



中国建设银行
China Construction Bank

2017 Results Announcement

Beijing/Hong Kong
March 28, 2018



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Financial Performance

Business Development

Risk Management

Social Responsibilities

Outlook



Key Financial Results

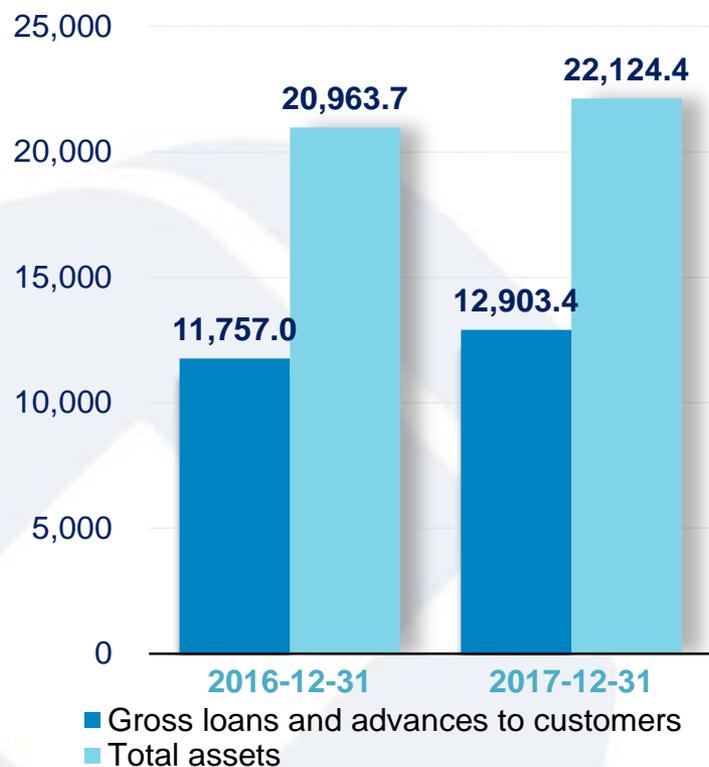
RMB (Billion)	31/12/2017	31/12/2016	Change
Total assets	22,124.4	20,963.7	5.5%
Gross loans and advances to customers	12,903.4	11,757.0	9.8%
Total liabilities	20,328.6	19,374.1	4.9%
Deposits from customers	16,363.8	15,402.9	6.2%
NPL ratio	1.49%	1.52%	0.03pps
	Jan-Dec 2017	Jan-Dec 2016	Change
Operating income	594.0	559.9	6.1%
Net interest income	452.5	417.8	8.3%
Operating cost	(167.0)	(171.5)	2.6%
Net profit	243.6	232.4	4.8%
Earnings per share (RMB Yuan)	0.96	0.92	4.3%



Balanced Growth of Assets and Liabilities

Assets growth of 5.5%

RMB (Billion)



Liabilities growth of 4.9%

RMB (Billion)





Stable Growth of Profit

Net profit grew 4.8% YoY

RMB (Billion)

