



中国建设银行
China Construction Bank

2010 Interim Results Announcement

Beijing / Hong Kong

August 2010











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Key Financials (1)

(RMB Mn)	30 June 2010	31 Dec 2009	Change
Total Assets	10,235,981	9,623,355	 6.37%
Net Loans and Advances to Customers	5,215,973	4,692,947	 11.14%
Investments	2,878,476	2,578,799	 11.62%
Total Liabilities	9,655,783	9,064,335	 6.53%
Deposits from Customers	8,591,701	8,001,323	 7.38%
Total Equity Attributable to Shareholders	576,326	555,475	 3.75%
NPL Coverage Ratio	204.72%	175.77%	 28.95 pps
NPL Ratio	1.22%	1.50%	 0.28 pps



Key Financials (2)

Key Indicators	2010 Jan-Jun	2009 Jan-Jun	YoY Change
Net Interest Income (RMB Mn)	117,799	102,468	 14.96%
Net Fee and Commission Income (RMB Mn)	33,642	23,422	 43.63%
Pre-tax Profit (RMB Mn)	92,194	72,469	 27.22%
Net Profit (RMB Mn)	70,779	55,841	 26.75%
EPS (RMB)	0.30	0.24	 25.00%
ROAA (Annualized)	1.43%	1.34%	 0.09 pps
ROAE (Annualized)	24.00%	22.54%	 1.46 pps



Financial Performance

Outlook



Strong Business Performance

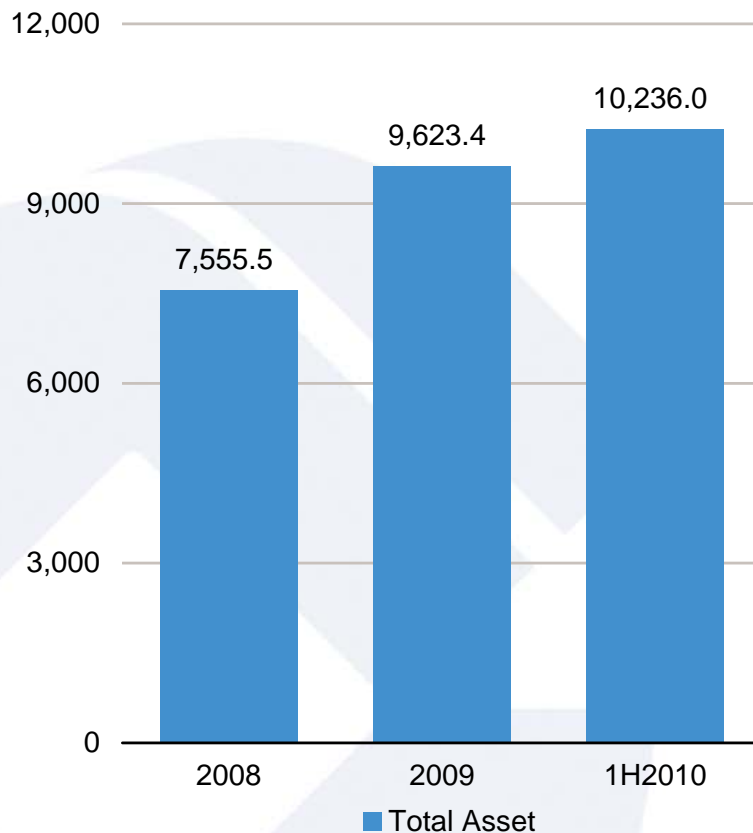
- ◆ New breakthroughs in asset size
- ◆ Successful credit structure adjustment
- ◆ Consolidating traditional advantages
- ◆ Fast growth of emerging business
- ◆ Effective risk management
- ◆ Continued reinforcement of operational management
- ◆ Consistent leading position in financial performance



New Breakthroughs in Asset Size

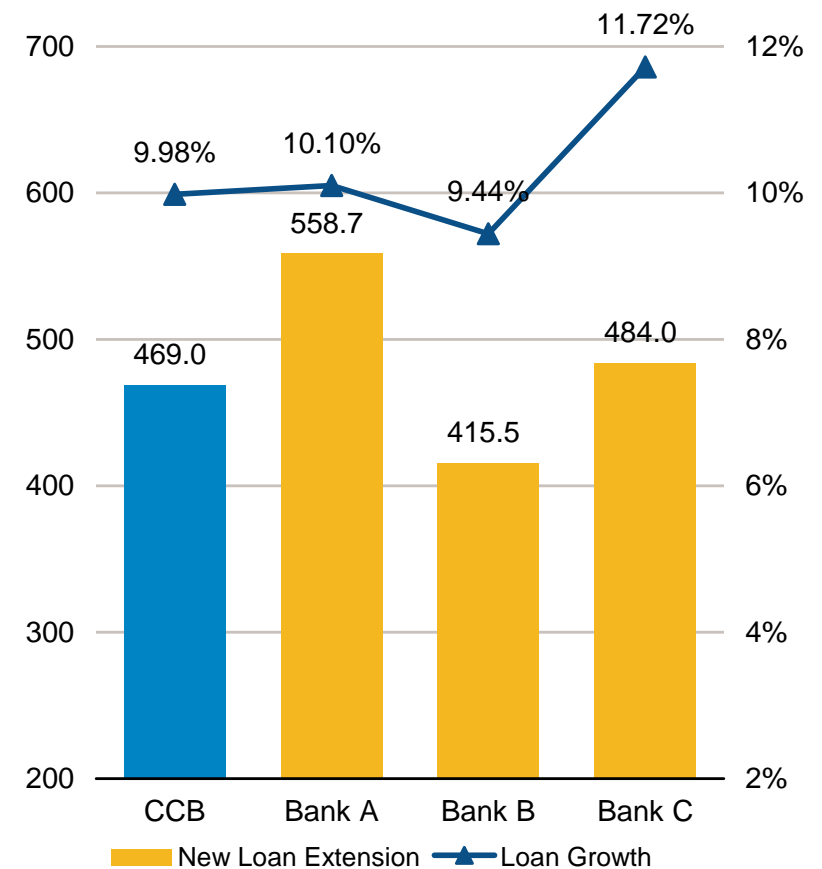
Total Assets Surpassed RMB 10 Trillion

(RMB Bn)



Moderate Loan Extension and Steady Loan Growth ⁽¹⁾

(RMB Bn)



1. Data source:CBRC

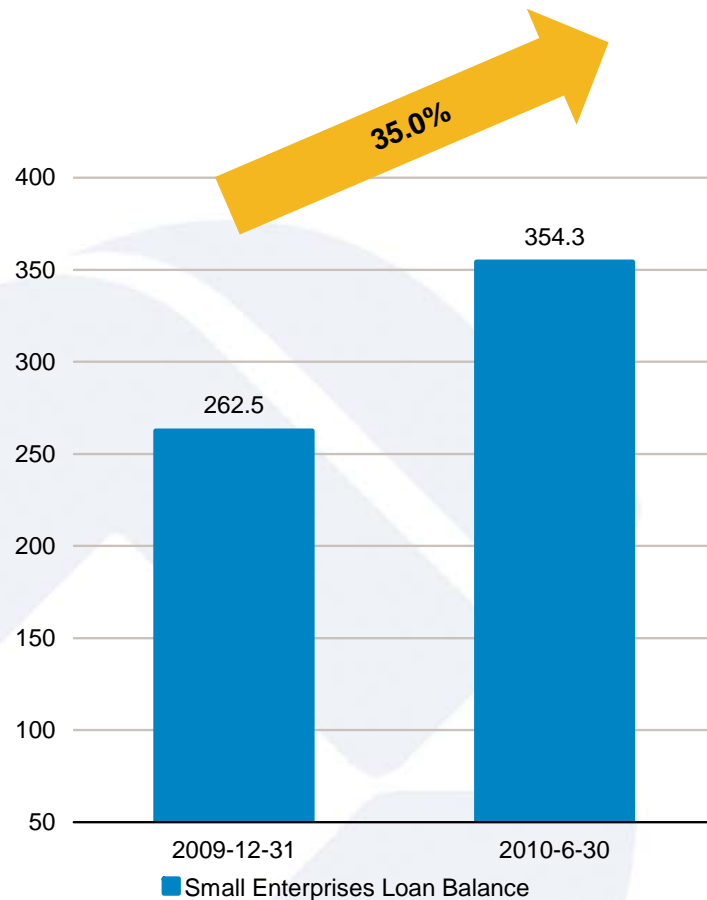


Successful Credit Structure Adjustment

Leap Forward Small Enterprise Business Development

Small Enterprise Loan Growth 35.0%

(RMB Bn)



Reasonable Small Enterprise Loan Extension, Outstanding Quality and Performance

- 177 “credit factories”, with 37 new establishments
- More than 80% of loans were extended to economically-developed regions
- Overall yield rate is 28.4% above benchmark interest rate
- NPL ratio of 1.63%, 0.9 percentage points lower than last year

