

**Uphold Integrity and Innovation,
Forge Ahead with Determination**

**Drive High-Quality Development to
Achieve New Results**



2024 Interim Results Announcement
September 2024 | Hong Kong, Beijing





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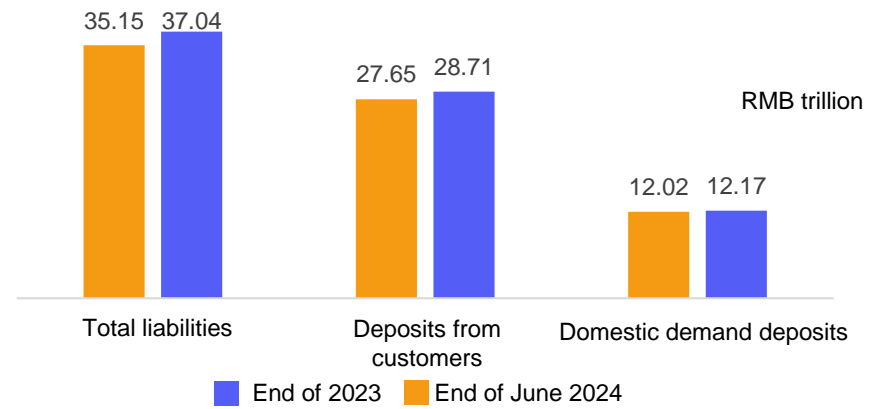
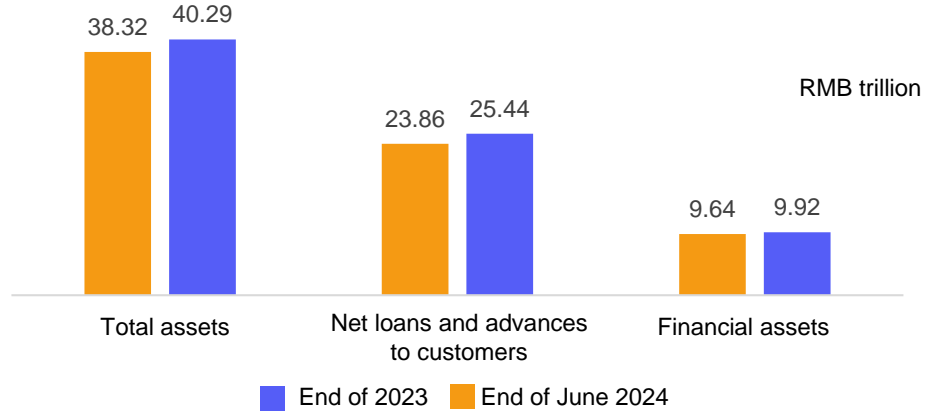
Contents