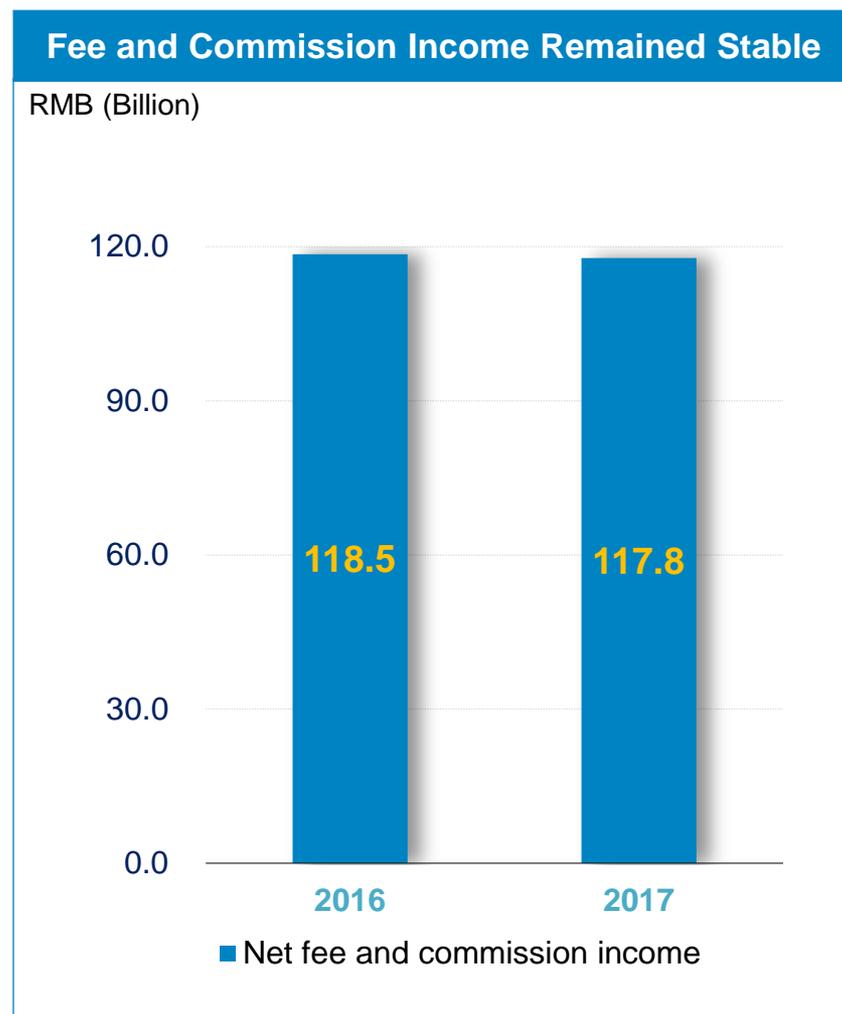
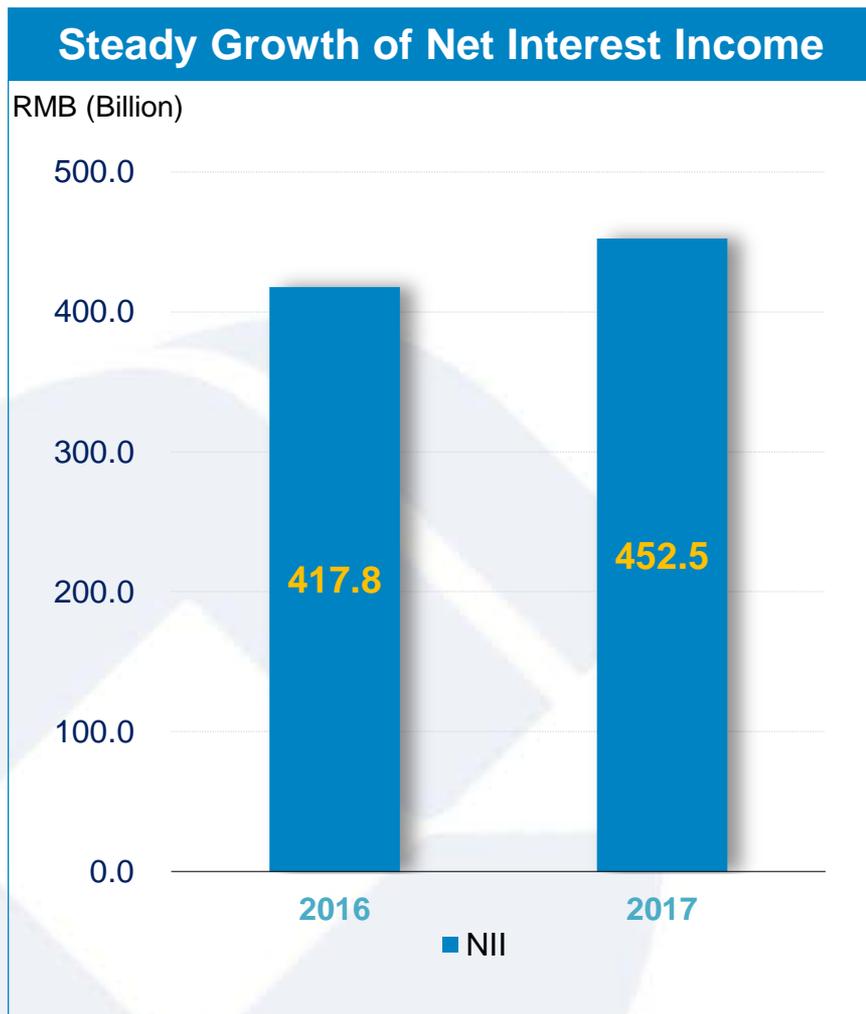


