



2008 Annual Results Announcement

Beijing / Hong Kong

March 2009



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Performance Overview and Highlights

Business Development and Financial Performance

Outlook



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Key Financials

Key Financials	2008	2007	YoY Growth
Operating income (RMB)	269,747 MM	220,717 MM	↑ 22.2%
Net Interest Income	224,920 MM	192,775 MM	↑ 16.7%
Net Fee and Commission Income	38,446 MM	31,313 MM	↑ 22.8%
Pre-tax Profit (RMB)	119,741 MM	100,816 MM	↑ 18.8%
Net Profit (RMB)	92,642 MM	69,142 MM	↑ 34.0%
Earnings per Share (RMB)	0.40	0.30	↑ 33.3%
Net Interest Margin	3.24%	3.18%	↑ 6 bps
ROAA	1.31%	1.15%	↑ 16 bps
ROAE	20.68%	19.50%	↑ 118 bps
NPL Coverage Ratio	131.58%	104.41%	↑ 2717 bps
NPL Ratio	2.21%	2.60%	↓ 39 bps
Cost-to-Income Ratio	36.77%	41.83%	↓ 506 bps



Summary Balance Sheet

(RMB MM)	2008	2007	YoY Growth	
Total Assets	7,555,452	6,598,177	↑	14.5%
Cash and Balances with Central Banks	1,247,450	843,724	↑	47.9%
Loans and Advances to Customers	3,683,575	3,183,229	↑	15.7%
Investment Securities	2,144,439	2,171,826	↓	1.3%
Total Liabilities	7,087,890	6,175,896	↑	14.8%
Deposits from Customers	6,375,915	5,329,507	↑	19.6%
Amounts due to Banks and Other Financial Institutions	490,572	547,487	↓	10.4%
Total Equity Attributable to Shareholders	465,966	420,977	↑	10.7%
Share Capital	233,689	233,689	↑	---
Reserves	232,277	187,288	↑	24.0%