Sound Operating Performance

Balanced Growth of Assets and Liabilities



Steady Profitability Capabilities

Operating income

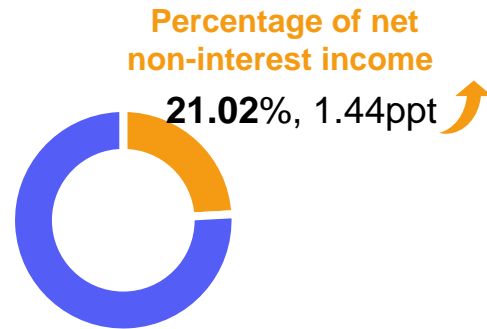
RMB 374.8 billion

Operating expenses

RMB 94.4 billion

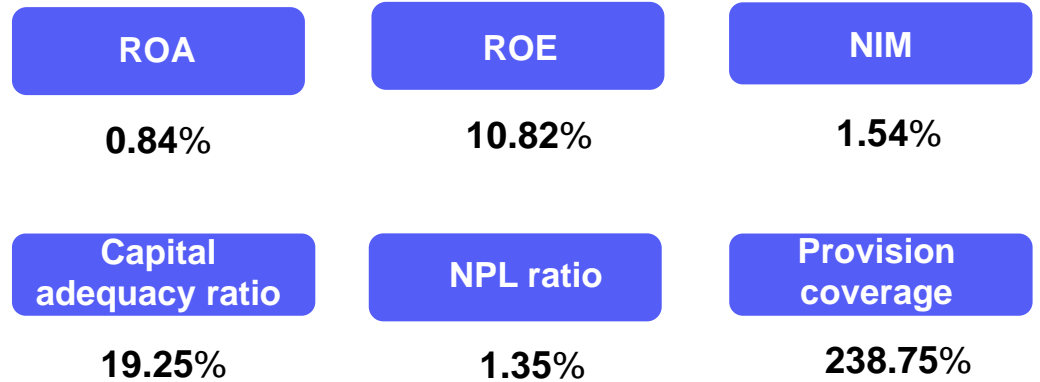
Net profit

RMB 165.0 billion



Percentage of net interest income: 78.98%

Peer-Leading Core Performance Indicators



Contents



Financial
Performance



Fully Promote
High-quality
Development



Risk
Management



Outlook and
Strategies



Main Force to Serve the Real Economy

Focused on satisfying the reasonable financing needs of the real economy

Domestic corporate loans and advances of the Bank

RMB 14.68 trillion, +RMB 1.46 trillion

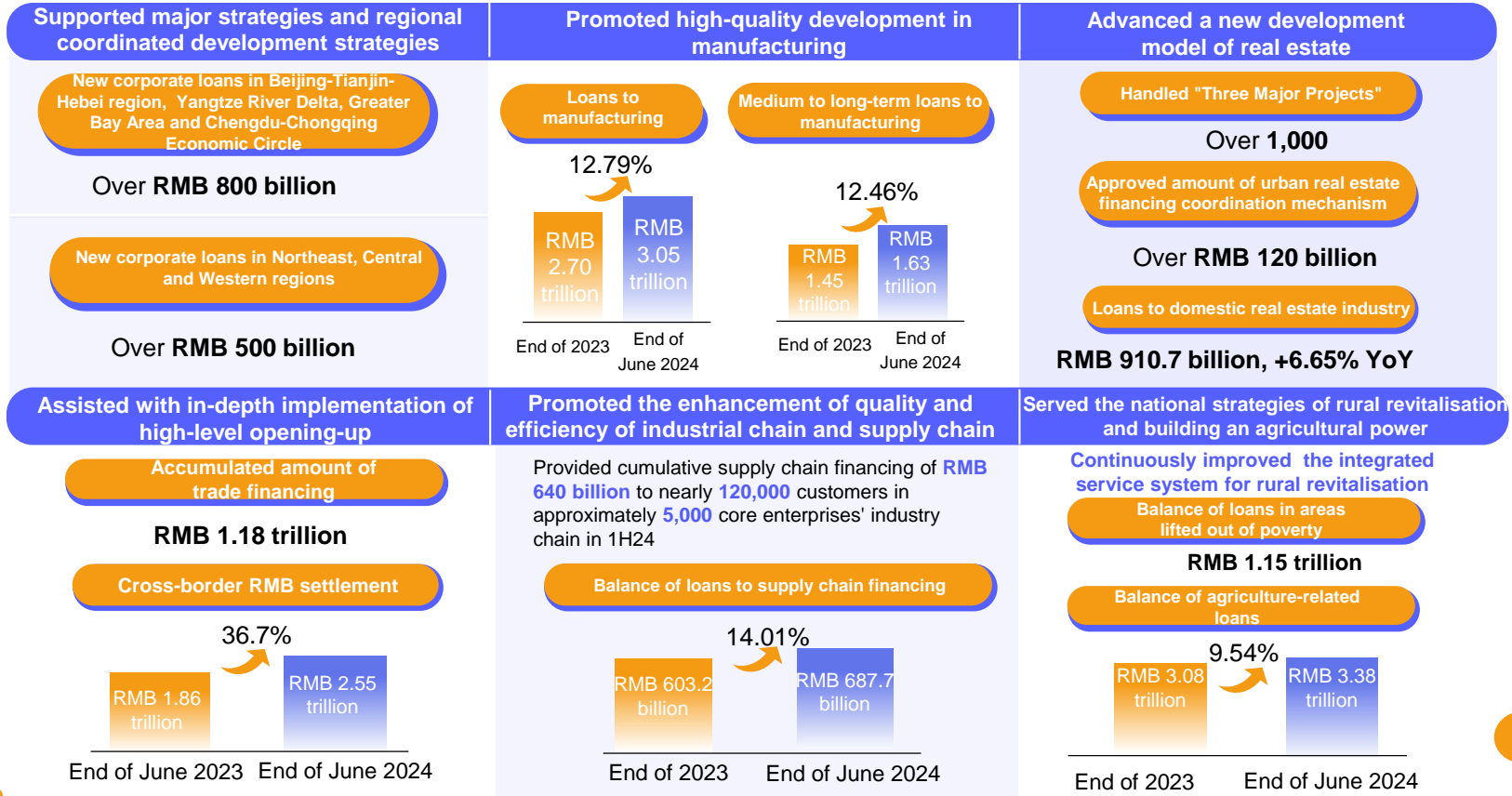
New steps taken in the "Five Major Chapters"

- Accelerated development of technology finance
- Enriched green finance product range
- Improved digital inclusive finance model
- Enhanced competitiveness of the three pillars of the Pension Finance business
- Strengthened capabilities to serve the digital economy

Strongly supported the implementation of proactive fiscal policy

RMB bond investment

RMB 9.25 trillion, +RMB 224.5 billion



Government bonds

RMB 7.59 trillion, +RMB 192.4 billion



Financial bonds from policy banks

RMB 970.2 billion, +RMB 70.3 billion



Corporate bonds

RMB 367.3 billion, +RMB 100 million



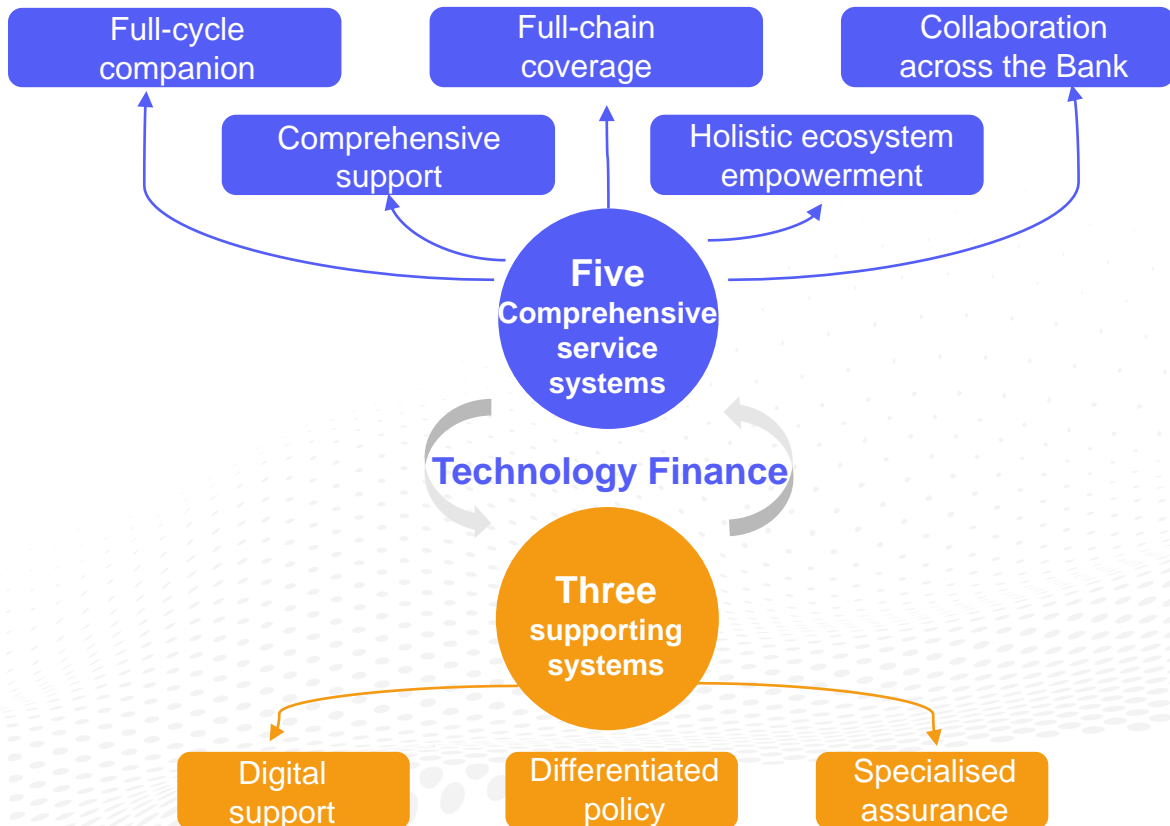
Investment in green sectors in the Bank's bond portfolio exceeded RMB 200 billion



