



中国建设银行
China Construction Bank

Promoting New Finance Action Achieving High-Quality Development

China Construction Bank Corporation

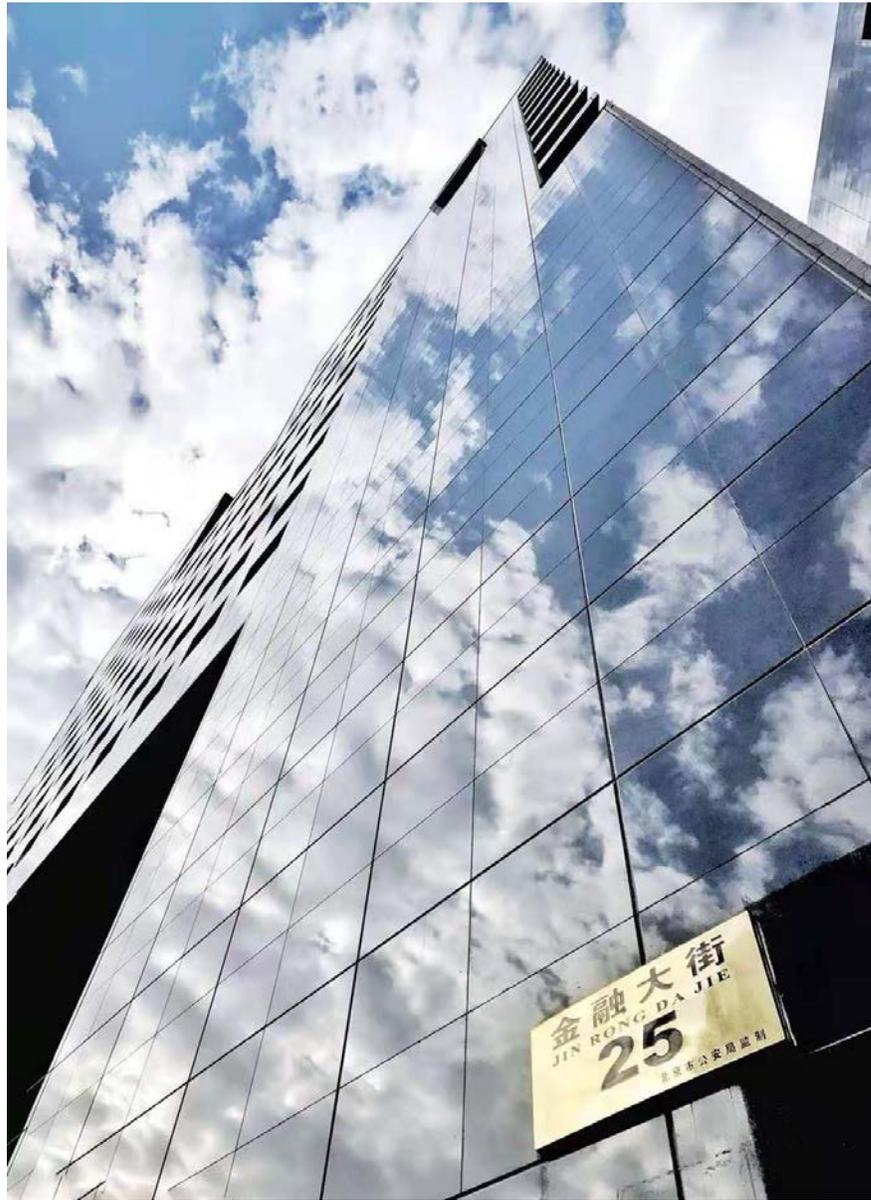
2021 Interim Results Announcement

Beijing August 2021

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In the first half of 2021, in the face of a complex and challenging business environment, China Construction Bank adhered to the principle of making progress at a steady pace. CCB implemented new development concepts, deepened New Finance actions and supported high-quality development of the real economy. The foundation of the “first curve” was strengthened continuously, and the ability of the “second curve” to feed the business was also enhanced, resulting in good operating results. The implementation of the strategy was successful, the quality and effectiveness of serving people’s livelihood was enhanced, internal risk control was strengthened, and the foundations for development were consistently consolidated. **CCB’s balance sheet grew steadily**, with total assets reaching close to RMB 30 trillion, up 6.1%, and total liabilities up by 6.3% to more than RMB 27 trillion, while loan and deposit growth maintained a leading position among peers. **Key indicators remained competitive**, net profit was RMB 154.1 billion, up 10.9% , achieving double-digit growth , ROA was 1.06% and ROE was 13.10%, both increasing YoY; net interest margin was 2.13% and capital adequacy ratio was 16.58%, continuing to lead peers in the banking sector. **CCB also led peers in terms of fee income growth**, while income from agency fund sales, custody and third-party payments grew rapidly. **Asset quality was stable and controllable**, with the NPL ratio at 1.53%, a drop of 0.03 ppt from the beginning of the year. The overdue loan ratio remained steady with a slight decrease, while NPLs were higher than overdue loans by RMB 81.98 billion. **The risk offsetting capacity was strong**, with allowances to NPLs at 222.39%, up 8.80 ppt from the beginning of the year.

Overall Good Performance in First Half of 2021

(RMB Billion)	30/6/2021	31/12/2021	Change
Total Assets	29,833.2	28,132.3	6.1% ↑
Net loans and advances to customers	17,493.9	16,231.4	7.8% ↑
Total liabilities	27,370.8	25,742.9	6.3% ↑
Deposits from customers	22,318.0	20,615.0	8.3% ↑
NPL ratio	1.53%	1.56%	0.03ppt ↓
	1/2021-6/2021	1/2020-6/2020	Change
Operating income	380.9	359.9	5.8% ↑
Net interest income	296.1	281.5	5.2% ↑
Net fee and commission income	69.4	65.0	6.8% ↑
Profit before provisions	293.0	280.3	4.5% ↑
Net profit	154.1	138.9	10.9% ↑
Annualised return on average assets	1.06%	1.05%	0.01ppt ↑
Annualised return on average equity	13.10%	12.65%	0.45ppt ↑

Agenda

New Finance Action

Financial Performance

Business Development

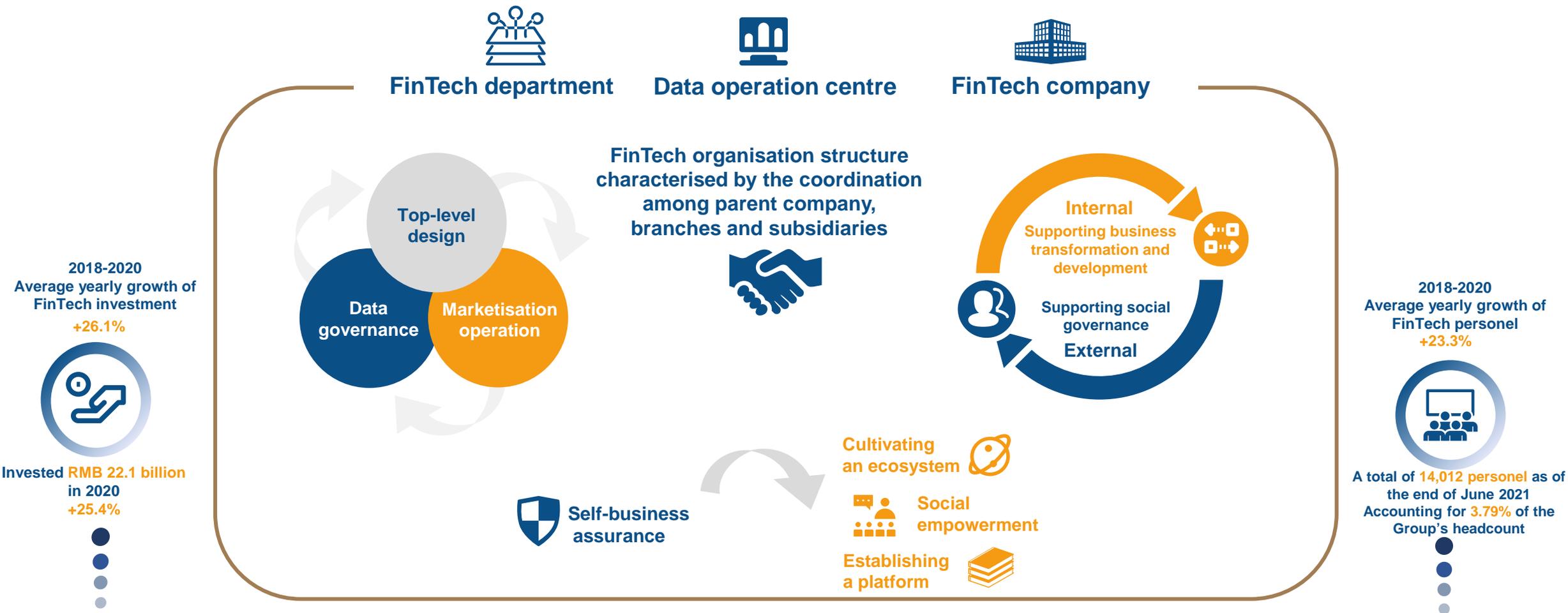
Risk Management

ESG

Outlook and Strategies

Enhancing FinTech Governance

The organisational system of “one department, one centre and one company” is steadily improving



Enhancing Fintech Core Capabilities



AI



- 180 models and 507 scenarios
- Five major areas including computer vision, intelligent voice, natural language processing, knowledge atlas and intelligent decision-making
- Autonomic computer vision algorithm suitable for small edge computing devices, supported real-time video analysis scenarios by connecting with IoT

Blockchain



- 64 nodes and over 30 application scenarios
- Adapted to multiple blockchain underlying technology frameworks and supported cross-chain interoperability of heterogeneous frameworks
- Listed in Forbes' Top 50 global companies for two consecutive years

Cloud computing



- Provided 13 services including cloud infrastructure, security, operations and maintenance
- Cloud services offering increased 2.5 times since 2018
- Standard cloud server size increased by 18.5 times
- Formed a multi-region, multi-function, safe and reliable layout
- Provided cloud services support to cover 401 projects across major fields such as government affairs, housing and FI business

Big Data



- 10,200 nodes, 41PB of data
- Upgraded data lake technology and migrated all business data to the data lake, significantly enhanced massive data processing and real-time computing capabilities

Mobile internet platform



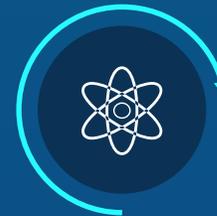
- Built an applet-based open ecology for mass development

Internet of Things (IoT)



- Millions of IoT terminals, 26 application scenarios
- Empowering collection of digitalised operation data at buried points, 5G smart banking, intelligent security, operation and distribution, CCB Yunongtong, etc.