Outstanding Value Creation

Market Leader in Infrastructure Loans

1 in Personal Mortgage Lending

First Mover in New Business

Growth Leader in Intermediary Business

Superior and Comprehensive Customer Service

The World's Most Profitable Bank

Strongest Risk Control Capability

Market performance Outperforms Peers



Performance Overview and Highlights

Business Development and Financial Performance

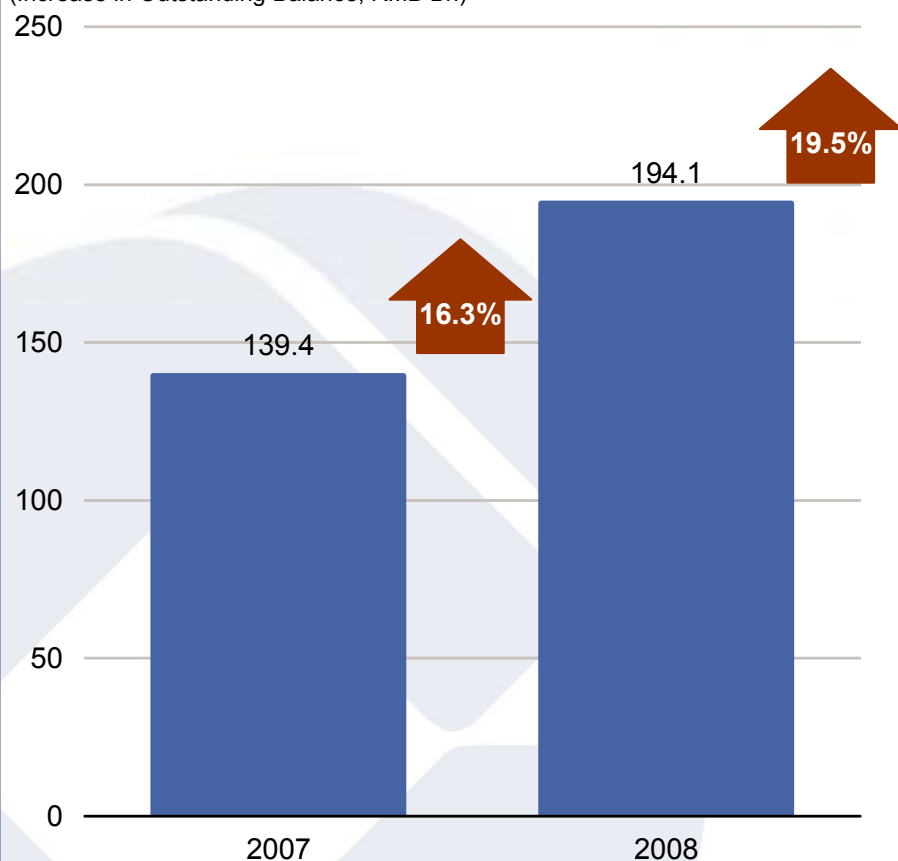
Outlook



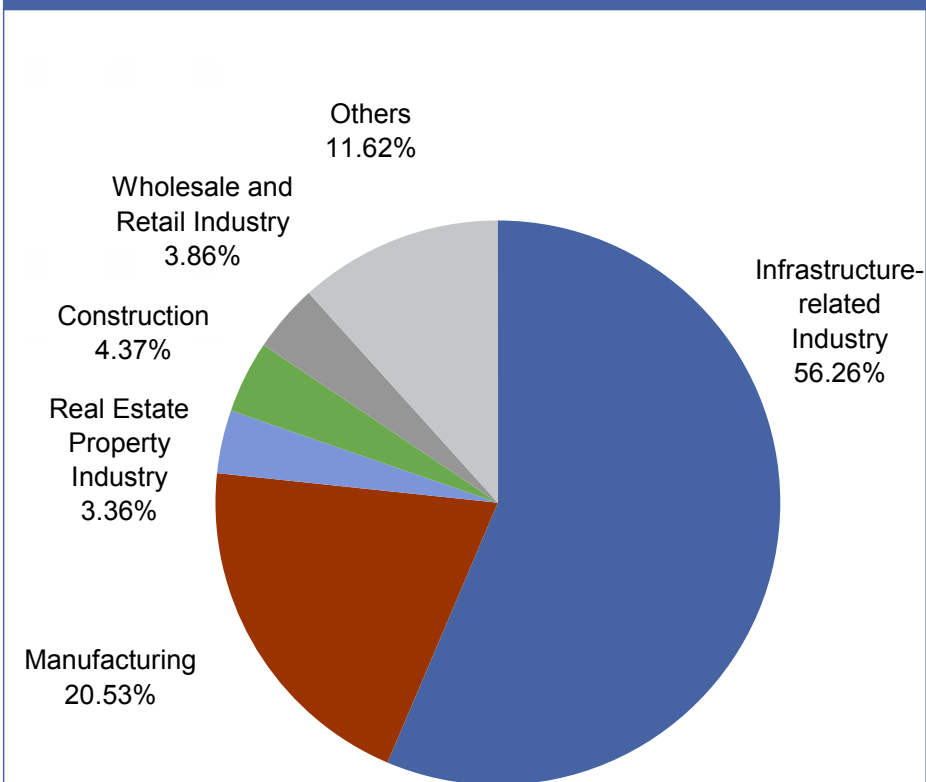
Leveraging Our Traditional Strength in Infrastructure Loans

Rapid Growth in Infrastructure Loans

(Increase in Outstanding Balance, RMB Bn)



