



**中国建设银行**  
China Construction Bank

# 2018 Interim Results Announcement

Beijing/Hong Kong  
August 2018



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**Financial Performance**

**Strategic Development, Reform and Innovation**

**Risk Management**

**Social Responsibility**

**Outlook**



# Good Performance Across the Board

(RMB Billion)	30/6/2018	31/12/2017	Change
Total assets	22,805.2	22,124.4	3.1%
Gross loans and advances to customers	13,452.4	12,903.4	4.3%
Total liabilities	20,940.6	20,328.6	3.0%
Deposits from customers	16,965.5	16,363.8	3.7%
NPL ratio	1.48%	1.49%	0.01pps
	Jan-Jun 2018	Jan-Jun 2017	Change
Operating income	322.7	303.1	6.5%
Net interest income	239.5	217.9	9.9%
Net fee and commission income	69.0	68.1	1.4%
Net profit	147.5	139.0	6.1%
Earnings per share (RMB Yuan)	0.59	0.55	7.3%





# Stable and Balanced Core Indicators

Accelerated Growth of Net Profit

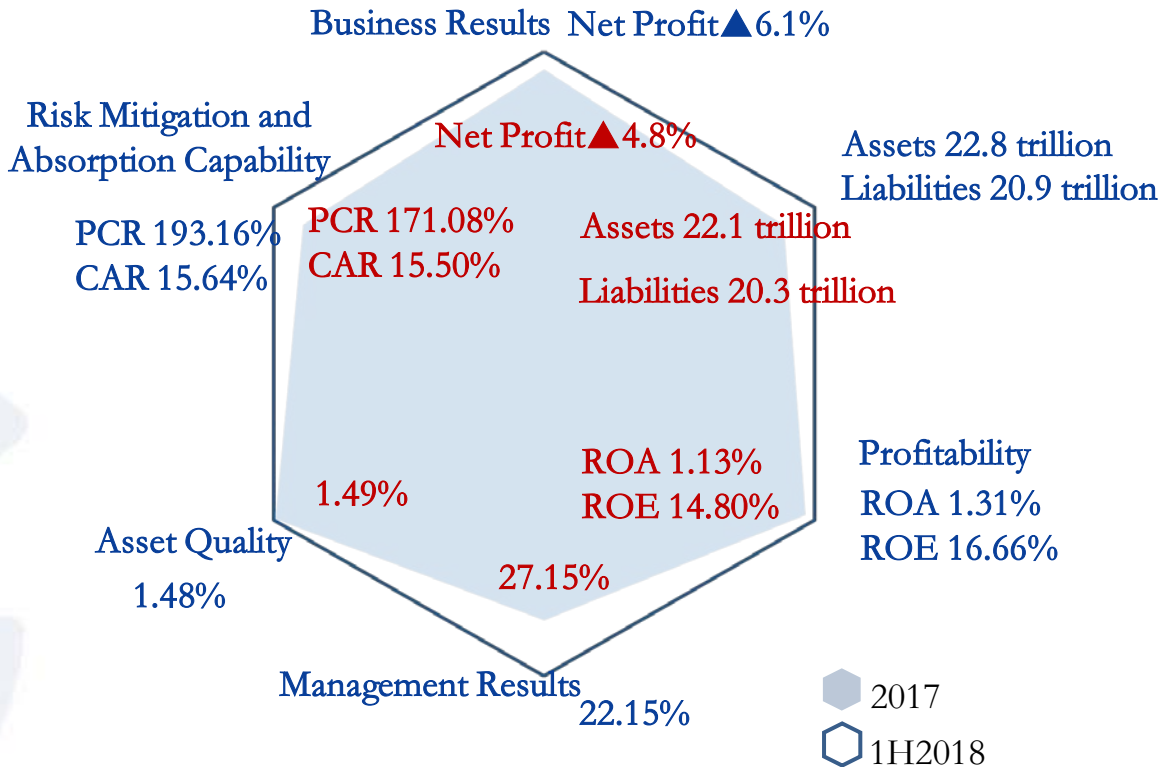
Steady Growth of Assets and Liabilities

ROA/ROE Remained Stable

Cost-to-Income Ratio Continued to Drop

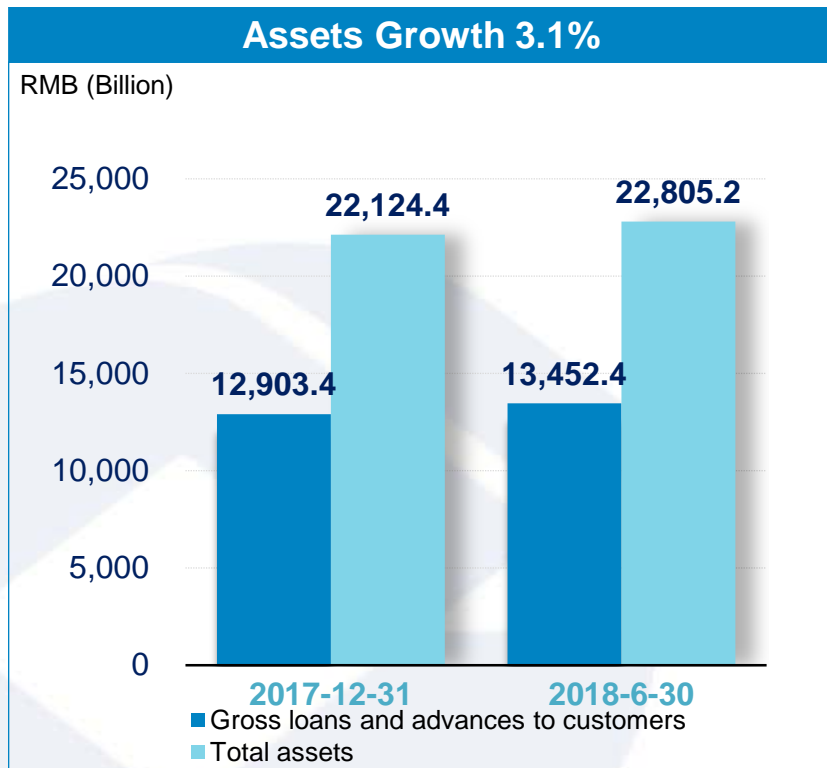
NPL Ratio Further Decreased

Provision Coverage Ratio and Capital Adequacy Ratio were Enhanced



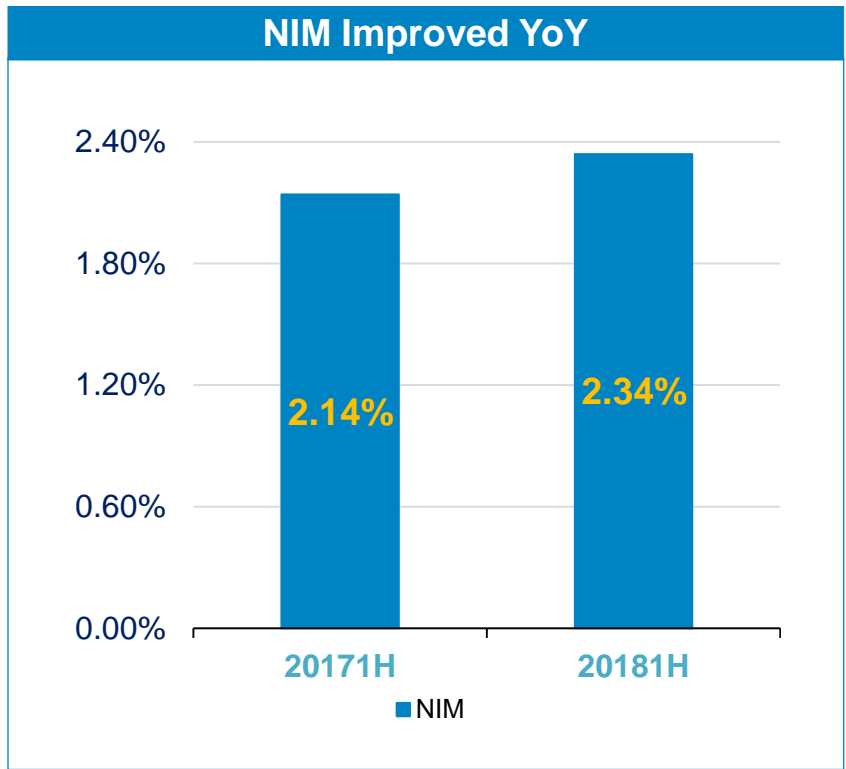
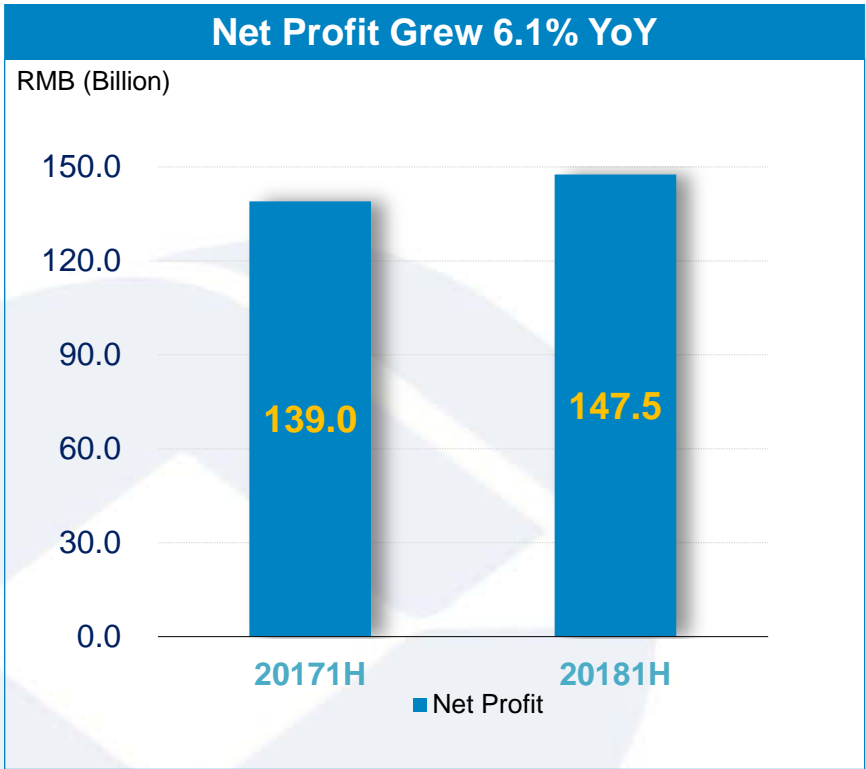


