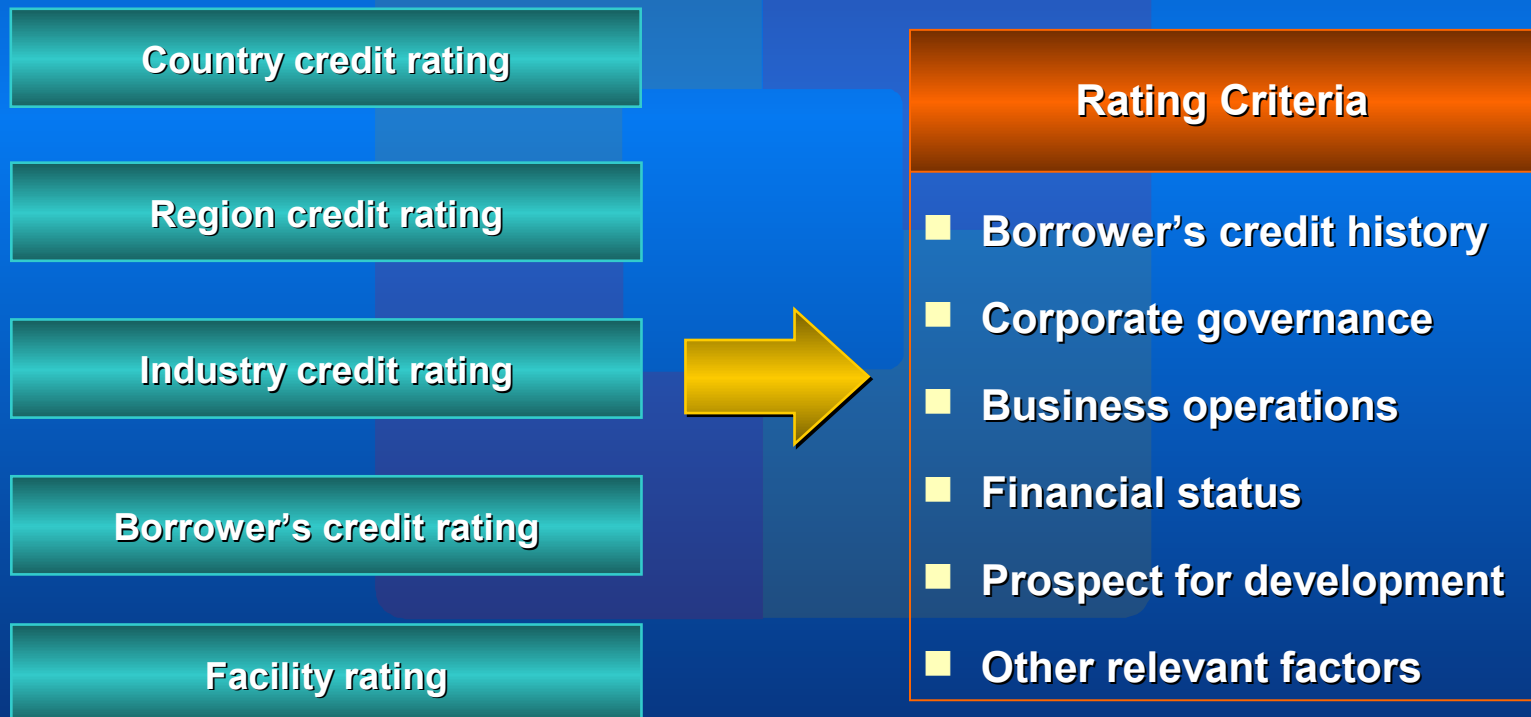


*\*Total loan outstanding was US\$252.25 billion as of Dec 31, 2006*



# Comprehensive Internal Rating System

- CDB has set up a comprehensive internal rating system, focusing on five rating areas with 13 classes.
- Conduct quarterly or annual review on all five rating areas