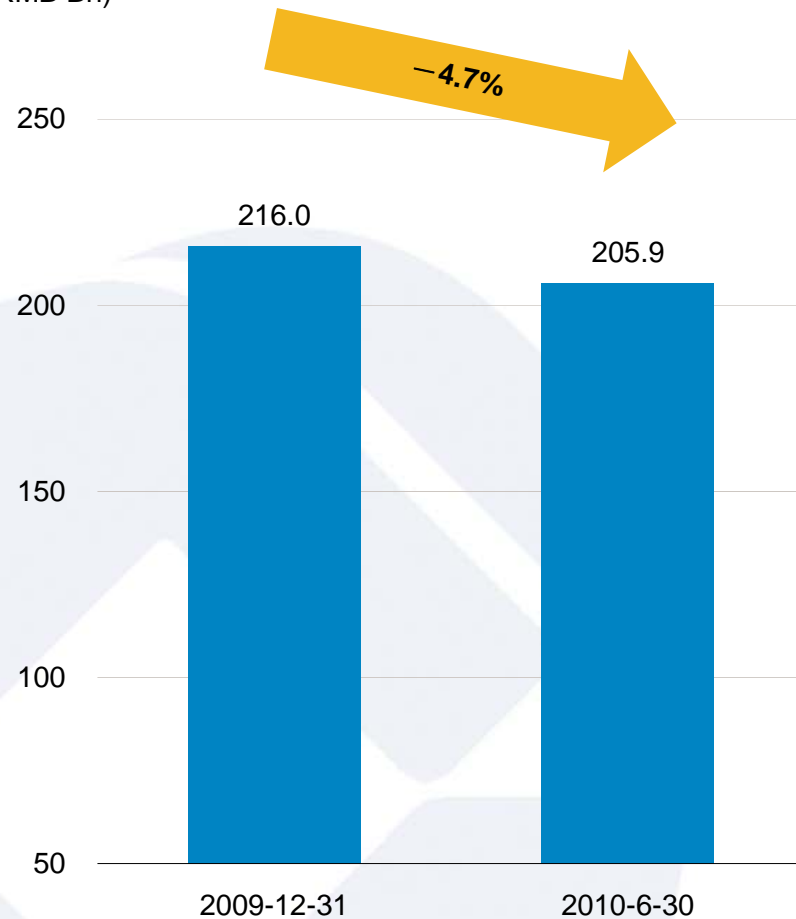


Effective Credit Structure Adjustment

Exiting Industries with High Risks such as Excess Capacity

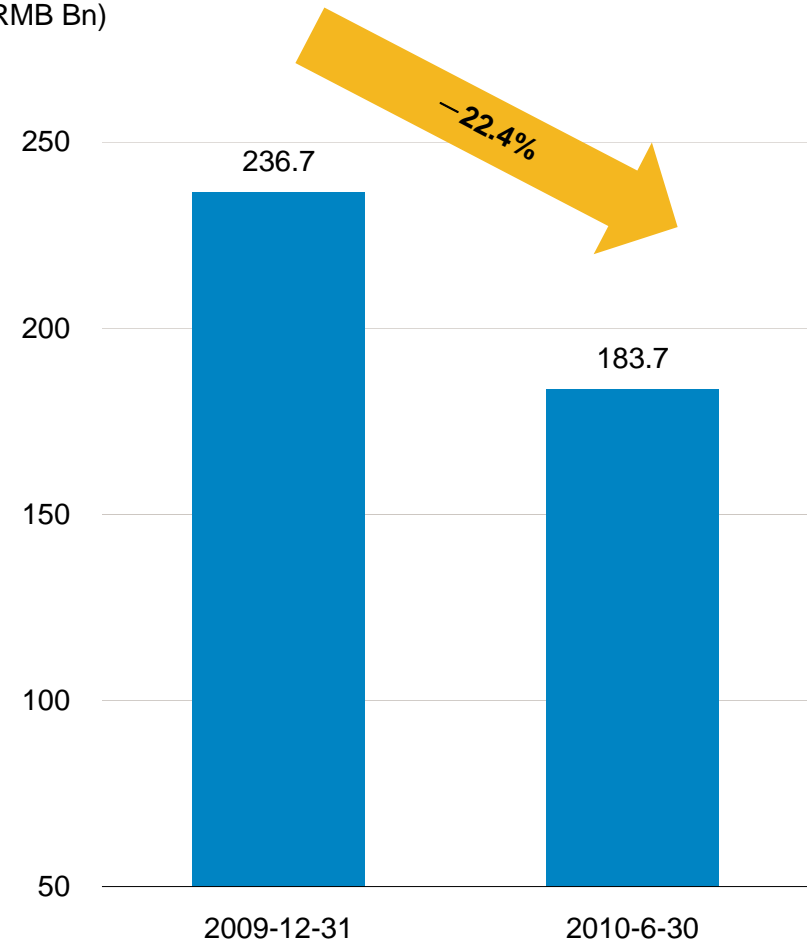
Loans to Industries with Excess Capacity Decreased by 4.7%

(RMB Bn)



Loans Under "Exit" Category Decreased by 22.4%

(RMB Bn)

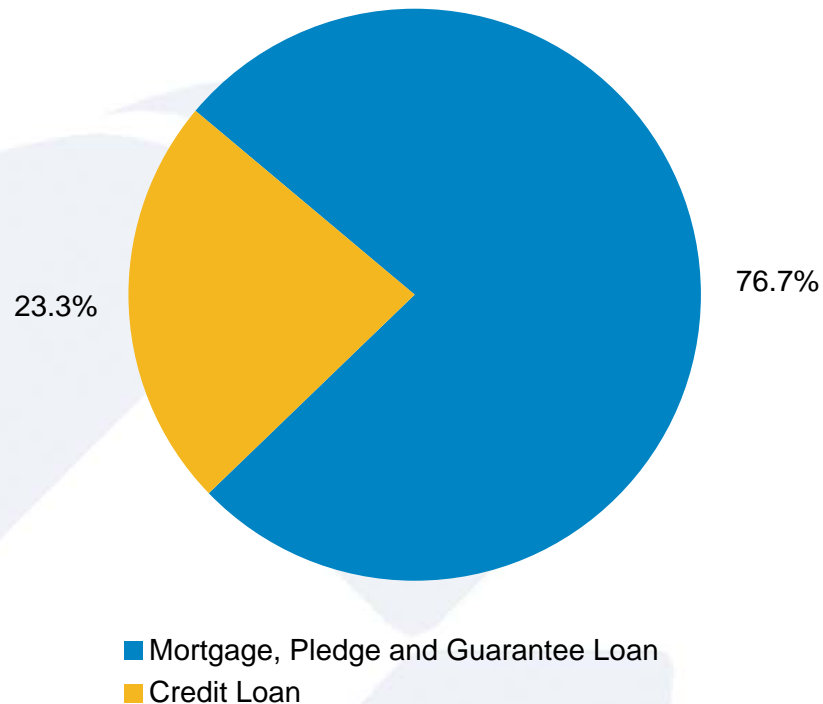




Effective Credit Structure Adjustment

Controlling Local Government Financing Vehicles (LGFV) Loans

Mortgage, Pledge and Guarantee Loans Account for 76.7%



Effective Risk Management

- Enhancing guarantees and collaterals, while reinforcing monitoring and management
- Full-scale implementation of namelist-based management
- Focus on operational LGFV customers
- Focus on satisfying the funding needs of key in-progress and continued construction projects under the RMB4 Trn national stimulus package
- Loans extended to governments at or above municipal level account for 81%
- Loan balance reduced to RMB68.5 Bn
- NPL ratio of 0.11%

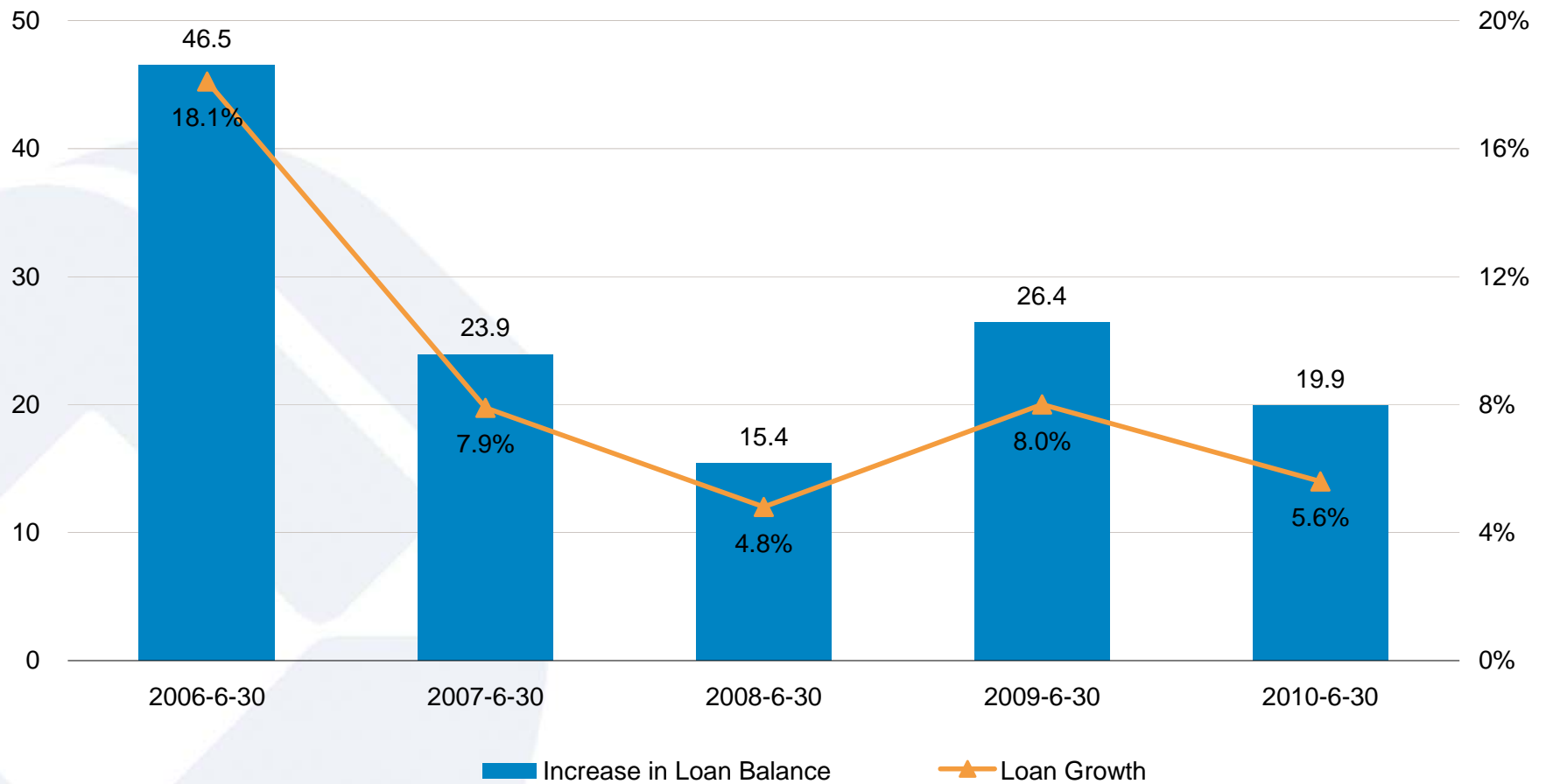


Effective Credit Structure Adjustment

Preventing Real Estate Loan Risks

Real Estate Loans Continue to Experience Mild Growth

(RMB Bn)