Other cutting-edge technologies



- 5G
 - Integrated 5G messaging features in financial services, covering 5 major categories and 23 items
- Quantum information
 - Established quantum finance application laboratory
 - Joint release of the first batch of domestic quantum financial application algorithms
- Satellite remote sensing
 - Innovative application targeting rural revitalisation areas such as agriculture-related credit

Safety as a Service



- Blocked 28.42 million cyber attacks
- Blocked 1.069 million attacks on source IP addresses
- Shut down 1,703 phishing websites and payment links
- Intercepted 16,252 high-risk transactions in e-banking
- Protected 492 high risk accounts with suspected password leaks
- Avoided 166 million losses of customer funds

Internally Empowered Business Transformation and Development

Technology-enabled business



Sharper insights into customer needs

- Integrating external scenario data and internal user data
- Forming multi-dimensional relationship profile through intelligent model analysis
- Accurate identification of existing and potential service demands

More targeted marketing services

- Created differentiated and efficient digital connections between products and customers

More agile R&D

- Deepened ITBP rapid response mechanism
- In the first half, CCB handled and analysed **8,048** requests of the group, 136.6% up from the same period last year. A total of **10,604** versions were put into production in the first half, up 276.7% YoY

More efficient product supply

- Financial products were categorized by limits, term, rate, credit etc.
- Forming refined, standardised and batched components
- Speedy assembly of customised financial products according to business needs
- Formed **15** categories of product lines, 58 assembly lines and **13,500** payable products

More intelligent risk management

- Strengthened data, process and business integration
- Applied through early warning, process monitoring and post-control
- Created an intelligent risk control system covering the entire group, all products and every category

Housing service



- The leasing platform served **14,000** enterprises, and **37 million** landlords and tenants
- The property data platform covers **14** national city groups with almost **600,000** properties
- Exclusive development of the national housing provident fund supervisory service platform and the housing provident fund data platform, providing provident fund information via inquiry and relocation arrangements for **140 million** depositing employees

Green finance



- Supporting green finance service
- CCB's carbon emission data collection and accounting is progressing well
- Online trial run for employees to measure their carbon footprints

Inclusive finance



- A total of over **130 million** visits and **5.56 million** certified clients at "CCB Huidongni"
- The supply chain service platform has served more than **3,700** supply chain scenarios, with more than **56,000** chain enterprises and over RMB **380 billion** invested
- Comprehensive enterprise-service platform provided RMB **172 billion** in loan support for member enterprises of Federation of Industry and Commerce

Rural Revitalisation



- "CCB Yunongtong" recorded a total of **86.35 million** transactions in the year, RMB **34.3 billion** in transaction amount
- Created **several** models for the agricultural industry chain

International trade



- Issued more than **300,000** shared usb keys to over **100,000** foreign trade enterprises
- Issued more than **RMB10 billion** of financing to nearly **10,000** small and micro import-and-export enterprises through a "Single Window"

Externally Assisted the Enhancement of Social Governance Capacity



Assisted in enhancing government policy

Contributed to the modernisation of the national governance system and governance capacity

- The smart government affairs platform has **160 million** registered users and a cumulative business volume of over **1.7 billion** transactions
- Provided digital grassroots governance services for more than **30,000** villages, with the supervision settlement volume of the three rural collective funds reaching **RMB 79.2 million**
- Provided wellness services to **18,000** institutions for the elderly
- Provided platform services for **144** charitable organisations in **29** provinces, with **1.22 million** donation transactions and **RMB 890 million** raised



Empowering enterprises

Promoting the export of risk control capabilities to support joint risk governance

- "Hui Series" products
 - Based on CCB's mature risk management experience and leading risk control concepts
 - A series of risk management tools targeting individual clients
 - Product applications throughout the entire life cycle of retail credit
 - "Xinmenglian"
 - Innovative technologies such as blockchain, K-anonymity and secure multi-party computation
 - Core capabilities include secure and reliable risk information sharing, penetrating analysis and comprehensive supervision
- Key product collaboration with **907** financial institutions, **755** small and medium-sized banks

Helping enterprises realise online cross-border trade and investment matchmaking

- Launched "Global Match Plus" and "Digital Exhibition"
- Arranged over **100** cross-border matchmaking events for **32** countries and regions
- Served over **8,000** enterprises



Benefiting the people with service

Bringing modern financial services to villages

- Established 520,000 "CCB Yunongtong" service outlets across the country
- Brought together government affairs services, social services, and education and training on the CCB "Yunongtong" service platform

Enhancing the standardisation of agricultural production, transaction transparency and traceability of circulation

Built a management service platform

- "Smart Vegetables" in Shouguang, Shandong
- "Digital Agriculture" in Heilongjiang

Promoted House Rental With Breadth and Depth

- Supported indemnificatory housing projects for rental purpose in pilot cities such as Hangzhou, Qingdao and Shenzhen
- Special loans to support the increase in the supply of small-sized and low-rent apartment



Indemnificatory house rental



Credit services

- Loans for corporate house rental business **increased by 26.6%** to **RMB 105.56 billion**
- Insurance products provided over **RMB 20 billion** of risk protection for **more than 100,000** rental apartments



Product innovation

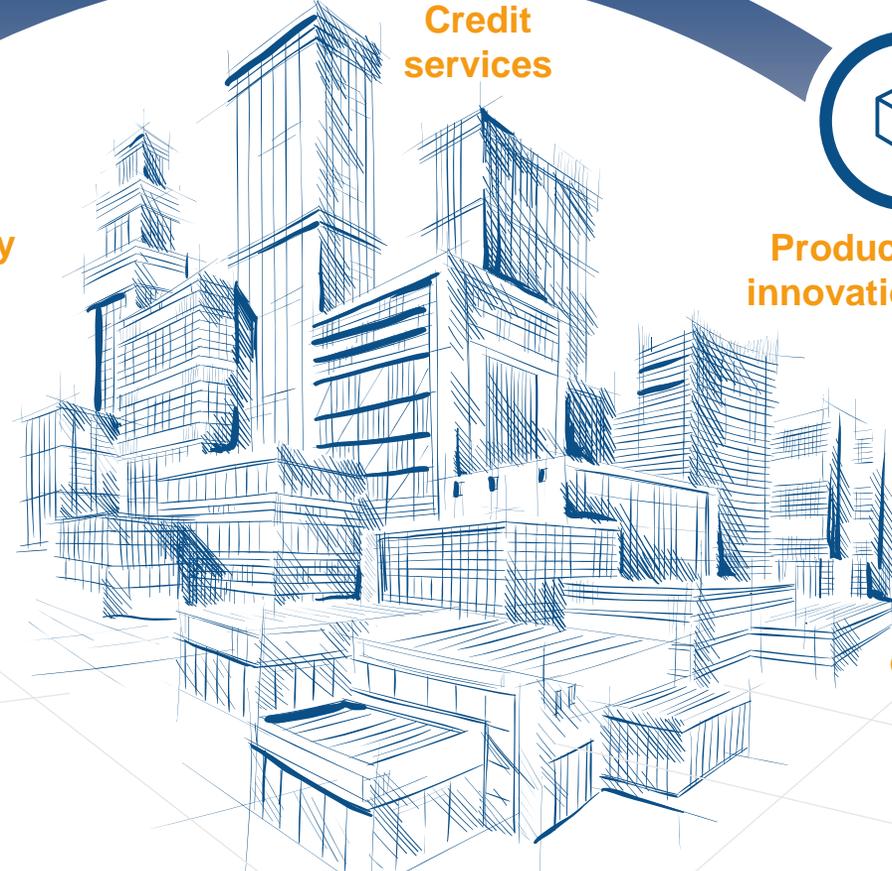
- Continued to explore application of REITs model
- Participated in the first batch of pilot equity trading services for house rental enterprises
 - Actively explored an equity financing model for the house rental market



Technology platform

The integrated platform of house rental covered over **96%** administrative regions at prefecture level and above across the country

- Provided a transparent trading platform for **14,000** enterprises, and **37 million** individual landlords and tenants
- Accumulative completion of housing verification over **10 million** units
- **Over 6 million** accumulative contract records
- Provided effective market regulatory tools for government



Leasing ecosystem

Took the lead in establishing the house rental industry alliance

- Covered **more than 130** industries' upstream and downstream enterprises including decoration design, furniture & home appliances, and operational services
- Improved self-discipline mechanism and promoted the standardised development of the industry

Built “CCB Jianrong Jiayuan” long-term rental community

- Integrated smart community, public services, financial services and entrepreneurship services
- Provided a comfortable rental environment for blue-collar workers, white-collar workers and young makers within the community

Innovative Leadership in Inclusive Finance

One Centre



Committed to being "customer-centric"

Three major lines



Financing line



Growth line



Ecosystem line

Five systems



Client marketing and service



Data application and management



Product innovation and supply



Platform management and ecosystem



Risk control and management

Expanded the inclusive finance loan supply and service coverage

Optimised the business development layout

Promoted digital and online services

Enriched the inclusive finance product system

Operations deepened to third-tier cities and rural areas



Focused on key areas

- Manufacturing and green loans for SMEs
- Credit loans, mid- to long-term loans, first-time borrowers and loan extension for SMEs

Explored collaboration with government departments

- Signed an agreement with the Ministry of Industry and Information Technology to carry out list-based precision marketing for high-quality manufacturing clients
- Signed an agreement with the Ministry of Science and Technology to strengthen financial support for the country's emerging industries, science and technology innovation, and mass entrepreneurship and innovation working groups

"CCB Startup Station"

- Provided professional service such as incubation, financing and venture capital for innovation and startup groups
- Served **12,000** enterprises that joined the programme
- Provided over RMB **20 billion** in loan support

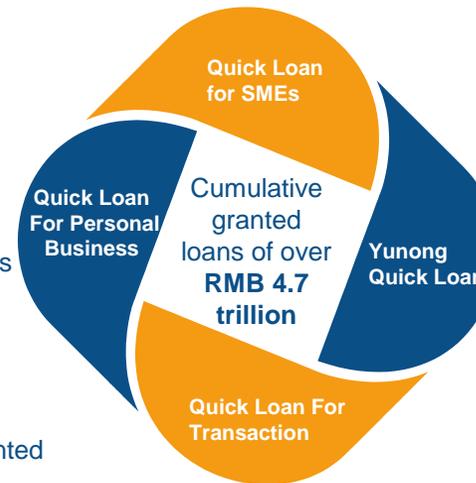


Over 130 million visits

More than 17 million downloads

More than 5.56 million certified enterprises

More than RMB 700 billion granted credits



More than 14,000 outlets providing inclusive finance services

Allocated over 18,000 inclusive finance specialists

Established over 250 inclusive finance and small business service centres

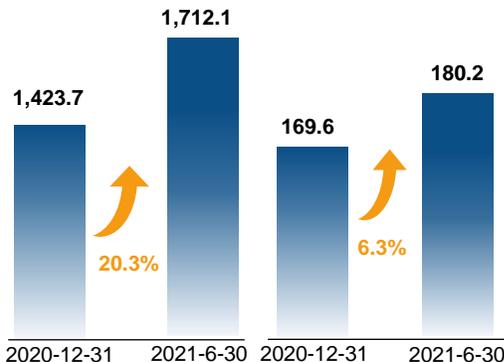
More than 1,900 featured inclusive finance outlets

Balance of inclusive SME loans

(RMB billion)

Inclusive SME loan clients

(Ten thousands)



NPL ratio of "Quick loan for SMEs" was less than 1%
NPL ratio of Inclusive SME loans decreased by 13bps to 1.32% compared to the beginning of 2021

Rural Revitalisation Deepened

Initiated "54321" key demonstration projects



50 farmer professional cooperatives

40 leading enterprises of agricultural industrialisation

30 demonstration villages of collective economic organisations

20 agricultural ecosystem scenarios

10 agriculture-related demonstration parks

Served the development of systematic construction of agriculture, rural areas and farmers



"CCB Yunongtong" rural revitalisation platform

Rural land-use rights transfer system

Collective regulatory platform of capital, assets and resources in rural areas

Comprehensive service platform for smart village affairs

Rural credit score platform

Created "CCB Yunongtong" unified branding



"CCB Yunongtong" service outlets

A total number of **520,000** service outlets covering almost 80% of towns and administrative villages across the country
Village committee service outlets accounted for **25.9%**
Over 86 million accumulative transactions for agricultural assistance in the year

"CCB Yunongtong" rural revitalisation integrated service platform

Provided services for over **950,000** users
Provided more than **600** high-frequency convenience services

Issued an accumulative **RMB 2.12 billion** loans through the platform

Construction of industrial chain ecosystem scenarios

Real-time interactive transaction, capital and logistics data information
Promoted the integration of primary, secondary and tertiary industries in rural areas

Increased the granting of agriculture-related loans



Investments in agriculture-related loans

Launched online credit products of "Yunong Quick Loan" for different entities
Agriculture-related loans **increased by 10.7% to RMB 2.31 trillion**

A total of **2.184 million** agriculture-related loan customers
Agriculture-related inclusive loans **increased by 20.4%**

Credit service for farmers

Balance of loans to farmers **increased by 14.8%** to **RMB 637.6 billion**
Production and business loans to farmers **increased by 28.1%**

Key demonstration projects

Provided integrated service for key agriculture-related entities

Launched innovative products related to agriculture, rural areas and farmers



Innovation of "high-standard farmland loan" products

Greatly supported the infrastructure building of cold chain facilities for storing and keeping agricultural products fresh

Initiated grocery cart service platform in branches in Beijing, Shandong and Guangdong

Coordinated "Xinnongzhibao" system, launched innovative "Credit Express" related products