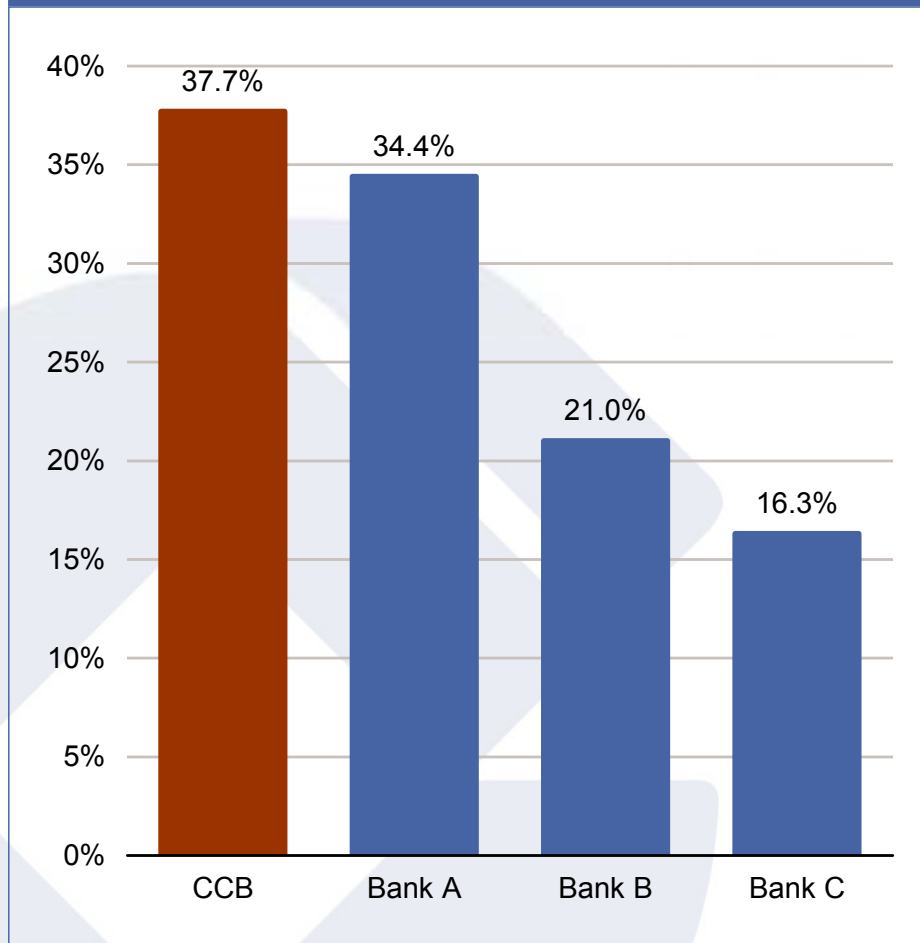
Increase in Infrastructure Loans Outstanding Balance Accounted for 56.26% of Total Increase in Corporate Loans





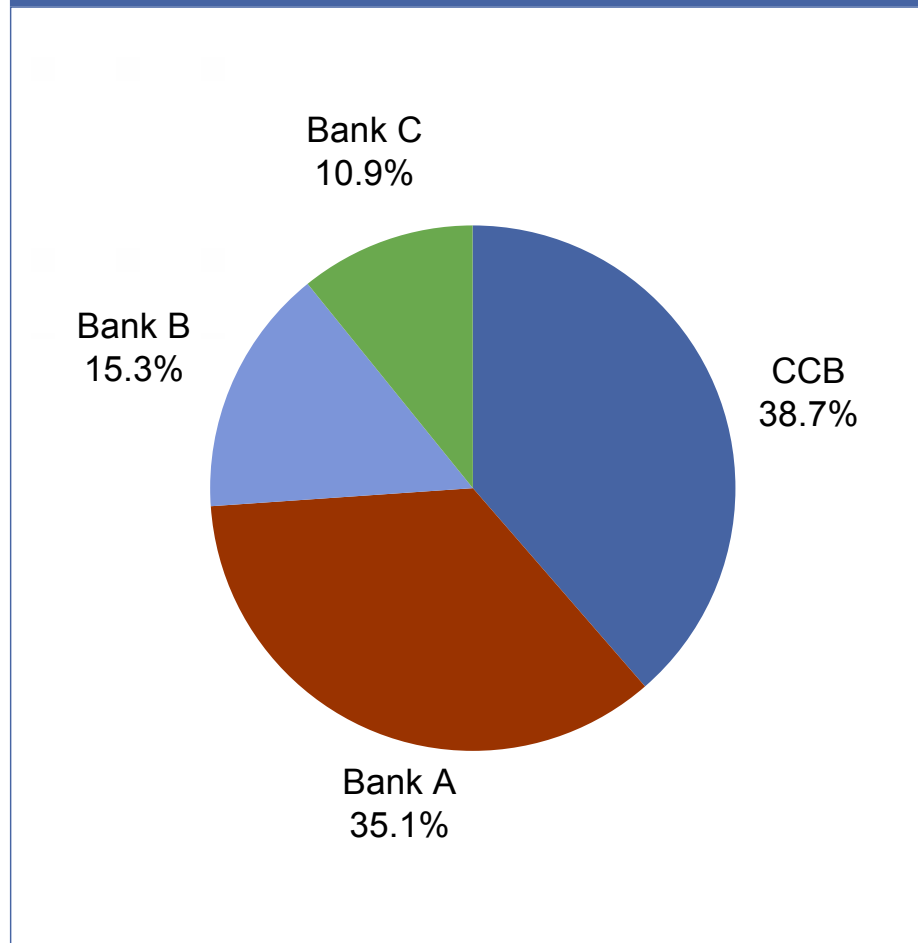
Leveraging Our Traditional Strength in Infrastructure Loans (Cont'd)