# Steady and Coordinated Growth of Assets and Liabilities



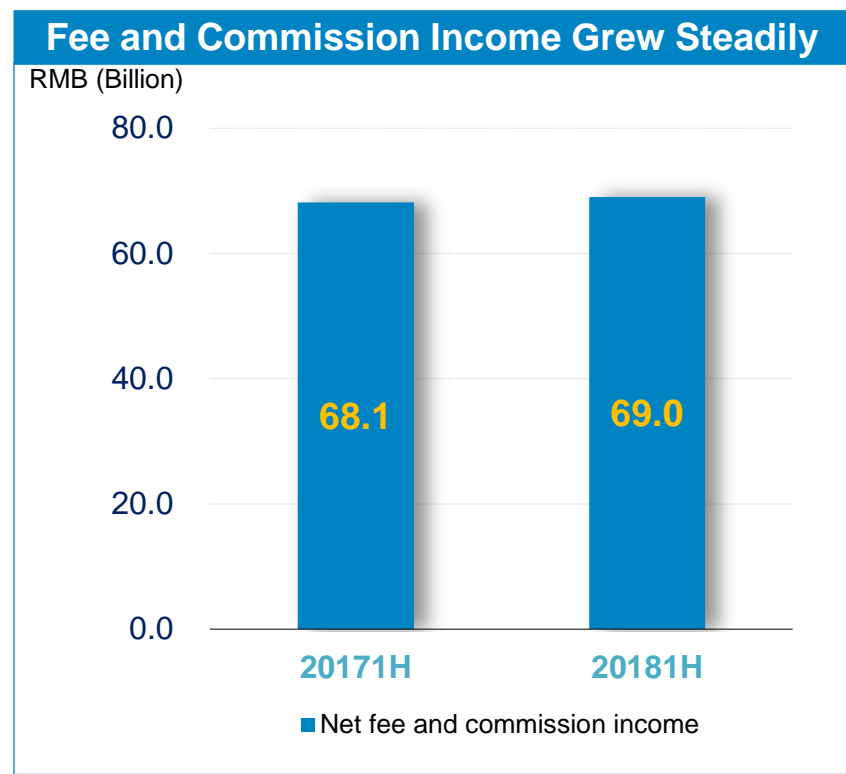
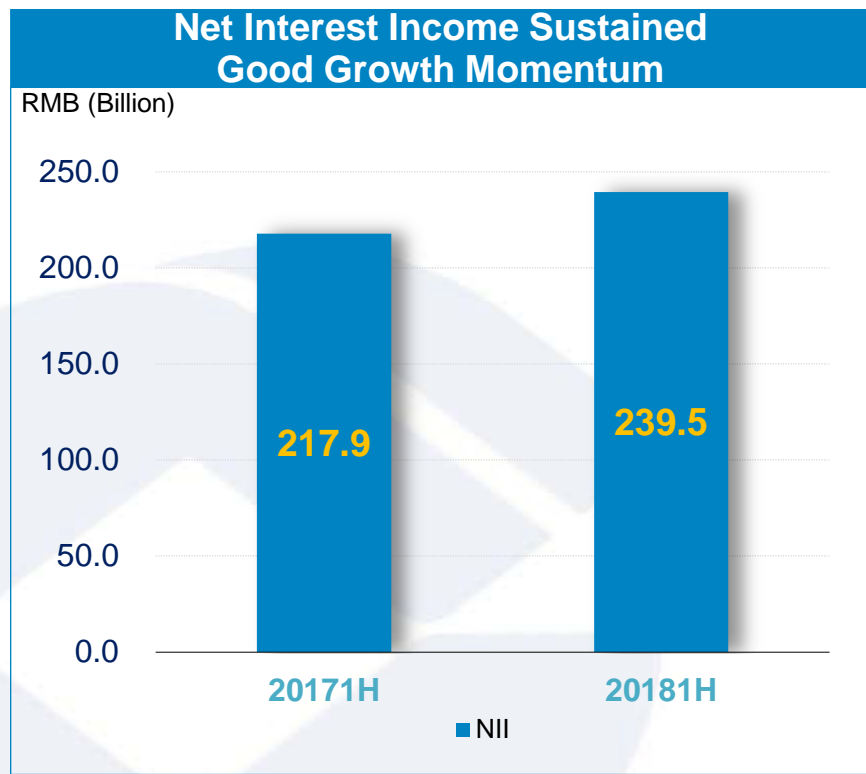


