2015 Annual Results Announcement

Beijing / Hong Kong
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## Key Financials

<table>
<thead>
<tr>
<th>RMB (billion)</th>
<th>31 December 2015</th>
<th>31 December 2014</th>
<th>Y-o-Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>18,349.5</td>
<td>16,744.1</td>
<td>9.6%</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>10,485.1</td>
<td>9,474.5</td>
<td>10.7%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>16,904.4</td>
<td>15,492.2</td>
<td>9.1%</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>13,668.5</td>
<td>12,899.2</td>
<td>6.0%</td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>15.39%</td>
<td>14.86%</td>
<td>0.53pps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>457.8</td>
<td>437.4</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>113.5</td>
<td>108.5</td>
</tr>
<tr>
<td>Net profit</td>
<td>228.9</td>
<td>228.2</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>RMB0.91</td>
<td>RMB0.91</td>
</tr>
<tr>
<td>Cost to income ratio</td>
<td>27.02%</td>
<td>28.92%</td>
</tr>
</tbody>
</table>
Transformation and Development

Financial Performance

Risk Management

Outlook
Outstanding achievements during 12th Five-year Plan period

Total assets up by 70% with a 11.2% CAGR

Total net profit amounted to RMB 1.04 trillion, dividends reached nearly RMB 345 billion
Pushed forward with strategic transformation

**Based on five principles**

- Integrated operations
- Multi-functional services
- Intensive development
- Innovative bank
- Smart bank

**Seven focus points for the Bank’s transformation**

- **Assets & liabilities**
  - Management of assets and liabilities
  - Management of assets and liabilities on a consolidated basis

- **Wholesale business**
  - Deposit, loan and transfer services
  - Integrated customer services

- **Retail business**
  - Personal business
  - Integrated retail business on a consolidated basis

- **Electronic banking**
  - Traditional services
  - Comprehensive e-banking

- **Asset management**
  - Deposit and loan businesses
  - Deposit & loan + asset management

- **Subsidiaries’ products & services**
  - Few types of product
  - Diversify

- **International business**
  - Traditional services
  - Integrated, internationalized, efficient and quality services
Promoted operation and management of assets and liabilities on a consolidated basis

Significant achievements in managing assets and liabilities on a consolidated basis

Transformation and development measures

- Launched a system to consolidate the planning and management of assets and liabilities
- Integrated assets
- Integrated liabilities
- Integrated financial services

Strategies for promoting the operation and management of assets
- Expanded integrated asset business
- Strengthened integrated financial services capability
- Strengthened collaborative development within the Group

Strategies for promoting the operation and management of liabilities
- Proactive expansion on customers’ financial assets
- Maintained stable growth of deposits
- Diversified sources of liability
Continued to reinforce the strengths of the wholesale business

Visible achievements in the “Three Integrateds” for corporate customers

- Improved integrated marketing capability
  - Strengthened collaboration between departments, the Bank and its subsidiaries, and between branches in different regions
  - Head office helped to implement over 500 major marketing projects

- Improved integrated service capability
  - Designed integrated financial service plans for customers
  - Invested insurance funds in commercial and industrial sectors
  - Built a corporate-oriented e-finance service system

- Expanded integrated pricing scope
  - The number of pilot corporate customers for integrated pricing increased to 4,639

Continuous growth in infrastructure loans

<table>
<thead>
<tr>
<th>Year</th>
<th>Infrastructure loans as % of domestic corporate loans</th>
<th>Infrastructure loan balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-12-31</td>
<td>44.4%</td>
<td>2,559.2 RMB (Billion)</td>
</tr>
<tr>
<td>2015-12-31</td>
<td>46.9%</td>
<td>2,707.8 RMB (Billion)</td>
</tr>
</tbody>
</table>
Built a leading retail bank

Ranks first among peers in personal housing finance

Total credit card issuance amounted to RMB 80.74 million
Built a comprehensive internet finance service system

Three online channels
- Online banking
- Mobile banking
- WeChat banking

Three internet product lines
- Internet payment
- Internet wealth management
- Internet financing

Three life services platforms
- E.ccb.com
- “Joy Life”
- “Wonderful Life”

Smart applications
- Smart customer services robots
- Smart banks
Maintained a leading position in bond underwriting for five consecutive years

Established a trail transport PPP fund and urbanization-related fund

One of the first banks to provide an agency service for the Mainland - Hong Kong Mutual Recognition of Funds

Balance of wealth management products exceeded RMB 1.6 trillion, making a new record high in terms of scale

Amount of assets under custody exceeded RMB 7 trillion

Established a trail transport PPP fund and urbanization-related fund

Developed asset management business

Steady growth in personal pension accounts and assets under custody

New breakthroughs in consolidated management of assets

Assets under custody

Personal accounts in operation (in 10,000)
Constructed an integrated operation platform