Capital Investment Loans as % of Total RMB Loans Ranked #1 ⁽¹⁾



(1) Source: Infrastructure Loan: PBOC; Renminbi loans: CBRC

Market Share of Increase in Capital Investment Loans Ranked #1 ⁽¹⁾





Rapid Growth of SME Loans

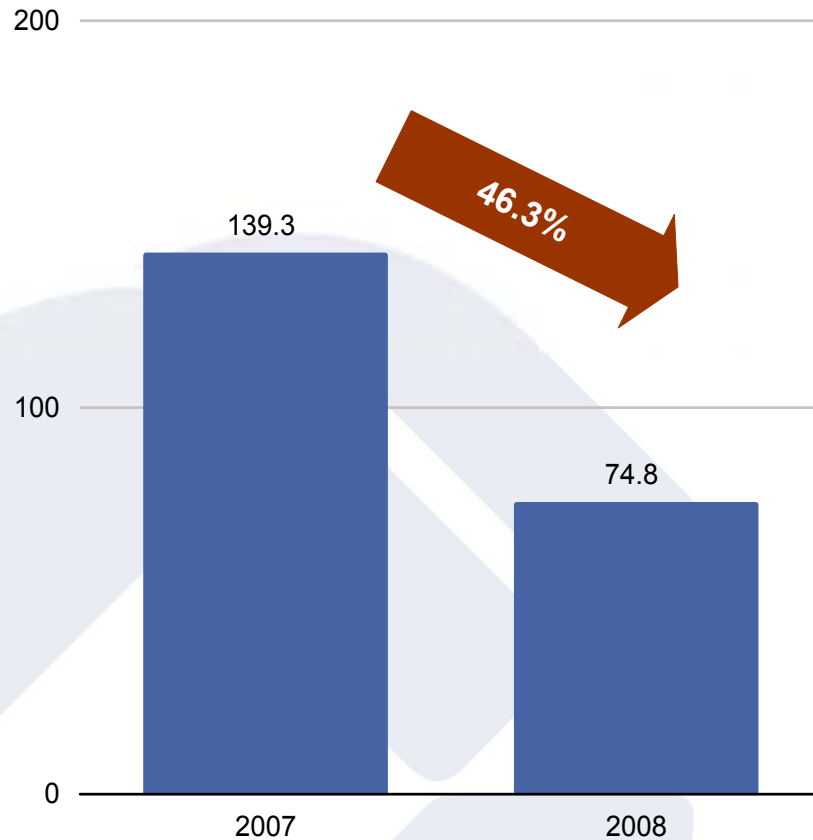
- SME loans accounted for 45% of total corporate loans
- RMB104.56 Bn issued for “Quick Finance” loan cumulatively
- RMB88.13Bn issued for “Road to Growth” loan cumulatively
- 78 operating centers as “Credit Factories” for small enterprises
- Cooperated with “Alibaba” network platform for online loan business
- Microcredit loans for rural households with NPL ratio of 0.3%
- Established Taojiang Jianxin Rural Bank in Taojiang, Hunan



Shrinking Exposure to or Withdrawing from High-risk Industries

Loans to “Opted-Out” Industries Down by 46.3%

(RMB Bn)



