
Asian Tour

Capability Transfer Program (CTP)

Timothy Wong
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Hangzhou
8 March 2006



Agenda

JNB – Background Information

The Team

CTP Update

Next Steps



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Background - Shandong

Based on the economic and affluence criteria, Shandong Province is in the top 10 of the most attractive regions in China

Key Economic Indicators of Selected Province / Municipality

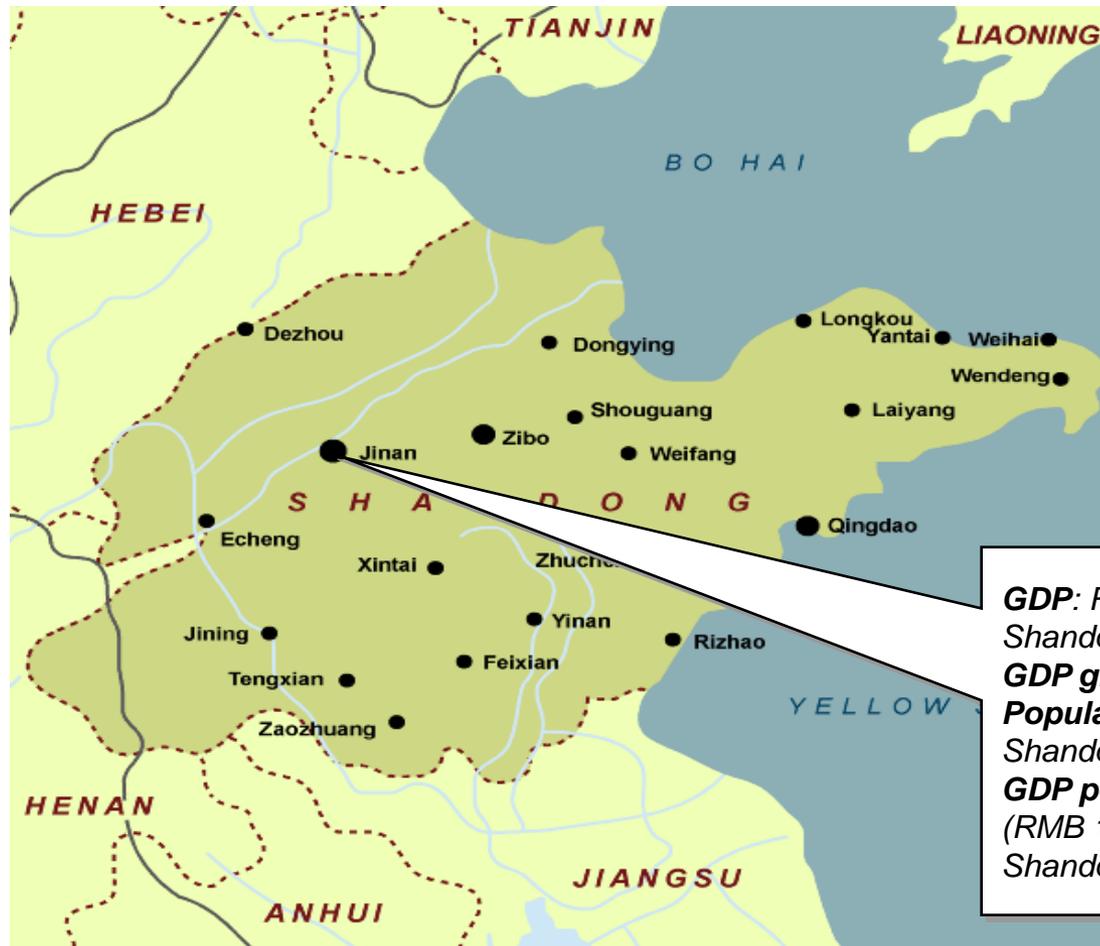
Province / Municipality	Total Population (m)	GDP per capita (RMB)	Urban Disposable Income per capita (RMB)	Number of CCBs present
Shanghai	17.1	36,533	14,867	1
Beijing	14.6	25,159	13,883	1
Tianjin	10.1	24,210	10,313	1
Zhejiang	46.8	20,075	13,180	8
Guangdong	79.5	17,131	12,380	7
Jiangsu	74.1	16,825	9,262	11
Fujian	34.8	15,000	10,000	3
Shandong	91.3	13,628	8,400	9
National Total / Average	1,292	9,073	8,472	~126