NIM improving QoQ





Steady Growth of Operating Income

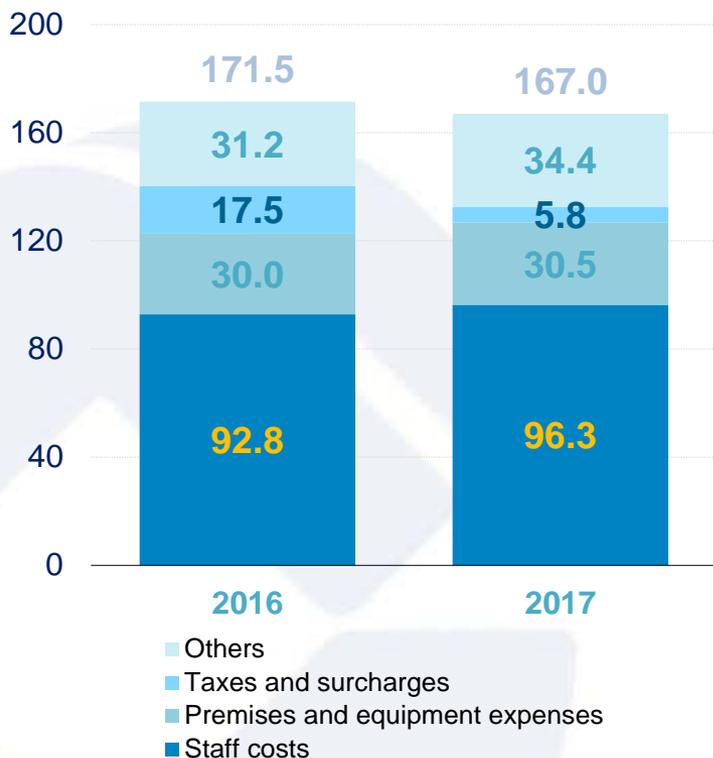




Sound Cost Control

Operating Costs Dropped 2.6% YoY

RMB (Billion)



Ample Provisions Made for Impairment Losses

RMB (Billion)





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Exploring the Blue Ocean of Home Leasing Business

“To Lease a Home, Go to CCB”



New Business Model

- ◆ Comprehensive service provider for smart city development
- ◆ Full integration into the “big ecosystem” of municipal operation and citizen’s livelihood
- ◆ Continued to enhance customer acquisition and product/service capabilities

New Growth Points

- ◆ First to launch a comprehensive solution for home leasing
- ◆ Full coverage of major cities nationwide
- ◆ “CCB Jian Rong Jia Yuan” brand name
- ◆ House price index and house rental index
- ◆ Promoting home leasing related asset management business



Speeding Up Application of New Technologies

Completion and Application of the New Generation Core Banking System

- Enterprise-level management of business requirements
- Modular development of business applications
- Consistency management of system quality

Applying Advanced AI Technologies

- AI Robots
- Intelligent Risk Management Platform
- Biometric verification

Enterprise Big Data Capacity Building

- Data Warehouse integrating internal and external data
- Enterprise data management and application architecture
- Big Data Working Platform

Building a Cloud Ecosphere

- Biggest private cloud in domestic banking sector
- Building public cloud, outputting resources and capabilities



New Momentum with Fintech 1

Fintech to Create New Models for Corporate Business

e-Loan series

- Promoting the application of technologies such as IoT, blockchain and big data in industry chain finance, making innovation in launching Internet-based "e Xin Tong", "e Xin Tong" and "e Qi Tong"

Corporate Business Radar

- Targeted sales of corporate deposits through analysis of clients' fund movement based on big data

Commercial Paper Business Surveillance

- Accurately locating potential bill-discounting clients for conducting targeted sales

Smart Government Administrative Platform

- With the goal of building smart cities and leveraging on the New Generation Core Banking System, establishing a comprehensive administrative platform covering all types of businesses, processes and scenarios that is aimed at bringing convenience to citizens



New Momentum with Fintech 2

Developing Retail Business with System Thinking and Internet Thinking

Quick Loan

- Full-process online automated loan developed with Internet Thinking and application of big data technologies

Long Pay

- Integrated model of “Payment Scenario + Financial Service + Marketing”
- Innovation with Mi Band and Huawei Watch as payment tool

Ecosphere

- Building a closed loop ecosphere comprising of housing, shopping, transportation and travelling, etc.