New steps taken in the "Five Major Chapters" – Accelerated Development of Technology Finance

CCB Technology Finance

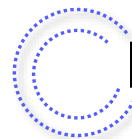
Five service systems and three supporting systems



Provided full-chain, full-life cycle, diversified and one-stop financial services for various innovation entities by leveraging tools such as **loans, bonds, equity and insurance**



Loans to sci-tech enterprises



RMB 1.80 trillion

▲ 12.31%



Loans to strategic emerging industries



RMB 2.72 trillion

▲ 21.19%



Provided investment banking financing for science and technology innovation enterprises



RMB 233.4 billion

▲ 5.66%



New steps taken in the "Five Major Chapters" – Integrated Development of Green Finance



Three Improvements

Improved capability to serve the green development of the economy and society

Improved collaborative effectiveness of the "Green+" strategy

Improved market influence of green financial products



Three Enhancements

Deepened climate-related risk management

Deepened carbon accounting management

Deepened Group's green operations



Two Notable Improvements

Notable improvements in the greenness of business

Notable improvements in capability to address climate change



Two Basic Formations

A comprehensive system of green financial products and services has taken shape

An operational model guided by green concepts has taken shape



Green Loans

RMB 4.46 trillion ▲ 14.93%

Green Loans

47.57%

Proportion of loans for green infrastructure upgrades

24.18%

Proportion of loans in the clean energy sector



Green Bonds

Participated in the underwriting of domestic and overseas green and sustainable development bonds with an issuance scale of approximately **RMB 59.494 billion**

Investment in green sectors in the Bank's bond portfolio exceeded **RMB 200 billion**



Diversified Green Product System

Balance of green leasing assets in CCB Financial Leasing's general leasing business was **RMB 43.175 billion**, accounting for **53.53%** of total

Green investment of CCB Investment reached **RMB 27.9 billion**

CCB Principal Asset Management has made equity investments of over **RMB 24.8 billion**

Balance of green assets in CCB Wealth Management reached **RMB 23.68 billion**



New steps taken in the "Five Major Chapters" – Improved Quality and Efficiency in Inclusive Finance

Upgraded the "CCB Huidongni" integrated ecological service platform



"CCB Huidongni" APP

Over 350 million
cumulated visits

Over 40 million
downloads

Over 13 million
corporate customers served

Expanded the service channels of inclusive finance outlets



Provided inclusive financial service outlets
About 14,000



Allocated inclusive finance specialists
More than 20,000



Outlets for inclusive finance in operation
More than 2,700

Improved the "1211" integrated service system for rural revitalisation



"Yunongtong" integrated service platform for rural revitalisation



"Yunong Loan" and "Rural Revitalisation Loan" as two major product packages



A series of agriculture-related specialised ecological scenarios



A set of digital and intelligent risk control systems for the "Yunongtong" platform



Balance of inclusive finance loans

RMB 3.29 trillion

▲ 8.29%



Number of inclusive loan borrowers

3.42 million

▲ 7.75%



Interest rate of newly issued inclusive finance loans for SMEs

3.61%



Balance of agriculture-related loans

RMB 3.38 trillion

▲ 9.54%



Number of agriculture-related loans borrowers

4.28 million



New steps taken in the "Five Major Chapters" - Steadily Implementing Pension Finance

Continuously implemented the "1314" pension finance service system

Committed to becoming a **"specialised bank for pension finance"**

Comprehensively developed the **"three pillars"** of pension finance

Highlighted the positioning of "professional, prudent, and **one-stop service**"

Built a **four-in-one** pension finance service system

Built CCB's "Jian Yang An" pension finance brand



Pillar 1

Number of social insurance cards, activation rate and deposit retention grew steadily



Pillar 2

Scale of pension custody exceed **RMB 1.6 trillion**, an increase of nearly **8%**.
AUM of CCB Pension Management reached **RMB 600 billion**, with newly signed customers increasing by **74%**
Occupational annuities have achieved nationwide coverage of trusteeship, custody, and investment management qualifications



Pillar 3

The number of individual pension accounts opened and the amount of money deposited has increased rapidly. Completely covering four types of products, including **deposits, funds, insurance, and wealth management.**

Pension finance, Financial service in elderly care industry, Elderly care service finance, Elderly care financial ecosystem

Four-in-one collaborative development



Annuity and group annuity business customers

Increased by 74.1%



60 outlets

Established "Jian Yang An" specialised pension finance outlets.



