

## 2017 Interim Results Announcement

# 17

Beijing / Hong Kong



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# Financial Highlights











Business Development

Risk Management

Outlook



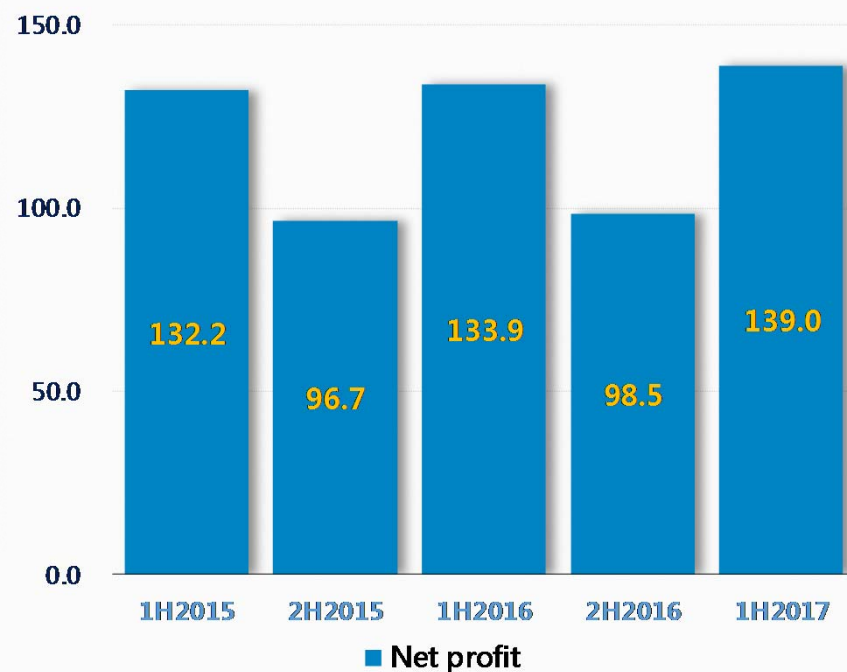
## Key Financials

RMB (billion)	30 June 2017	31 December 2016		Change
<b>Total assets</b>	21,692.1	20,963.7		3.5%
<b>Gross loans and advances to customers</b>	12,507.0	11,757.0		6.4%
<b>Total liabilities</b>	20,047.5	19,374.1		3.5%
<b>Deposits from customers</b>	16,274.4	15,402.9		5.7%
<b>Non-performing loan ratio</b>	1.51%	1.52%		0.01pps
	January – June 2017	January – June 2016		Y-o-Y Change
<b>Operating income</b>	303.1	295.7		2.5%
<b>Net interest income</b>	217.9	211.0		3.3%
<b>Net fee and commission income</b>	68.1	67.2		1.3%
<b>Net profit</b>	139.0	133.9		3.8%
<b>Earnings per share ( RMB Yuan )</b>	0.55	0.53		3.8%

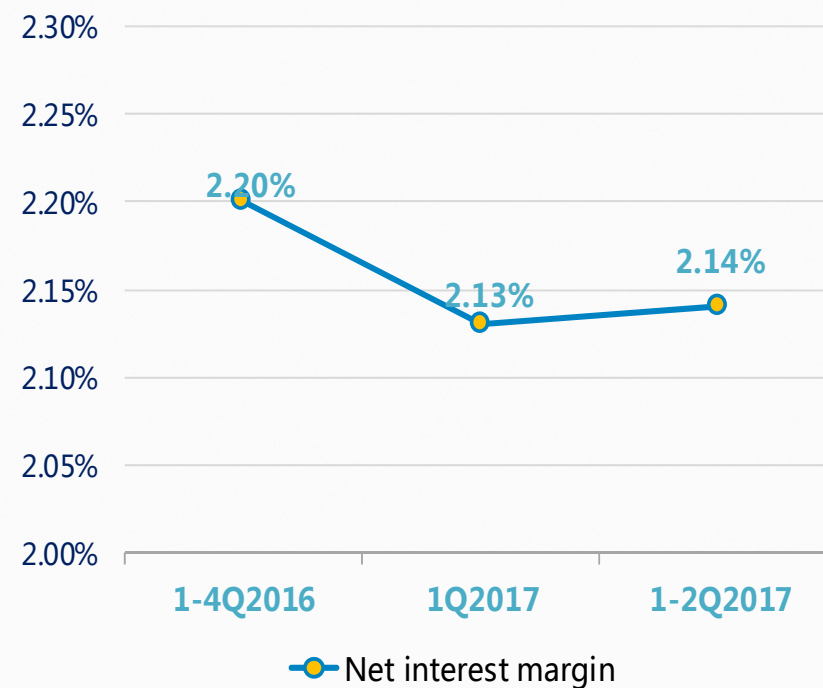
## Stable growth in profitability

Net profit up by 3.8% YoY

RMB (billion)