Smart Teller Machine

- Comprehensive smart financial service equipment that integrates business processing, product advertising and sales, customer experience and interaction

Smart Customer Service “Xiao Wei”

- Deployed WeChat, SMS and Internet channels to automatically answer customers’ questions

Intelligent Wealth Management

- Providing individualized wealth management service to customers using AI and big data analytics methodology



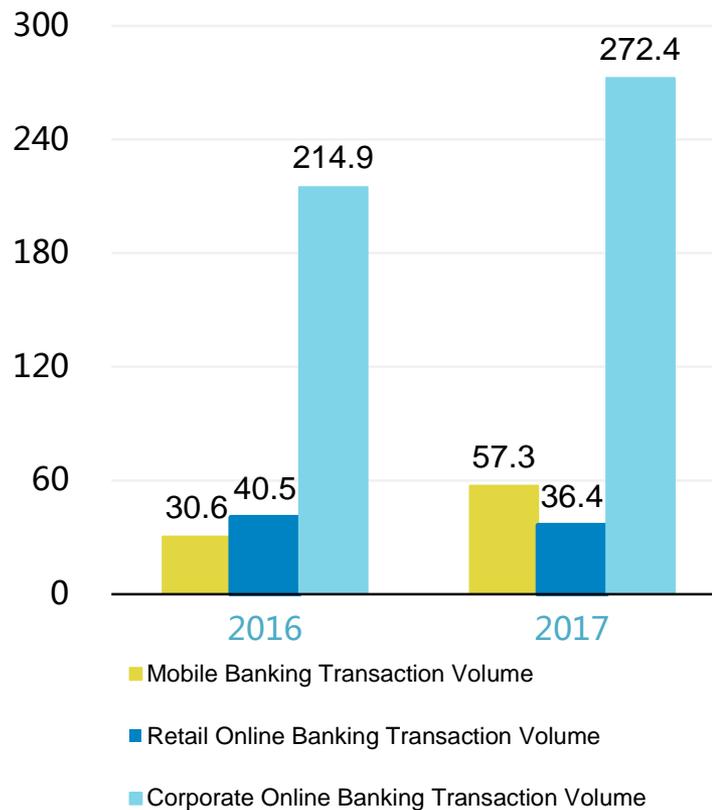
New Momentum with Fintech 3

Developing the Internet Finance Eco System

- Promoting the strategy of Mobile First
- Providing Internet-based financial services that are smart, convenient, efficient and comprehensive
- WeChat banking users grew by 35.4%
- Building an integrated online banking service that combines transactions, sales and customer service

Fast Development of Internet Finance Business

RMB (Trillion)





Striving to Develop Inclusive Finance Business

Developing the New Model of Digital, Network-based and Smart Service

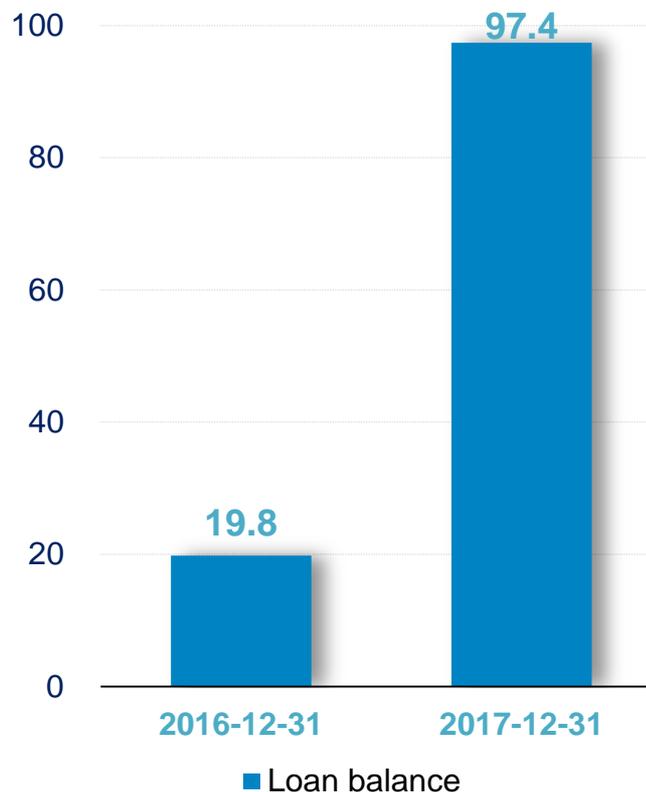
- The all online financing model of "SME Quick Loan"
- NPL ratio of "SME Quick Loan" was 0.16%
- Innovation in "Yun Shui Dai" with tax data

- Agriculture-related loans grew 5.9%
- "Yu Nong Tong" prefecture-level inclusive financial service

- Inclusive Finance Development Committee and business department

High Quality and Fast Development of All Online "SME Quick Loan"