# Accelerated Profit Growth





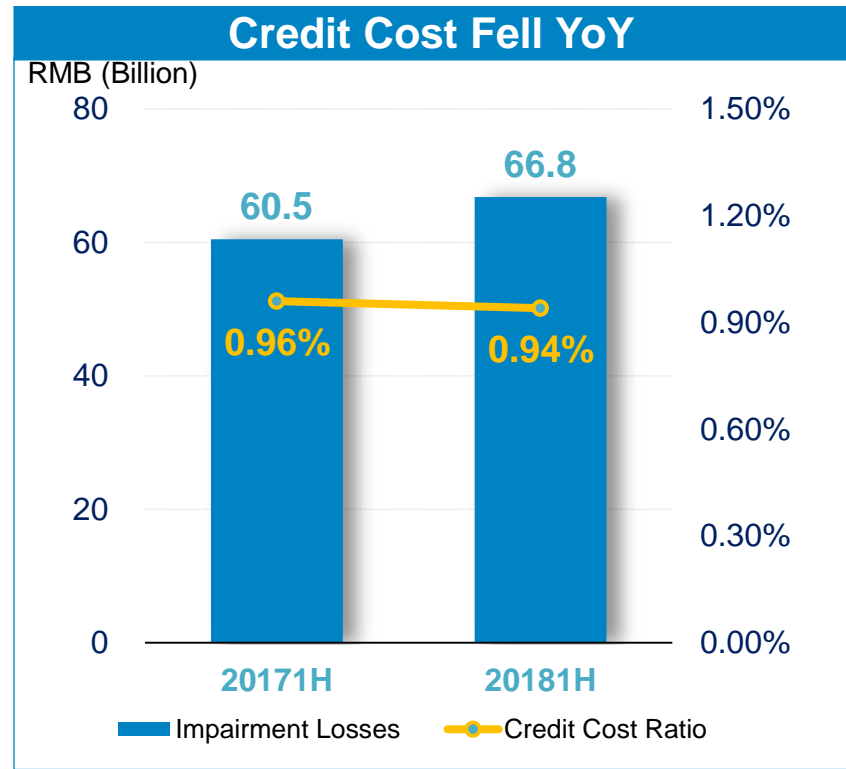
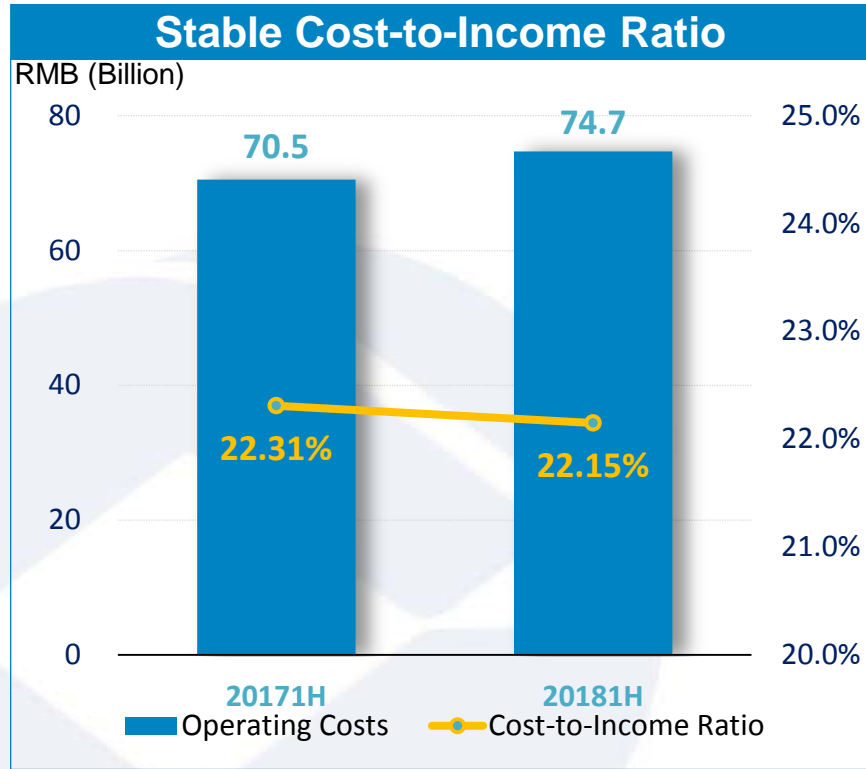
# Steady Growth in Operating Income