Individual Pension Account
exceeded 11 million



New steps taken in the "Five Major Chapters" - Solid Enhancement in Digital Finance

Action plan for
2024 Digital Financial Business Development



Internal digital transformation Enhancement of digital capabilities

Continued to enhance the functional scenarios of the "Binary Star" platform and increased marketing efforts for high-quality merchants in the scene construction of "CCB-Lifestyle" platform

Launched the 2024 version of the mobile banking app, upgraded key wealth products, and enhanced one-stop credit and other online financial services to better serve the financial needs of public users

Enhanced the working mechanism and process for enterprise-level overall demand, strengthened the sharing and reuse of three middle platform capabilities – business, data and technology and optimised the agile R&D mechanism

Continued to enhance the efficiency of digital empowerment and burden reduction, and increased the promotion of centralised operations and the application range of RPA and other technologies

Based on digital and physical integration, enhanced support for core industries in digital economy, proactively supported the commercialization of digital technology and the digitalization of industries

Served the digital economy Supported the integration of data and practice



Number of "Binary Star" platform users exceeded **505 million**



Monthly Active Users of mobile banking exceeded **192 million**, an increase of over 10%



Put 44,985 required items into operation



Created an "exclusive AI intelligent assistant" for account managers



Supported elevation of efficiency in various industries





Steadily Enhanced Integrated Operation Capability

Integration of asset and liability

- Constructed enterprise-level capital circulation system
- Fiscal funds recycling rate increased by 2.67 percentage points from the previous year, reaching 44.9%
- Coverage rate of transaction counter-party account opening for large and medium credit customers reached 60.62%, an increase of 1.55 percentage points from the beginning of the year

Integration of domestic and foreign currency

- Number of corporate foreign exchange customers exceeded 100,000 for the first time
- The integrated bank settlement account of domestic and foreign currency increased by 45.8% from the beginning of the year
- Transaction volume of global cash management for receipts and payments increased by 10.5% YoY
- Cross-Border M&A loans increased by 13.6% from the beginning of the year



Integration of commercial and investment bank

- Investment banking business - provided direct financing AUM for real enterprises with scale of over RMB 950 billion
- Scale of new direct financing exceeded RMB 207.6 billion
- Launched the "Intelligent Investment Banking Ecosystem 5.0"

Integration of asset management and service

- AUM of CCB reached RMB 5.2 trillion
- Market share of personal customer AUM increased
- Number of private banking customers reached 235,400
- Scale of corporate wealth management increased by 4.2%, active customers increased by 9.3%



Improved Quality and Efficiency in Corporate Finance

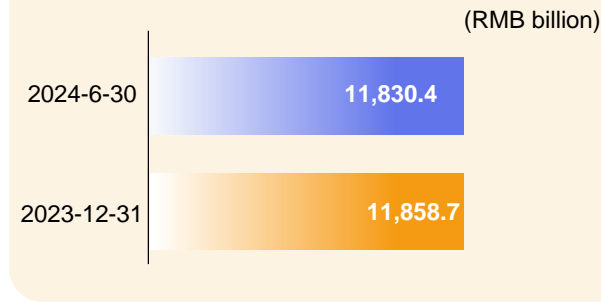
Institutional business

- Institutional deposits reached **6.79 trillion**, an increase of **597.18 billion** from the end of last year
- Implemented smart village affairs, supervision of capital, assets and resources of rural areas, and rural property rights transaction platform. Served municipal government customers of **129,700** households
- Opened all branch channels to the public, offered over **10,000** government affairs services, completed over **100 million** service orders, benefiting over **30 million** customers
- Connected the electronic medical insurance certificate QR code in **23** provinces, activated **20.01 million** electronic medical insurance certificates cumulatively

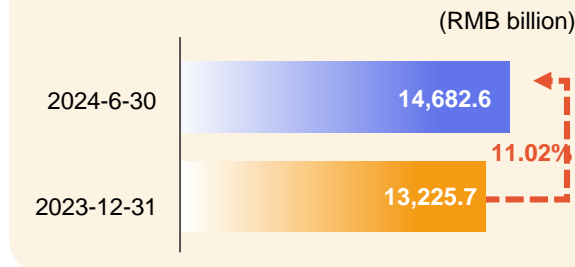
Investment banking business

- Provided direct financing for real enterprises with new scale of over **RMB 207.6 billion** in 1H2024
- Accumulative registered users of the investment banking platform exceeded **1.35 million** households
- Underwrote the issuance of various innovative non-financial corporate debt financing instrument with an issuance volume of **RMB 37.384 billion**
- Number of signed up clients with financial advisors increased by **109,500**

Strengthened foundation of corporate deposits



Increased support of corporate loans for real enterprises



International business

- Balance of Payments reached **USD 819.218 billion**, an increase of **23.71%** YoY
- The "Cross border Quick Loan" series provided over **RMB 33 billion** credit funds to small and micro foreign trade enterprises
- CCB London Branch had a cumulative clearing amount of over **RMB 100 trillion**
- Jiandantong, Jianpiaotong and Jianxintong provided financing support of **RMB 17.41 billion** for **149** projects in "Belt and Road" countries

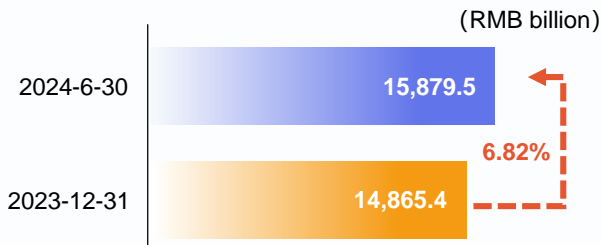
Settlement and cash management business

- Number of new RMB Settlement Account opening reached **1.26 million**
- Comprehensive launch of enterprise treasury information system service, offered **20** core functional modules, including account management, settlement management and bills management
- Transaction volume of third-party payment service reached **RMB 3.41 trillion**, an increase of **3.14%** YoY
- Transaction volume of third-party collection and payment reached **RMB 1.48 trillion**, an increase of **25.62%** YoY

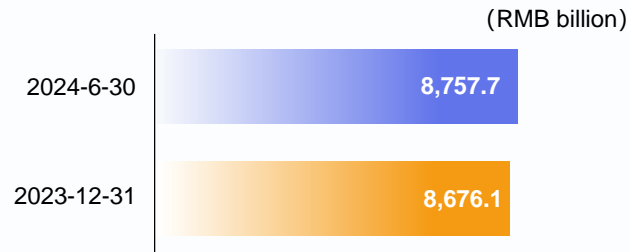


Strengthened Foundation of Personal Finance

Leading market position in new domestic personal deposits



Maintained leading position in retail credit



Customer operation

- Financial assets of personal customers under management exceeded **RMB 19.74 trillion**
- Focused on customer service and upgraded "**layered, grouped, and graded**" personal customer management system
- Upgraded "**digitalisation + specialisation + integration**" capabilities and continued to expand service offerings
- Established **enterprise-level collaborative mechanism** to comprehensively enhance product and service supply capabilities