Rapid Development of Green Finance



Green credit

- Balance of green loans **increased by 16.7% to RMB 1.57 trillion**
- Loans of clean energy industry **increased by 39.4% YOY**
- Launched innovative “Renewable Energy Subsidy Ownership Loan”
- Integrated green factors into credit policies for relevant industries
- Formulated and continuously updated credit policies for relevant industries such as agriculture, electricity, forestry, petrochemical, steel, coal, transportation, materials and construction
- Balance of green construction loans and green building materials loans stood at **RMB 107.33 billion**
- Improved the basic data of green housing credit



Green bonds

- Participated in the investment and underwriting of “carbon neutrality bonds” and “sustainability-linked bond”
- Issued a **USD 1.15 billion** Sustainability-Linked Bond, a **EUR 800 million** specialty green bond for water protection and a **RMB 2 billion** offshore RMB transition bond
- Underwrote a total of 97 domestic and offshore green bonds, with an underwriting scale exceeding **RMB 430 billion on a cumulative basis**
- Launched “CCB-Wind Green ESG Bond Issuance Index and Yield Curve”



Green leasing

- A total of **RMB 106.49 billion** has been granted in green leasing
- Expanded businesses in new energy vehicles, urban rail transit, clean energy and environmental governance

Steady Development of Digital Operations

Promoted the construction of business middle office

Accelerated the construction of data middle office

Strengthened the construction of technology middle office

"3+1" capability centre construction plan



Users

Established a set of credentials to log into the CCB ecosystem to gradually realise the cross-ecological identification of users and customers



Merchants

Built enterprise-level service system for merchants, and created open supply capability centre for merchants



Rights and Interests

Built enterprise-level rights and interests supermarket, and upgraded whole process application management of rights and interests



Payment

Built user-level payment signing system and a visual payment capability centre

Centred on "Three Ones" system of data middle office to focus on five "3+2" item promotion

Built an enterprise-level unified data system (One Data)

The data lake has access to 19,000 tables of data from 241 upstream systems

Constructed "shelves" of smart data products (One Product)

Launched 12 data products applying in areas such as client marketing, risk management and anti-money laundering

Built unified data service model for real-time business empowerment (One Service)

Service components of data products with the preliminary capabilities to provide external services as public data products

Constructed data asset management capabilities

Launched enterprise-level data asset management platform

Initiated operational construction in data middle office

Launched "Data Lake" dynamic monitoring platform to closely monitor data operations in real time

Strengthened the construction of technology middle office

The AI platform has put **507** application scenarios into production

Cumulative transaction volume of the blockchain trade finance platform reached nearly **RMB 1 trillion**

Distributed platform with the ability to move down the core system

Big Data platform has achieved large-scale online supply

Mobile internet platform launched micro application store

IoT platform capable of managing millions of device connections

Creation of “Caring Station” and CCB University



Provided service at Caring Station

Launched **14,152** "Caring Stations"

Over **11.67 million** online users

Serviced an aggregate of over **161 million** visits

103 million visits

Proactive collaboration

A total of **4,243** outlets have implemented the "Caring Station+" model

Collaborated with **1,065** third-party organisations

Built charity platform

Developed strategic cooperation with China Worker Development Foundation on welfare projects

Deepening the operation of “Caring Station”



Promoted "Jinzhihuimin" project

Developed social training programs with local characteristics

Launched **48,200** training sessions in five key services of "Benefitting the administration, benefitting the innovation, benefitting agriculture, benefitting industry and benefiting learning"

Benefited **3.87 million** individuals



Assisted new financial talents to develop

Arranged **559** training sessions, trained **49,300** individuals

Optimised CCB University network platform and app

Conducted **2,606** online live training sessions, with over **2.56 million** participants

Published the first core textbook series "Integrated Management of Large-scale Commercial Banks"



Deepened construction of training system

Newly launched "Playing Your Part in Rural Revitalisation" themed learning project

Promoted the development of management trainee program and construction of talent teams in CCB

Promoted the development of new employee integration programs and developed learning path for key positions

Continued to iterate and optimise the ability enhancement learning program "Growth of CCBers" for client manager at CCB outlets



Promoting Industry + Education Integration at CCB University

Agenda

New Finance Action

Financial Performance

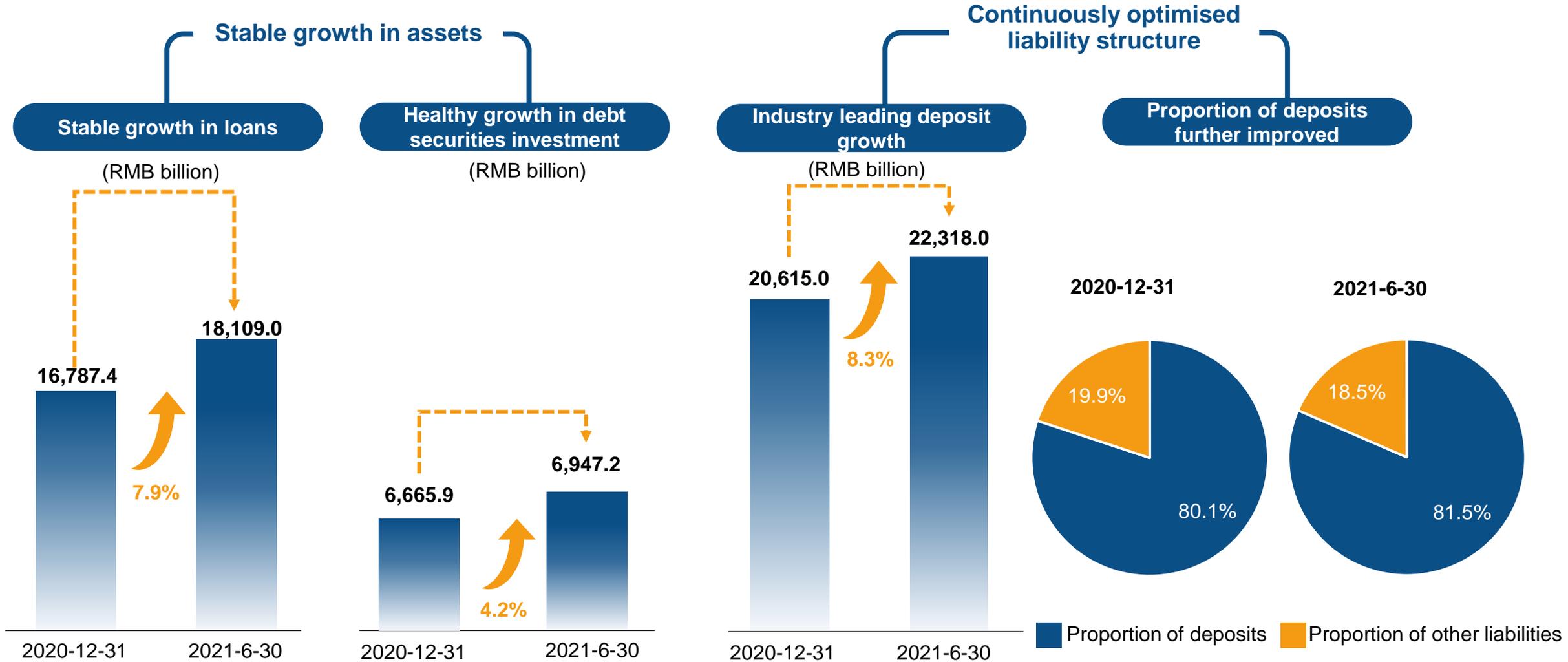
Business Development

Risk Management

ESG

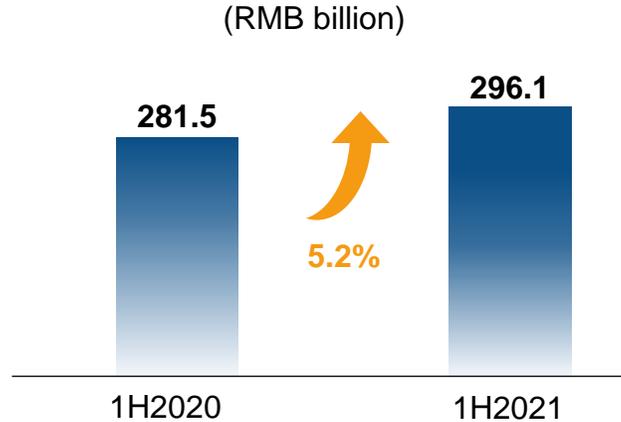
Outlook and Strategies

Stable Growth in Assets and Liabilities

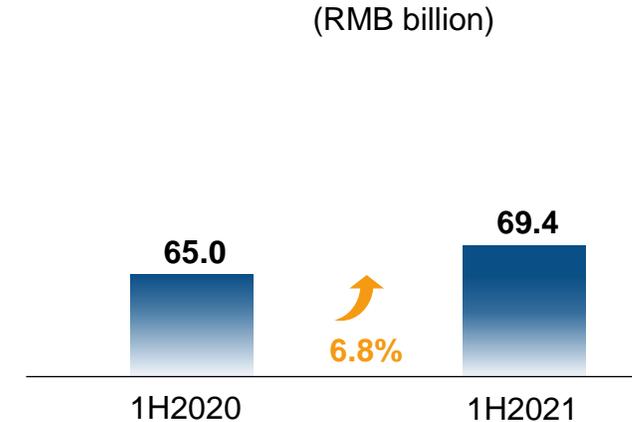


Steady Growth in Operating Income

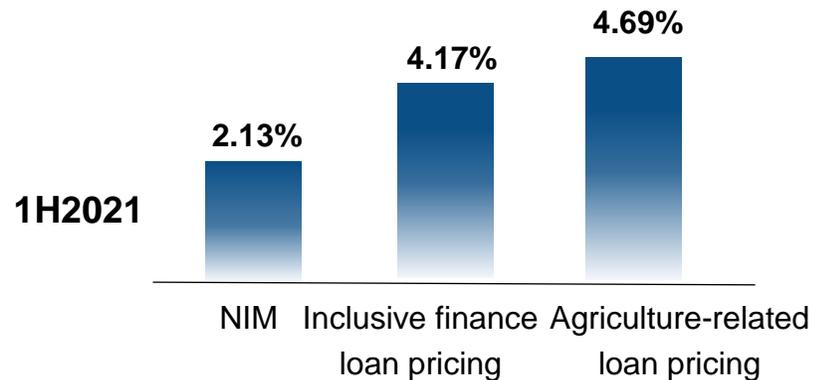
Net interest income growth rate increased YoY



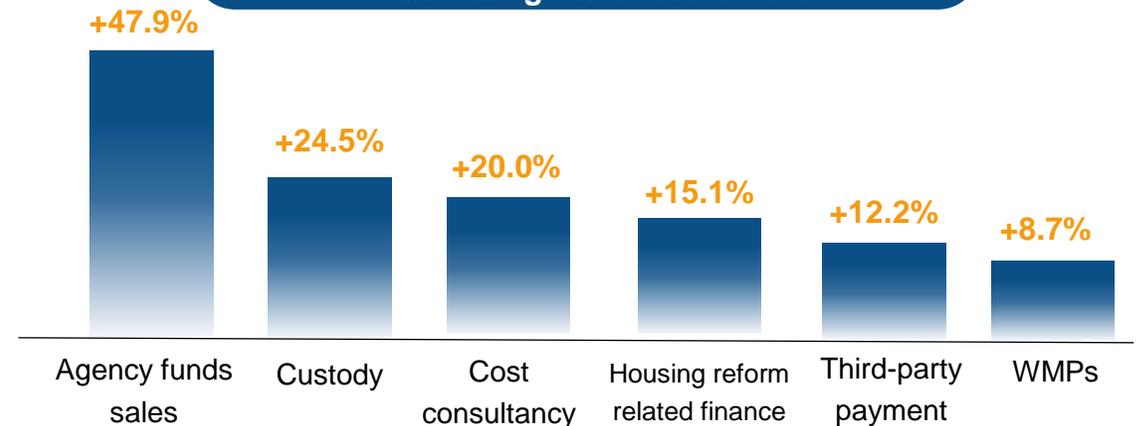
Net fee and commission income grew rapidly