# Sound Cost Control





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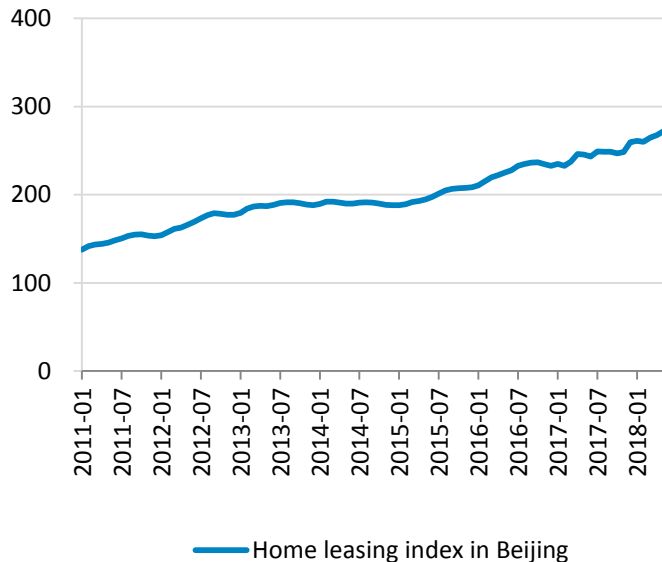


# Exploring the Blue Ocean of Home Leasing Business

## Market-leading Home Leasing Service

- “To Lease a Home, Go to CCB”
- CCB “Jian Rong Jia Yuan” brand
- Comprehensive service platform for home leasing
- Comprehensive financial services such as home leasing loans, asset management, investment banking, insurance, pension, trust and customized products
- Smart community and city development

## Home Leasing Index





# Building a Modern Technology Bank

## Fintech Strategy

- Fintech strategic planning (2018-2023)
- Fintech Innovation Committee
- Jian Xin Financial Technology Co.
- Big data smart centre and fintech labs

## Technology Driven

- AI, blockchain, cloud computing, big data, mobile Internet, and Internet of Things
- "New Generation" system application

## Data Driven

- Modern data governance system
- Complete enterprise-level data map
- Data acquisition, integration, mining and sharing capabilities

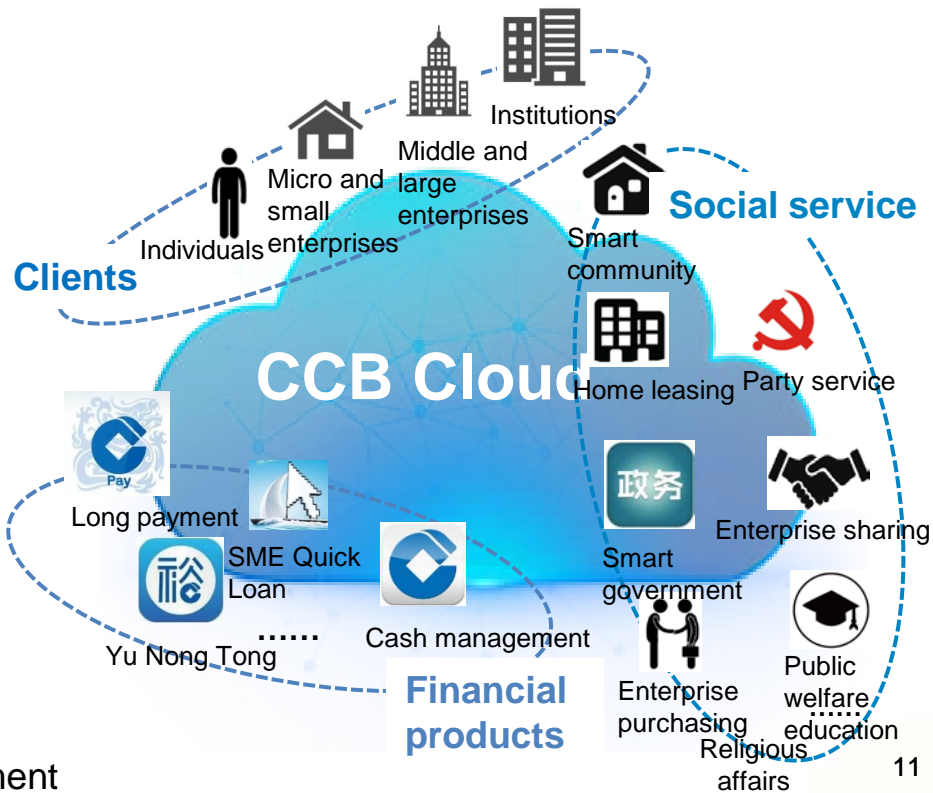
## Smart Finance

- Smart retail and corporate service
- Smart channel
- Smart operation system
- Smart risk control system

## Smart Ecology

- "CCB Cloud" service platform; cloud service system
- Comprehensive platform that includes smart government, smart community, retirement, and religious affairs etc.

