

Risk Management

In 2012, the Bank, with the aim of helping accelerate the change of China's growth model and boosting its real economy, focused on loan structure adjustment, post-lending management and innovation of management schemes. The Bank's assets remained sound and its non-performing loan ratio stood at 0.75% at the end of the year.

First, loan structure adjustment was intensified.

Efforts included the building of a sector-based risk management system, increased lending support to export, cultural and tourism sectors, the launch of green credit, initiative taken to prevent risk of financing platforms, and steps taken to mitigate risks in industries with excess capacity.

Second, loan management was strengthened to solve key business problems.

Check of approval and management of credit lines to corporate clients was tightened. Regulations on different loan categories were adjusted accordingly. Evaluation and approval of loans were improved. Loans to small and micro businesses were under prudent management and their performance was closely monitored. And the threshold of loan approval was raised. These measures, while keeping risks under control, ensured sound loan management and greatly facilitated business growth of the Bank.

Third, risk management was enhanced through innovation.

Efforts included the launch of a comprehensive risk management scheme and IT application in assessment of credit risk, market risk, country risk, and risk measurement and risk management. By doing so, the Bank improved its internal management mechanism and raised risk awareness among its staff.

Fourth, internal control and risk audit were strengthened to improve detail focused management.

A system to monitor risk management was put in place so that statistics can be collected and reports filed on individual cases in a timely way. Risk management accountability was vigorously enforced. Continued efforts were made to strengthen anti-money laundering and prevent irregularities. Both off-site and on-site audit was conducted to give full play to the role of audit in supervision, evaluation and consultancy. These steps helped enhance detail focused management in the Bank.