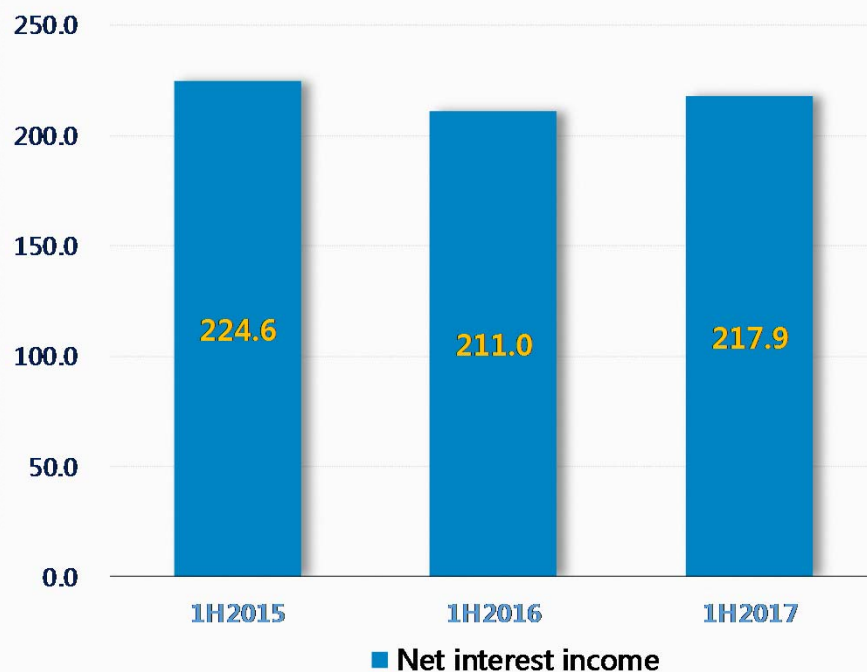
The Group's net interest margin rebounded



## Steady growth in revenue

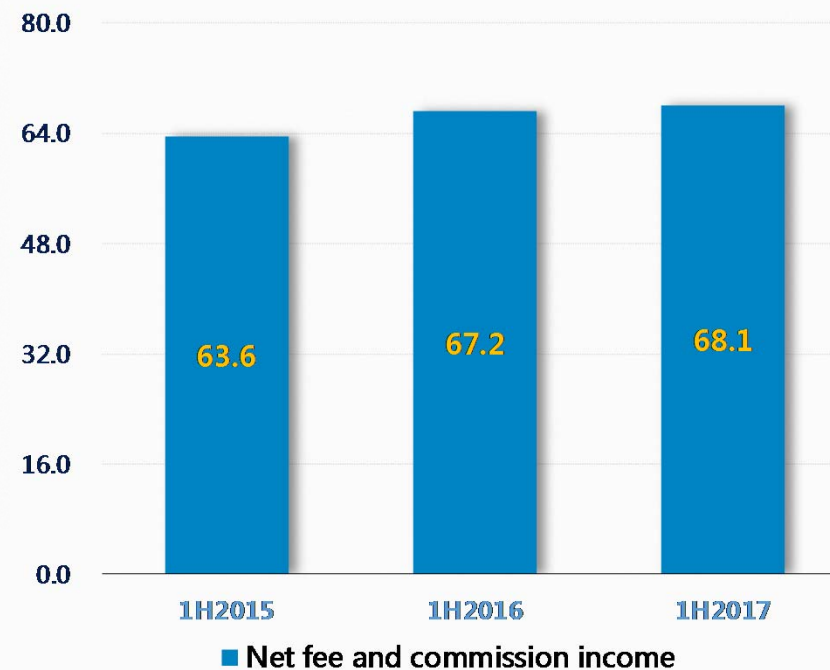
Net interest income achieved positive growth

RMB (billion)



Net fee and commission income up by 1.3% YoY

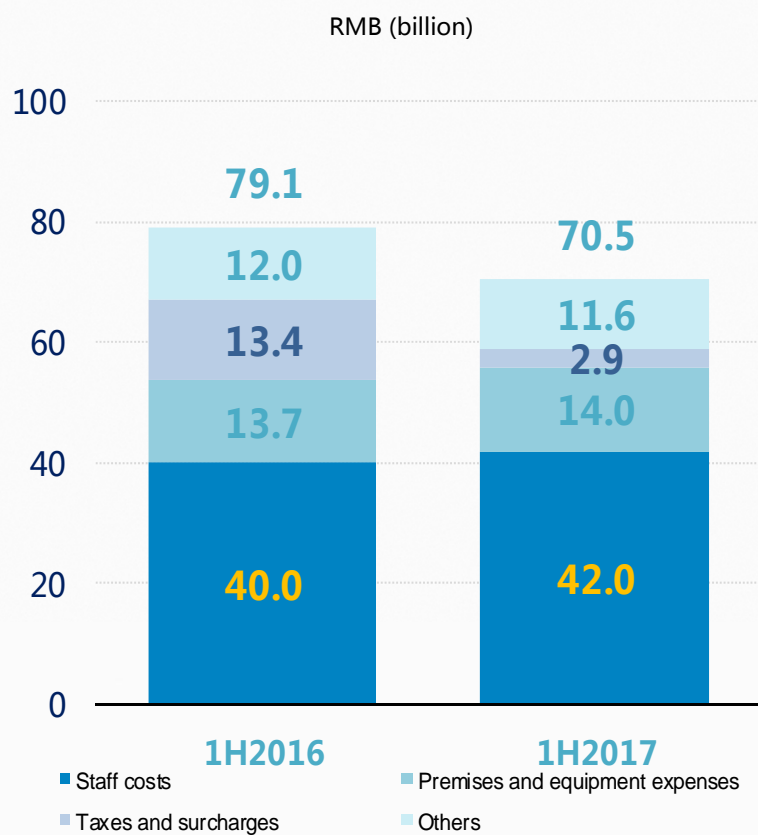
RMB (billion)