- ❖ Balance of loans to the “opted-out” industries decreased
- ❖ Growth of loans to high energy consumption or high pollution industries declined
- ❖ Manufacturing loans as a percentage of total loans dropped
- ❖ Loans to export-oriented industries also decreased as a percentage of total loans



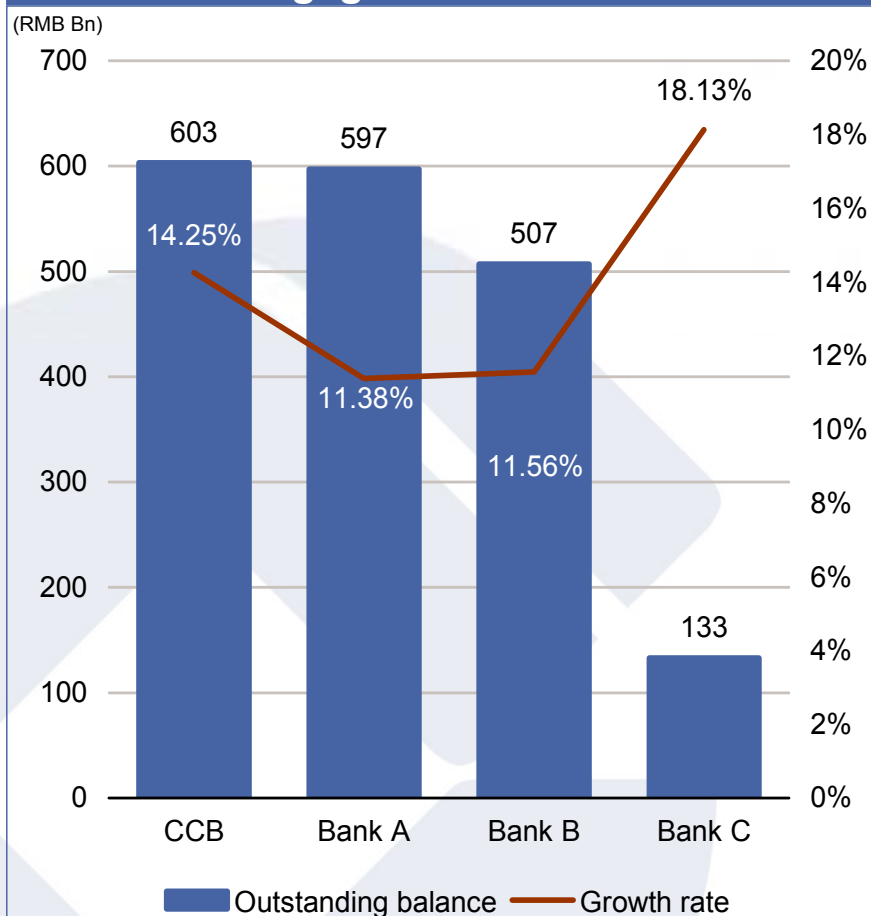
Significant Achievement in Expanding Institutional Business

- Highest income from the third party custody of client's trading settlement funds among peers
- #1 in the insurance agency income among peers
- Leading position in the central government authorized payment agency service, with growth rate of 49%
- #1 Fund settlement agent for China Development Bank
- All-round cooperation with top universities and large hospitals