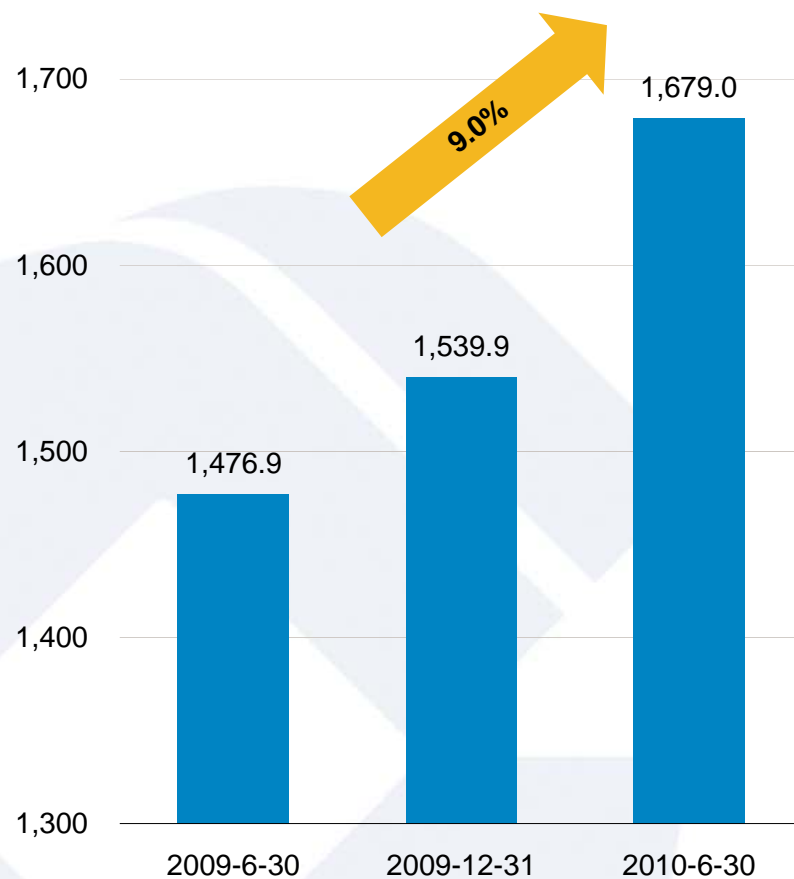




Consolidating Traditional Advantages

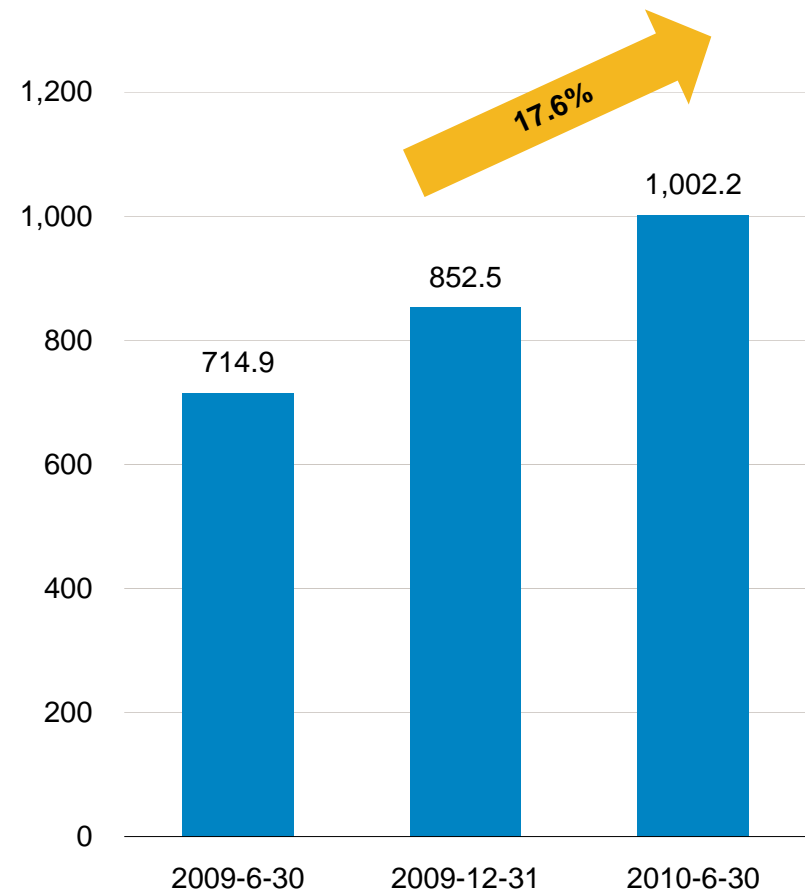
Infrastructure Loans Grew by 9.0%

(RMB Bn)



Personal Mortgage Loans Grew by 17.6%

(RMB Bn)



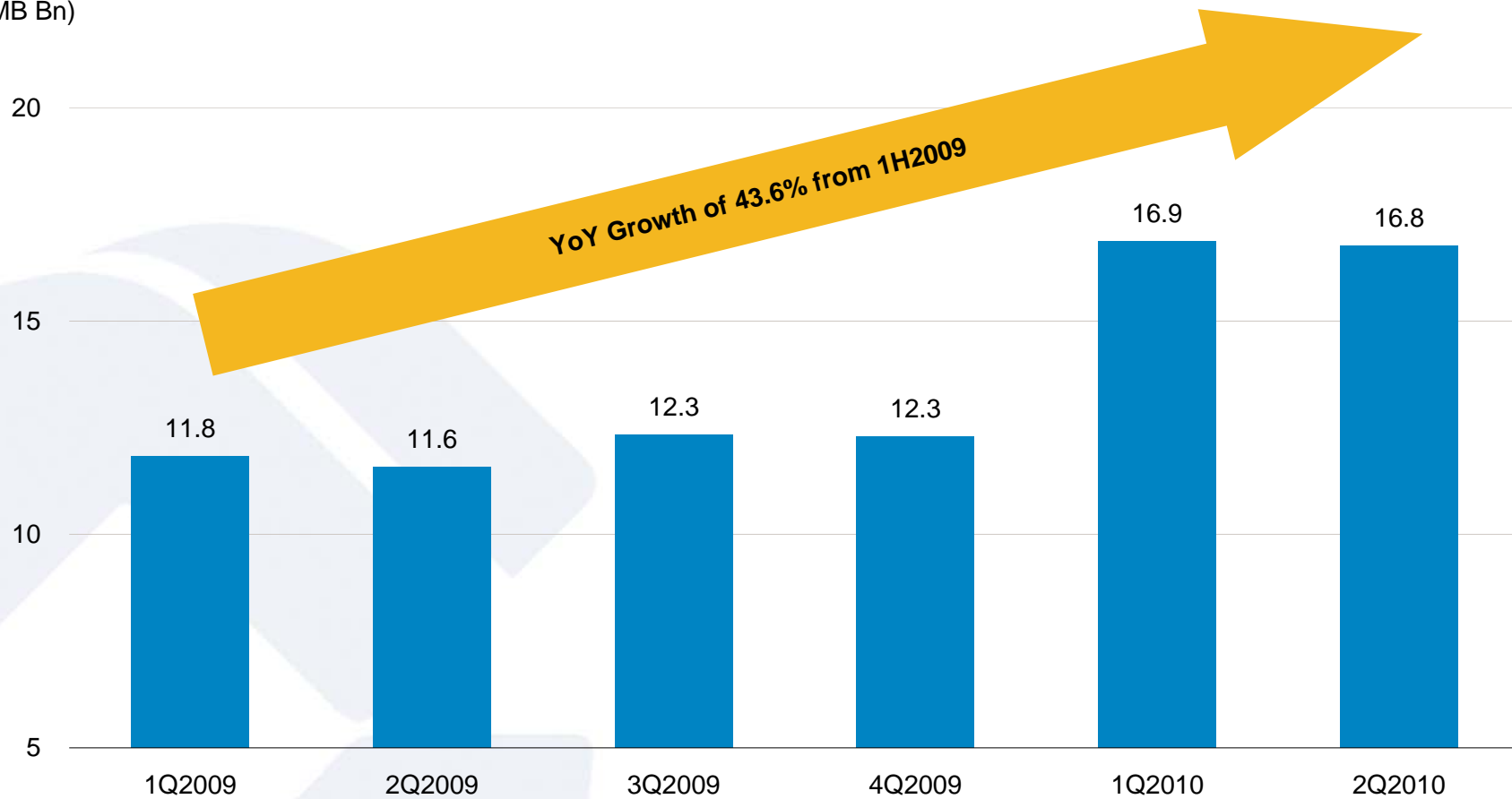


Fast Growth of Emerging Business

Fee-based Business (1)

Net Fee and Commission Income Grew by 43.6% YoY

(RMB Bn)