Loan pricing supported the development of the real economy

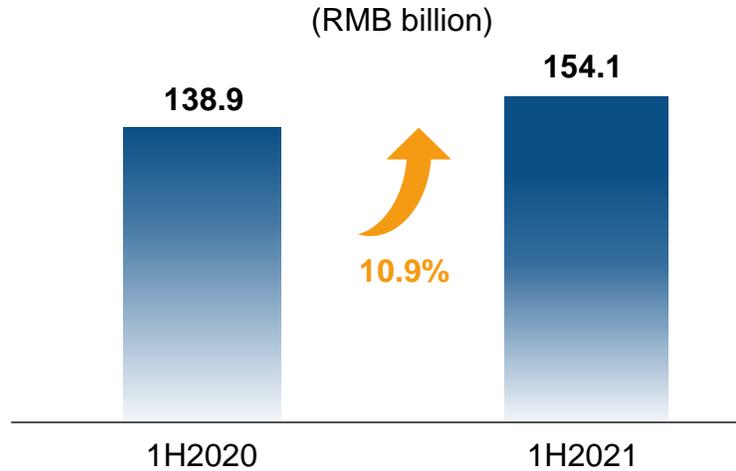


Transactional and financial intelligence-related fee income grew at a faster rate

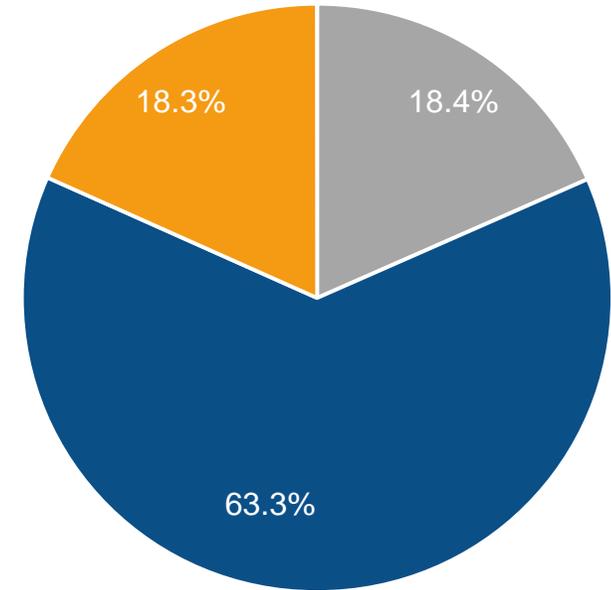


Financial Performance Indicators Improved YoY

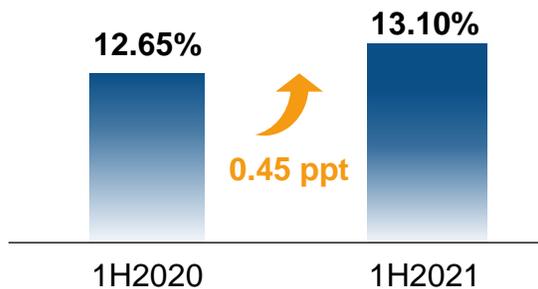
Net profit achieved double-digit growth



Profit share by business lines



ROE increased YoY



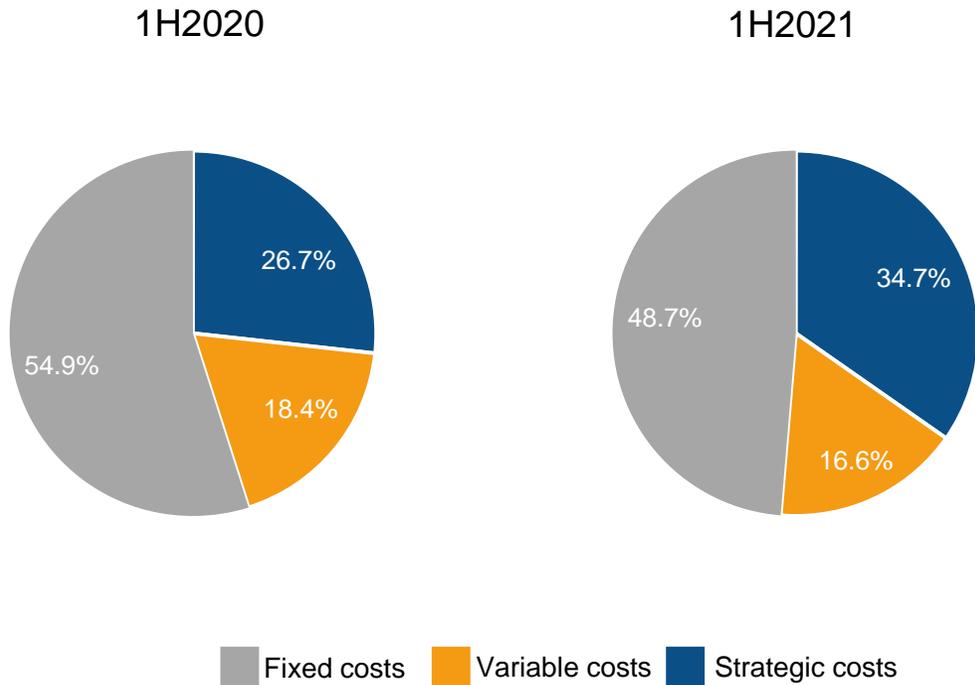
ROA rose steadily



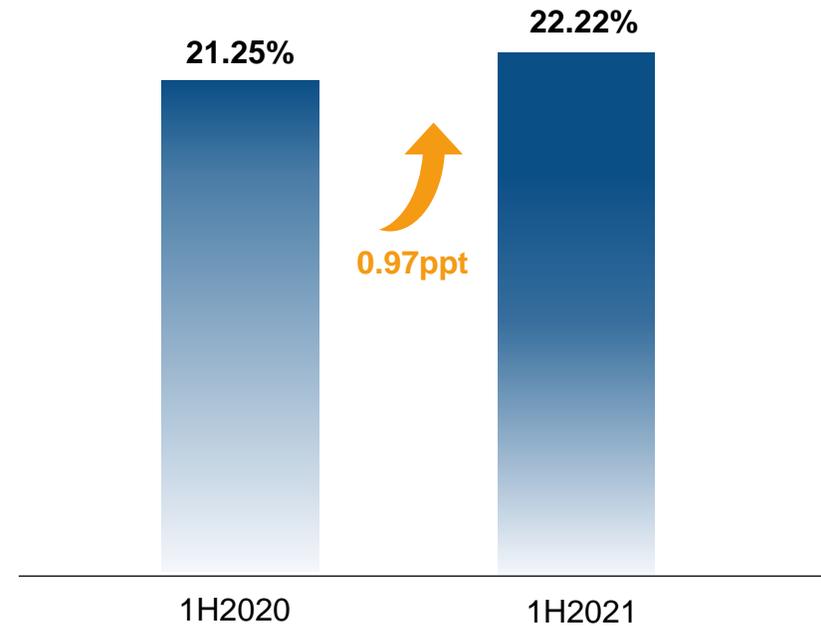
- Profit before tax of personal banking business
- Profit before tax of corporate banking business
- Profit before tax of treasury and other businesses

Balanced and Moderate Cost Control

Cost structure further optimised

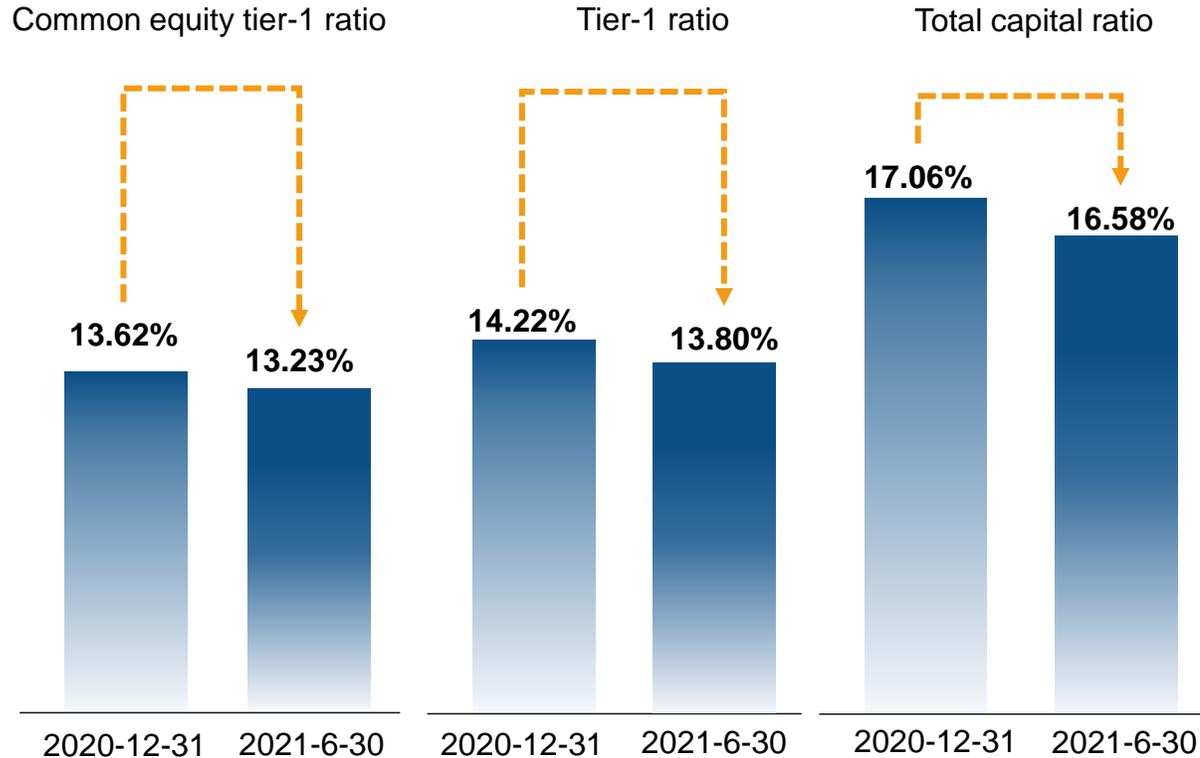


Cost-to-income ratio generally stable



Maintained Adequate Capital

Capital adequacy ratios leading peers



* Cash dividend for FY 2020 is RMB 0.326 per share, the capital adequacy ratio dropped by 0.46 ppt

Capital management continued to strengthen

Issued RMB 80 billion of tier-2 capital bonds on 6 August and will issue another RMB 80 billion of tier-2 capital bonds by the end of March next year

Promoted continuous optimisation of asset structure, encouraged the development of light-capital and high-return businesses

Continuously improved the Group's capital plan and assessment mechanism, and coordinated the capital management of onshore and offshore, on- and off-balance sheet, and parent-subsidary businesses

Continuously promoted the transformation of capital intensification and leveraged big data to tap into capital saving opportunities

Proactively promoted the implementation of the new Basel III Accords credit risk standard, enhanced internal management capabilities

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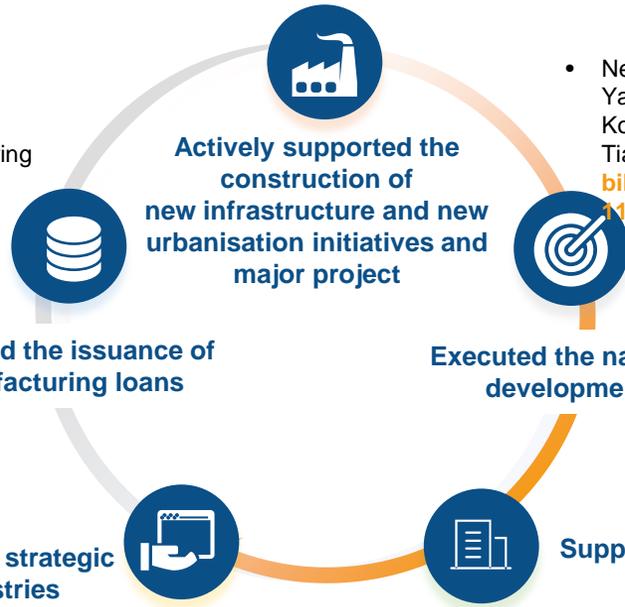
Outlook and Strategies

Serving High-quality Economic and Social Development

Adhering to the new development concepts of innovation, coordination, green, openness and sharing
 Fueling the construction of a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other

- Balance of loans was **RMB4.83 trillion** in infrastructure segment, **up 11.5%**
- Client loans reached **RMB101.1 billion** in new infrastructure segment, **up 16.2%**