Rapid growth in assets and profit of integrated operation subsidiaries

<table>
<thead>
<tr>
<th>RMB(Billion)</th>
<th>2014-12-31</th>
<th>2015-12-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>2.46</td>
<td>3.90</td>
</tr>
<tr>
<td>Total assets</td>
<td>189.5</td>
<td>266.6</td>
</tr>
</tbody>
</table>

Outperformed peers in integrated operation licenses

- CCB pension management company was founded
- CCB insurance asset management company received approval to be established
- CCB Trust ranked first in the sector with its trust assets under management exceeding RMB 1 trillion
- CCB Life ranked first in the banking industry in terms of premium income
- CCB Financial Leasing topped the list for the amount of leasing assets invested in leasing services
- CCB International was a leading player in a number of securities sponsoring and underwriting projects plus M&A financial advisory projects
- Total volume of funds managed by CCB Principal Asset Management reached RMB 686.3 billion
- CCB Futures received approval to practice asset management
Improved global network for financial services

Over 130 overseas outlets across 25 countries and regions

Clearing network covers 43 countries and regions

Financing services cover 139 countries and regions

China Construction Bank 2015 Annual Result Announcement
Promoted intensive development, innovation and smart banking

**Continuously improved the business process**

Significant achievements in the development of the three integrated outlets
- Integrated outlets totaled 14,500 covering 98% of the country
- Integrated tellers accounted for 89%
- 21,532 integrated marketing teams were established

Established specialized operation centres
- Asset management business centres
- Banking business centres
- Financial market trading centres

Phase II of the “New Generation Core Banking System” was successfully put into operation and provided 4,465 business functions

**Built an innovative and smart bank**

Accelerated the development of innovative banks
- Completed 1,970 product innovation and innovation duplication projects in 2015
- Facilitated the role of innovation laboratories as platforms for strategic product research and development
- Established an innovation duplication system across the Group

Accelerated the development of smart banks
- Established 12 smart banks
- The handling volume of smart customer services exceeded the total handling volume of manual customer services

Promoted the development of big data technologies
- Launched big data-based strategies
- Built big data analysis centres
- Explore big data applications
Built the most socially responsible bank

- Green credit
  - As at end December 2015, the Bank’s green credit balance amounted to RMB 733.6 billion and it achieved significant results in energy saving and emission reduction.

- Small & micro enterprises and agriculture-related loans
  - As at end-December 2015, the Bank’s small & micro enterprises loan balance was RMB 1,277.9 billion and the balance of agriculture-related loans was RMB 1,892.8 billion.

- Relief donations
  - Lowered corporate financing costs and offered relief on certain corporate and personal charges to promote inclusive finance.

- Public welfare project
  - Donated to the Tibet earthquake area and continued to launch key public welfare projects in the fields of poverty relief, education and health care. The total amount of donations in 2015 reached RMB 412.1 million.

- International communications
  - The Bank joined international organizations such as APEC and B20 to strengthen interaction and cooperation with the international market and foster mutual access.
Transformation and Development

Financial Performance

Risk Management

Outlook
Stable Profitability

Steady growth in net profit

RMB (Billion)


47.1 46.3 69.1 92.6 106.8 135.0 169.4 193.6 215.1 228.2 228.9
Net interest income continued to grow

Net interest income up by 4.7% YoY

Net interest income margin stayed relatively stable
Stable growth in fee income

Net fee and commission income up by 4.6%, in a leading position among commercial banking peers

RMB (Billion)

- Bank card fees: 35.0 (2015), 30.6 (2014)
- Advisory and consulting fees: 13.7 (2015), 18.6 (2014)
- Settlement and clearing fees: 13.2 (2015), 13.6 (2014)
Effective cost control

**Effective control of operating costs**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB (Billion)</td>
<td>161.0</td>
<td>158.5</td>
</tr>
<tr>
<td>Operating costs</td>
<td>38.9</td>
<td>34.0</td>
</tr>
<tr>
<td>Income</td>
<td>91.6</td>
<td>91.5</td>
</tr>
<tr>
<td>Total costs</td>
<td>129.5</td>
<td>132.5</td>
</tr>
</tbody>
</table>

**Cost-to-income ratio continued to decrease**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>30.5%</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