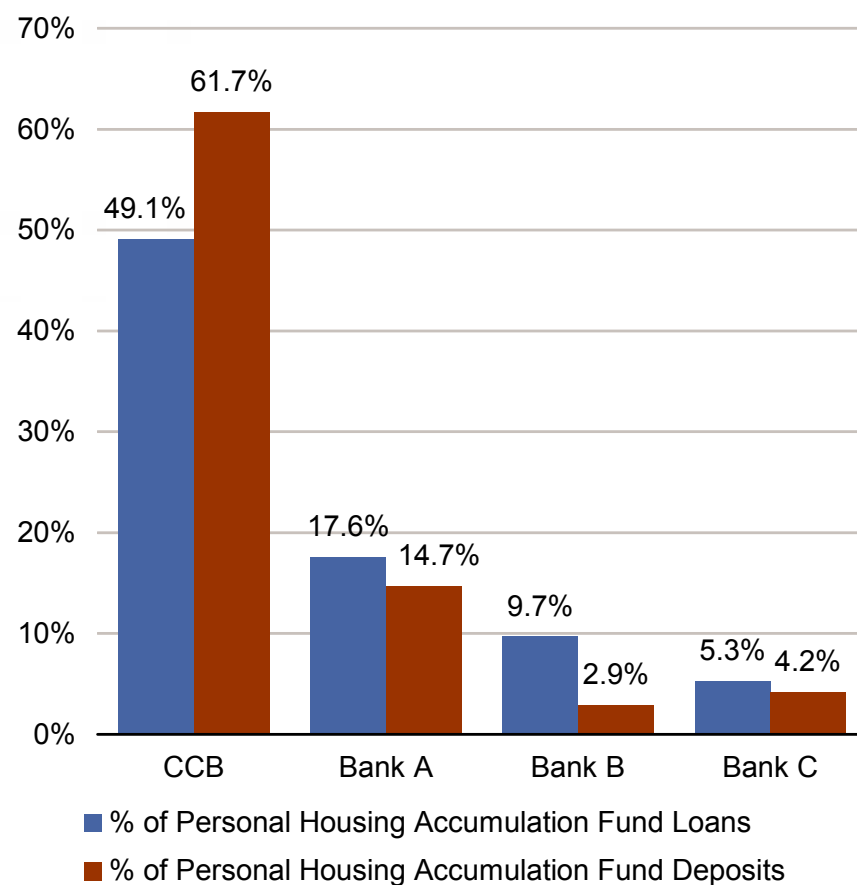
Leader in the Housing Finance Business

#1 in the Outstanding Balance and Growth of Personal Mortgage Loans ⁽¹⁾



(1) Including both domestic and overseas data for Bank C

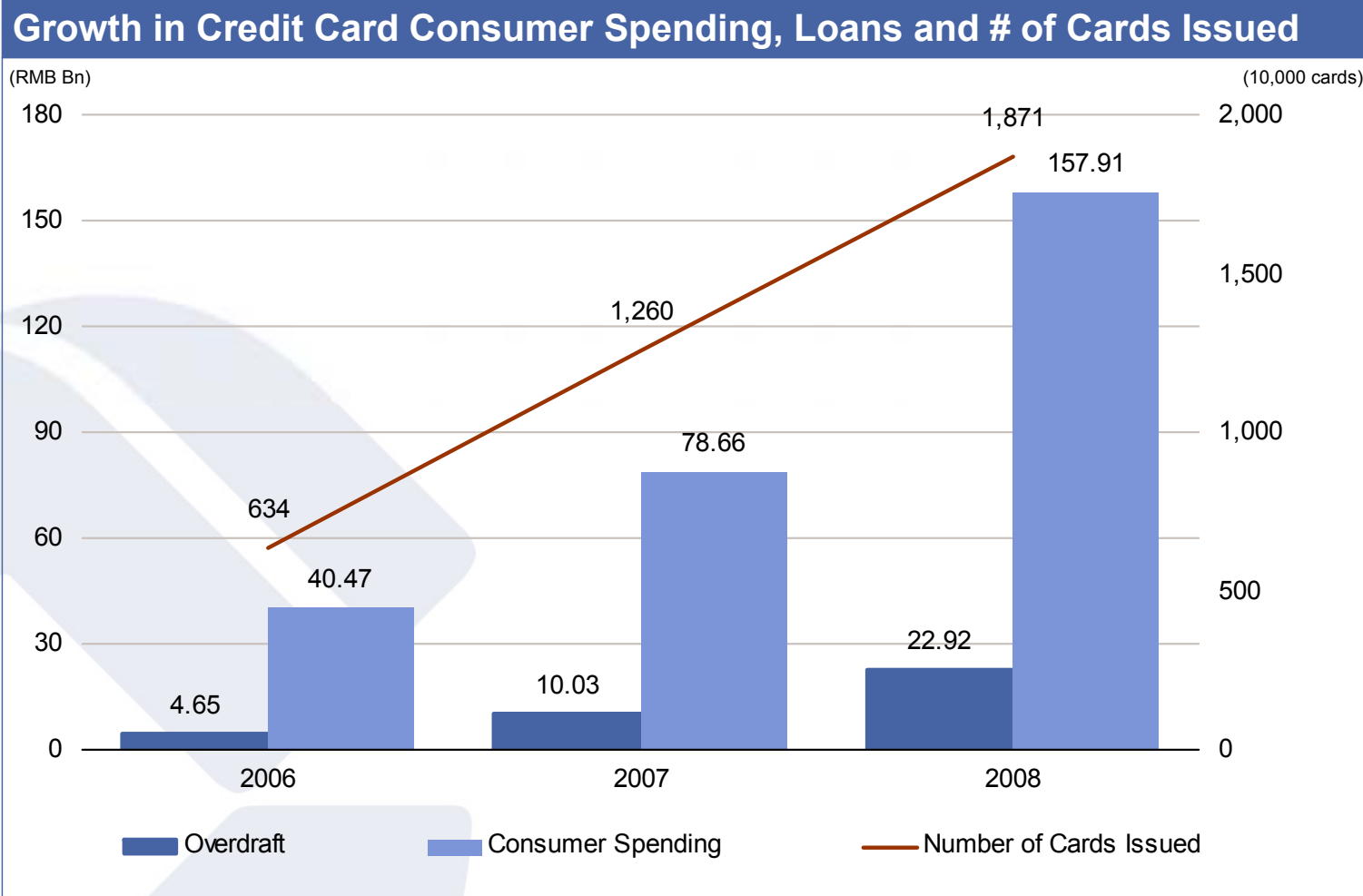
Enhanced Status in the Entrusted Housing Financial Services ⁽²⁾