- Balance of loans was **RMB1.39 trillion** in manufacturing segment
- Mid- and long-term loans reached **RMB616.85 billion** in manufacturing segment, **up 18.6%**
- Promoted Zhiduoqing industry research digitalisation platform
- Established "Industry Financing Connect" platform



- New corporate loans in three key regions of Yangtze River Delta Region, Guangdong-Hong Kong-Macau Greater Bay Area and Beijing-Tianjin-Hebei Region reached **RMB487.9 billion** compared to the beginning of 2021, **up 11.6%**

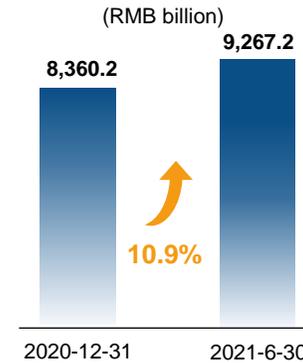
Strongly supported strategic emerging industries

- Balance of loans was **RMB767.8 billion** in strategic emerging segments, **up 24.7%**
- Supported new generation of key segments, including information technology, biomass technology, new energy, new materials, high-end equipment, new energy automobile

Supported the development of private enterprises

- Balance of loans was **RMB3.22 trillion** in private enterprises segment, **up 11.5%**
- Commenced strategic collaboration with All-China Federation of Industry and Commerce, focused on the planning of "eight platforms"

Rapid growth of corporate loans



Solid client base



7.55 million corporate clients, **up 3.7%**
9.13 million accounts in total

Innovative service methods



Further promoted supply chain finance

- Offered over **RMB380 billion** of supply chain financing
- Served over **56,000** supply chain enterprises
- Supported over **3,700** industrial chains



Constantly iterated Jianrongzhihe platform

- **930,000** registered platform users
- Average MAU of **122,000** users
- Over **1.1 million** needs publicised
- Over **53,000** matchmaking completed

Strengthened the Advantages of Corporate Transactional Business



Asset custody

Assets under custody reached **RMB16.8 trillion**, representing an **increase of 10.1%**

Fee income from custody service up **24.5%**

Size of new insurance assets, assets entrusted to securities companies and QFII assets ranked first in the industry

First ETF Shanghai-Hong Kong Cross-Listings Fund and STAR Market & GEM Board 50ETF Fund under custody



Financial market

Underwriting of coupon rate bonds and local government bonds reached **RMB 800 billion**

Scale of bond investment reached nearly **RMB 7 trillion**, actual investment return rate was over **4.7%** in the first half

Expanded professional digitalised service channel, the financial market e-trading platform handled an aggregate transaction of **over RMB 780 billion** in the first half

Interbank foreign currency lending volume and foreign currency repurchase volume ranked first in the industry

Provided RMB liquidity support to **482** small and medium-sized financial institutions, with a total trading volume of **RMB 6.2 trillion**

Customer-based trading revenue reached **RMB 6.33 billion**, up **11.7%** YoY



Investment banking

Investment banking business recorded revenue of **RMB 5.56 billion**, achieved the highest level compared with the same period over eight years

Over 60,000 customers of financial advisory business

Bond financing instruments underwritten for enterprises amounted to **RMB 260.7 billion**

Explored the design scenario of an all-rounded and personalised "Full-chain investment bank" system for end-user

Continued to upgrade smart ecosystem of "FITS 6+1"



Settlement and cash management

Total of **RMB 11.864 million corporate RMB** settlement accounts and launched simplified account set-up service for small and micro-sized enterprises

Active cash management customers reached **1.848 million**, up **10.2%** YoY

"Huishibao", "Jianguanyi" and other key products as the core, deeply expanded scenario service for cash management

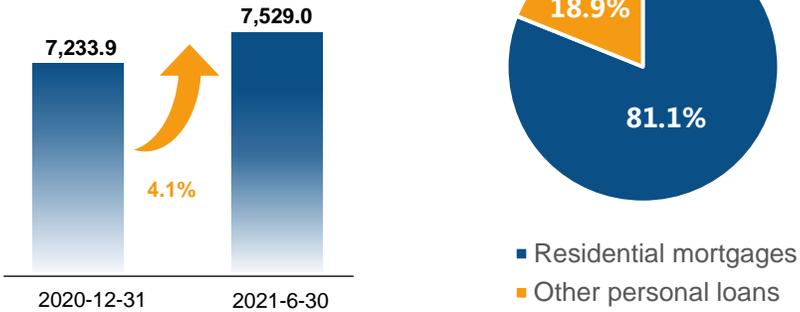
Executed global cash management business for China Mobile, China Southern Airlines, Yanghe and other clients

Fully Enhanced Retail Business Level

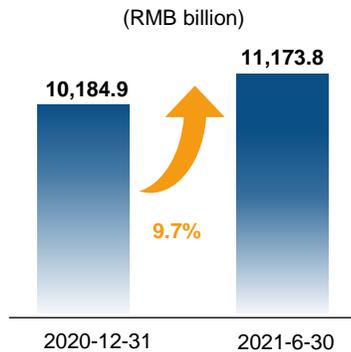
Retail business leading the market

Solid position as the largest retail credit bank

Balance of personal loans (RMB billion)



Personal deposits exceeded RMB 11 trillion



Personal mobile banking users reached **403 million**, up **3.8%**. Average monthly active users of mobile banking reached **142 million**.



Personal online banking users reached **383 million**, up **3.0%**.



Credit card customers exceeded **105 million**.



Personal merchants amounted to **4.2 million**.

Continuously strengthened the competitive edge in retail customers

Retail Business Capabilities Continuously Strengthened

Consumption



Credit card

- Issued an aggregate of **146 million** cards
- Spending amount via credit cards was **RMB 1.50 trillion**

Debit card

- **1.23 billion** active cards
- **680 million** active financial IC cards are in use
- Spending amount was **RMB 12.85 trillion**, up **20.0%** YoY

Personal spending loan

- Credit card loan balance reached **RMB 839.41 billion**
- Personal consumer loan balance was **RMB 227.84 billion**
- Personal quick loan balance was **RMB 203.49 billion**

Personal merchant

- Transaction volume amounted to **RMB 0.75 trillion**, up **33.9%** YoY

Personal mobile banking

- Transaction volume amounted to **RMB 47.2 trillion**
- Number of transactions was **26.51 billion**

Personal online banking

- Transaction volume amounted to **RMB 9.0 trillion**
- Number of transactions was **2.6 billion**

Long Pay

- User scale exceeded **173 million**

Aggregated Payment

- Transaction volume amounted to **RMB 949.4 billion**, up **61.0%** YoY
- Number of transactions was **4.44 billion**, up **78.5%** YoY
- Online payment ranked first in the industry in terms of market share of transaction by leading internet organisations such as Alipay, JD.com, Meituan and Douyin

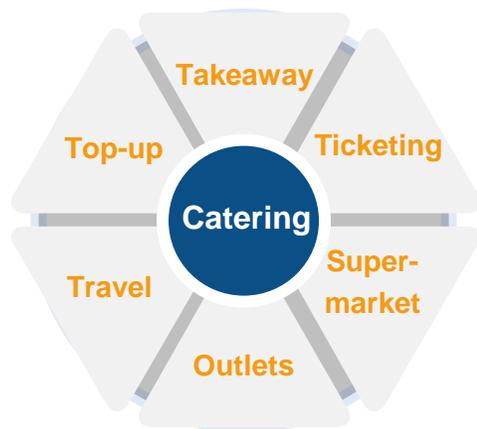


Payment

Built Innovative Retail Business Scenario



Established main service channel for user-level non-financial ecosystem



Riding on the experience of the internet industry to establish **catering ecosystem as the core**, with takeaway, top-up, travel, ticketing and other main lifestyle scenarios as the horizontal structure of **"Deep + Full" T-shape ecosystem**, and embedded with different financial service scenarios, the bank's customers are offered a new financial service experience through many "non-financial" segments

User interface **has been expanded gradually** through Hangzhou trial App downloading and internet scenario service are extensively available

Operational data

Serving B Community

20,470
Contracted quality merchants

Serving C Community

2.48 million
registered users
270,000 DAU



User interface region

Zhejiang

Available in entire province

Guangzhou, Shenzhen, Chengdu
Suzhou, Qingdao, Hebei

Available in the cities
with branches

Open bank



Merging financial service into lifestyle scenarios, to empower the good life of general public

Deployment of inclusive financial products on third party platforms

- Small and micro-sized enterprise clients can browse each loan product and receive service easily

Seamless financial service, personal clients can obtain banking service anytime anywhere

- Collaborated with **243** government, commercial, house rental, metro and transportation organisations
- Providing services such as bank account, investment, wealth management and consumer finance
- An aggregate of **31.572 million** users set up "e Account"

Yue lifestyle platform

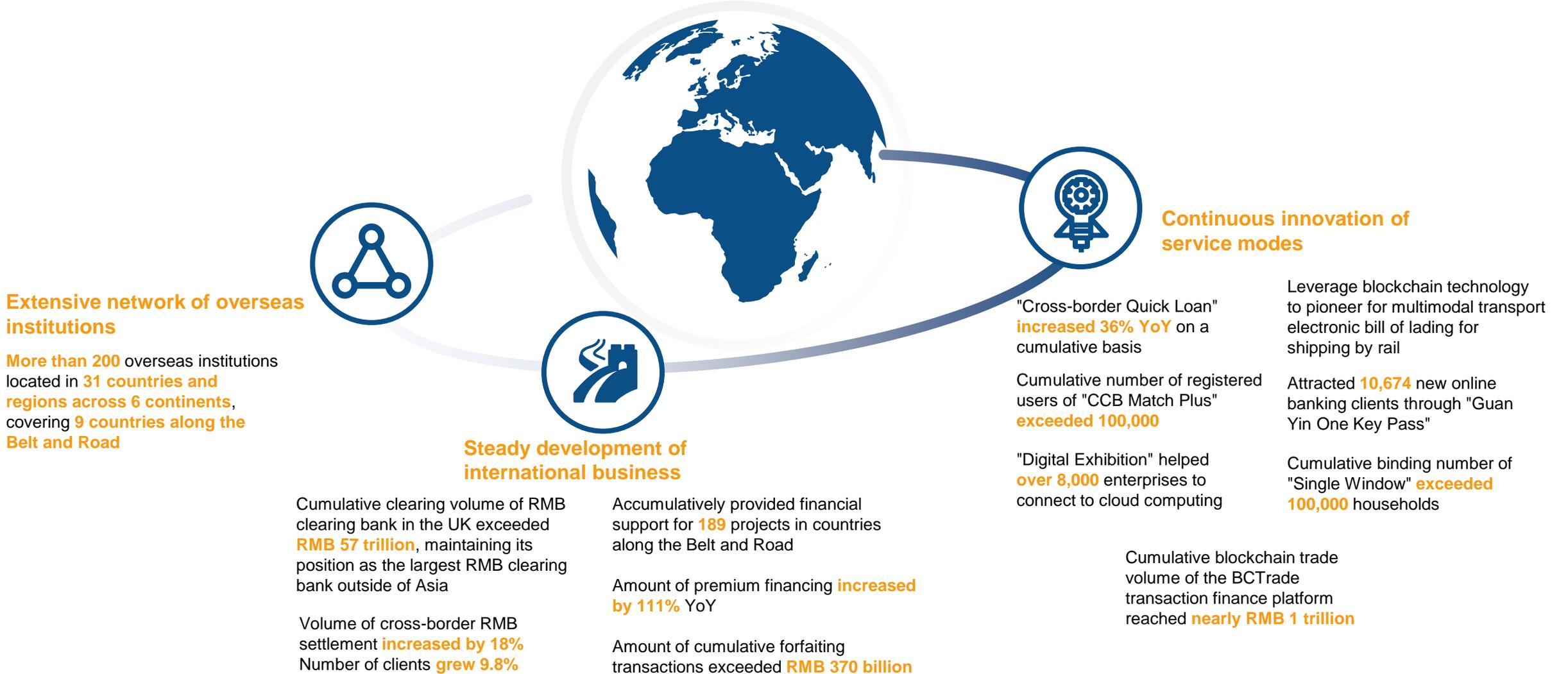


Self-completion through different online channels Education, government, charity, travel and payment of various living expenses