Attractive Provinces



Source: China Statistical Yearbook 2004

Background - Jinan

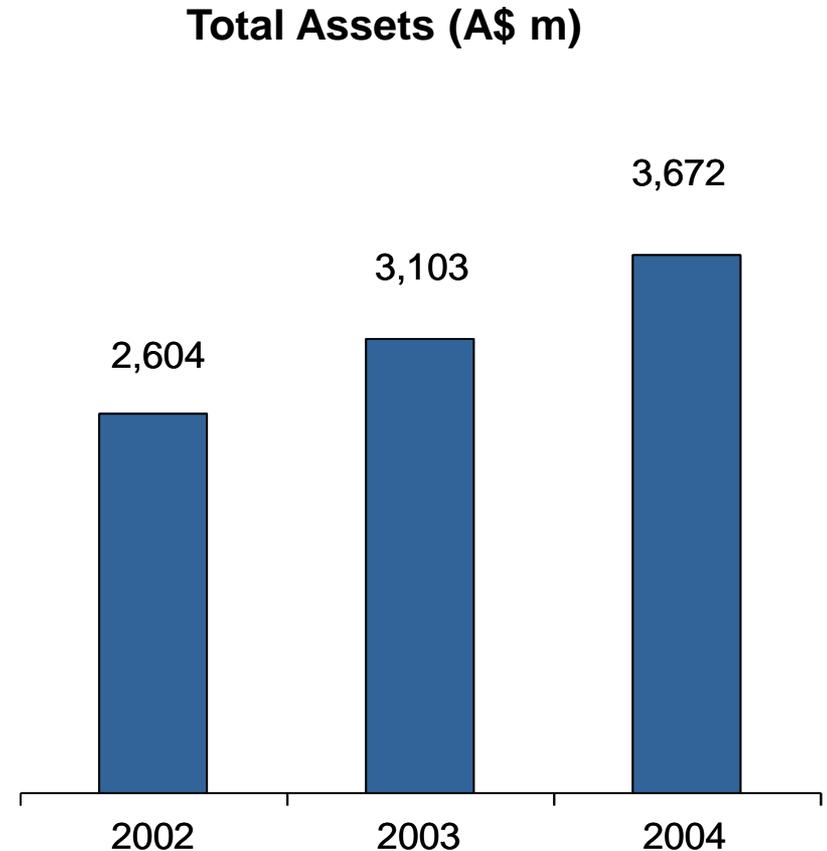


Source: Statistical Yearbooks, Literature Search, China Database

Background - JNB

Ranked number 11 of 126 Chinese city commercial banks

- Established in June 6 1996 as Jinan City Cooperation Bank based on the city credit unions.
- On 6 June 1998 the name changed to **Jinan City Commercial Bank (JNCCB)**.
- During 2005, Jinan City Commercial Bank dropped “CC” (City Commercial) from its acronym to **JNB** as part of bank wide re-branding exercise.
- Operating 65 branches with a total of 1188 employees.
- Market Share ~6% (Jinan)
- *Total assets* of AUD 3.67 billion by end of 2004
- *Operating profit* of AUD 28.75 million by end of 2004