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# Main Operating Statistics

*Unit: USD Billion*

	2003	2004	2005	2006
Total Assets	155	190	236	289
Total Loans Outstanding	138	170	215	252
Non-Performing Asset Ratio	1.9%	1.3%	0.96%	0.75%
Reserve for Credit Losses Ratio	1.9%	1.7%	1.41%	1.36%
Reserve for Credit Losses / NPL	140.4%	142.2%	177.06%	190.6%
Total Liabilities	144	177	220	270
Total Bonds Outstanding	129	154	192	238
Total Owner's Equity	10.8	13.0	16.2	19.8
Capital Adequacy Ratio	10.3%	10.5%	9.15%	8.05%
Net Profit	1.6	2.1	2.8	3.5
Net Interest Income	3.0	3.8	5	6.6
Return on Average Assets	1.1%	1.2%	1.31%	1.3%
Return on Average Owner's Equity	16.0%	17.7%	19.15%	19.2%

# Impressive Financial Track Record

Unit: USD Billion

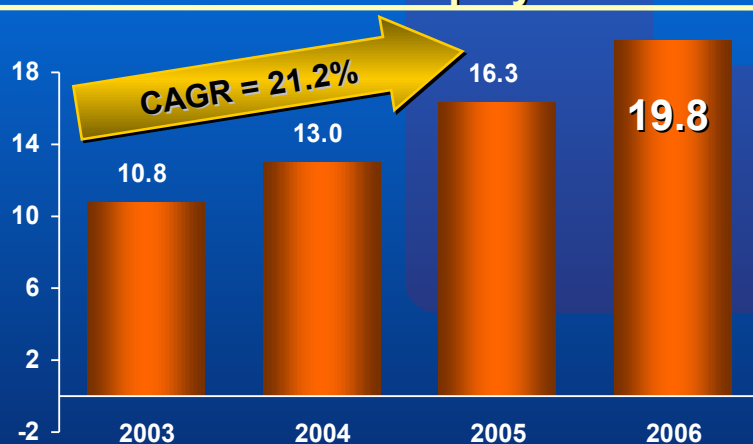