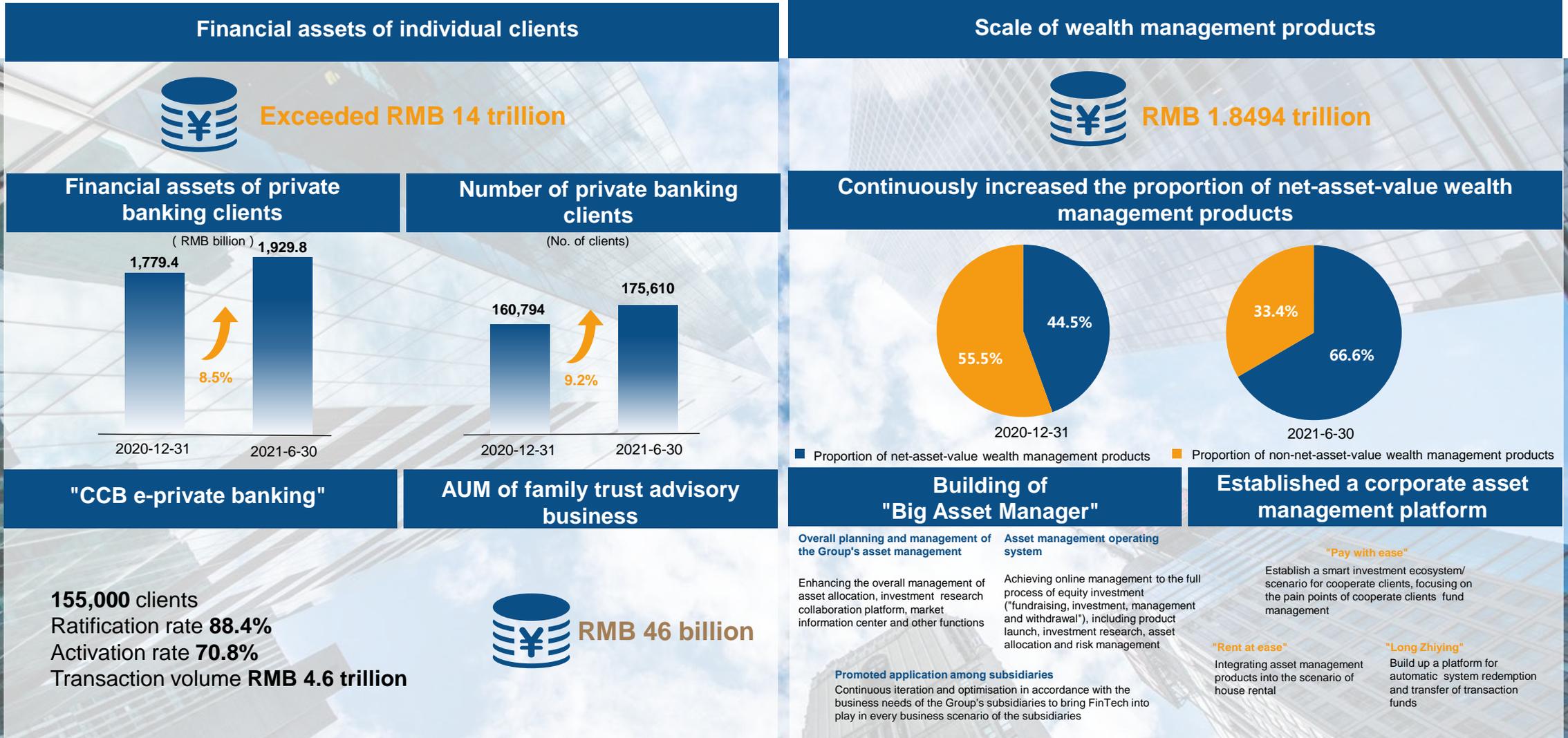
The number of life scenarios has increased to **106,000** in **seven categories**

85.392 million payments were made through the platform representing an increase of **24.6% YoY**

Steady Development of International Business



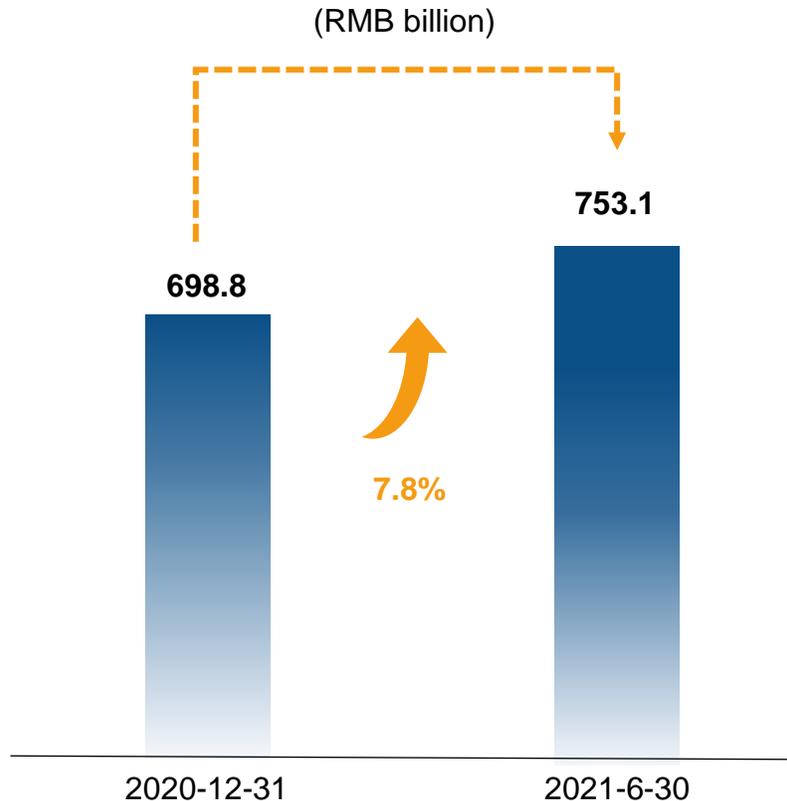
Innovative Development of Wealth Management



Continuous Development of Integrated Operation

Sustained growth in Assets

Total assets of subsidiaries



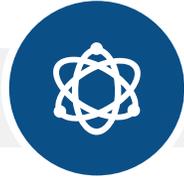
Synergy with the Group with characteristic development

<p>Joined the United Nation Principles for Responsible Investment (UN PRI)</p>	<p>New leasing assets set a new high in recent years and investment hit a four-year high</p>	<p>Scale of trust assets continued to rank first in the industry</p>	<p>Scale of total assets and new single installment premium ranked first among banks' insurance companies</p>	<p>Amount of housing savings loans increased 48% YoY</p>
<p>Launched its first warehouse receipt online pledge business</p>	<p>Implemented the "house deposit pension" in six provinces including Beijing, Guangdong and Henan, marking an innovative breakthrough</p>	<p>Premium income increased 51.4% YoY, investment income up 49.6% YoY</p>	<p>Income from cost consultancy remained No.1 in the industry in 2020</p>	<p>Scale of completed debt-to-equity swaps remained No. 1 in the industry on a cumulative basis</p>
<p>Registered platform users increased by 33%, accumulative payment amount climbed 75%</p>	<p>Income from external expansion reached RMB 465 million, up 171% YoY</p>	<p>Focused on the operation and management of the national fund for the development of strategic emerging industries</p>	<p>Invested RMB 400 million to establish a joint venture with BlackRock and Temasek</p>	<p>Number of bond issuance amount of underwriting and fundraising volume ranked No.1 among Chinese investment banks</p>

Enhanced Customer Service Capabilities



Outlets' integrated competitiveness has been comprehensively enhanced



Level of intelligent operation continued to improve



Effectively strengthened remote customer service capabilities

Improved quality and efficiency of operation

- Profit before Provisions per outlet grew **10.8%** YoY
- Profit before Provisions per capita grew **8.5%** YoY

Strengthened the planning and collaboration between channels

- Enhanced project development by kickstarting digitalised service capabilities in outlets
- Implemented digitalisation for business opportunity and planning for channel access
- Optimised the evaluation system of integrated competitiveness for branches and outlets

Systematic transformation and upgrade of outlets

- Five areas including service functions, service models, operation capacity, service environment and staff positions at the outlets
- Restructured position system in outlets
- Building of the outlets' operation ecosystem
- Digitalised operation of the outlets

Continuous optimisation of outlets' services and customer experience

- Average waiting time at outlets recorded at **6 minutes 34 seconds**, a decrease of **1.7%** YoY
- 5.1%** client over-waited at outlets, down **5.8%** YoY
- Analysed issues of outlets' complaints and supervised rectification work

Building of digitalised operation capability

- Deployed robotic process automation (RPA) applications with a reduction of **8,507** working hours
- Accelerated the implementation of digital marketing to support the development and optimisation of enterprise-level platforms
- Continuous improvement of the application of intelligent character recognition technology
- Realised the automation for remote double-checking

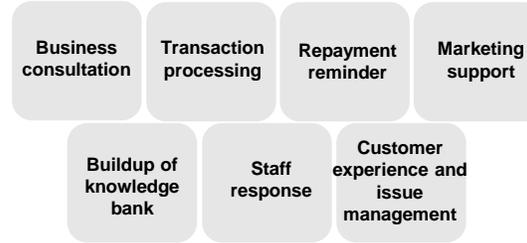
Continued to push forward the building of the end-to-end customer journey

- Promoted **16** services in the customer journey including elderly care and personal finance
- Implemented **74** optimisation measures including online and offline integration, product optimisation

Strengthened the promotion of cloud-based production

- Carried out promotion work of cloud-based production in **4 major areas and 12 scenarios**
- Following the launch of cloud-based approval, efficiency for credit approval of small enterprises has **increased by 26%**

Key categories of remote customer service



"Artificial+Intelligence" across all channels served customers **860 million** times

Manual inquiries successfully connected to customer service representatives across all channels **94.07%**

Overall customer satisfaction **98.74%**

Omni-channel Intelligent diversion rate **93.90%**

All robot problem recognition rate **99.66%**

Recovery rate with payment reminder being sent to the non-risk accounts whose credit card loan were overdue within 60 days **97.03%**

Types of mobile banking consulting services in 1H21

Customer Group	Content of the consultation	Average daily business volume (10,000 visits/ day)	Proportion (%)
Customer consultation	Debit card customers	Expense account, deposit and settlement, personal loan, report lost card and funds preservation, investment and financial management, intermediary business	36.46 45.81%
	Credit card customers	Expense account, account balance enquiries, installment plan of credit card, report lost card and control for credit card, card retention business	33.19 41.70%
	Housing finance and personal loan customers	Housing and commercial loans, provident fund loan, personal quick loan, house rental, deferred repayment of personal loan	7.34 9.23%
	Corporate and institutional customers	Corporate deposit, transaction settlement, corporate loan and intermediary business	1.07 1.34%
	International business and overseas customers	Foreign currency savings and remittance, foreign exchange settlement and sale, card for overseas use, financial management of foreign currency, overseas banking business consultation	0.94 1.18%
	Inclusive finance customers	"Huidongni", "Mingonghui", "Speed Loan", "Quick Loan for Small and Micro Businesses", "Quick Loan Platform	0.19 0.23%
	Premium customers	Reservation for exclusive value-added interests, pension planning, children's education and other non-financial consulting services	0.18 0.23%
Rural revitalisation customers	"CCB Yunongtong", rural revitalisation loan, "Yunong Quick Loan", high-standard farm loan, new rural village support loan	0.03 0.04%	
Staff consultation	All employees	Provide enterprise-wide knowledge supported by level-three experts	0.19 0.24%

Agenda

New Finance Action

Financial Performance

Business Development

Risk Management

ESG

Outlook and Strategies

Comprehensive, Proactive and Intelligent Risk Management System

Improved the modernised risk control system

Optimised risk management mechanism

- Model risks, third-party and outsourcing risks, and fraud risks were covered under the comprehensive risk management system
- Optimised the two-folded reporting system for inclusive finance risk control
- Enhanced the coverage of the three-dimensional defense responsibility system

Pushed forward the implementation of the Basel III Accords

- Developed and issued a comprehensive implementation plan for compliance
- Improved the implementation and promotion coordination mechanism