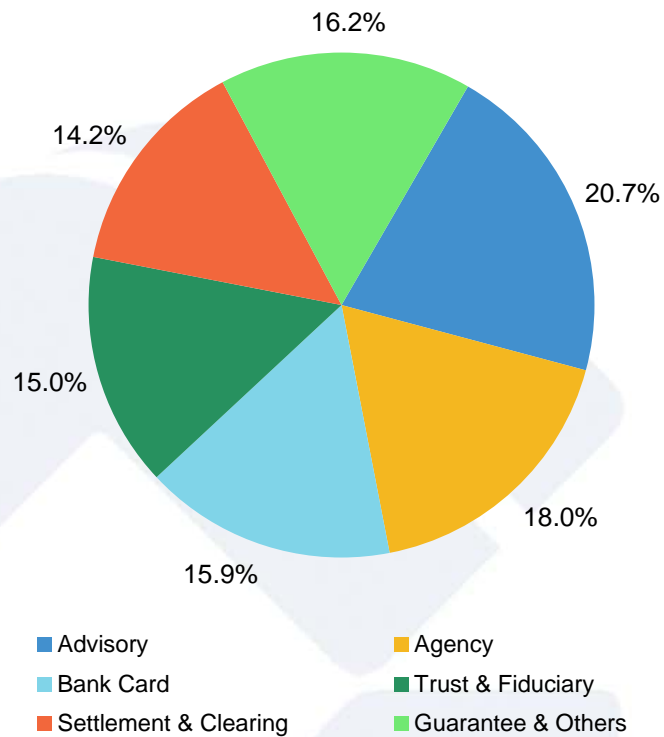




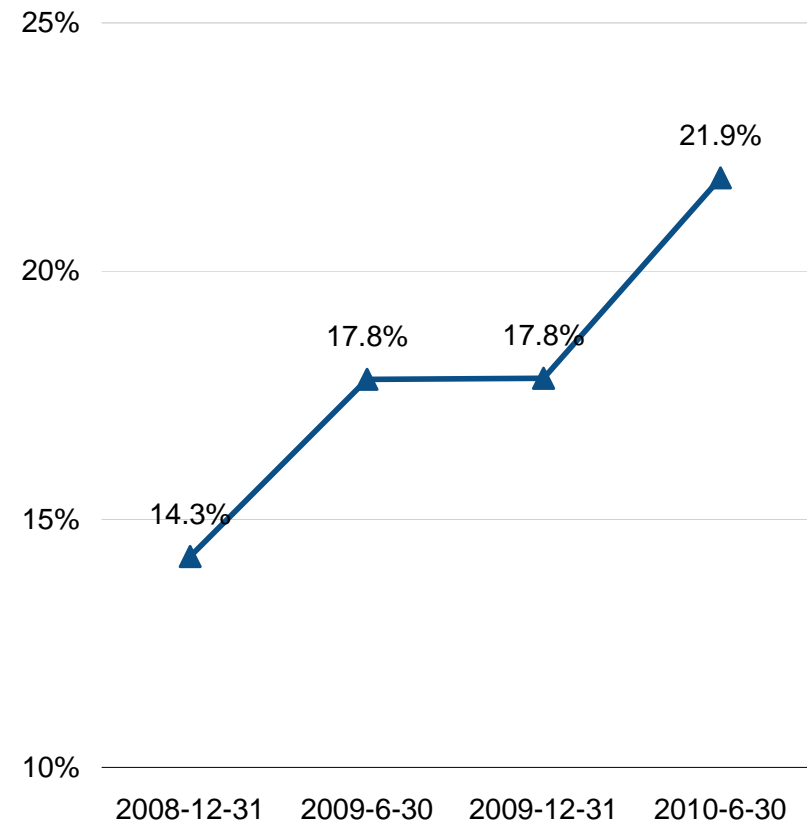
Fast Growth of Emerging Business

Fee-based Business (2)

Breakdown of Net Fee and Commission Income



Net Fee and Commission Income Contributing More to Total Operating Revenue



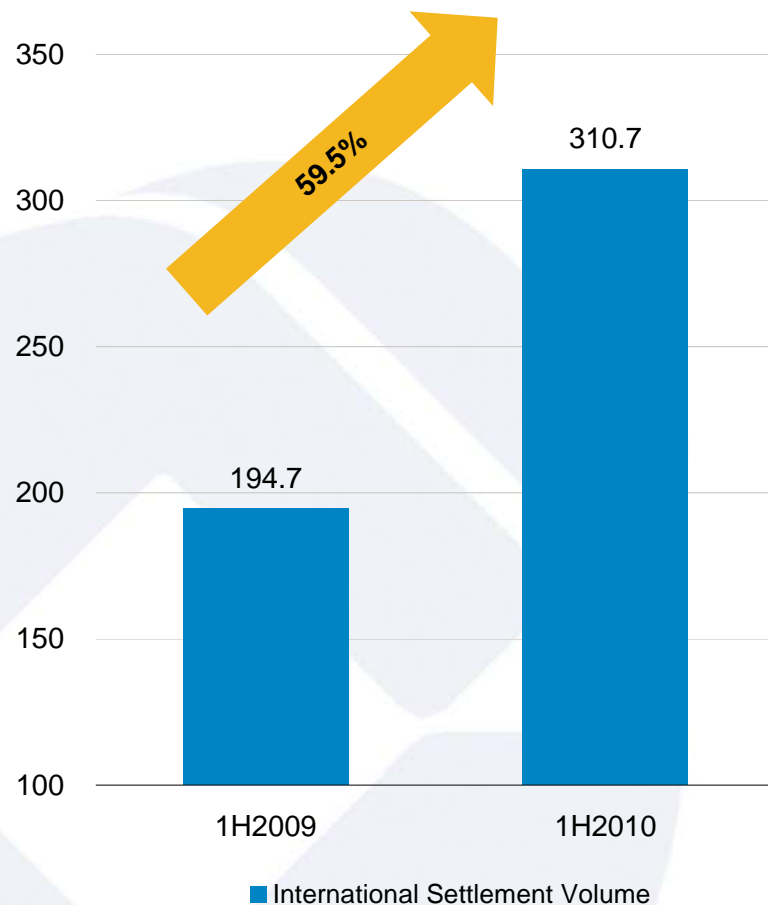


Fast Growth of Emerging Business

International and Overseas Business

International Settlement Volume Up 59.5%, Fastest amongst Big-4

(US\$ Bn)



International Business and Overseas Institutions Setup

- International settlement business revenue grew by 61.9%
- Trade finance business grew by 81%, awarded “Best Trade Finance Bank in China” by Global Finance
- Executing cross-border trade with RMB settlement
- Opened new branch in Ho Chi Minh City, Vietnam
- Obtained approval to establish Sydney Branch

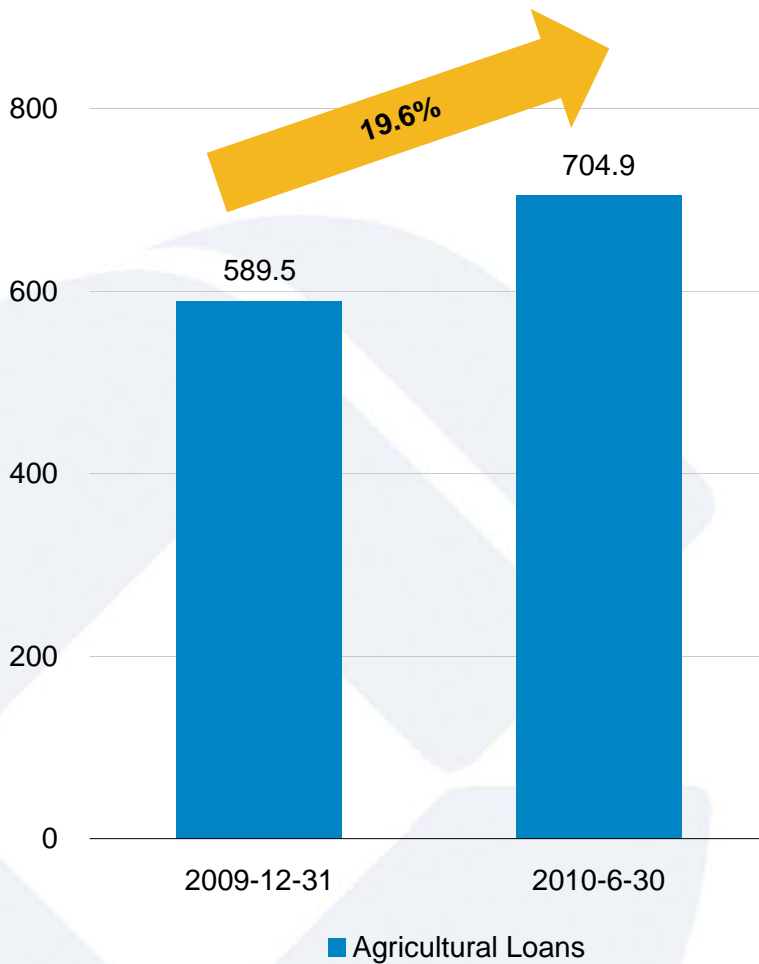


Fast Growth of Emerging Business

Agriculture, Education, Health, and Other Key Livelihood Aspects

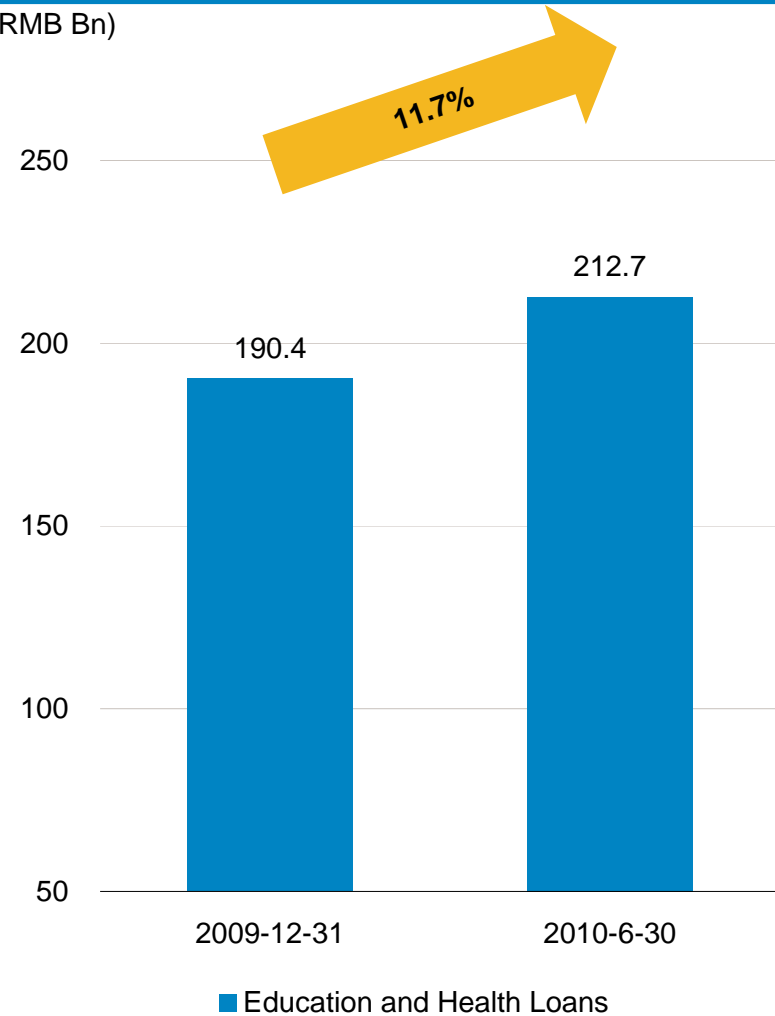
Agricultural Loans Grew by 19.6%

(RMB Bn)