RMB (Billion)

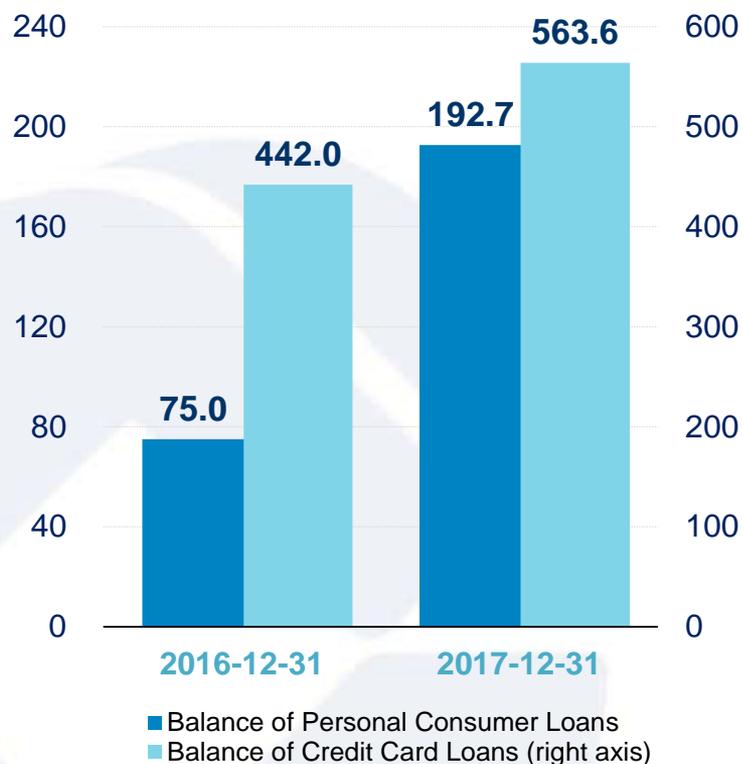




Forging New Competitive Edge of Consumer Finance and Green Finance

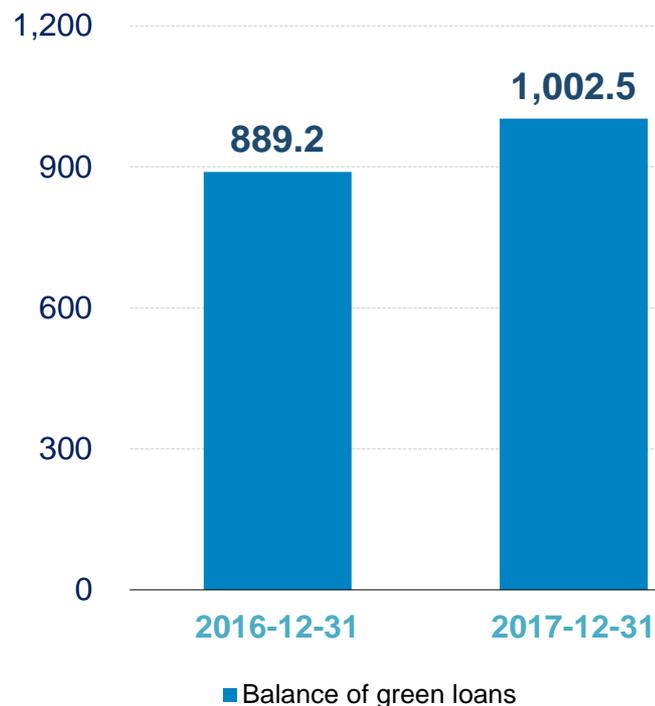
New Competitive Edge of Consumer Finance

RMB (Billion)



High Quality Growth of Green Loans

RMB (Billion)