Solidified the foundation of risk management

- Re-examined risk appetite of the Group
- Explored risk profile of branches
- Continued to improve risk control measures such as risk assessment and evaluation

Integrated enterprise-level anti-fraud measures

- Developed an enterprise-level anti-fraud system implementation plan
- Continued to improve the anti-fraud system for inclusive finance, and small and micro enterprises

Optimised the risk control mechanism of subsidiaries and overseas institutions

Subsidiaries

- Strengthened the coordination and transmission of risk appetite at subsidiaries
- Refined risk evaluation indicators for subsidiaries
- Developed advanced methods for capital measurement at subsidiaries

Overseas institutions

- Strengthened the horizontal and vertical sharing of overseas risk information within the Group
- Promoted the development of risk management digitalisation of overseas institutions

Promoted the development of compliance digitalisation and established a penalty-driven compliance monitoring mechanism

Promoted "offline integration, online intelligence" employee behavior management, covering **321,500 employees**

Strengthened risk control over money laundering and sanctions, improved the sanctions compliance management system

Deepened the compliance culture where everyone takes responsibility

Strengthened compliance management

Improved the quality and effectiveness of RAD monitoring

- Covered **95.56%** of large and medium-sized enterprises with NPLs, and on average sent alerts **27.8 months in advance**
- Covered **84.05%** of small and micro enterprises with NPLs, and on average sent alerts **8.1 months in advance**

Continued to promote the RMD platform

- **540** newly developed models
- Shared and reused **2,061** times
- **62,200** executions

Expanded the verification coverage of RSD

- Intercepted **182,000** problematic businesses

Continuously promoted the establishment of a unified risk view

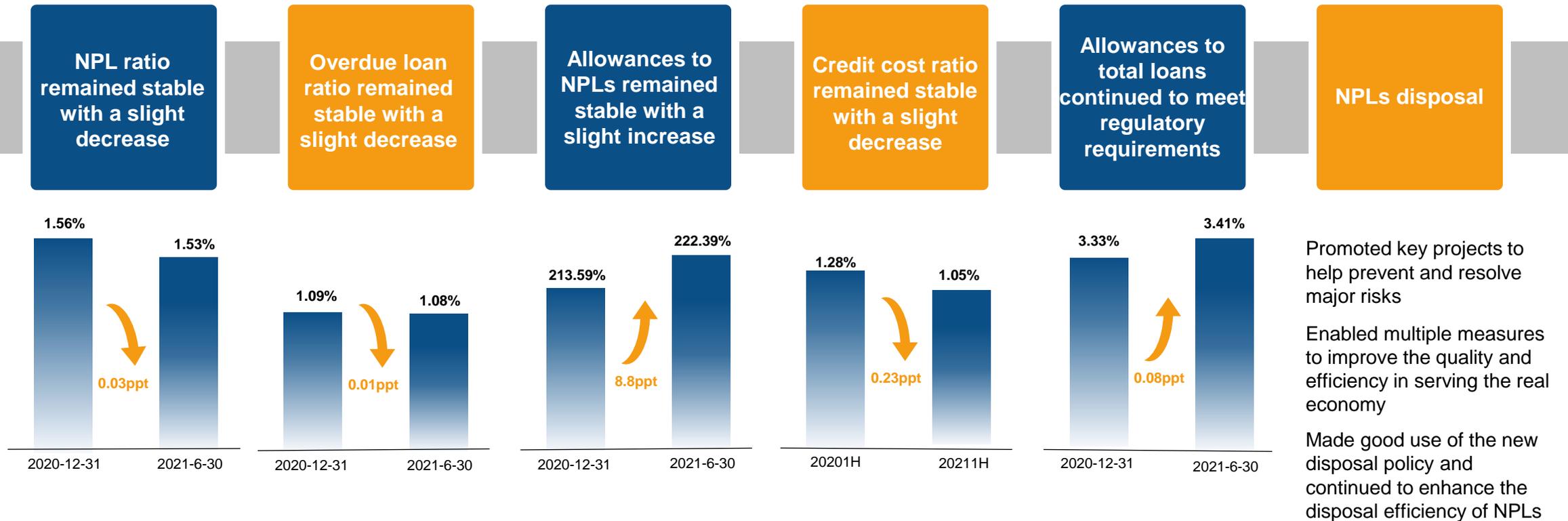
- Realised real-time sharing of risk information of domestic and overseas customers

Promoted intelligent risk control

Implemented the "Lanxin Project" for investment and trading business

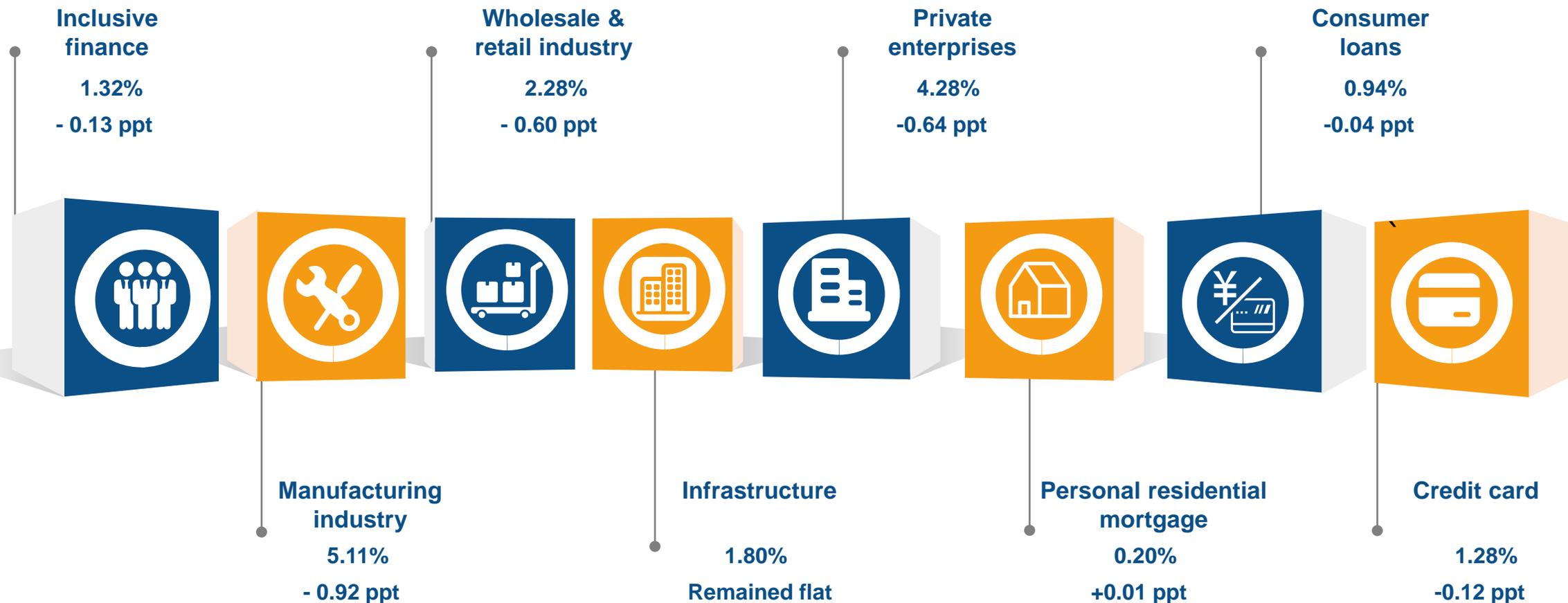
Realised "cloud approval" for small business and personal loans

Asset Quality Remained Steady



*The scissors difference between overdue loans and NPLs was about **RMB -81.98 billion**.

Asset Quality of Key Segments Remained Stable



*Percentage represents NPL ratio ; compared with the beginning of the year

Reasonable Control of Risks

Reputational risk management

- Continuously improved the reputational risk management system and mechanism
- Strengthened the consolidated management of reputational risk
- Focused on identifying and issuing early warning for potential reputational risk factors
- Strengthened daily public opinions monitoring
- Continued to carry out training on reputational risk and public opinion response



Operational risk management

- Revised operational risk management policies
- Enriched management tools
- Improved the management mechanism of financial services in response to emergencies
- Intelligent risk assessment for money laundering
- Differentiated management and control of high-risk customers



Liquidity risk management

Adhered to prudent and stable strategies

- Indicators such as liquidity coverage ratio and net stable funding ratio continued to meet regulatory requirements

Cooperated with PBoC in conducting monetary policy transmission

- Maintained the steady operation of the money market

Continuously improved stress testing procedures and methods of liquidity risk

- Organised quarterly liquidity risk stress tests
- Stress test results showed that liquidity risks remained stable and controllable

Improved liquidity anticipation capabilities

- Anticipated monthly tax payment period in advance, and funding situations at key points such as quarter-end, year-end and Chinese New Year

Paid close attention to changes in market rates

- Proactively managed foreign currency reserves, managed and controlled liquidity risks in a forward-looking manner



Market risk management

Financial market

- Set up the Group RMB credit debt risk control platform
- Conducted special stress tests on bond business
- Optimised the post-investment management process of credit bonds

Asset management business

- Actively promoted the rectification of wealth management business during the transition period and risk mitigation and disposal

Financial institutional business

- Revised the management system of financial institution counterparty
- Improved negative list control mechanism

Promoted compliance with regulatory standards such as the new standardised approach and the new internal models approach



Country risk management

- Closely monitored changes in country risk exposure
- Rechecked country risk ratings and limits dynamically
- Conducted country risk monitoring and early warning
- Upgraded country risk management system
- Risk exposure was mainly concentrated in countries (regions) with low or relatively low country risk



Agenda

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ESG

Outlook and Strategies

Optimised ESG Governance

Overall planning on ESG concept



Incorporated ESG related management concept and key elements into the Group's operational management process



Enhanced internal ESG management and guided customers to strengthen ESG management



Incorporated environmental and climate risks into the comprehensive risk management system



Improved risk management and control mechanism for environmental and climate risks

Board of directors

Responsible for formulating ESG related strategy on Group level
Supervise and evaluate the implementation of strategy

Related Party Transaction, Social Responsibility and Consumer Protection Committee

- Guided and pushed forward the ESG and green finance related responsibilities

Risk Management Committee

- Encouraged the management to establish ESG related risk reporting mechanism
- Focused on combining the goal of carbon neutrality and peak carbon emission and with operational management and risk appetite
- Focused on forward-looking management of environmental and climate risks

Board of Supervisors

- Paid close attention to the implementation of the Group's ESG related work from the perspective of sustainable operation and development
- Made promotion of green finance the focus of annual supervision

Management

Leading Group on Peak Carbon Emission and Carbon Neutrality

- Developed a "Peak Carbon Emission and Carbon Neutrality" action plan
- Improved the green finance management structure

Environment, Social and Governance Promotion Committee

- Promoted the implementation of ESG related work
- Deployed measures to foster new advantages of green finance

Officially became the supporting organisation for Task Force on Climate-Related Financial Disclosure (TCFD)

Supported Environmental and Climate Protection

Coped with climate change



Strengthened policies

- Incorporated environmental and climate risks into the overall risk management framework
- Incorporated environmental and climate risks into the entire credit process, and integrated relevant indicators into related industry policies
- Strengthened the identification of sensitive areas and industries
- Implemented the "one-vote veto system" for environmental protection in the credit approval process
- Comprehensively strengthened green transformation across industry, region, customers and products



Strengthened climate risk control

- The proportion of loans in high carbon-emission industries continued to decline
- Extended the scope of climate risk stress testing to aviation, cement, steel and other industries
- Explored and designed calculation methods and tools for total carbon emissions and quota allocation of various high carbon-emission industries and enterprises



Launched the first national climate investment and financing branch

(Guangzhou Nansha Climate Sub-branch)

Strengthened green operation



Effectively reduced office energy consumption

- Rolled out measures including energy-saving renovation of office facilities, implementation of paperless office, precise control of room temperature, and saving water and electricity in a scientific way



Upheld green procurement concept

- Took key green elements into procurement consideration such as energy saving, environmental protection, green and low-carbon



Established a waste recycling mechanism

- First in market to standardise the recycling of UPS storage batteries



Promoted the purchase of new energy business vehicles

- It is estimated that the current number of new energy vehicles purchased will exceed 50% of the total number of vehicles purchased in the year