Personal loan

- Personal housing loan balance was **RMB6.31 trillion**, effectively supporting residential demand and satisfying housing needs
- Personal consumption loan balance was **RMB 480 billion** with online and offline services continuously optimised
- Credit card loan balance **exceeded RMB 1 trillion**, meeting the credit life cycle needs for automobiles, renovation, education, among others
- Personal business loan balance was **RMB 890 billion**, covering individual industrial and commercial businesses, micro and small businesses, agricultural businesses, among others

Personal payment

- Number of personal settlement accounts reached **1.429 billion**, and number of "Long Pay" customers reached **235 million**
- Number of debit cards issued reached **RMB 1.264 billion**, and consumption transaction volume in first half of 2024 reached **RMB 12.08 trillion**
- 131 million credit cards** have been issued, with total credit card consumption transaction volume of **RMB 1.38 trillion**
- "1+N" operation system for merchant business continued to deepen, with **5.84 million merchants**

Wealth management and private banking business

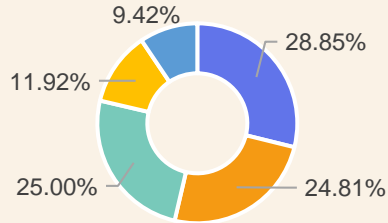
- Improved wealth strategy supporting system covering **full-time sequence and all types of assets**
- Focused on the family life cycle planning services such as **pension, studying abroad, home purchase, and insurance**
- Number of wealth management customers increased by **4.29 million** compared to end of last year
- 235,400** private banking customers with financial assets of **RMB 2.70 trillion**, up **10.59%** and **6.93%** respectively compared to end of last year



Steady Development of Asset Management Business

Asset management business

CCB's AUM totalled RMB 5.20 trillion



- CCB Wealth Management
- CCB Trust
- Other asset management institutions
- CCB Principal Asset Management
- CCB Pension Management

Operational measures

- Leveraged advantage of the Group's licenses
- Opened up wealth management and asset management value chain
- Established diversified product offerings
- Promoted "Longzhiying" corporate wealth management services
- Strengthened risk prevention and mitigation for key institutions, key areas, key customers, and key risks

Asset custody services

- Assets under custody of RMB 23.16 trillion, up 10.89%
- Custody for insurance companies with scale reaching RMB 7.69 trillion
- Secured several wealth management clients
- Scale of wealth management and custody of other banks exceeded RMB 100 billion
- 691 new pension trust customers
- Continued to enhance the application scenarios of the "Smart Custody" platform

Financial market business



Money market

- Interbank deposit bills issued exceeded RMB 1.21 trillion
- RMB money market transaction volume exceeded RMB 90 trillion

Bond

- Underwriting and subscription of bonds exceeded RMB 1 trillion
- Ranked first in government bond underwriting

Trading

- Trading business revenue increased by over 40% YoY
- Number of effective customers for fund transactions increased by nearly 10% YoY

Precious metals and commodities

- Transaction volume for customers increased by 44.4% YoY
- Total value of agricultural products guaranteed was RMB4.939 billion, an increase of 53.62% YoY
- Scale of domestic precious metal assets was RMB 196.302 billion

Financial institutional business

- Positioned as account manager, industry expert and integrated solutions expert
- Continued to outperform peers with third-party security custody services in terms of number of customers and volume of funds
- Comprehensive cross-border RMB business and cross-border business matchmaking for securities and futures companies
- Established industry collaborative website to integrate the Group's resources to reach potential customers
- Trading income of bills increased by 53.5% YoY



Continued Strengthening of Customer Account Base

Corporate Finance Business



11.34 million
Corporate Customers

New customers with average daily deposits of RMB 50,000 or more

84,600

Number of newly-opened RMB settlement accounts

1.26 million

Personal Finance Business



762 million
Personal Customers

Number of new wealth management clients

4.29 million

Number of credit card customers

104 million

Funds and Asset Management Business



9,083
Financial Institution Customers

Number of new CTS customers

3.05 million

New contracted customers on corporate wealth management platform

30.5%

Physical Channels

Continued optimisation of outlet layout

Continued to ease the burden and empowered outlets

Optimised configuration of self-service channel

Remote Banking Channels

Enhanced the platform's ability to attract customers and provide services

Improved the quality and efficiency of customer problem-solving

Accelerated the digitalisation and intelligence transformation of services

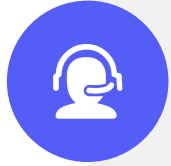


Continued to Strengthen Refined Management



Enhanced technological support

Prioritised meeting R&D needs related to client-side, transactions, and risk prevention and control



Enhanced quality and efficiency of channel services

Enhanced the streamlining and optimisation of operations in outlets



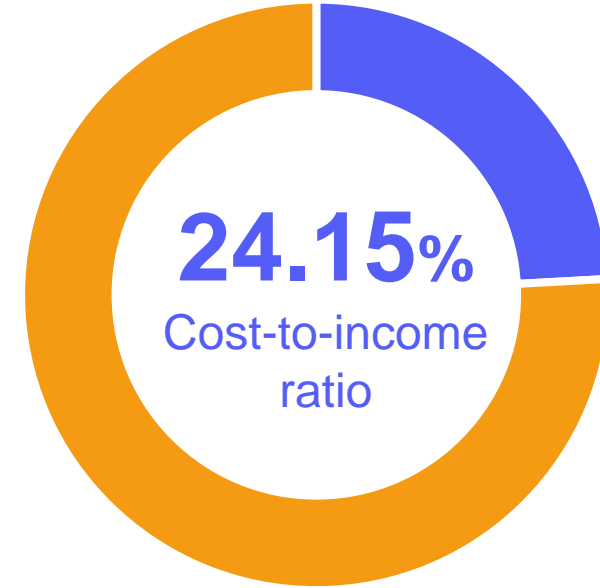
Strengthened subsidiary management

Strengthened management, guidance, and supervision around "positioning, downsizing, governance, authorisation, and responsibility"