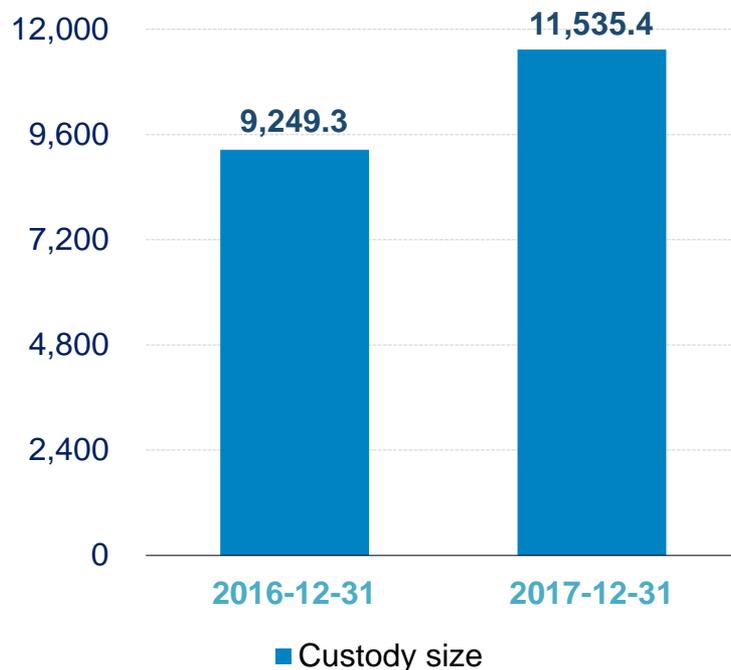
Elevating Market Status of Emerging Businesses

Building Competitiveness of Businesses

- No.1 underwriter for non-financial enterprise corporate bonds consecutively for 7 years
- Financial Total Solution (FITS®)
- Global Investment Banking Business Center
- Enhanced trading capabilities in financial market
- Deepened business integration between non-banking subsidiaries and core banking business

Asset Custody Size Broke 11 Trillion Yuan Mark

RMB (Billion)

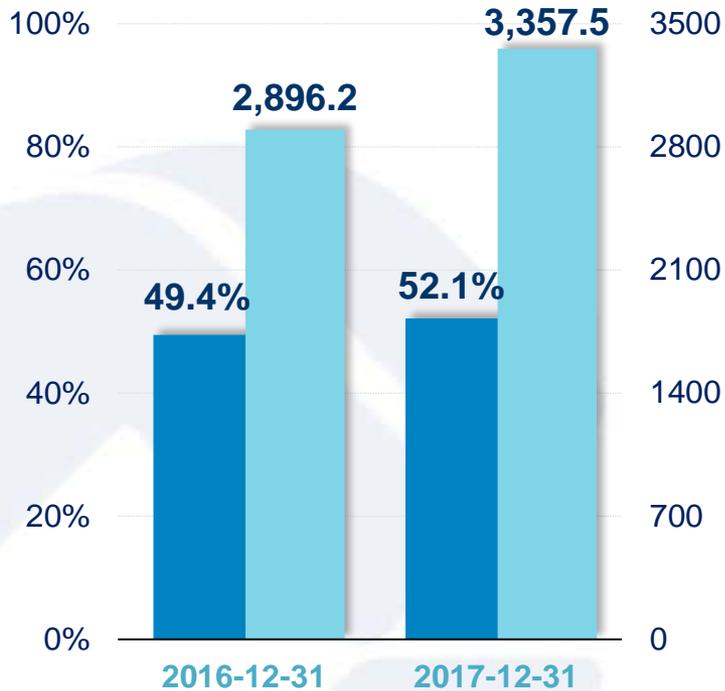




Reinforcing Traditional Advantage in Infrastructure Business and Personal Mortgage

Infrastructure Loans increased 15.9%

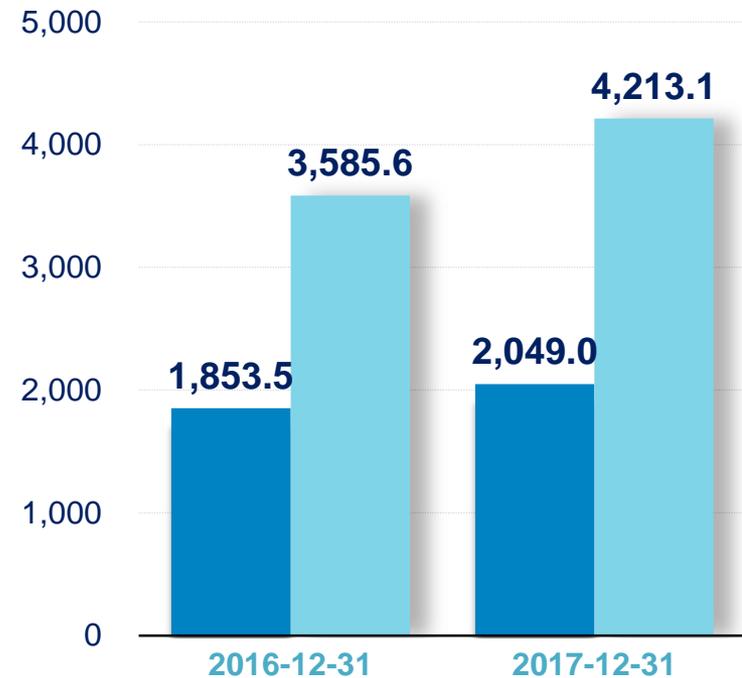
RMB (Billion)