Cultivated green operation concepts

- Carried out "Low Carbon Promotion Week", and "Clean Your Plate" campaign on "Strict Saving Against Waste"



Established the first national "Zero-carbon outlet" that achieved carbon neutrality

(Zhongshan Cuiheng New District Sub-branch)



The cumulative reduction rate of energy consumption during the "13th Five-year Plan" period was 28.1%



Fully Fulfilled the Social Responsibility

Strengthened consumer rights protection

Management structure and working mechanism

- The Board of Directors is responsible for formulating strategies, policies and goals for the protection of consumer right and interests
- The Board of Supervisors regularly listened to and reviews the working progress in the protection of consumer right and interests
- The management is responsible for unified planning and overall deployment of the protection of consumer rights and interests of the entire bank

Complaint management and product review

- Unblocked the complaint, standardised the complaint handling process, and flexibly use multiple resolution mechanisms to resolve customer complaints
- Used multiple channels to publicise the complaint hotline
- Established a pre-customer review mechanism for products and services
- Strictly complied with advertising-related laws and regulations

Information security and privacy protection

- Strengthened the protection of financial consumer information, continued to strengthen system improvement and machine control
- Paid attention to the protection of data security and customer privacy, and supervised employees' use of customer financial information
- Improved the security of electronic banking transactions, and conduct comprehensive monitoring of business transactions across various channels

Supported pandemic prevention and control as well as flood prevention and disaster relief

- A total loan of **RMB 45.2 billion** at preferential interest rate for related companies
- Donated **RMB 20 million** to the flood-stricken areas in Henan, and issued an emergency loan of **RMB 350 million** within three hours
- Supported **2.46 million** communities and enterprises for pandemic prevention and control through digital means



Enhanced and expanded the achievements of poverty alleviation

Continued to strengthen credit and service support in poverty alleviation areas and improved the availability of rural financial services

E.ccb.com

- Assisted **5,444** merchants on the platform
- A total transaction volume of **RMB 6.91 billion**
- Proactively built an agricultural industry chain model of "Shanfutong + Shopping Malls + Agricultural Industrialisation Enterprises + Dealers + Breeders/Growers"

"National Catalogue of Poverty Alleviation Products"

- Commodity transaction volume stood at **RMB 479 million**
- The transaction volume of aid fund in three regions and three prefectures reached **RMB 125 million**

Guaranteed service accessibility

- The number of ATM machines ranked first in the industry
- Smart teller machines covered all outlets, with a scale of approximately **48,000 units**
- Added seven 5G+ smart banks
- Transaction volume of "Quick Loan for Small and Micro Businesses" from online financial channel was **2.738 million**, with a transaction amount of **RMB 922.13 billion**
- Enterprise ERP cloud platform is a non-financial service platform that meets the daily operational needs of small and micro enterprises

Strengthened Human Resource Management

Recruitment and performance management

- Kept expanding the recruitment scale, avoided headcount reduction at the bank's discretion, and developed inclusive welfare
- Implemented performance management for employees and set up differentiated performance plans

Protected the legitimate rights and interests of employees

- Established a system for employee representatives' meeting
- The labour union proactively participated in the mediation of labor disputes
- Improved employee satisfaction through practices such as democratic and earnest discussion, president's reception day, caring for employees

Paid attention to talent development

- Established a professional and technical job grade examination system
- Focused on enhancing the understanding of ESG concept among all employees through training

External Recognitions



**National Poverty Alleviation
Summary and Commendation
Conference**
"National Poverty Alleviation
Advanced Group" honorary title

The Banker Database
**TOP 1000
WORLD BANKS 2020**

World Ranking: 2
Country Ranking: 2

The Banker (UK)

Ranked 2nd in the "TOP 1000
World Banks"

Forbes

Forbes US

Ranked 4th
in the Global 2000 Companies

BrandZ

Brandz

Ranked 94th
among the Top 100 Most Valuable
Global Brands

亚洲银行家
THE ASIAN BANKER®

**The Asian Banker
(Singapore)**

The Best Retail Bank in China
Achievement in Comprehensive Risk
Management Award in China

**Harvard
Business
Review**
哈佛商业评论

Harvard Business Review (US)

2021 Excellent Management Award

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Economic Outlook



Uneven global economic recovery

Global economic recovery expected to accelerate with uneven growth

Covid-19 variants bring uncertainties to global pandemic control

Market expectations for normalisation of Fed's monetary policies tick up, beware of negative spillover effect

Inflation aggravates, unemployment rate yet to return to pre-Covid-19 level

Industrial manufacturing sector shows strong sign of recovery, but demand-side recovery lags

Prevent risks resulting from overheating of the financial market and strong volatility



Domestic economy has largely returned to normal operation

China's macroeconomic operation remains within a reasonable range, maintaining stable recovery momentum, and has largely returned to normal operation

Recovery in consumption is expected to continue, however the momentum might not be as robust as expected

Investments to remain strong, manufacturing investment to accelerate, real estate investment to steadily recede, infrastructure investment to steadily grow

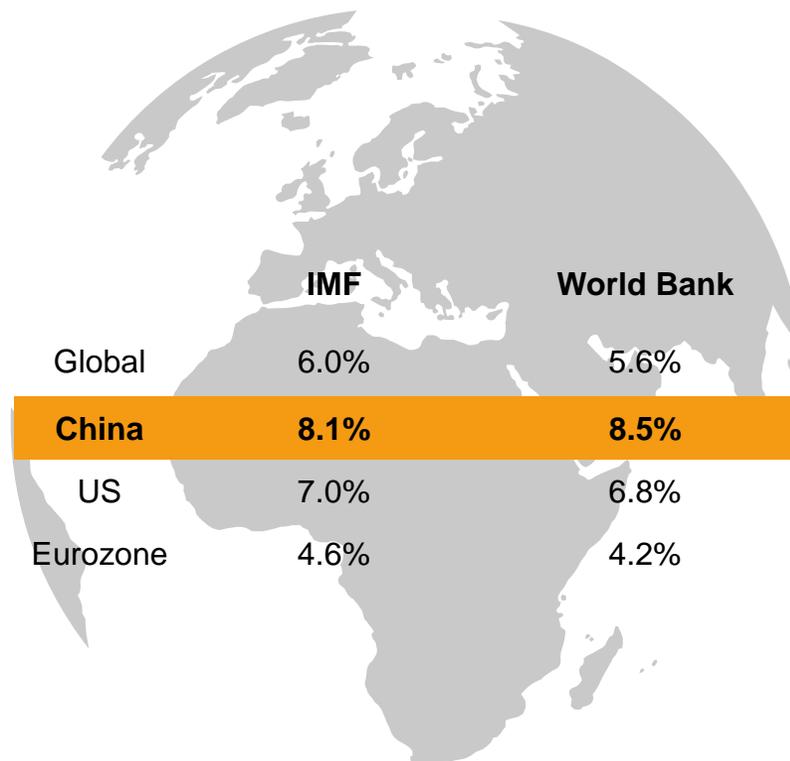
Export growth is expected to maintain at a higher level, as the overseas pandemic situation improves and the economy recovers

Issuance of government bonds and local government bonds is expected to accelerate from Q3, providing support to the economy

Monetary policy continues to normalise, focusing on the management of balance between demand and supply over time

Growth of social financing will basically match the growth of nominal GDP, macro leverage ratio remains stable overall

Regulatory agencies incentivise financial departments to strengthen financial support for green industries



Forecast of 2021 economic growth

Opportunities and Challenges



VS

Global pandemic situation remains severe

Uneven recovery of global economy with **downside risks**

Negative spillover effect from macroeconomic policies of developed countries

Domestic economic recovery remains **uneven and unstable**

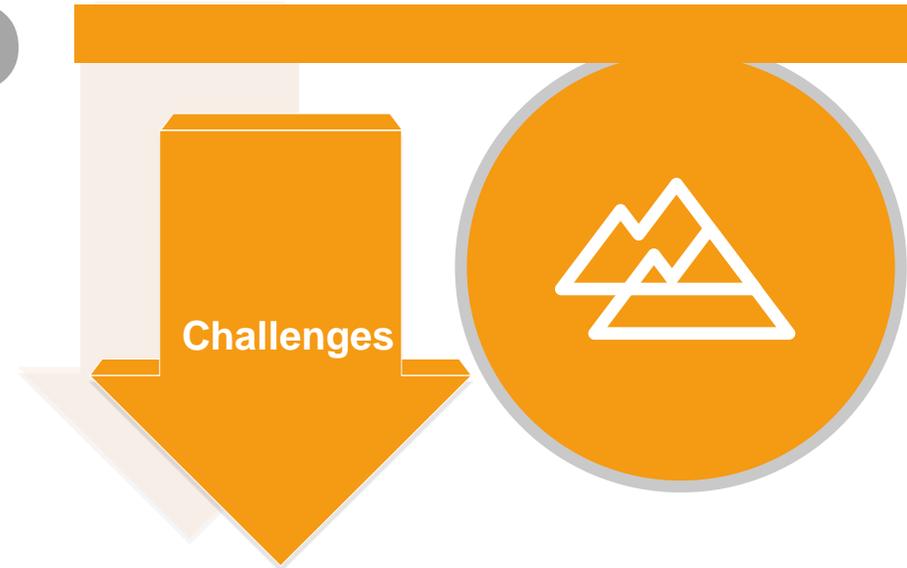
Risks from hidden debts cannot be overlooked

Increased operating pressure on manufacturing industry and SMEs

Risk of international financial market **correction**

Transition risks brought by heightened resource and environmental constraints

More stringent **financial supervision** at home and abroad



China's economic operations are **stable and steady**

Accelerate the construction of dual circulation development pattern

Proactive fiscal policy to **enhance policy efficiency**

Prudent monetary policy to maintain **reasonable and sufficient liquidity**

Comprehensive policy support for **coordinated development** among regions

Regulators direct banking services to extend to third-tier cities and rural areas

Optimise the formation of market-oriented interest rate and transmission mechanism

Promote **economic transformation opportunities** through reaching peak emissions and achieving carbon neutrality

Promote high-level and **two-way opening up** of the financial market

Key Focuses in The Second Half



Improve New Finance action with higher standing

- Strengthen data and platform operation with inclusive finance
- Create New Finance engine using FinTech
- Focus on coordination, quality development, compliance and appropriateness of house rental
- Promote the building of an agricultural industry chain ecosystem through rural revitalisation
- Explore the green and sustainable development pattern of green finance
- Maintain market position and market share in the wealth management business



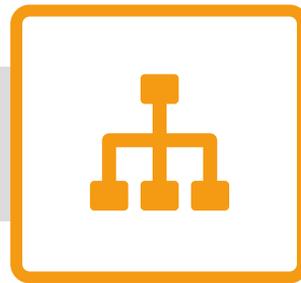
Set high-standard goals

- Maintain the balanced development of assets and liabilities
- Promote the organic and unified creation of customer experience and related scenarios
- Give full play to the synergy between the parent bank and its subsidiaries



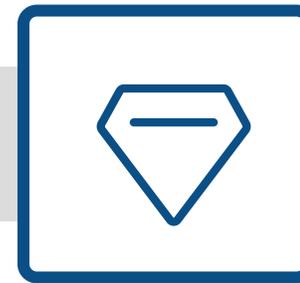
Serve the real economy with high-quality service

- Timely follow the change in market demand, maintain stable and sustainable loan growth, reasonably optimise business mix
- Expand development in key areas including strategic emerging industry and advanced manufacturing industry
- Control loans to high-risk areas
- Increase personal business loans and personal consumer loans
- Strengthen integrated operations



Promote high-quality digitalised operation

- Accelerate the construction of the three big middle offices and enterprise-level scenarios
- Promote "100 Ecosystem Scenarios" initiative
- Augment online and offline coordination
- Accelerate the upgrading of customer operation system



Efficiently promote value creation

- Enhance pricing capability
- Strengthen cost control
- Bolster capital saving



Reinforce internal risk control with high standards

- Optimise the construction of a risk management system
- Boost the control of asset quality
- Supplement the building of intelligent risk control system
- Bolster the management of compliance and internal control
- Fortify safe operation, flood prevention and pandemic prevention

Thank You