Improved quality and efficiency of overseas institutions management

Accelerated internationalisation in organisation



Best among comparable peers

Operating expenses
RMB 94.4 billion



YoY change
1.67%



Comprehensive Enhancement of Fintech Capabilities

Continued to build the "CCB Cloud" brand

- Improved the layout of "Multi-Zone, Multi-Region, Multi-Technology Stack and Multi-Chip" and built a **high-performance computing power platform**. "CCB Cloud" computing power exceeds 500PFlops, **with new computing power of GPUs accounting for more than 20%**

Continued to build an AI platform

- Improved professional capabilities in five fields: **computer vision, intelligent voice, natural language processing, knowledge graph, and intelligent decision-making**
- Solidified **financial image recognition products**: **Over 80% of bill** identification supports zero-code configuration
- Continued to **create products with intelligent search & recommendations**: Supported "CCB Lifestyle" to achieve **click rate increase of about 65%** compared with traditional rule configurations
- Improved **financial video recognition products**: Supported Long Card smart scanning scenarios, achieving a bank card detection and classification **accuracy rate of 92%**
- Actively pressed ahead with the construction and application of FinLLM**: Fully empowered **79 intra-industry business scenarios** in the six major business sectors of corporate finance, personal finance, funds and asset management business, risk management, technology, channel and operation, and comprehensive management; **improved the output quality of converting text to image** to support customer marketing to improve quality and efficiency; and optimised search to enhance the generation of application patterns to **reduce customer financial analysis reporting time from hours to minutes**

Continued to build Big Data Platform

- Effectively supported **460 business scenarios** such as regulatory compliance, targeted marketing, anti-gambling and anti-fraud, and financial markets
- Focused on expanding real-time access to transaction data, real-time analysis and real-time servicing supply, and improved the efficiency of marketing data analysis and decision-making **from 4 hours to 20 seconds**.
- Built a data analytics access acceleration engine that improved flexible access response time for complex business metrics **from minutes to seconds**

Continued to promote transformation of core banking system to distributed architecture

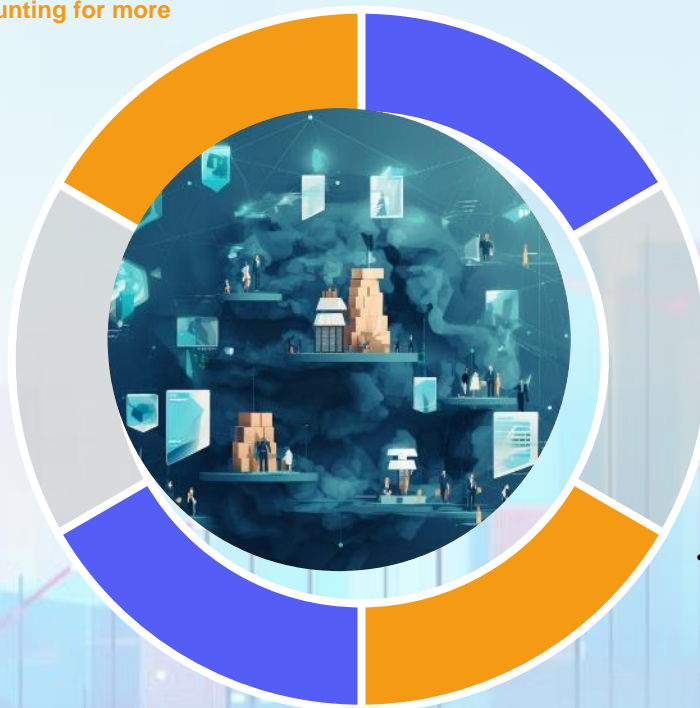
- All domestic business was undertaken by distributed core system, the distributed core system handled over **99.6% of the core business volume**

Deepened technology empowerment

- Continuous improvement of the payment environment for groups such as foreigners visiting China and the elderly
- Focused on promoting "Jian Yang An", a comprehensive pension finance platform
- Actively improved the risk prevention and control capabilities of channels involving gambling and fraud

Continued to promote integrated IT construction across the group

- Strengthened the construction of the **"Mega Asset Management System"** ecosystem, focusing on enhancing the system's investment transaction and risk control capabilities, and empowering the business development of capital management subsidiaries





Steadily Improved Performance of Subsidiaries

Corporate Finance Business

CCB Financial Leasing

Highlighted advantages in asset financing, direct leasing and operating lease accounted for 73%, achieving a net profit of RMB 1.564 billion

CCB P&C Insurance

The cumulative amount of risk protection provided was RMB 121.082 billion, and premium income in the second quarter increased by 24% YoY

CCB Consulting

The cost consulting business contributed the highest income, earning a Class A comprehensive credit rating and eight Class A professional credit ratings for engineering consulting

CCB Investment

Balance of investment in strategic emerging industries, advanced manufacturing, and clean energy totalled RMB 46.08 billion, representing 44% in total

CCB PE

Assets under management of the National Strategic Emerging Industry Fund reached RMB 15.865 billion

CCB International

Assisted Chinese companies in issuing 11 overseas ESG bonds, totalling approximately RMB 16.6 billion in financing

Personal Finance Business

Sino German Bausparkasse

Sales of housing savings products amounted to RMB 22.237 billion, with total assets of RMB 36.277 billion

CCB Housing

Registered users of the "CCB Home" platform reached 54.62 million, with a total transaction amount of RMB 25.9 billion, and market-oriented and operable houses totalling 2.3 million units/rooms

CCB Life

Compressed high-cost single-pay business and strengthened the growth model driven by regular payments and renewals, with regular payment premiums accounting for 98.1% of total premiums