Build multifunctional, secure and high-quality CCB cloud to export technological capabilities

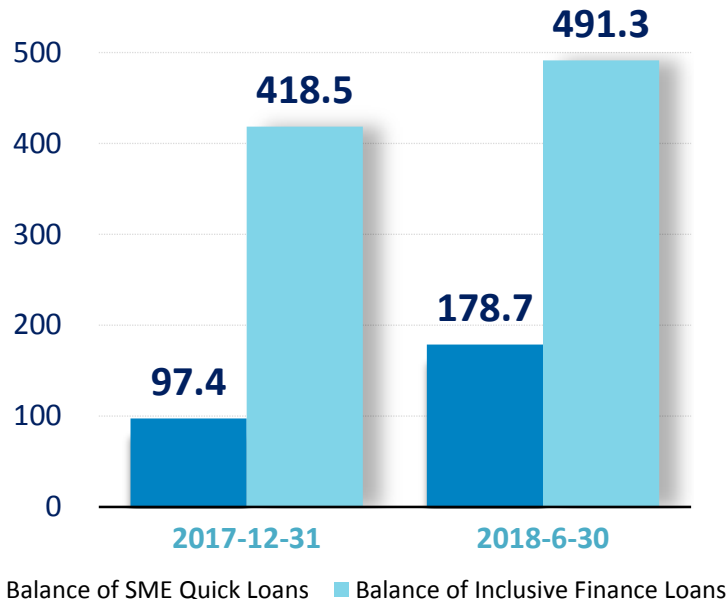


## Innovative Inclusive Finance Service

-  Service platform
  - Comprehensive service platform for inclusive finance
  - ERP cloud platform
-  Service system
  - Inclusive Finance Departments established in all Tier-1 and Tier-2 branches
  - Transformation of Small Business Centres to Inclusive Finance Centres
-  Business model
  - Digitized and large-scale acquisition of customers
  - SME Quick Loan
  - "Yu Nong Tong"+
-  Inclusive finance asset securitization
-  Participation in National Financing Guarantee Fund

## Fast Growth in Inclusive Finance Loans

RMB (Billion)





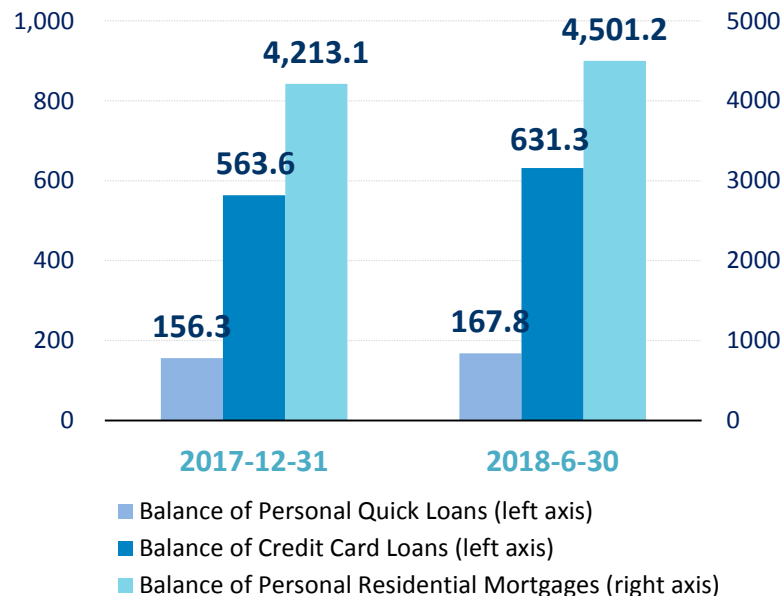
# Promoting Retail First Strategy Continuously

## Open and Sharing, Value for All, Digitally Connected

- Ecology, value chain and platform development
  - Comprehensive merchant sharing platform
  - Multiple payment and settlement ecospheres
- Online Banking
  - Mobile banking users grew by 7.9%
  - Users that follow CCB and bind their CCB cards on WeChat grew by 14.8%
  - Personal online banking users grew by 6.5%
  - Online payment transaction volume grew by 67.0%
  - Direct selling; syndicated payment; outbound-call marketing

## Largest Retail Credit Bank

RMB (Billion)