(2) Source: PBoC



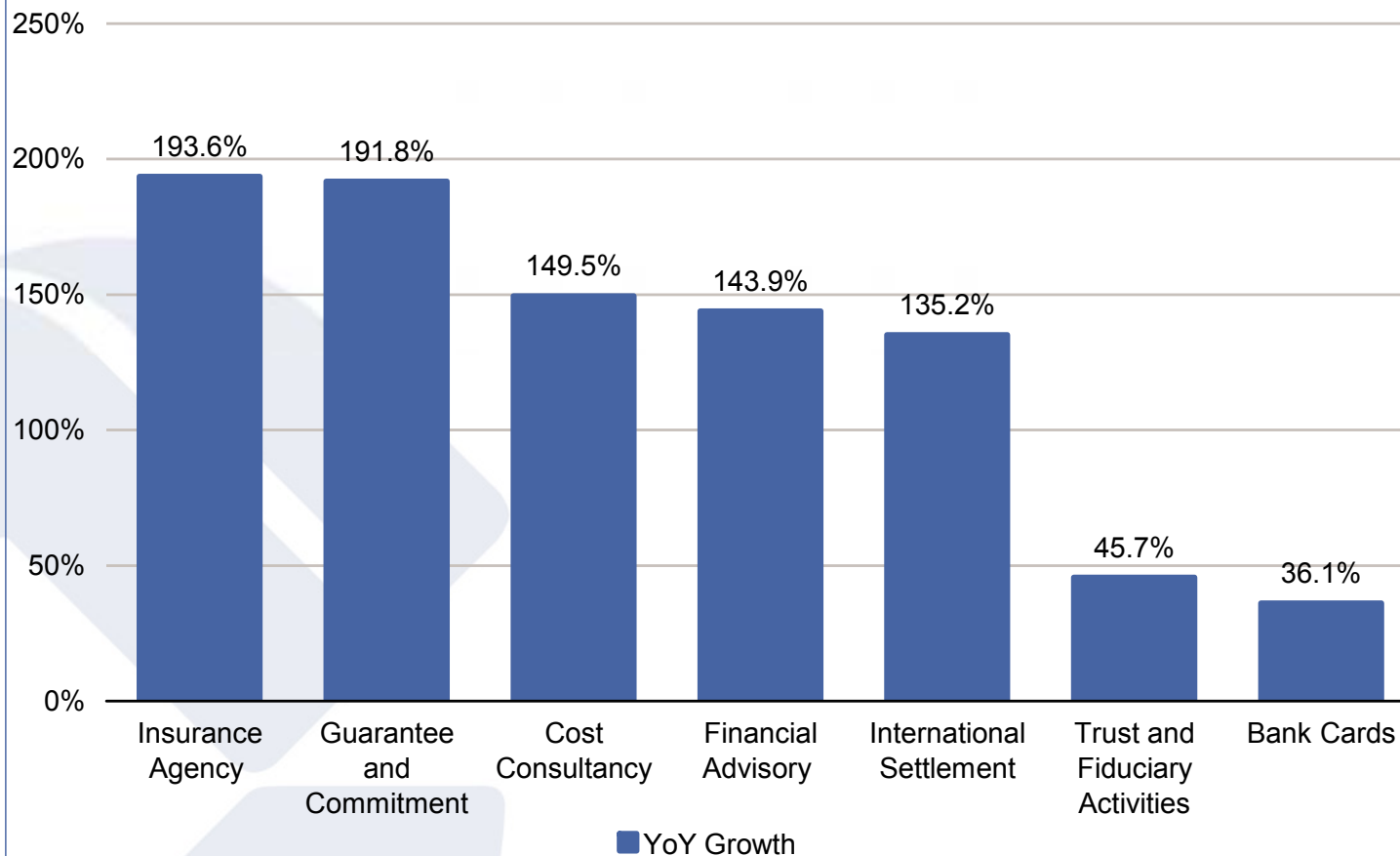
Doubling of Credit Card Business Annually