CCB Consumer Finance

Focused on new citizens, grassroots workers, newcomers to the workplace, and other customer groups, with new citizens and rural customers accounting for over 70%

Funds and Asset Management Business

CCB Principal Asset Management

Total assets under management reached RMB 1,294.297 billion, with public funds increasing by 10.73%

CCB Pension Management

Assets under management totalled RMB 618.723 billion, up nearly 10% from the beginning of the year

CCB Trust

Provided financial support totalling RMB 2.97 billion for new energy, new materials, semiconductors, and major infrastructure investment projects, with family wealth management reaching nearly RMB 150 billion

CCB Wealth Management

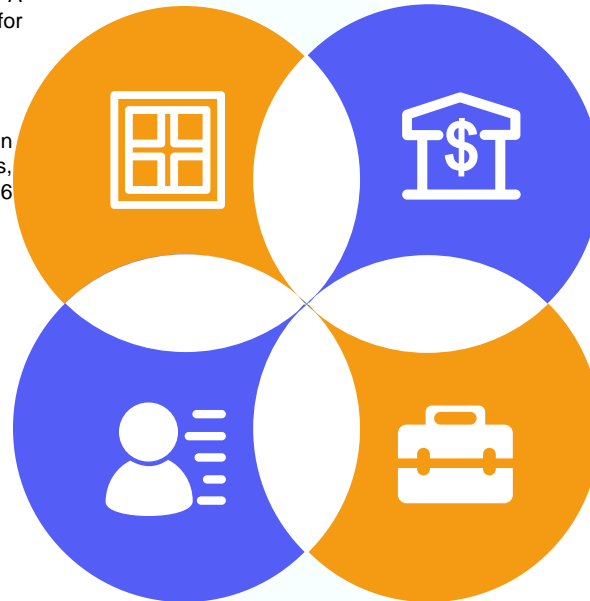
In line with industry trends, low-volatility and stable product offerings were enhanced, maintaining high investment standards and a strong asset structure, achieving net profit of RMB 917 million

CCB Futures

Transaction amount from futures brokerage was RMB 1,540.461 billion, with operating income of RMB 2.165 billion

CCB Housing Rental

Utilised a suite of financial tools, including equity investment, bank credit, and REITs, to acquire and revitalise real estate assets, managing RMB 13.395 billion in assets



CCB Fintech

Independently developed distributed core systems, establishing a big data platform with new capability system for batch computing, real-time computing, and rapid data consumption. Selected as part of the first batch of pilot projects for the Yangtze River Delta community of sci-tech innovation



Comprehensively Deepened ESG Management

With the ESG planning vision of "striving to become the world's leading sustainable development bank", continuously enhancing capabilities in sustainable development

Promoted the implementation of ESG related objectives



1. Issued the *Opinions on Further Strengthening and Improving Environmental, Social and Governance Work* to promote the orderly implementation of ESG planning
2. Issued the *Guiding Opinions on Deepening the Development of Green Finance* to promote the comprehensive green transformation of economic and social development
3. Integrated ESG risk management into the entire investment and financing process, optimised differentiated credit policies, and standardised ESG risk management practices
4. Enhanced the business ethics management system, conducted regular data analyses on employee behaviour, and effectively mitigated potential risks

Enhanced multi-dimensional information disclosure system



1. Published the *2024 Semi-annual Sustainable Finance Report* to highlight the Bank's results in supporting high-quality and sustainable economic and social development
2. Released the *Environmental Information Disclosure (TCFD) Report 2023*, showcasing the environmental vision, policies, systems, and work results
3. Published social responsibility reports for 18 consecutive years, providing a channel for stakeholders to access the Bank's non-financial information
4. Expanded ESG information disclosure channels, including the ESG section on the homepage of the official website, CCB Today, and news media, to improve transparency

Continuously strengthened consumer rights protection



1. Established a "proactive, standardised, intelligent" and "all-level, all-staff, and full-process" consumer rights protection management system
2. Conducted *consumer protection reviews covering the lifecycle of products and services*, completed 112,900 consumer rights protection reviews in the first half of the year
3. Regularly promoted financial education and organised 65,000 "3.15" consumer rights protection education and publicity activities in the first half of the year
4. Carried out special training on various consumer rights protection topics, with over 4.66 million customers attending courses on consumer rights protection knowledge and excellent branch cases

Advanced privacy and data protection



1. Established personal information protection policies covering all organisations and business lines, and updated the *Personal Information Protection Policy*
2. Enhanced the comprehensive data security technology protection system to "prevent external attack and theft, internal data leakage, and ensure comprehensive security monitoring"
3. Established a training system for all employees, contractors, and outsourced personnel to enhance their professional capabilities and compliance awareness
4. Strengthened the construction of the information security management system, with more than 95% of the Bank's business-related systems having obtained the ISO27001 certificate

Work with employees to develop mutually



1. Implemented the national strategy of giving priority to employment, provided diversified employment opportunities, and protected employees' legitimate labour rights and interests
2. Enhanced the overall planning of employee education and training to support strategic communication, drive business development, and foster employee growth
3. **Prioritised employee rights protection**, actively promoted employee well-being, and addressed the diverse needs of the workforce
4. Improved the democratic communication mechanism, conducted employee satisfaction surveys, and worked to create a democratic, equal, and open corporate atmosphere

Contents





Improved Overall Risk Management Capability



Continued to optimise intelligent risk control system



Promoted construction of enterprise-level risk management platform

Largely completed establishment of integrated financing management system

Continued to strengthen management of emerging risks



Improved R&D upgrade efficiency and accuracy of inclusive financial model

Strengthened risk control of new product source

Enhanced digital intelligence in consumer protection

Effective business risk management and control in key areas



Adhered to market-oriented and legal principles, to support the resolution of local government debt risks in a strong, orderly and effective manner

Strengthened risk prevention and resolution in the real estate sector, carried out related work to ensure housing project delivery

Built risk prevention and control mechanism for small and medium-sized financial institutions