2015 Cost-to-income ratio: 27.02%
Sufficient provisions

**Asset impairment expenditure up by 51.3% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure of impairment (RMB Billion)</th>
<th>Credit cost (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>35.8</td>
<td>0.50%</td>
</tr>
<tr>
<td>2012</td>
<td>40.0</td>
<td>0.51%</td>
</tr>
<tr>
<td>2013</td>
<td>43.2</td>
<td>0.50%</td>
</tr>
<tr>
<td>2014</td>
<td>61.9</td>
<td>0.63%</td>
</tr>
<tr>
<td>2015</td>
<td>93.6</td>
<td>0.88%</td>
</tr>
</tbody>
</table>

**Provision to loans ratio remained relatively stable**

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of allowances for impairment losses of loans (RMB Billion)</th>
<th>Credit cost (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>171.2</td>
<td>2.64%</td>
</tr>
<tr>
<td>2012-12</td>
<td>202.4</td>
<td>2.69%</td>
</tr>
<tr>
<td>2013-12</td>
<td>228.7</td>
<td>2.66%</td>
</tr>
<tr>
<td>2014-12</td>
<td>251.6</td>
<td>2.66%</td>
</tr>
<tr>
<td>2015-12</td>
<td>250.6</td>
<td>2.39%</td>
</tr>
</tbody>
</table>
Transformation and Development

Financial Performance

Risk Management

Outlook
**Improved overall risk management capability**

**Strengthened Group’s all-round risk management**

- Promoted the re-examination, monitoring and conduction of its risk appetite
- Formulated, improved and applied stress testing-based management policies
- Intensified overseas institutions’ anti-money laundering and compliance management
- Conducted coordinated liquidity management at Group level
- Strengthened operational risk management
- Improved reputational risk management standards
- Optimized and utilized risk measurement tools

**Controlled and managed risks in key areas**

**Improved credit risk management capability**

- Enhanced risk early-warnings, forecasts, prevention and pre-control measures
- Strengthened efforts to dispose of non-performing assets
- Strengthened foundation for credit management

**Improved market risk management capability**

- Established a contingency mechanism for major market risks
- Intensified stress tests on interest and foreign exchange rates
- Pushed forward with the development of the market risk management and control system
Adjusted credit structure

Incremental loan balance in related domestic sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>RMB (Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages</td>
<td>520.1</td>
</tr>
<tr>
<td>Infrastructure-related loans</td>
<td>148.6</td>
</tr>
<tr>
<td>Small and micro businesses</td>
<td>135.0</td>
</tr>
<tr>
<td>Agriculture-related loans</td>
<td>101.0</td>
</tr>
<tr>
<td>Emerging strategic sectors</td>
<td>60.0</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>8.0</td>
</tr>
<tr>
<td>Industries with excess capacity</td>
<td>-3.6</td>
</tr>
<tr>
<td>Local government financing vehicles</td>
<td>-53.0</td>
</tr>
<tr>
<td>Real estate sector</td>
<td>-70.8</td>
</tr>
<tr>
<td>Manufacturing sectors</td>
<td>-88.5</td>
</tr>
</tbody>
</table>

Note: Industries with excess capacity include steel, cement, electrolytic aluminum, plate glass, and shipping.
Effective risk control in key sectors – stable asset quality of infrastructure loans

**Good quality of loans to transportation, storage and postal services**

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of loans to transportation, storage and postal services (RMB Billion)</th>
<th>NPL ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-12-31</td>
<td>956.6</td>
<td>0.55%</td>
</tr>
<tr>
<td>2014-12-31</td>
<td>1,046.3</td>
<td>0.46%</td>
</tr>
<tr>
<td>2015-12-31</td>
<td>1,146.0</td>
<td>0.28%</td>
</tr>
</tbody>
</table>

**Good quality of loans to production and supply of electric power, heat, gas and water**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans to production and supply of electric power, heat, gas and water (RMB Billion)</th>
<th>NPL ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-12-31</td>
<td>571.0</td>
<td>0.36%</td>
</tr>
<tr>
<td>2014-12-31</td>
<td>606.3</td>
<td>0.31%</td>
</tr>
<tr>
<td>2015-12-31</td>
<td>642.0</td>
<td>0.33%</td>
</tr>
</tbody>
</table>
Effective risk control in key sectors - asset quality of real estate loans under control

Asset quality of real estate loans under control

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of real estate loans (RMB Billion)</th>
<th>NPL ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-12-31</td>
<td>500.4</td>
<td>0.76%</td>
</tr>
<tr>
<td>2014-12-31</td>
<td>520.1</td>
<td>1.10%</td>
</tr>
<tr>
<td>2015-12-31</td>
<td>449.3</td>
<td>1.23%</td>
</tr>
</tbody>
</table>