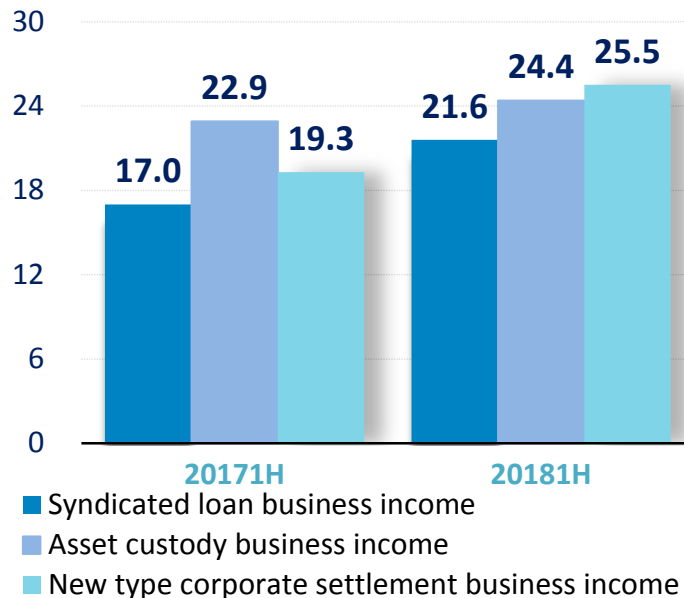
# Building Advantages in Transaction Services

## Continuous Improvement of Corporate Services

- Account base
  - Unit RMB settlement accounts grew by 10.0%
  - Corporate online banking users grew by 12.9%
  - “Zhang Yi Xing” Service
- Platform system
  - Intelligent matching platform
  - Corporate radar system
  - Online banking
- Business development
  - Market-leading bond underwriting
  - Market-based and law-based debt-to-equity swap
  - Global asset management
  - Global cash management
  - Trade finance

## Transaction Business Income Grew Rapidly

RMB (100 million)





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# Building a Long-term Mechanism for Comprehensive and Proactive Risk Management

Long-term mechanism to cover four sectors and nine types of risks

First Risk Metrics Centre among large commercial banks in China

Comprehensive risk monitoring and early warning platform

Market and direct business risk management

Credit approval, compliance, audit and business inspection  
feedback mechanism

Compliance management system



# Structure of Credit Portfolio Continued to be Optimized

## Continued Structural Adjustment of Credit Portfolio

RMB(Billion)

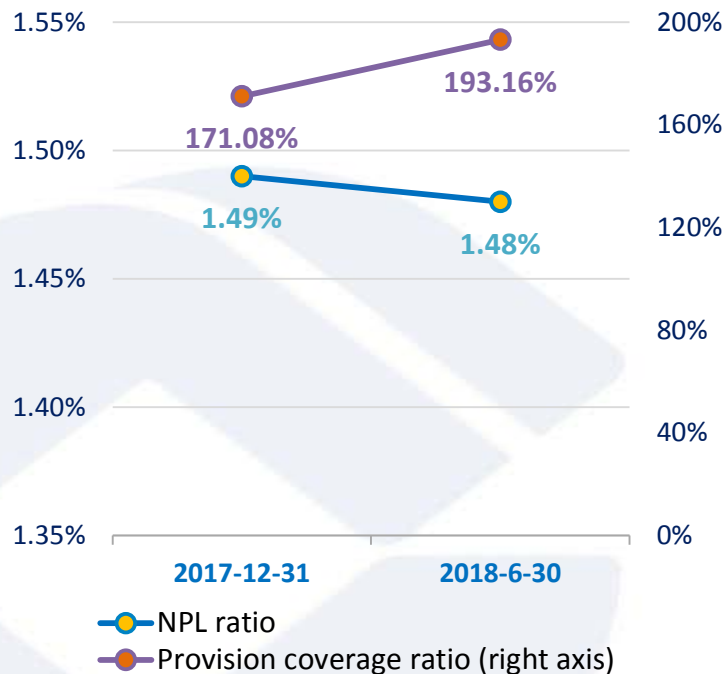


Note: Severe Over-Capacity Sectors include Steel, Cement, Aluminum, Plate Glass and Ship-Building.



# Steady and Improving Asset Quality

## NPL Ratio Fell, Provision Coverage Ratio Increased



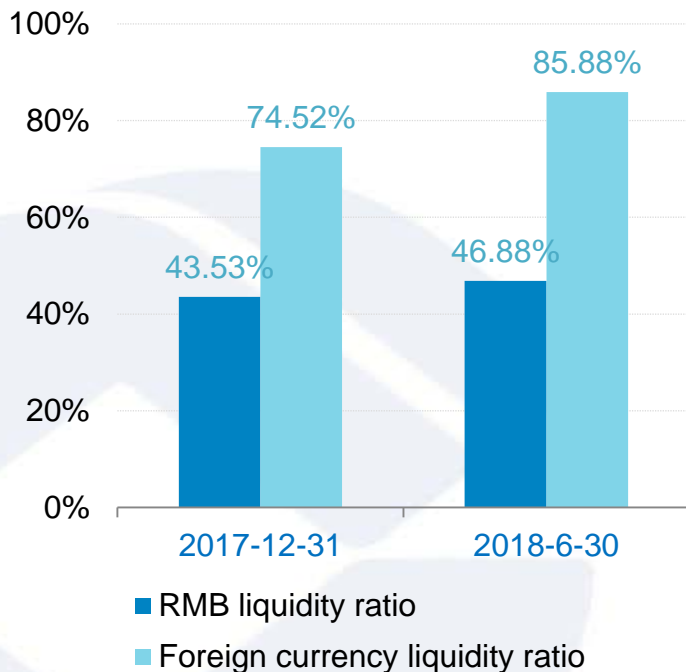
## Asset Quality Trending Up

- Increase of NPL balance fell YoY
- NPL formation ratio decreased 0.21pps YoY
- Credit cost ratio fell 0.02pps YoY
- Reverse difference in balance between overdue loans and NPLs widened YoY
- The risk of credit bond investment was controllable