## Total Loans Outstanding



## Net Profit



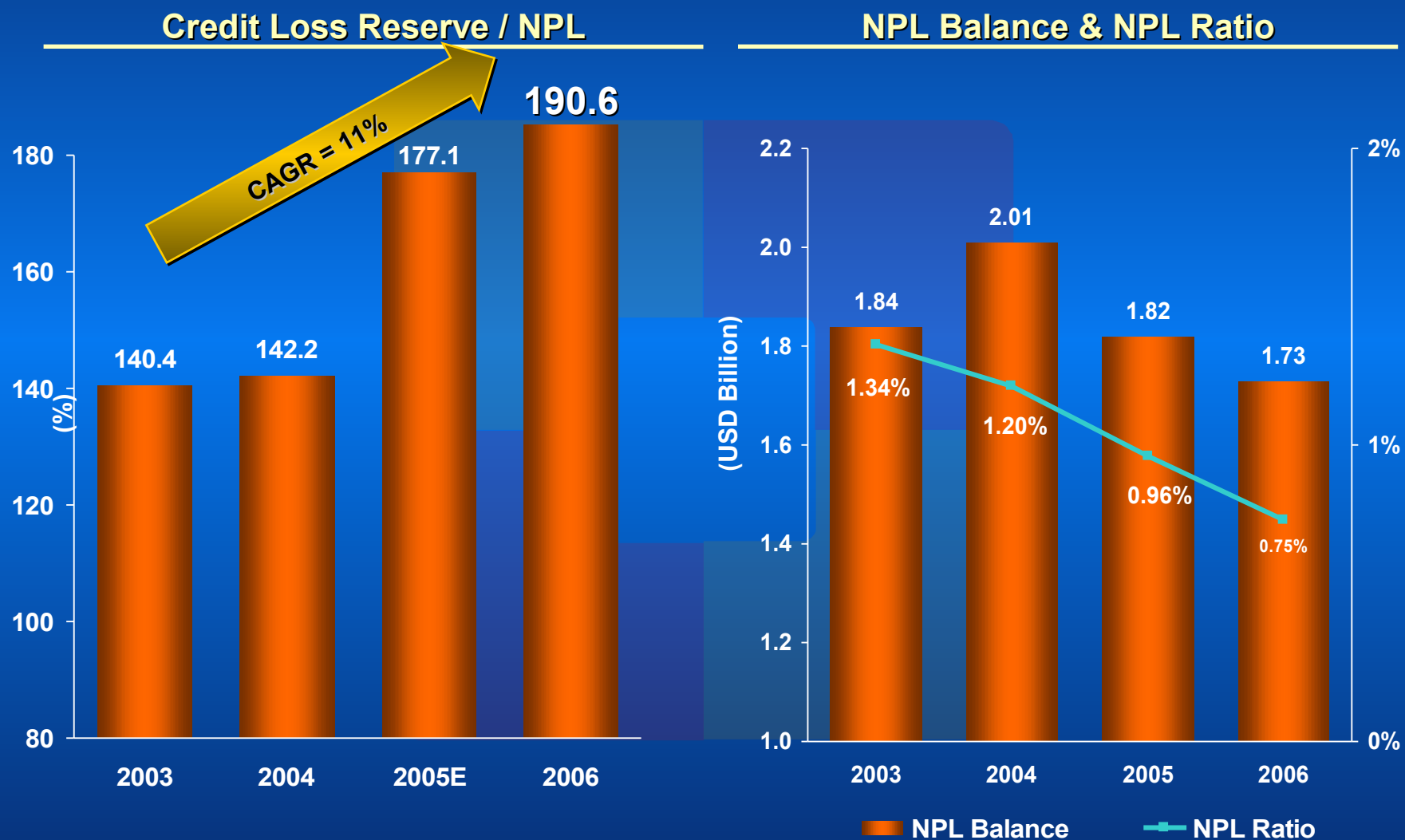
## Owner's Equity



## Net Interest Income



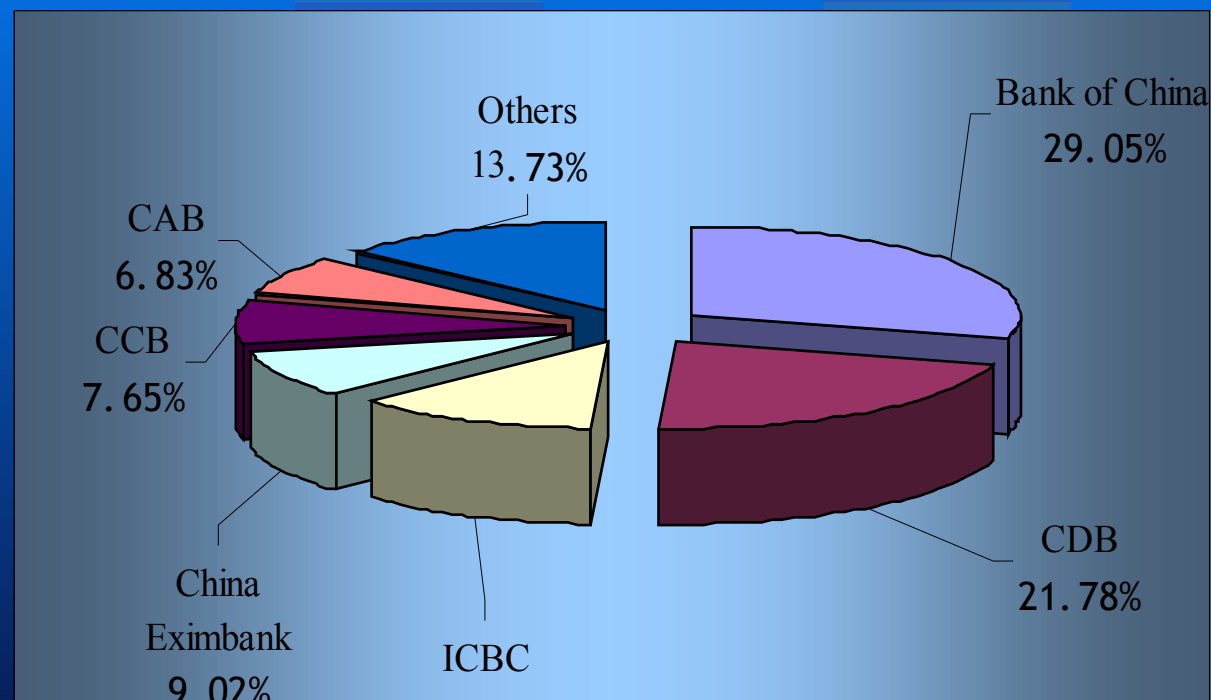
# Solid Asset Quality



# International Business of CDB

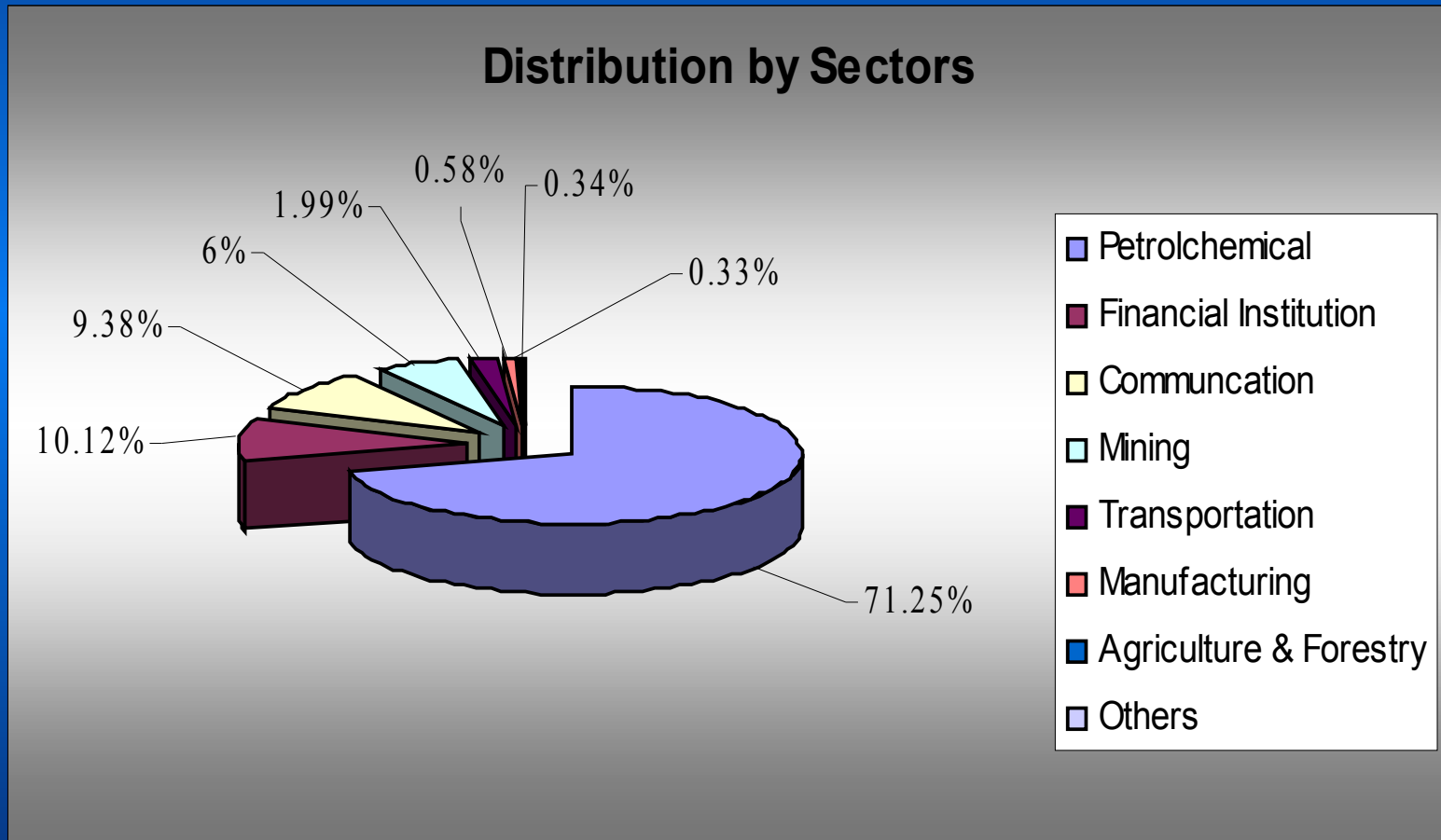
At the end of 2006, the outstanding of foreign currency loan is US\$ 33.219 billion. More than 70% projects are long-term loans.