- Percentage of infrastructure loans in domestic corporate loans and advances
- Balance of infrastructure loans

Personal Mortgage grew 17.5%

RMB (Billion)



- Balance of Housing Provident Fund loans
- Balance of Personal Mortgage



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Increased Automation and Intelligence in Risk Management

Group-wide Comprehensive Risk Monitoring and Early Warning Platform

- Integrating corporate and retail early warning systems, unifying the monitoring of different exposures

Innovation in Retail Risk Metrics Tools

- Launched “New Generation” Retail Customer Scorecard Model System, elevating the level of automation and intelligence of risk metrics

External Fraud Risk Management System

- Achieving effective recognition and control of fraud risk

Remote Monitoring System

- Adapting to the fast development of information, network and big data technology, building a monitoring system with unified plans, standards, software, hardware and management



Continued Structural Optimization of Credit Portfolio

Continued Structural Adjustment of Credit Portfolio

RMB (Billion)



Note: Severe Over-Capacity Sectors include Steel, Cement, Aluminum, Plate Glass and Ship-Building.



Effective Risk Control in Key Areas

Asset Management

- Asset allocation included in Unified Credit Approval Process
- Adjusted product and portfolio structure of wealth management products
- Enhanced liquidity management

Interbank Business

- Strict counter-party management
- Penetration management for asset business
- Maintaining “Zero NPL, Zero Violation and Low Risk”
- Full provisions for impairment loss

Local Government Debt

- Enhanced management of local government credit ratings and risk limits
- Carrying out local government debt swap prudently
- Provisions made for local government bond investment

Real Estate

- Adhering to differentiated housing property credit policies
- Strictly implementing closed-loop management for loan funds
- Conducting property business stress-tests

Overseas Business

- Enhanced compliance management and AML capabilities



More Solid Trend of Asset Quality Stabilizing and Improving

NPL Ratio Dropped, Provision Coverage Increased



Clearer Picture of Asset Quality Trending Up

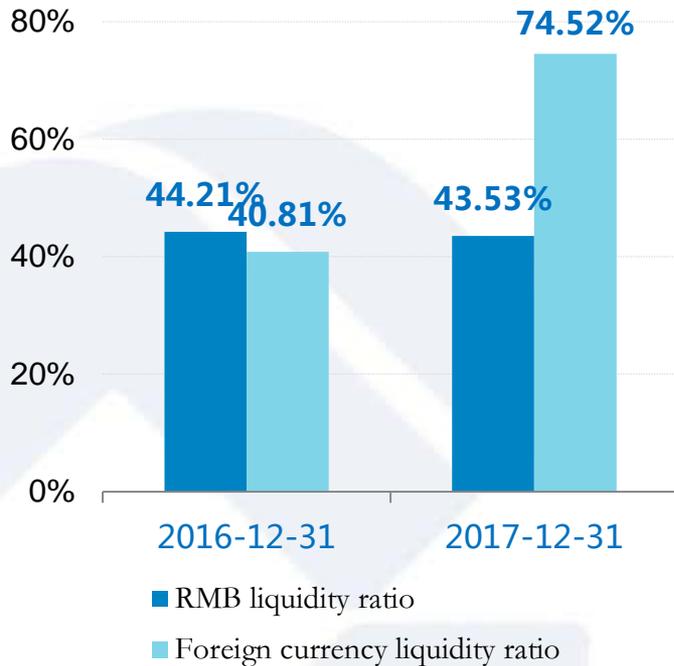
- Balance of Overdue Loans decreased, and Overdue Loan ratio dropped 0.22pps
- Proportion of the Special Mention Loans fell 0.04pps
- NPL formation rate dropped 0.21pps YoY
- Credit loss ratio decreased 0.13pps YoY
- Overdue Loans continued to be smaller in size than NPL, and the trend is growing



Continued Enhancement of Liquidity and Market Risk Management Capabilities

Liquidity Remained in Appropriate Levels

RMB (Billion)