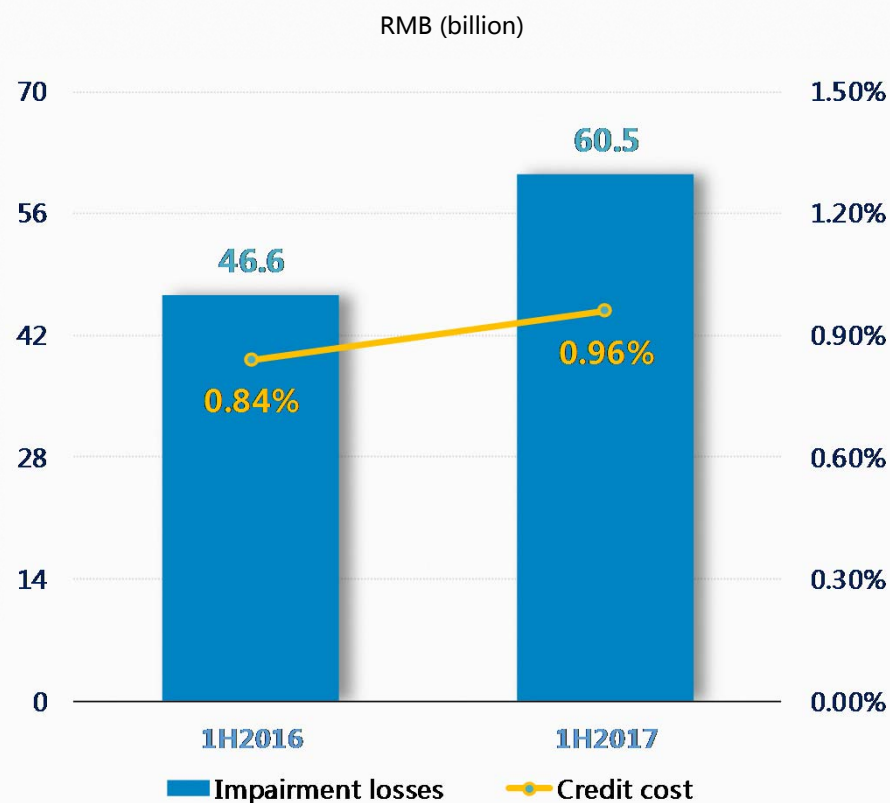


# Strengthened cost control

Operating expenses down by 10.8% YoY



Sufficient provisions for impairment



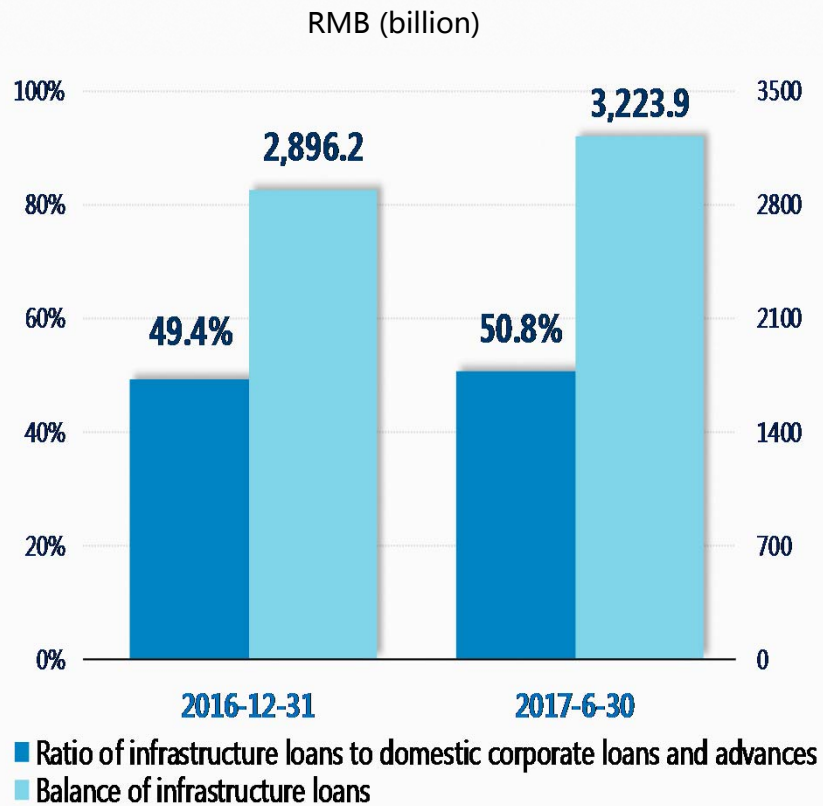
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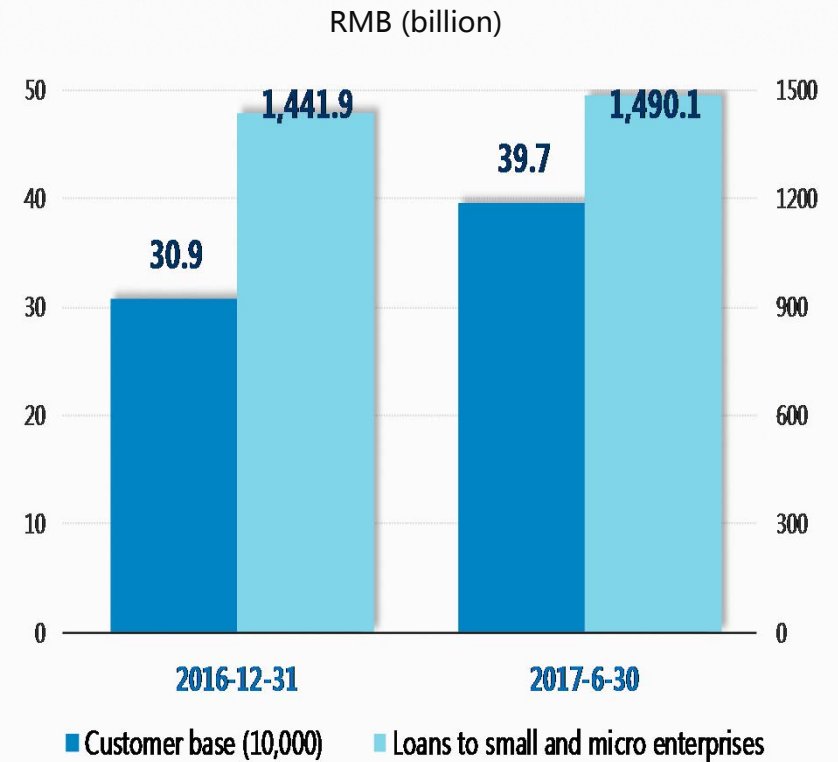