CDB accounts for 21.78% in Chinese foreign currency loan market, representing the second largest share.



# International Business of CDB

## Distribution by Sectors



# The Operation of CDB in Africa

CDB has already dispatched **7** working teams in Africa:

Egypt

Nigeria

Kenya

South Africa

Uganda

Zimbabwe

Democratic Republic of Congo

The number of working teams will be increased.

The amount of loan outstanding in Africa is **US\$  
800million**



# The Operation of CDB in Africa (Continued)

Cooperation with some African Country's:

Uganda

Kenya

Benin

Cooperation with sub-regional financial institutes:

PTA( 西非开发银行 )

BOAD 西非开发银行

East African Development Bank 东非开发银行

BDEAC 东非开发银行

IDBZ ( 西非开发银行 )

# The Operation of CDB in Africa (Continued)

We process our business in Africa on market-base.

For the general loan term, the maturity is not longer than 20 years (including the grace period), and the interest rate is floating rate based on six month LIBOR plus a reasonable margin.

The final All-in cost will be decided through discussion.

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# Background

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- *Improving infrastructure is an important part in African development strategy.*
- *Financial Cooperation in infrastructure, Agriculture, Energy and other areas is helpful for hastening the development in Africa.*

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## Cooperation Proposal:

### 1. General Project Financing

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China Development Bank offers Joint-lending or Joint project finance for economically viable projects.

## Cooperation Proposal: 2. Staff Exchanging

**Potential  
Cooperation  
Partners**  
  
**Profuse  
experience in  
African  
operations**

**Human  
Resource**

**CDB**  
  
**Extensive  
knowledge in the  
field of  
infrastructure  
and basic  
industry building**

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## **Cooperation Proposal:**

### **3. Information Sharing**

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**Potential  
Cooperation  
Partner in  
African  
Countries**

Macro-Economic  
Financial System  
Project Information

**CDB**  
**7 working  
teams in  
Africa,  
more in the  
future**

## Cooperation Proposal: 4. Other Areas

# Capacity –Building

# Line of Credit

# Currency Swap

2007 Shanghai Annual Meeting, AFDB ( 2007年5月5日 )



The background is a deep blue gradient. In the top left corner, there is a bright sun or light source creating a lens flare effect. Overlaid on the background are several semi-transparent geometric shapes: a large light blue parallelogram, a smaller dark blue square, and a medium blue rectangle. In the upper right, there is a faint, desaturated image of a landscape with hills and a winding road.

***Thanks for Your Patience!***

**China Development Bank**

**October, 2007**