Education and Health Loans Grew by 11.7%

(RMB Bn)



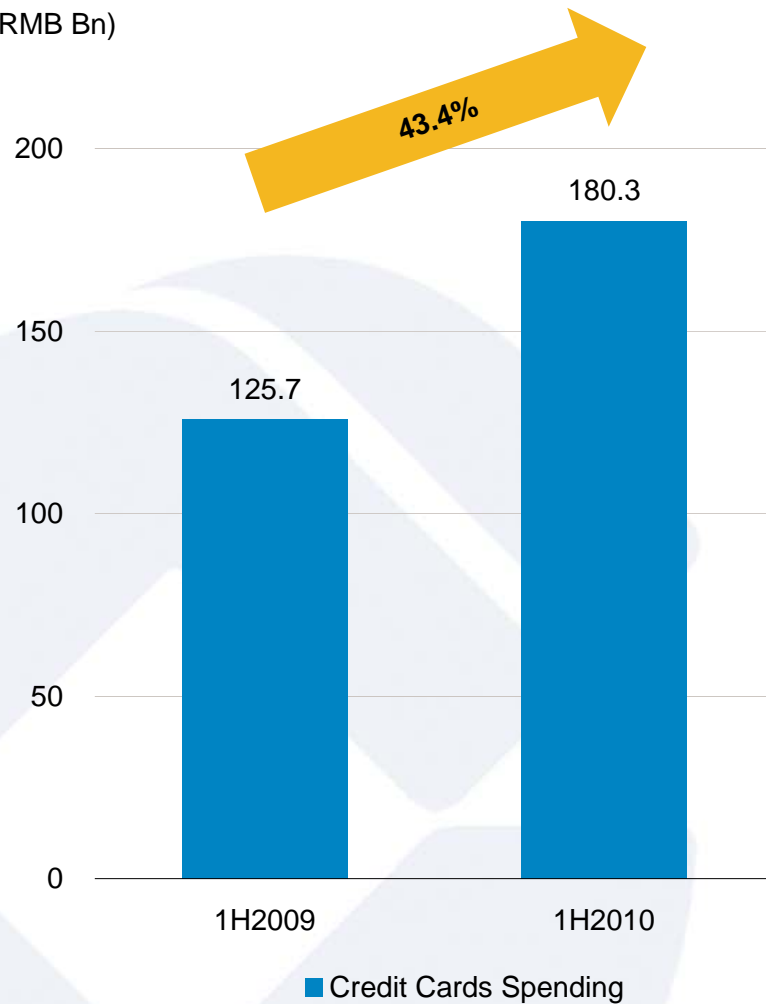


Fast Growth of Emerging Business

Credit Cards

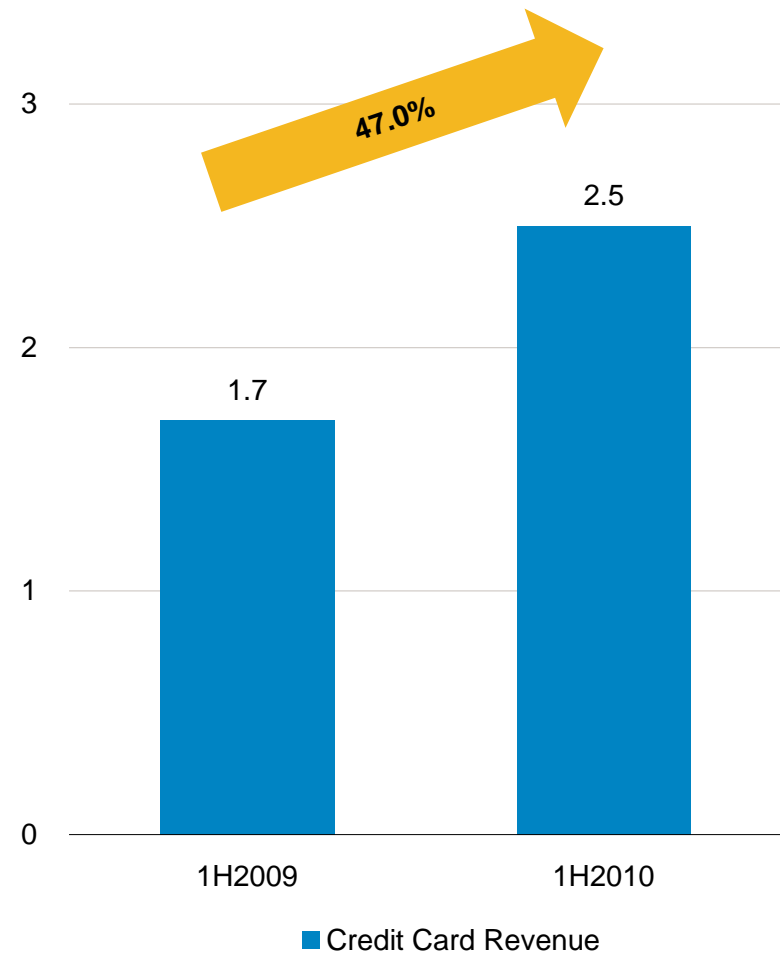
Credit Card Spending Increased by 43.4% YoY

(RMB Bn)



Revenue from Credit Card Business Increased by 47.0% YoY

(RMB Bn)



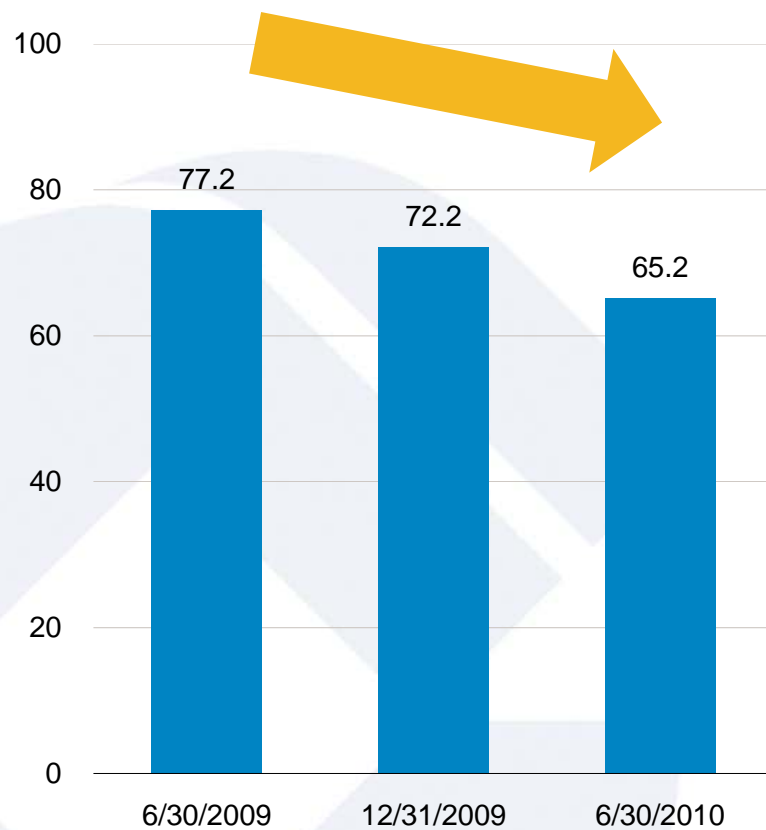


Effective Risk Management

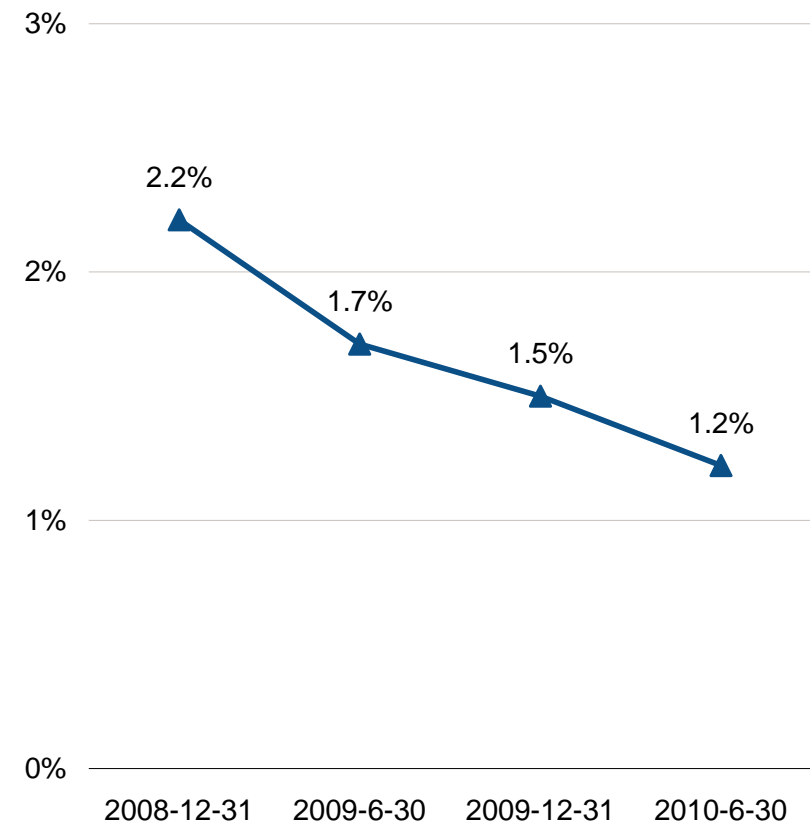
Continuously Improving Asset Quality

Non-Performing Loans

(RMB Bn)