Steady progress of new capital regulation implementation



Published capital management measures and revised various fundamental management policies

Enhanced support on capital measurement system under new regulations

Strengthened management of the Group's consolidated financial statement

Continued to improve comprehensive risk management system



Continued to improve "Three Lines of Defense" coordination risk control mechanism

Strengthened execution and transmission of risk profile, established early warning system

Enhanced risk profiling mechanism at branches



Consolidated Financial Risk Prevention Capability

Credit risk

- Continued to optimise and adjust credit structure
- Improved credit risk management mechanism & system
- Strengthened forward-looking credit risk control and process management
- Enhanced effective management and timely disposal of non-performing assets

Market risk

- Conducted regular risk check-ups of Group's bond business
- Carried out risk check-ups of derivatives business at key branches
- Standardised risk management of Group's outsourced investment business
- Conducted specialised risk check-ups of Group's OTC equity derivatives
- Promoted optimisation and upgrade of new standard measurement system
- Promoted construction of digital monitoring platform for financial market transactions

Operational risk

- Revised operational risk management mechanism
- Established standard measurement system for operational risk
- Strengthened data management of operational risk loss
- Conducted preparatory works for implementation of standardised approach, and evaluation and examination application for operational risk

Liquidity risk

- Adhered to prudent liquidity management strategy
- Utilised capital source, usage amount and structure in a prudent manner
- Strengthened Group's liquidity coordination and management

Reputational risk

- Strictly enforced "zero cases" initiative
- Enhanced reporting and early warning mechanism for potential public opinion risks
- Strengthened emergency response and collaborative mechanism for reputational incidents
- Standardised public opinion reporting guideline and timeframe

Country risk

- Optimised country risk management system
- Re-examined country risk ratings and limits
- Closely monitored country risk exposures

Emerging risk

- For business model risk, conducted model re-examination and post-evaluation work in a timely manner, promoted online and standardised life cycle management of key business models
- For data risk, promoted implementation of security data protection measures across different levels and life cycle, and promoted regular data quality monitoring
- For fraud risk, carried out specialised anti-fraud assessments in key areas, and continued to improve fraud risk prevention and control tools
- For ESG risk, formulated ESG risk management measures for investment and financing businesses, developed and optimised ESG risk classification system for investment and financing customers
- For new product risk, implemented risk assessment mechanism with classification, stringently regulated "pseudo-innovation"-intended for arbitrage, enhanced development of enterprise-level product portfolio management platforms, and reinforced compliance reviews prior to new product launch





Strengthened Active Management of Asset Quality

NPL ratio
remained stable

2024-6-30

1.35%

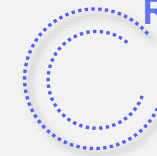
2023-12-31

1.37%



Corporate
loans NPL ratio

1.69% -0.19ppt



Retail loans
NPL ratio

0.84% +0.18ppt

Special-mentioned
Loan declined steadily

2024-6-30

2.07%

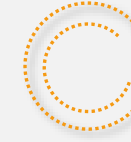
2023-12-31

2.44%



Manufacturing
industry

1.52% -0.29ppt



Personal residential
mortgage

0.54% +0.12ppt

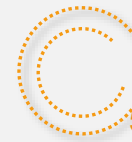
Provision coverage
remained steady

2024-6-30

238.75%

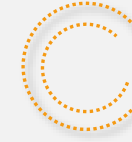
2023-12-31

239.85%



Real estate
industry

5.20% -0.44ppt



Consumer
loans

0.90% +0.04ppt



Awards and Recognitions



World Ranking: 2
Country Ranking: 2

The Banker (UK)

Ranked 2nd in the "Top 1000 World Banks" for 11th consecutive year



Fortune (US)

Ranked 30th in Fortune "Global 500"



The Asian Banker (Singapore)

Best Retail Bank in Asia Pacific
Best Retail Bank in China
Best Mega-Retail Bank in China



MSCI (US)

ESG rating "AA"



Brand Finance (UK)

Ranked 2nd in the Brand Finance Global Banking 500



Forbes (US)

Ranked 7th in Forbes' Global 2000 list



Global Finance (US)

Best Investment Bank in China
Best Sub-Custodian in China



Southern Weekly

Exemplary Responsible Enterprise of the Year

Contents



Opportunities and Challenges



Opportunities

- Economy generally keep stable and improve steadily, continuing rising trend
- Further deepen reforms comprehensively and promote Chinese modernisation
- Accelerate cultivation of new momentum and new competitive edge
- Solid progress toward high-quality development

Vs

Challenges



- Increasing adverse impacts from changes in external environment
- Effective domestic demand is still insufficient
- Hidden risks in key areas remain
- Temporary challenges in transition from old to new momentum

Key Focuses in Second Half of Year



Increase focus on integration and collaboration Promote "Five Actions" comprehensively

Action to develop retail credit business

- Develop competitive edge supported by multiple products

Action to solidify capital structure

- Continuously optimise liability structure

Action to improve intermediary business efficiency

- Enhance integrated and professional service capabilities

Action to enhance cost reduction and efficiency

- Strengthen cost and expense management

Action to secure new customers

- Secure new customer and deepen existing customer relationships



Demonstrate stronger commitment Serve real economy with high-quality development

Efforts to meet reasonable financing needs of real economy

- Continuously increase support for key strategies, key areas and weak links
- Provide targeted services on high-level opening-up and coordinated regional development
- Provide financial support for "ensuring timely presold homes delivery" and "Three Major Projects"

Resolved to accomplish "Five Major Chapters"

- Accelerate development of technology finance
- Enrich product range of green finance
- Improve service offering for inclusive finance
- Strengthen service system for pension finance
- Enhance digital operations and digital economy development capabilities



Enhance operation management Ensure business stability and long-term development

Comprehensively optimise subsidiary management

Improve quality and efficiency of overseas institutions management

Strengthen allocation of technological resources

Enhance service of online and offline channels

Adhere to business development within risk prevention and control limits

Comprehensively strengthen compliance management