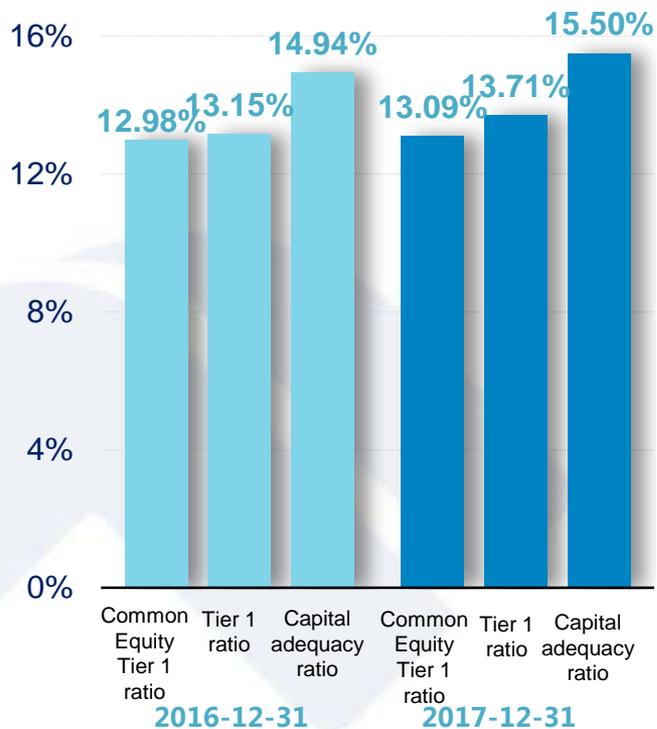
Market Risk Management Continued to Be Strengthened

- Global Risk Information Analysis Mechanism
- Monitoring and Early Warning Mechanism
- Strengthening Limits Management
- Strengthening Business Risk Management
- Penetration Management of Proprietary Business
- Risk Metrics Engine



Enhanced Capital Management

CAR Remained at High Level



■ In accordance with "Administrative Measures for Capital Management of Commercial Banks (Trial)", capital adequacy ratio was calculated using the Advanced Approach, and applying the rule on parallel run.

Continued Enhancement of Integrated Capital Management

- Capital-efficient operation
- Refined capital management
- Optimized capital structure
- Deepened application of advanced capital management approaches
- 60 billion RMB preference shares in domestic market
- Equivalent of 96 billion RMB Qualified Tier-2 Capital Instrument



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Being the Leader of Ecological Civilization Construction in the New Era

Green Credit	Optimizing green credit policy and system, enriching green credit products and services, green loans increased by 12.7%
Low Carbon Operation	Reinforcing education on international perspective and environmental awareness for employees, promoting low carbon operation
Targeted Poverty Alleviation	Targeted Finance against Poverty Loans increased by 57.4%
Public Projects	Continued to carry out public projects in education, healthcare, poverty alleviation, disaster relief and environment protection, etc., donation in 2017 reached RMB 77.86 million
Consumer Protection	Perfecting consumer protection mechanism and enhancing customer satisfaction. Retail customer satisfaction rate in 2017 was 2.9 pps above industry average.



External Evaluation



中国银行业协会
CHINA BANKING ASSOCIATION

China Banking Association
Annual
**Most Socially Responsible
Financial Institution**

ASIAMONEY

Asia Money (Hong Kong)
2017
Best Bank in China

The
Banker

The Banker
Top 1000 World Banks
2nd

THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY

The Asian Banker
2017
**Best Large-Scale Retail Bank
Best Digital Bank in China**



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Opportunities and Challenges

Opportunities

- Global synchronous recovery in economic growth
- China's economy shifting to a phase of high-quality growth
- Supply-side structural reform has achieved some results
- Important progress made in reducing over-capacity, and realizing market-clearing
- Speeding up the establishment of a system of granting equal rights to home buyers and tenants

Challenges

- Spillover from economic policy adjustment of major economies
- Anti-globalization and trade protection
- Structural risk still exists in domestic economy
- Rising leverage of domestic corporations and residents
- Stricter regulations resulted in higher requirements for business operation



Responding Measures

Achieving High-quality Growth through Refined Management, Prudent Risk Control, Efficient Capital Utilization, Good Return and State-of-the-art Technology

- Continuing to promote the Fintech strategy, forging a new competitive edge in Fintech
- Striving to expand core liabilities and maintaining appropriate growth of assets
- Promoting the development of home leasing business, nurturing new growth points
- Reinforcing traditional advantage in home property finance and infrastructure, developing emerging businesses
- Adhering to the Retail First strategy, striving for the rapid development of consumer finance
- Accelerating the upgrading of risk and compliance management system and models, safeguarding stable business operations



Q&A



Thank You