NPL Ratio



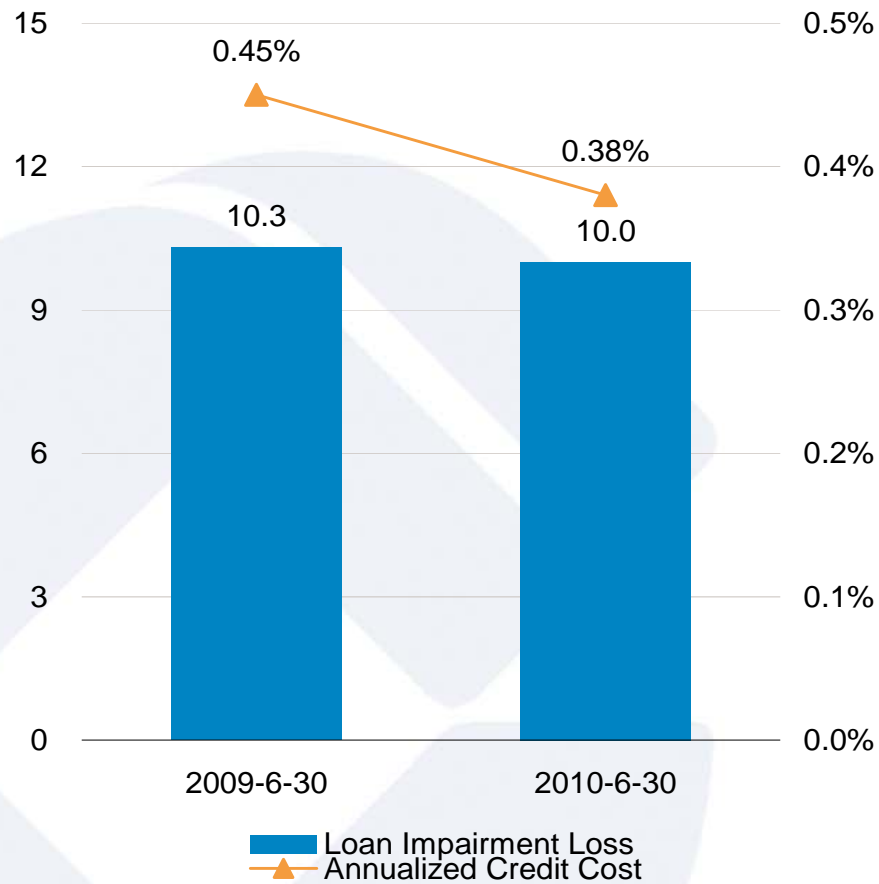


Effective Risk Management

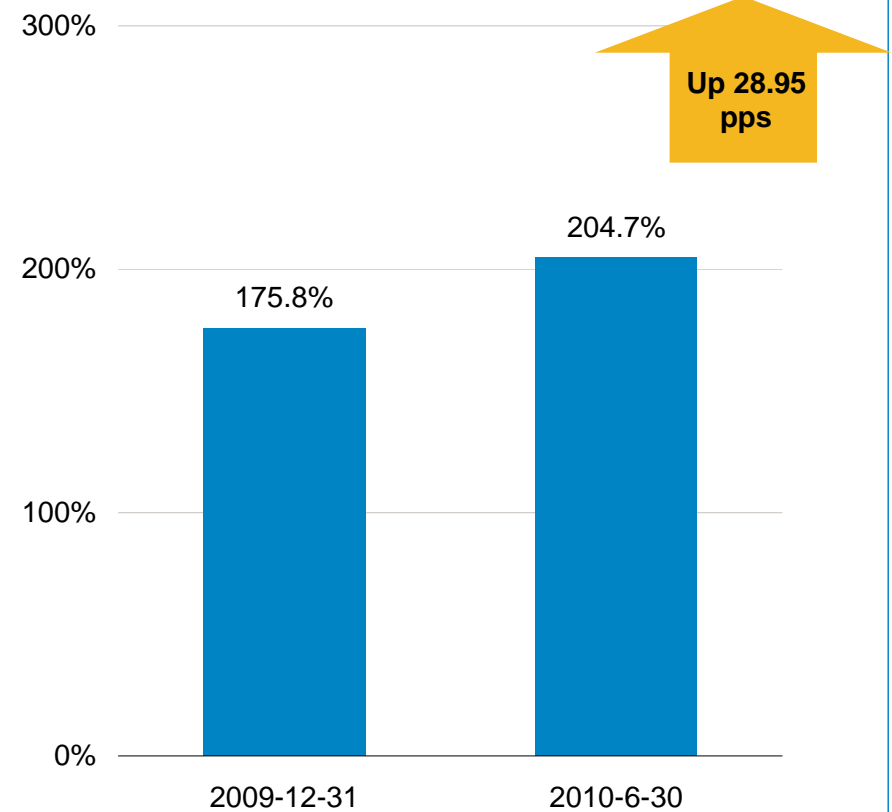
Adequate Capital Reserves

Loan Impairment Loss and Credit Cost

(RMB Bn)



NPL Coverage Ratio Increased to 204.7%

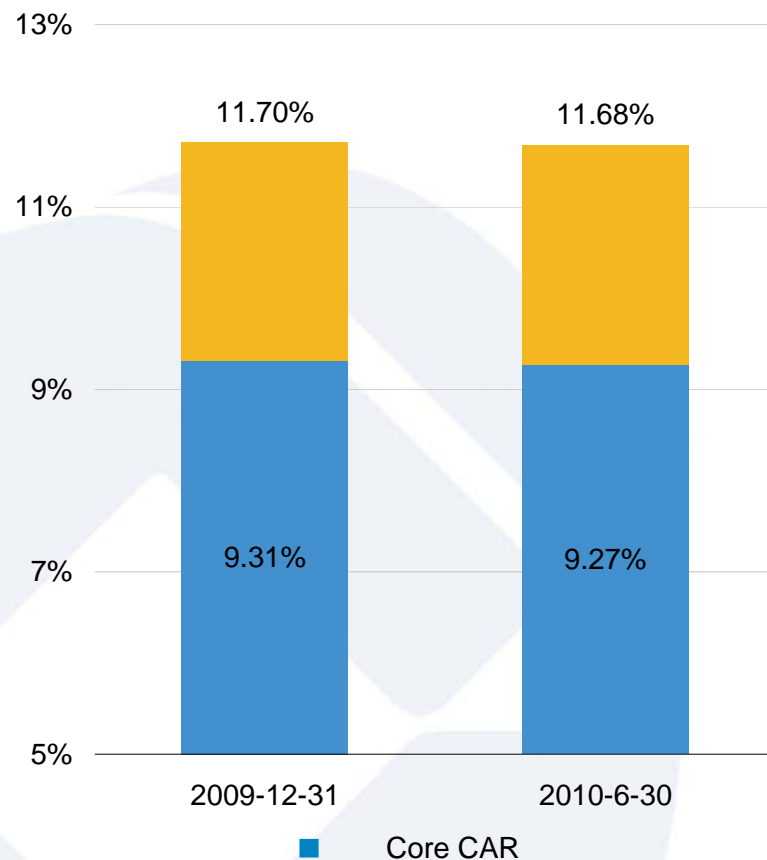




Effective Risk Management

Rational Capital Planning

Capital Adequacy Ratio



Capital Planning

- ❖ Obtained CBRC approval for A+H right issue
- ❖ Issuing subordinated bonds at an appropriate time
- ❖ Internal capital accumulation
- ❖ Optimizing capital structure and minimizing capital [occupation]
- ❖ Maintaining CAR at or above 11.5% in future



Reinforcement of Operational Management

Noticeable Achievement from Internal Management Reform

466 New Specialized Business Centers



Management Model Innovation and Business Process Optimization

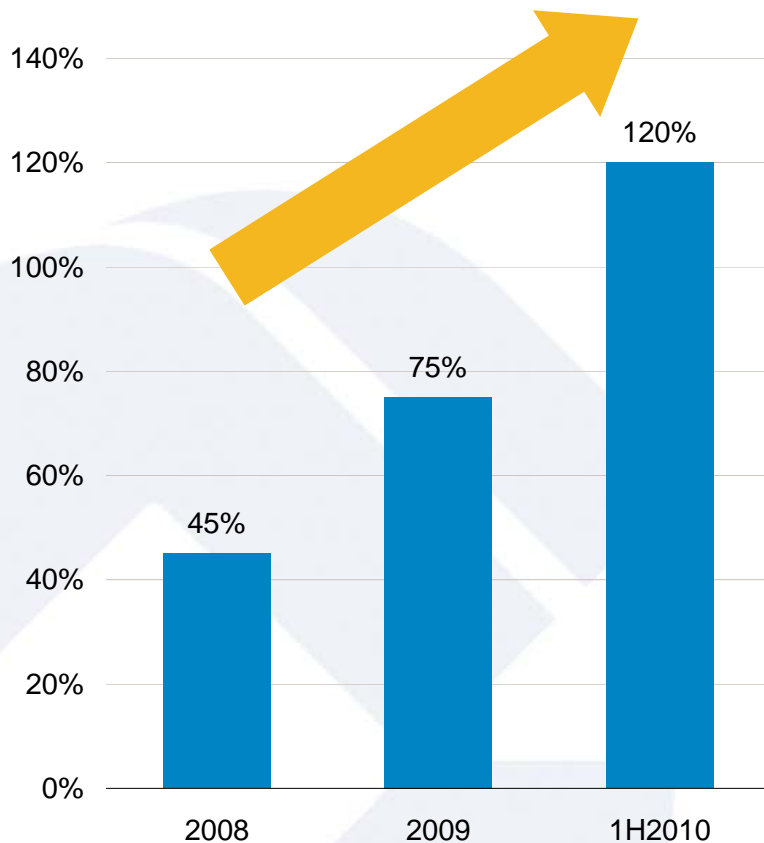
- Improving corporate and institution business models
- Further separating front-line and back-office and achieving standardized central business processing
- 81 process-optimization projects
- 57 product innovations
 - Product innovation lab: Protocols of “Fund Win” and SME group finance products
 - Initiate the building of innovation lab for logistical financial products
 - First product innovation process management system in China



Reinforcement of Operational Management

Promoting Channel Building

E-banking Transaction Volume/OTC Transaction: 120%



Improving Customer Service Capabilities via Channel Building

- Retail online-banking customers grew by 22%, with transaction volume up 184% year over year
- Corporate online-banking customers grew by 20%, with transaction volume up 152% year over year
- Mobile-banking customers grew by 23%, with transaction volume up 110% year over year
- Added 1,466 new ATMs, with 37,000 ATMs in total
- World-class management of retail network
- Ranked #1 among peers in network service quality