Asset quality of residential mortgages outperformed peers

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of residential mortgage (RMB Billion)</th>
<th>NPL ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-12-31</td>
<td>1,880.2</td>
<td>0.17%</td>
</tr>
<tr>
<td>2014-12-31</td>
<td>2,253.8</td>
<td>0.21%</td>
</tr>
<tr>
<td>2015-12-31</td>
<td>2,773.9</td>
<td>0.31%</td>
</tr>
</tbody>
</table>
Effective risk control in key sectors - risk of loans to industries with excess capacity under control

Loans to industries with excess capacity gradually decreasing

RMB (Billion)

<table>
<thead>
<tr>
<th></th>
<th>2014-12-31</th>
<th>2015-12-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of loans to industries with excess capacity</td>
<td>133.8</td>
<td>130.3</td>
</tr>
</tbody>
</table>

Risk management measures

- Strictly controlled the total amount of loans
- Implemented list management and provided different solutions based on the categories of customers
- Implemented credit exit policy
- Strengthened post-lending monitoring and organized more company visits and on-site inspections
Maintained reasonable liquidity level

Key measures

- Improved the overall management of liquidity at Group level
- Intelligently planned interbank business scale
- Leveraged interest rate and increased bond investment
- Optimized overall capital allocation and reduced financing costs at Group level
- Integrated the management of RMB and foreign currency, and intensified overseas operation of RMB
- Strengthened large fund flow alert

Liquidity maintained within a reasonable range

<table>
<thead>
<tr>
<th>Year</th>
<th>RMB liquidity ratio</th>
<th>Foreign currency liquidity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-12-31</td>
<td>46.57%</td>
<td>55.20%</td>
</tr>
<tr>
<td>2014-12-31</td>
<td>48.88%</td>
<td>57.03%</td>
</tr>
<tr>
<td>2015-12-31</td>
<td>44.17%</td>
<td>59.84%</td>
</tr>
</tbody>
</table>
CAR was calculated in accordance with the Measures for Capital Management of Commercial Banks (Trial) using Advanced Measurement Approach, parallel period rules applicable.

**Constantly improved capital adequacy ratios**

### Highest capital adequacy ratio among peers

<table>
<thead>
<tr>
<th></th>
<th>2014-12-31</th>
<th>2015-12-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common equity tier 1</td>
<td>12.11%</td>
<td>12.11%</td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>14.86%</td>
<td>13.13%</td>
</tr>
<tr>
<td>Common equity tier 1</td>
<td>13.13%</td>
<td>13.32%</td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>15.39%</td>
<td></td>
</tr>
</tbody>
</table>

**Strengthened capital management capability**

- Named on the list of “Global Systemically Important Banks” and initiated the recovery and resolution plan
- Innovative capital management tools:
  - Preference shares: offshore non-public preference shares of US$3.05 billion
  - Tier 2 capital bonds: offshore tier 2 capital bonds of US$2 billion, onshore tier 2 capital bonds of RMB24 billion
- Improved capital pass-through and constraint mechanism and promoted operational transformation towards more intensive utilization of capital
- Improved internal advanced rating model of credit risks and advanced measurement for operational risks
Transformation and Development

Financial Performance

Risk Management

Outlook
## Opportunities and challenges

### Opportunities

- U.S and Eurozone economies getting back on track
- Continuous favorable prospects for Chinese economy
- Deepening structural reforms on the supply side
- Important strategy deployment of One Belt One Road, Beijing-Tianjin-Hebei synergy development and Yangtze River Economic Zone construction
- Rapid growth of emerging industries and new business models
- Rapid development of the financial market and continuous expansion of banks’ business scopes

### Challenges

- Complex and changing global economic situation; further divergence between the growth trends of major economies and monetary policies
- Aggravated fluctuation of the international financial market and commodity price
- Pressure exerted by de-leveraging and de-capacity on banks’ assets quality
- Higher standards for banking operations and management raised from capital regulation, macro-prudential assessment system (MPA) and new supervisory regulations for service fee practices
Counter measures

Develop into a modern commercial banking group that is highly capable of value creation under the guidance of the transformation development plan

- Push forward with the implementation of the Bank’s transformation development plan and strengthen the foundation for operation management
- Support important national strategies and improve capability to serve the real economy
- Continue to optimize credit structure and improve efficiency in asset allocation
- Improve integrated pricing power and tackle the risk of interest rate liberalization
- Continue to strengthen overall risk management and improve compliance management of overseas institutions
- Establish a financial ecosystem based on “Internet +” and improve the capacity of big data
Well recognized in the industry

**Forbes**

2nd in the "Forbes Global 2000"

**The Banker**

2nd in the “Top 1000 World Banks” (in terms of tier 1 capital)

**FORTUNE**

29th in the "Fortune Global 500"

Best CSR Contribution Award 2015

2015 Best Bank in China

2016 Best Retail Bank in China
Q&A

Beijing/Hong Kong
Thank you

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