# Supported key areas of the real economy

Loans to infrastructure sectors up by 11.3%

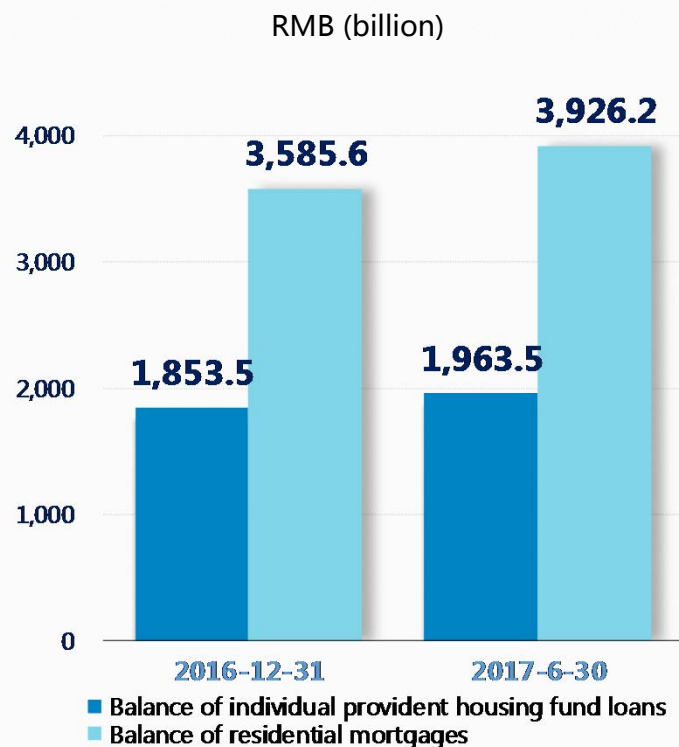


Leading in small and micro enterprise customers

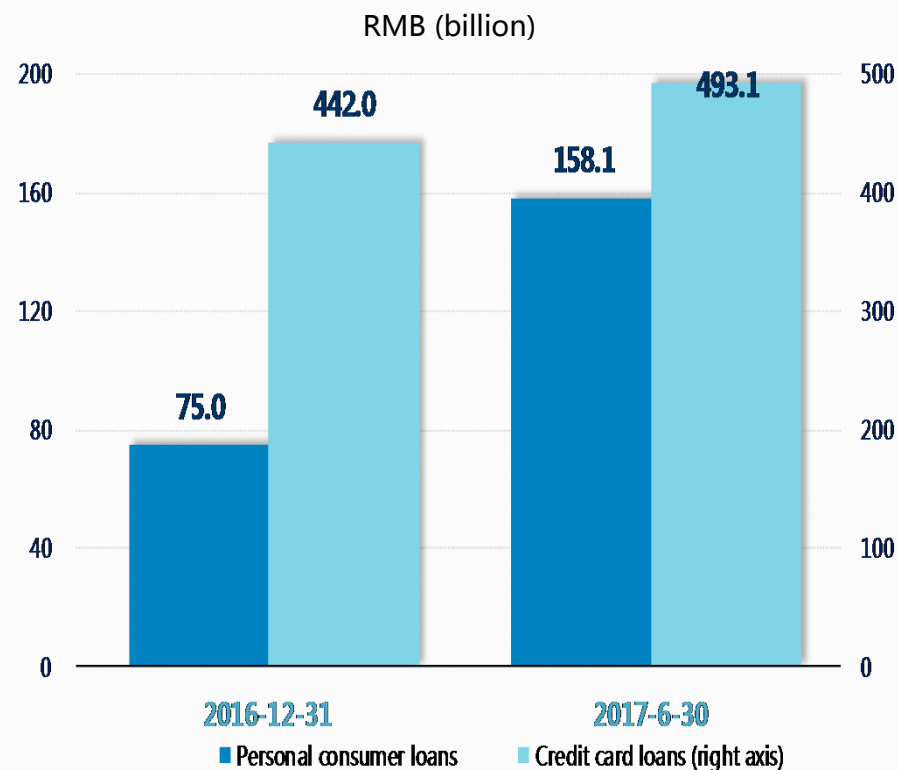


# Maintained leading position in personal loans

No.1 among peers in balance of residential mortgages and individual provident housing fund loans