Source: Statistical Yearbooks, Literature Search, China Database, Publications



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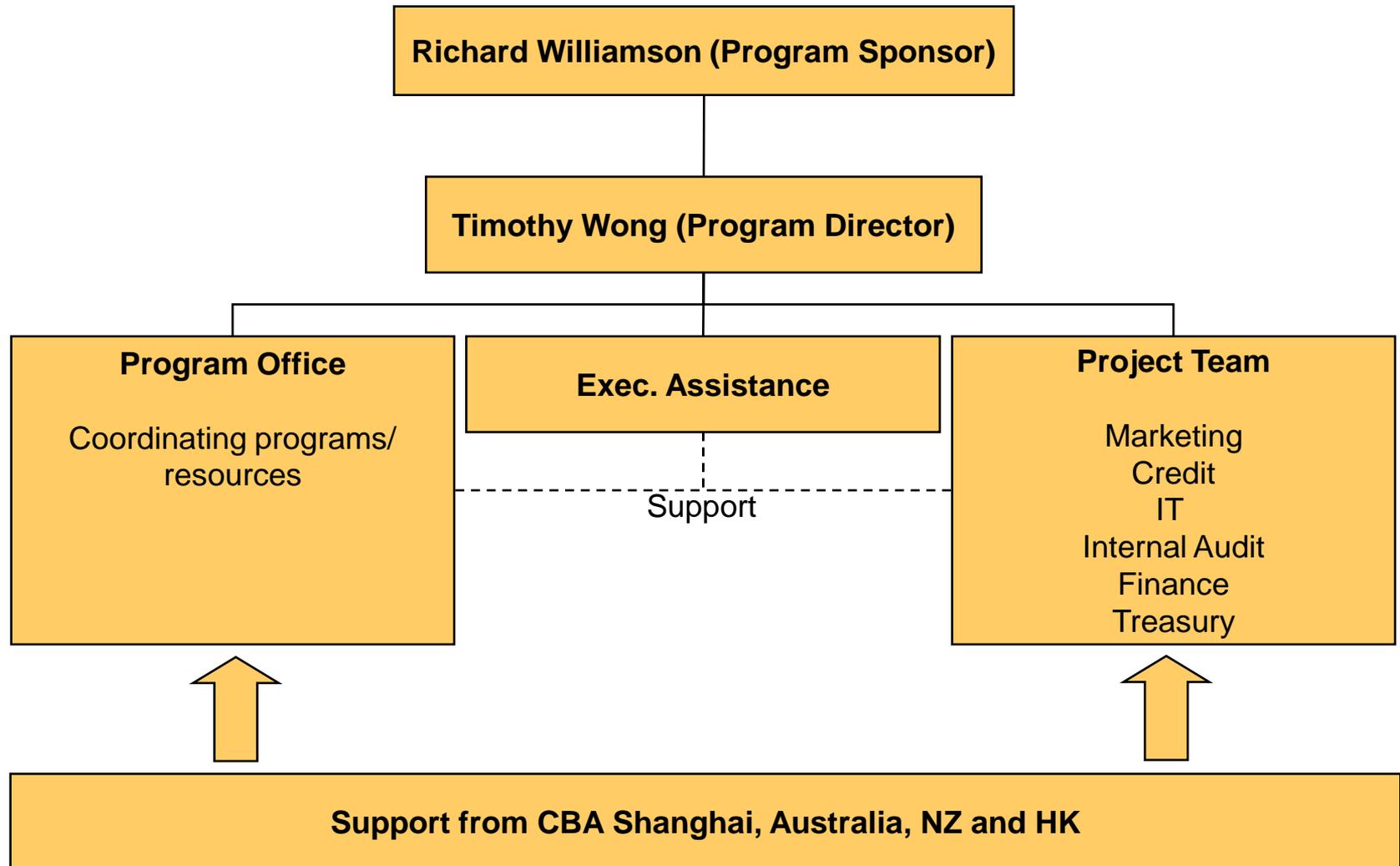
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Team Structure