Reinforcement of Operational Management

Improving Business Operation via Strategic Cooperations

Bank of America



- Strategic cooperation targeted to strategic business and key management area
- Completed a total of 42 assistance projects, 246 experience-sharing projects and 31 advisory projects
- 6-phase on-job training
- Over 4,000 CCB employees participated in the training
- Bank of America committed expertise and resources



- Private banking and wealth management training

- **Retail Banking Project** — daily sales of outlet products grew by 64.8%, per capita capacity grew by 71.4%
- **E-banking Project** — customer satisfaction enhanced by 15.9%, online-banking fund customers' click rate grew by 354%
- **Wealth Management Project** — number of customer contracts doubled, with customer's monthly average AUM growing by 42%
- **Small Enterprises Project** — improve customer screening accuracy and account managers' marketing efficiency
- **Credit Card Business Cooperation**
 - Customer marketing success rate up 9%
 - Customer credit card penetration rate up 7%
 - Credit card statement processing cycle shortened by one third
 - Automatic approval rate improved to above 70% through customers score card project

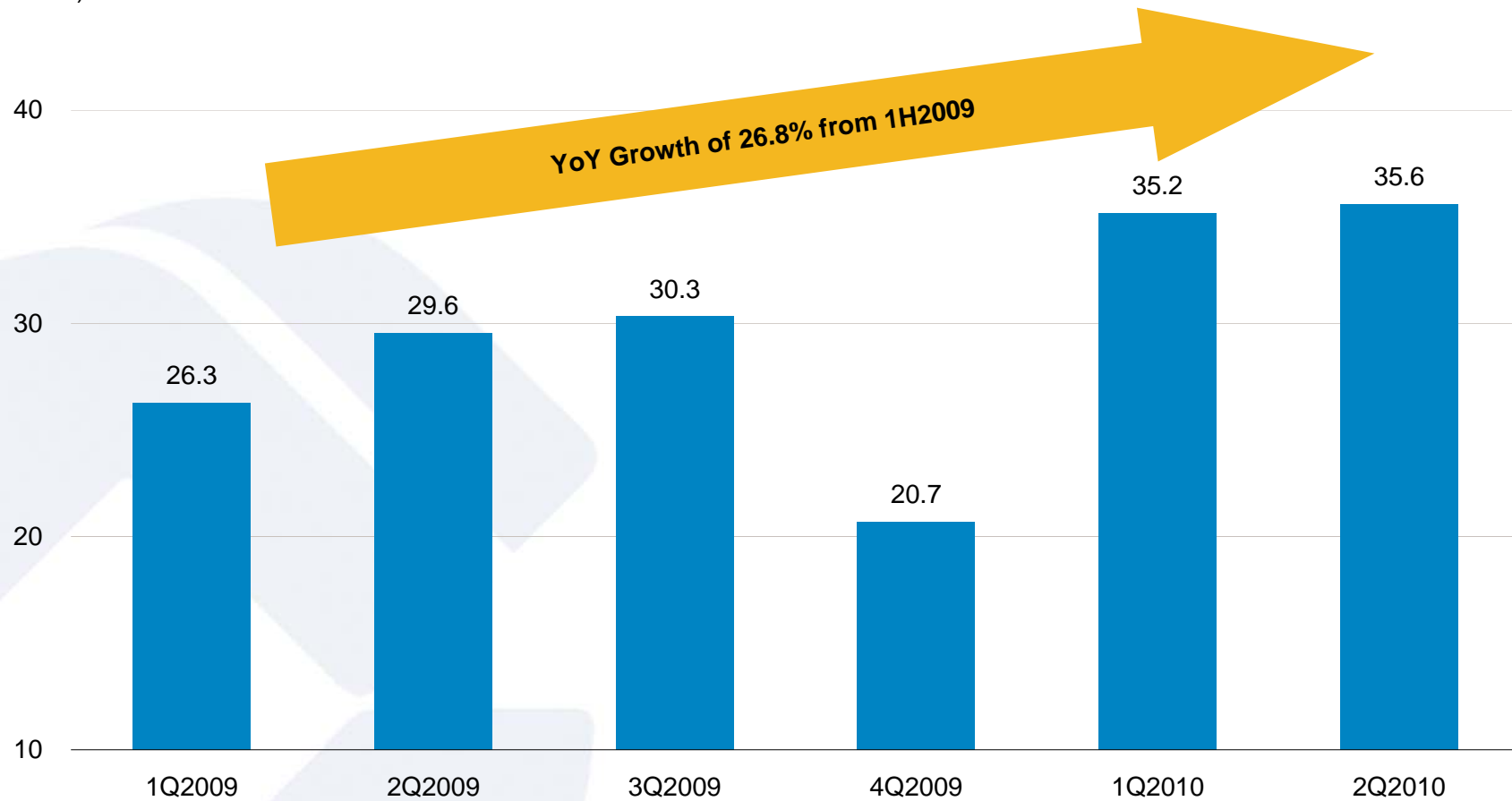


Continued Leading Position in Financial Performance

Fast Growth of Net Profit

Net Profit Grew 26.8% YoY

(RMB Bn)

