

# Management Discussion and Analysis — Outlook

The banking sector will face a complicated operating environment in 2019. The growth drivers of the global economy will weaken, international financial markets will remain at risk of fluctuation, and the functioning of the economy will be subject to a number of uncertainties. That said, Chinese economic growth will remain stable during this period of important strategic opportunity, with cross-border finance demonstrating high development potential and many other factors creating favourable conditions for sound growth in the banking sector.

2019 is an important year for the realisation of the Phase I target of the Bank's development strategy. Focused on its strategic goal of building a world-class bank in the new era, the Bank will further increase its support for the real economy and facilitate the execution of its strategy with great determination and effort. Through comprehensive efforts, it will lay the foundation for realising the Phase I target of its development strategy. **First**, it will dedicate to serving the real economy and improve its development quality and effectiveness. The Bank will continue to increase its support for the real economy. It will achieve high-quality development while serving the overall development of China by increasing resource investment, leveraging its unique characteristics and capturing development opportunities. The Bank's domestic RMB-denominated loan portfolio is expected to grow by approximately 10% in 2019. **Second**, it will focus on infrastructure construction

and solidify its development foundations. Following a strategic and issue-oriented approach, the Bank will strive to push forward outlet transformation, upgrade its operational capacities and optimise its comprehensive operational models, in order to lay a solid foundation for enhancing its overall customer service and operational management capabilities. **Third**, it will focus on strengthening its unique advantages and increasing development cooperation. The Bank will strive to continuously improve its overall competitiveness by pursuing business globalisation and service integration, accelerating the refinement of related systems and mechanisms, and further consolidating its traditional advantages. **Fourth**, it will focus on preventing and mitigating financial risks and safeguard the development bottom line. The Bank will combine serving the real economy with financial risk prevention and mitigation. In order to safeguard its business development, it will adhere to the bottom line thinking, continuously improve its comprehensive risk management system, optimise its management mechanisms and consolidate management responsibilities. **Fifth**, it will focus on system and mechanism deficiencies and thus release its growth potential. The Bank will reinforce the optimisation of its systems and mechanisms, and continue to push forward strategy, communications and cultural development. As a result, it will further stimulate the enthusiasm of all employees and harness their combined efforts to advance its reform and development.