Team Composition

- International background – US, UK, Canada, Australia, HK
- 70% of staff have previous experience working in Chinese financial institutions
- 60% of staff have post-graduate degrees, some have completed or studying towards professional qualifications such as CFA, CA, CPA
- All staff are bi-lingual
- Average years of work experience – 10 Years
- Support / subject experts – experience of more than 30 years
- Highly professional team



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CTP - Objective

- To provide our China banking partners with access to CBA's capabilities in certain business areas e.g.
 - Marketing
 - Information Technology
 - Credit Management
 - Audit
 - Finance
 - Treasury
- To assist in raising the competitive position of our China banking partners in the medium to long term

CTP - Approach

Right Kind of People

Core Team

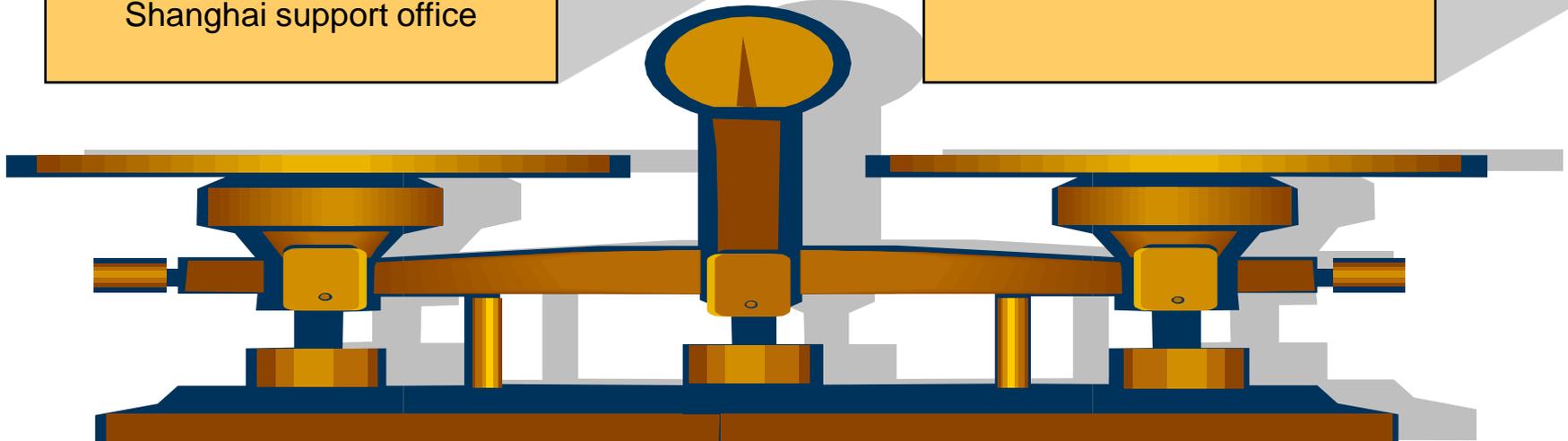
Professional
Well trained
Right skill set
Bi-lingual

Support by

Value add off-shore staff
Experienced subject experts
where required
Shanghai support office

Budget Considerations

Limited
Cost effectiveness
Shared approach managed
to outcomes



CTP - Update

JNB CTP contract was signed as part of the Strategic Co-operation Agreement in Nov 2004. The contract covered 6 broad areas:

1. Marketing
2. Information Technology
3. Credit Management
4. Internal Audit
5. Finance
6. Treasury



- Providing our partner banks with the building blocks required to transform into a bank with international standards
- Implementing these building blocks will provide a strong growth platform for our partner banks



CTP – Key Learnings

- Senior management endorsement from both parties
 - *Regular communications and feedback sessions*
- Right resources at the right time
 - *Resource planning and strong management support from both banks*
- Team work and cultural awareness
 - *Training prior to engagement and sharing of experience*
- Heavy travel schedule
 - *Strong back office support*



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Next Steps

- On-going Jinan CTP projects
- Preparing for HZB CTP scoping in line with HZB Strategic priorities



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