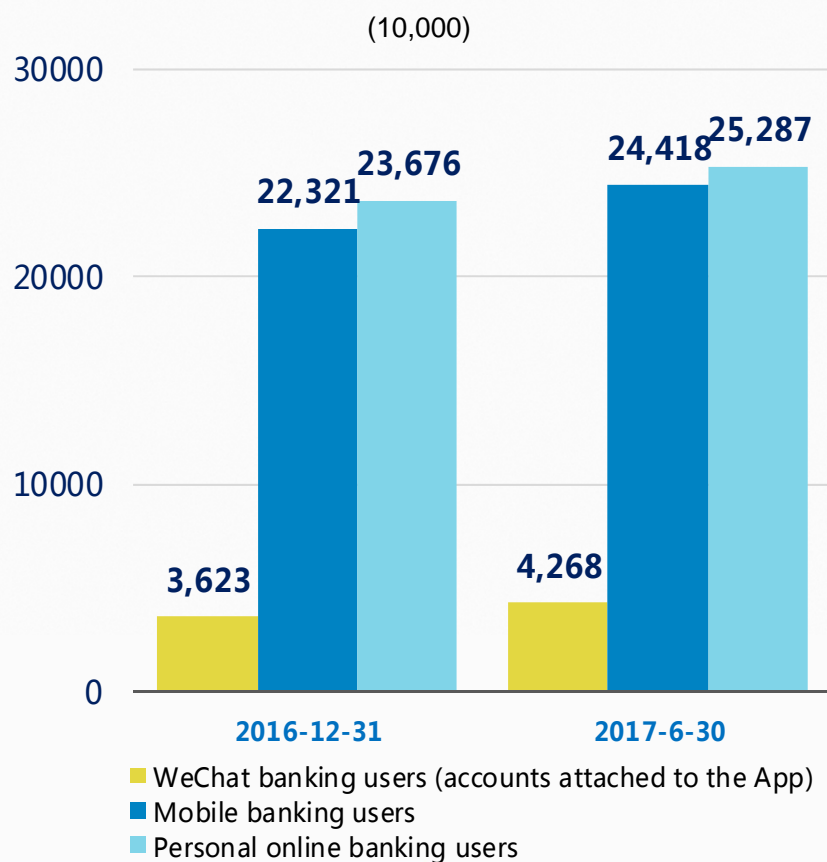


Rapid growth in consumer loans



## Further promoted internet-based financing

### E-finance business realised fast growth



### Innovation and application of Fintech

“Public cloud + Private cloud” Hybrid cloud application

Smart equipment

Smart customer service

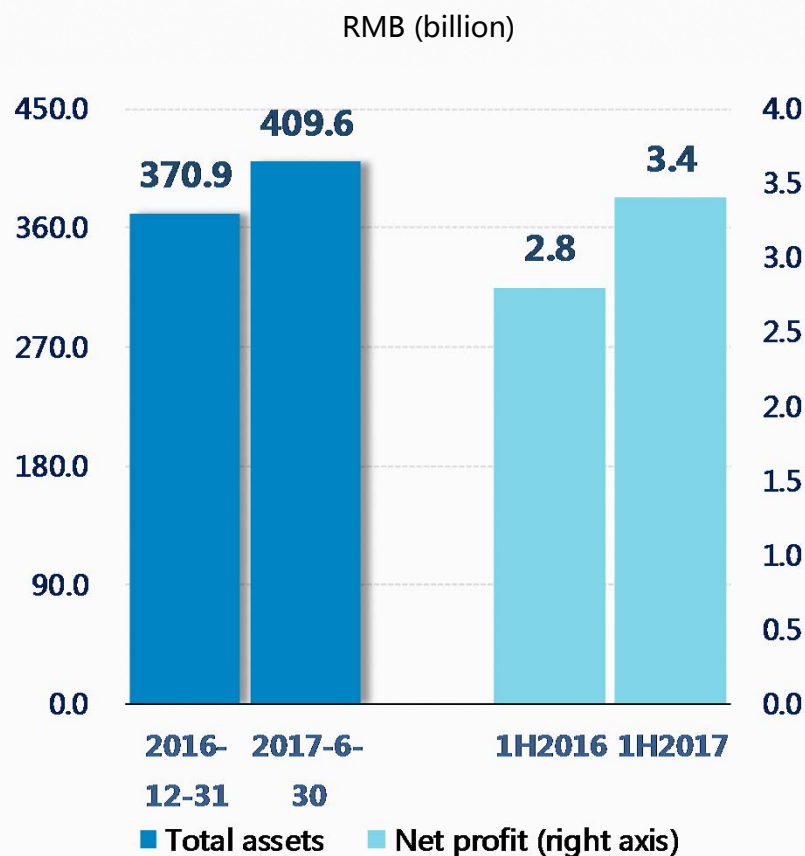
Safe product innovations

Biometrics application

Construction of smart banking stores

# Continuous improvement in comprehensive financial services

Rapid growth in assets and net profit of integrated operation subsidiaries



Promoted the development of asset management and investment banking

Assets under custody close to RMB 10 trillion , up by 7.3%

Wealth management service fees up by 9.3% YoY

Global asset management platform

Innovatively launched "Investment Connect" product

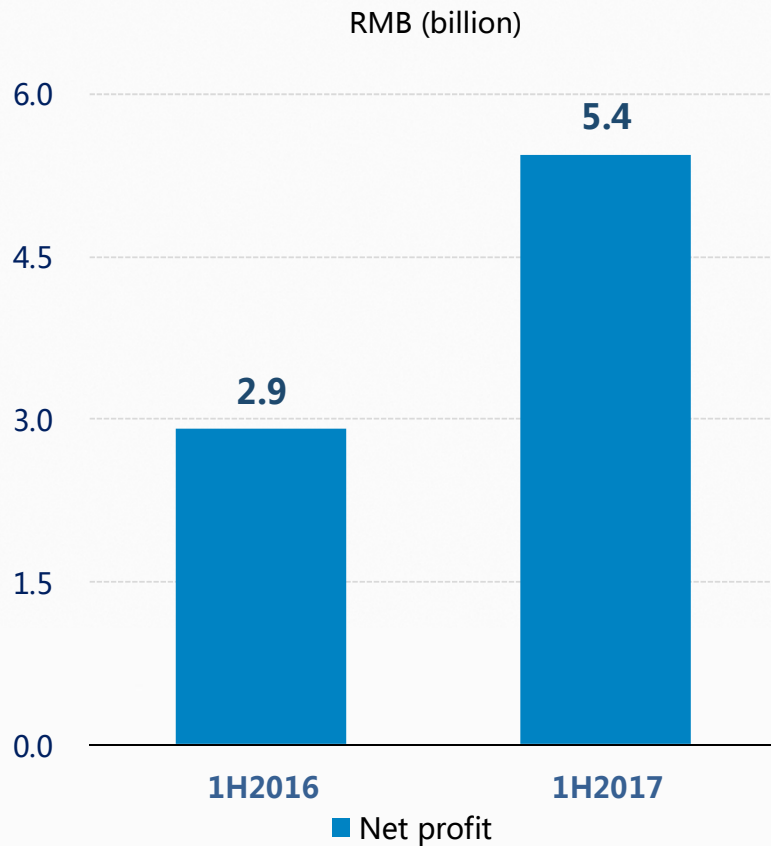
No. 1 in the market in all bonds and non-financial bonds underwriting

Among the first batch to conduct "Bond Connect" underwriting

"Debt-to-equity Swap" led the market

# Steadily promoted international and overseas business

Net profit of overseas commercial banks up by 86.7% YoY



Steady improvement in overseas service capabilities

251 overseas entities in 29 countries and regions

Head office level correspondent banks in 132 countries and regions

Supporting "Going Global" strategy, serving "the Belt and Road Initiative"

"Cross-border e+" - the comprehensive financial service platform for cross-border e-commerce

Income from international settlement ranked first in the market

CCB London became the largest RMB clearing bank outside Asia



# Completion of the New Generation Core Banking System construction

## New Generation Core Banking System

### Innovated in enterprise-level IT support platform

- Processes, data, products and user experience models at the Group level
- The “centralised + distributed” integration structure
- Launch of more than 13,000 innovations and optimised functions

### Established enterprise-level data management and application system

- Shared unified data view
- Data visualisation management
- Big data application