# Continued Improvement of Liquidity Management

## Liquidity Remained at Reasonable Levels



## Effective Management of Liquidity Risk

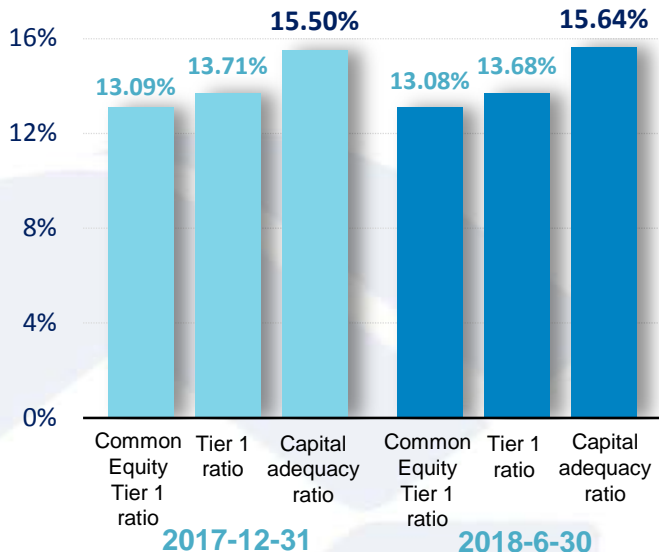
- NSFR was 126.78%
- LCR daily average in 2Q was 137.68%
- Liquidity management platform
- Sensitivity analysis
- Liquidity stress test
- Cash flow forecast





# Strengthening Capital Management

## CAR Remained High



■ In accordance with the "Capital Rules for Commercial Banks (Provisional)", the capital adequacy ratios were calculated using the Advanced Capital Measurement Approaches, and applying the rules during the transition period.

## Strengthened Capital Management

- Capital planning for 2018-2020
- Intensive capital management
- Full coverage of capital planning management in the Group
- Precise capital allocation
- Regulatory capital system development and data application
- Tier 2 capital bonds



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# Actively Fulfilling Corporate Social Responsibility

Participation in social welfare projects by employees and customers; encouraging other institutions to engage in social welfare and integrating business with social welfare

## Caring Station



免费饮水  
Free Drinking Water



临时休息  
Temporary Rest



阅读角  
Reading Corner



免费WiFi  
Free WiFi



手机充电  
Mobile Charge



点钞机  
Counting Machine



洗手间  
Restroom



雨伞(架)  
Umbrella-stand



便民服务箱  
Convenience Service Box

## Targeted Poverty Alleviation Through Finance

- Targeted Poverty Alleviation Loans
- Mobile Financial Coverage
- E-commerce Poverty Alleviation
- Infrastructure Construction and Industrial Support
- Poverty County's Self-help Equipment
- Targeted Poverty Alleviation Donations



# External Recognition



The Chinese Banker  
2018

**Best Financial Innovation Award**  
“Company Home Leasing Loan” and  
“Quick Loan” won the Top Ten Financial  
Product Innovation Award



The Asian Banker  
2018

**The Best Mega Retail Bank in  
China**

**The Best Mega Trade Finance  
Bank in China**



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Institution**



Top 1000 World Banks 2018

**2<sup>nd</sup>**

Top 500 Banking Brands 2018

**2<sup>nd</sup>**



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# Opportunities and Challenges

## Opportunities

- The global economy as a whole continues to recover
- China's economy on the whole is stable and on the right track
- Active fiscal policy and moderate monetary policy
- Implementation of important national development plans
- Further normalization of financial order and improving regulatory framework

## Challenges

- The pace of global economic recovery is polarized
- Rise in global trade tensions
- Rise in corporate default risk
- Financial market volatility further increases
- Rapid development of new financial business challenges





## Responding Measures

### Maintain prudent operation; promote strategy implementation; build a modern and beautiful way of life and create shareholder value

- ❖ Vigorously promote implementation of business strategy and innovate business development model
- ❖ Strengthen overall coordination and maintain coordinated growth of assets and liabilities
- ❖ Continue to promote Retail First strategy and gain advantage in transaction business
- ❖ Comprehensively and proactively manage risks and strengthen early warning management
- ❖ Further refine management mechanism to improve operational efficiency and quality



# Q&A



# Thank You