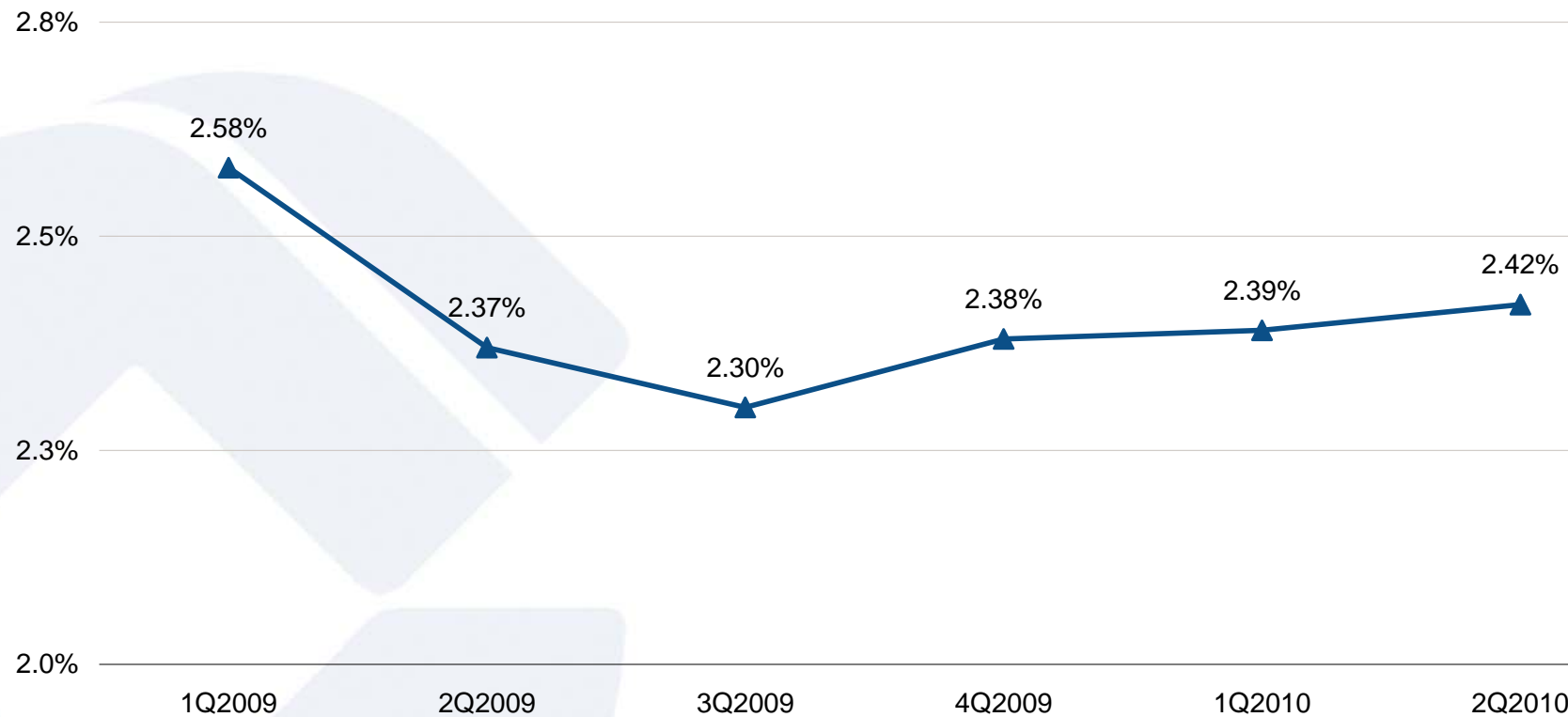




Continued Leading Position in Financial Performance

Net Interest Margin Stabilizing and Recovering

NIM Stabilizing and Recovering

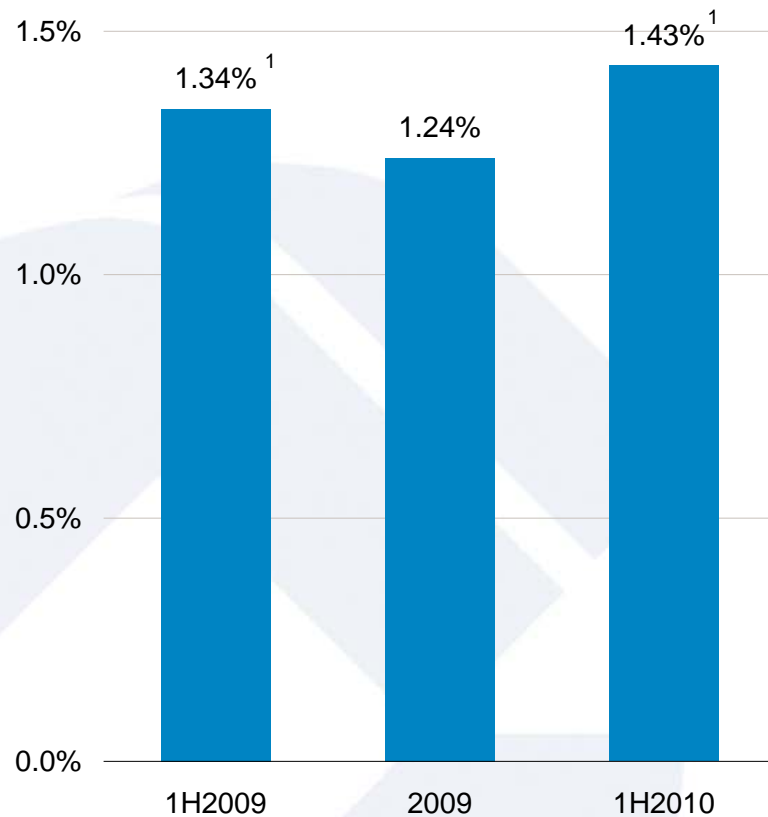




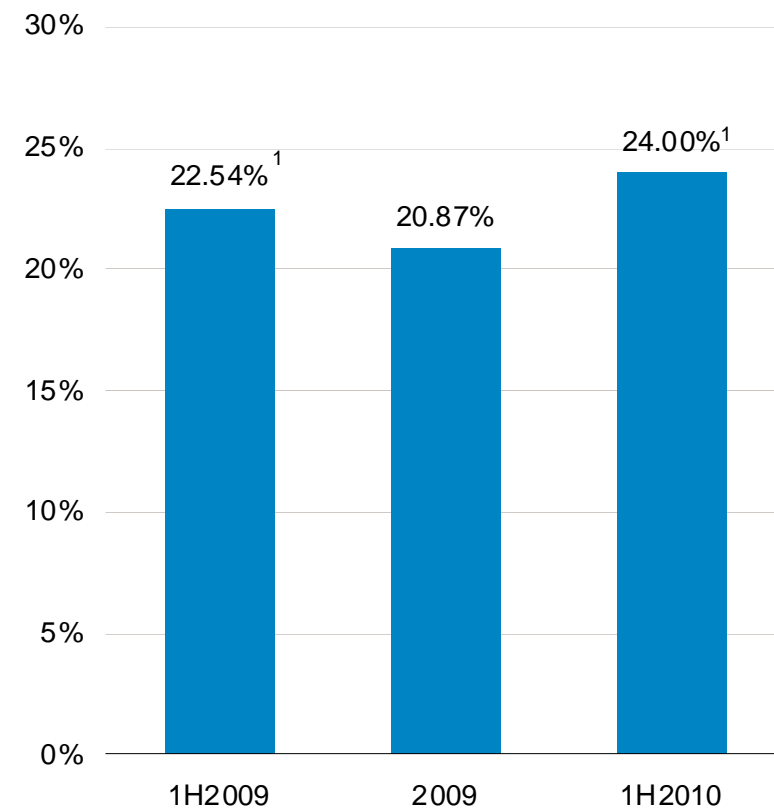
Continued Leadership in Financial Performance

ROAA and ROAE Highest Among Peers

ROAA Grew by 0.09 pps



ROAE Grew by 1.46 pps



(1) Annualized Data

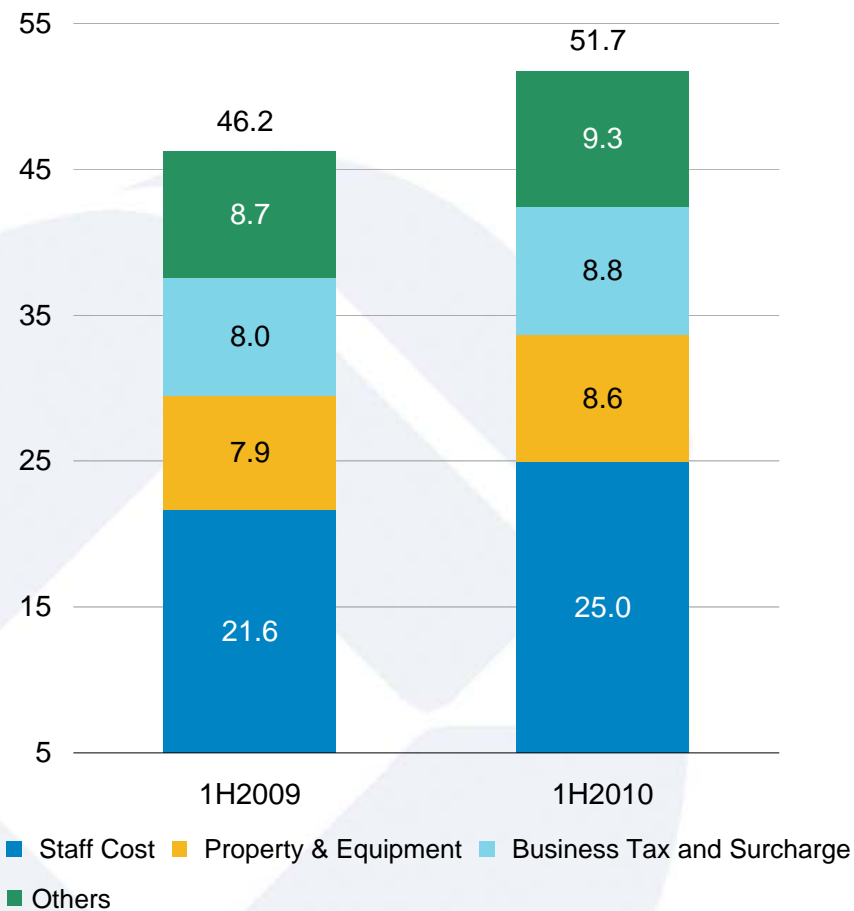


Continued Leadership in Financial Performance

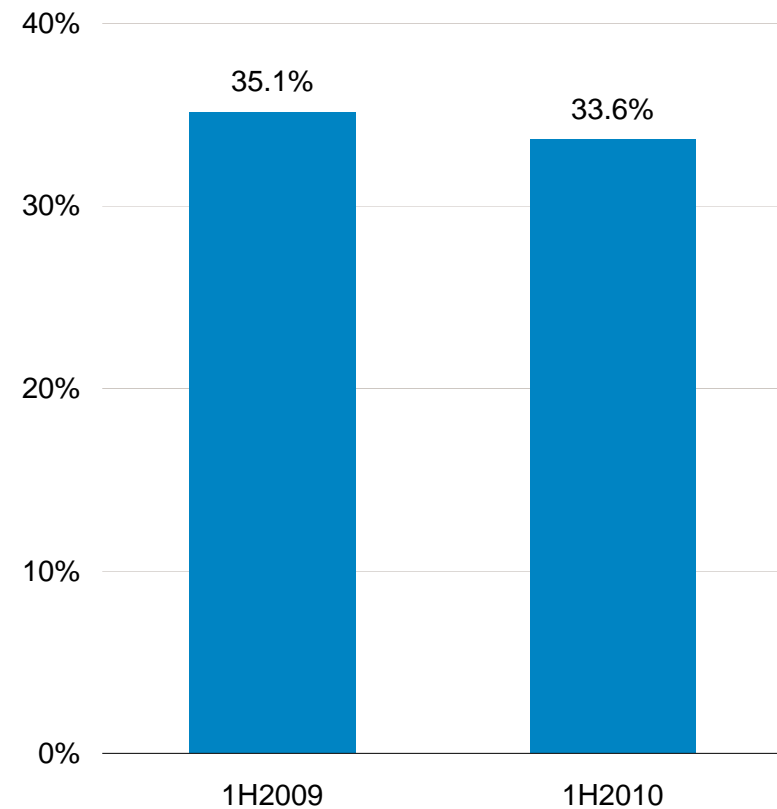
Effective Cost Control

Composition of Operating Expenses

(RMB Bn)



Cost to Income Ratio





External Recognition



- Ranked # 17 among 2000 Global Publicly Listed Companies, up by 6 places
- Ranked # 3 on Interbrand Best Brand Value in China, ranked # 1 among Chinese Banks



- Ranked # 27 among Global 100 on BrandZ Brand Value by Financial Times
- Ranked # 5 among Global Financial Institution 20 on BrandZ Brand Value by Financial Times
- Best Channel Bank in China



- Ranked #13 among Global Bank Brand 500
- Ranked # 2 among Global Commercial Bank Brand 10
- Ranked # 15 among Global Bank 1000



- Ranked # 116, up by 9 places among Fortune Global 500



- Ranked #3 among Top 300 Banks in Asia



- Best Trade Finance Bank in China



- Best Subcustodian Bank in China



- Best Bank in China



Actively Taking on Social Responsibility

- ◆ Donated RMB11.44 Mn to five provinces in South China for drought relief , RMB 4,442.8 thousand of which are from associates
- ◆ Donated RMB28.06 Mn to Yushu earthquake-stricken area for disaster relief and rehabilitation, RMB 18.06 Mn of which are from associates
- ◆ Donated to flood and mud-rock flow stricken areas
- ◆ Provided over RMB60 Mn in scholarships to 40,043 poor high school students in total
- ◆ Launched a program of “Talent Program for College Students from Minority Regions” to aid 3,299 impoverished minority college students
- ◆ Provided RMB10 Mn to fund public benefit academic research and exchanges



- ◆ Outstanding Contribution Award of Red Cross Society of China



- ◆ Commonwealth “Diamond” Award and Commonwealth Excellence Awards



- ◆ 2010 Best Green Bank Innovation Award



Financial Performance

Outlook



Outlook

Opportunities and Challenges

Opportunities

- ✦ State macro-economic policies continue to remain stable
- ✦ Active fiscal policy and moderately loose monetary policy
- ✦ Long-term mechanisms to boost domestic demand
- ✦ Accelerating the development of emerging industries with strategic importance
- ✦ Guaranteeing and improving people's livelihood

Challenges

- ✦ Business environment continues to be complex at home and abroad
- ✦ Difficult to adjust economic structure and transform development methods
- ✦ Increased inflation expectations
- ✦ Interest rate market reform and FX rate market mechanism reform



Emphasize Quality of Performance, Focus on Structural Adjustment, and Achieve Stable, Sustainable and Sound Development

- ✦ Extending loans in a balanced manner to ensure asset quality
- ✦ Seizing market opportunities and building business advantages
- ✦ Reinforcing marketing and maintaining effective development
- ✦ Reinforcing fundamental management and improving business operations
- ✦ Promoting full scale risk management and [guaranteeing safe operations]



Q&A



Thank You