## Enhanced core competitiveness in the Internet era

Flexible and efficient product innovation

Professional marketing services

Transformation of smart outlets

Differentiated and consolidated pricing service

Intensive business operation

Comprehensive risk prevention and control

Refined management

Convenient data application

Integrated support for subsidiaries home and abroad

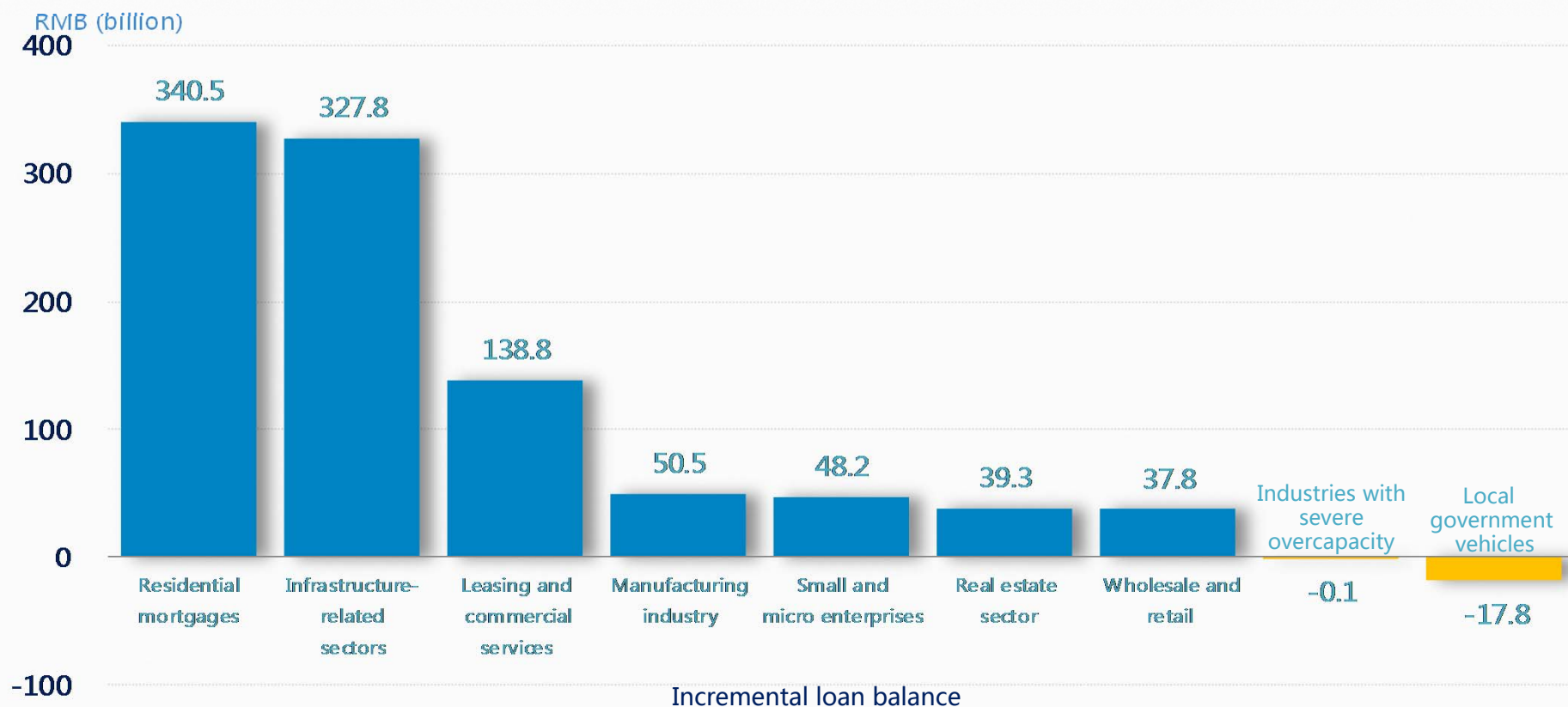


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# Continuous optimisation of credit structure

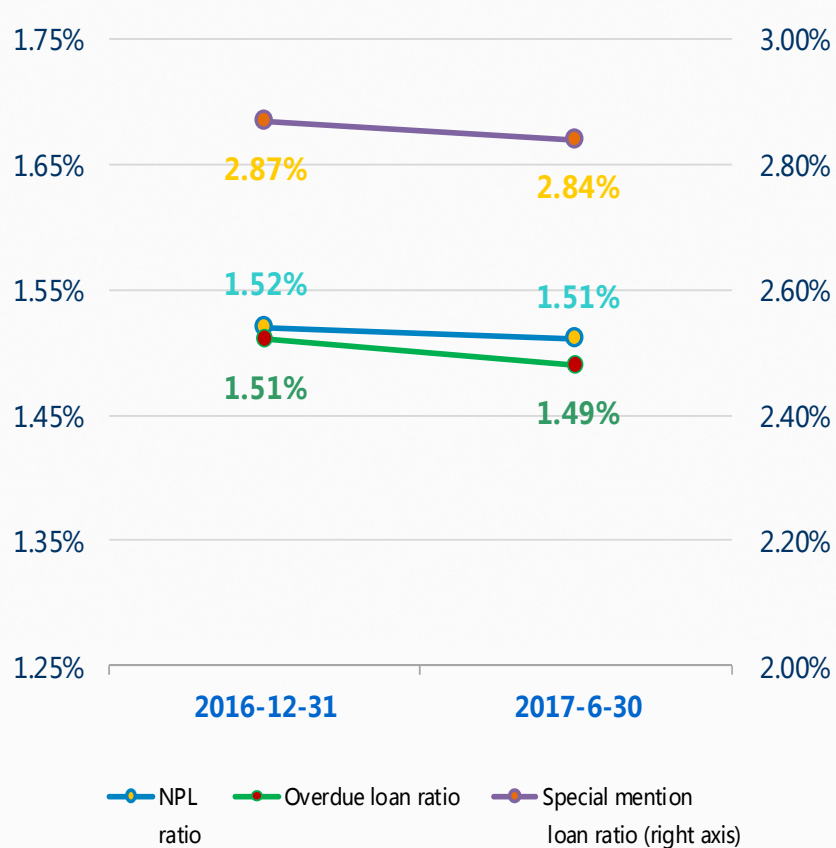
Continued to adjust credit structure



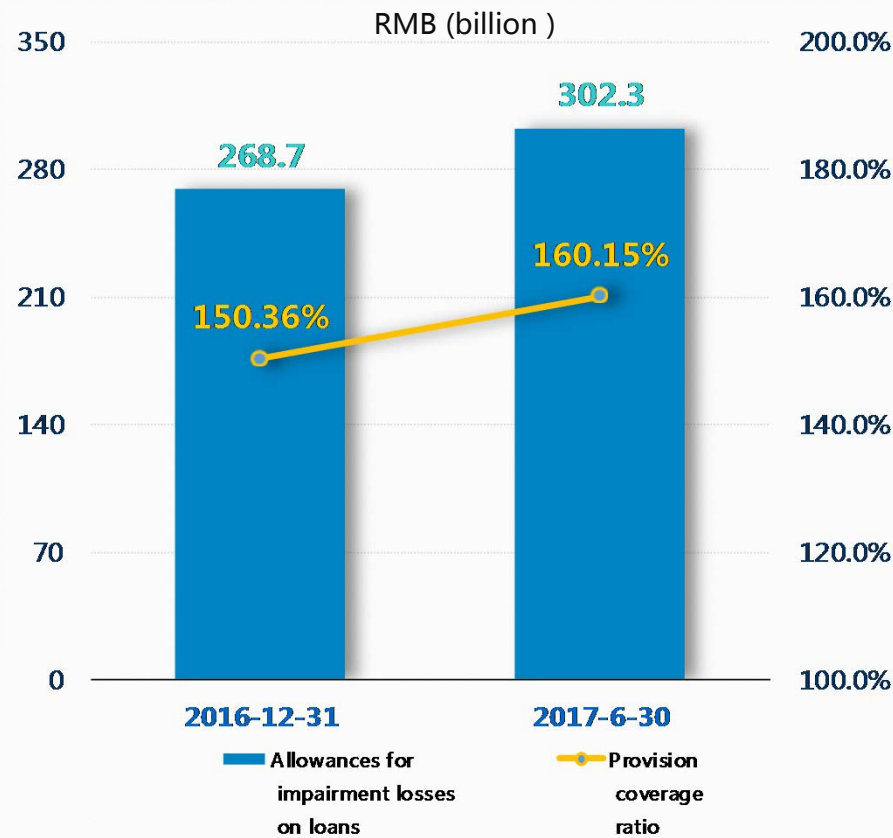
Note: Industries with severe overcapacity include steel, cement, electrolytic aluminum, plate glass, and ship building.

# Steady improvement in asset quality

## Decline in NPL indicators

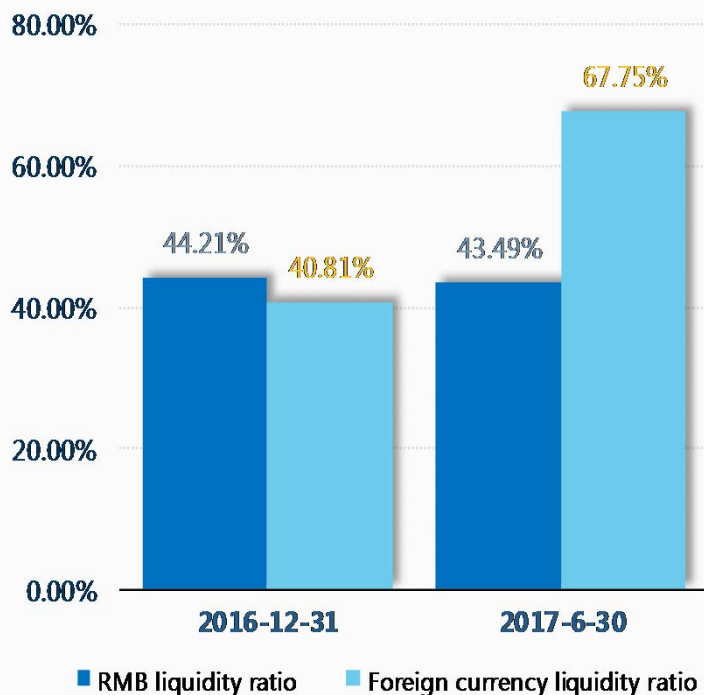


## Provision coverage ratio increased

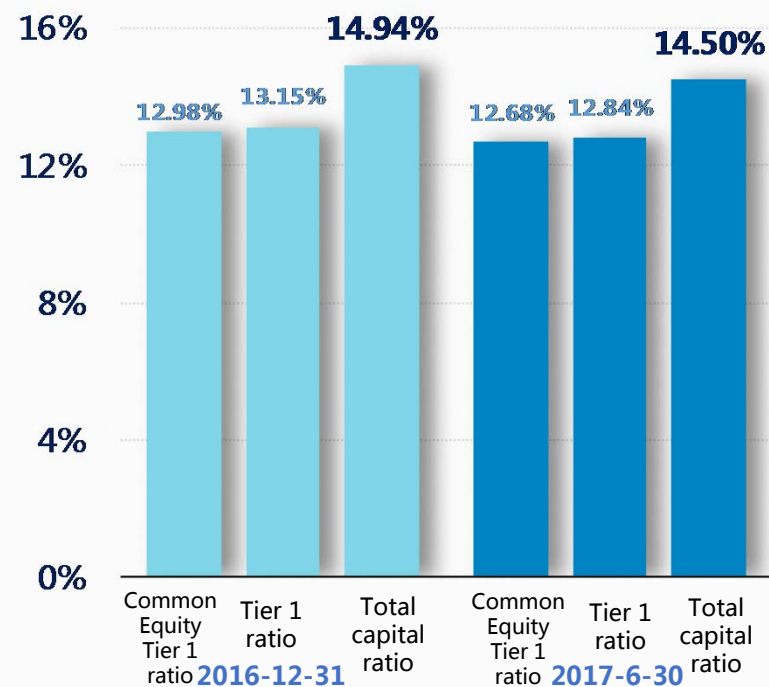


# Continuous improvement in liquidity risk and capital management

## Maintained reasonable liquidity ratios



## Leading position on capital adequacy ratio among peers



- Capital adequacy ratio was calculated in accordance with the Capital Rules for Commercial Banks (Provisional) using the advanced approach, and implemented the parallel period rules.

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# To support the real economy, prevent financial risks, deepen reform and innovation, and improve business performance

## Opportunities

- Continuous and smooth recovery of the global economy
- Steady and relatively rapid growth of the domestic economy
- Preliminary results from the supply-side structural reform
- Orderly progress of China's financial reform
- Ongoing boom in fintech application

## Challenges

- Potential instability and uncertainty in the global economy
- Lingering in-depth impact of the global financial crisis
- Intrinsic growth momentum of domestic economy to be further strengthened
- Concerns of hidden financial risks
- Tightening financial regulations

## Counter measures

- Improve services to support the real economy development
- Optimize business structure to accelerate development of consumer finance
- Strengthen client base to boost development of liability business
- Persist in adopting multiple measures to promote steady growth of net fee and commission income
- Improve pricing ability to effectively achieve balance between volume and price
- Strengthen risk management and compliance to ensure sound operation
- Advance progress in application of new generation core banking system to build core competitiveness