Leading growth in Intermediary Business

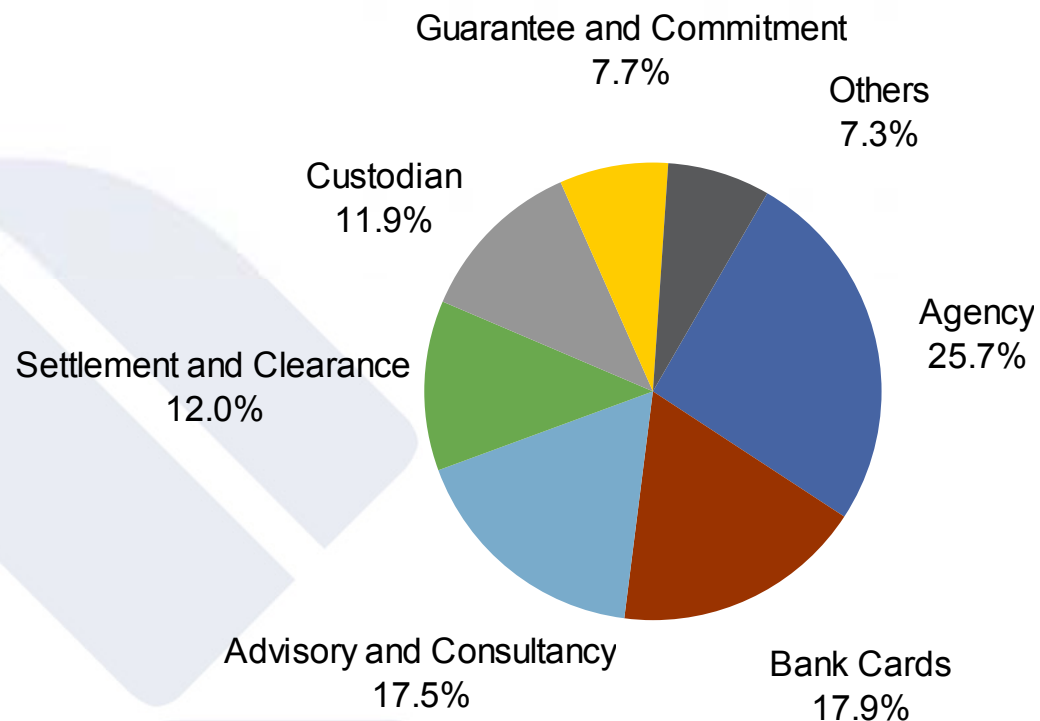
Significant Growth in Intermediary Businesses Less Correlated with Capital Markets





Leading growth in Intermediary Business (Cont'd)

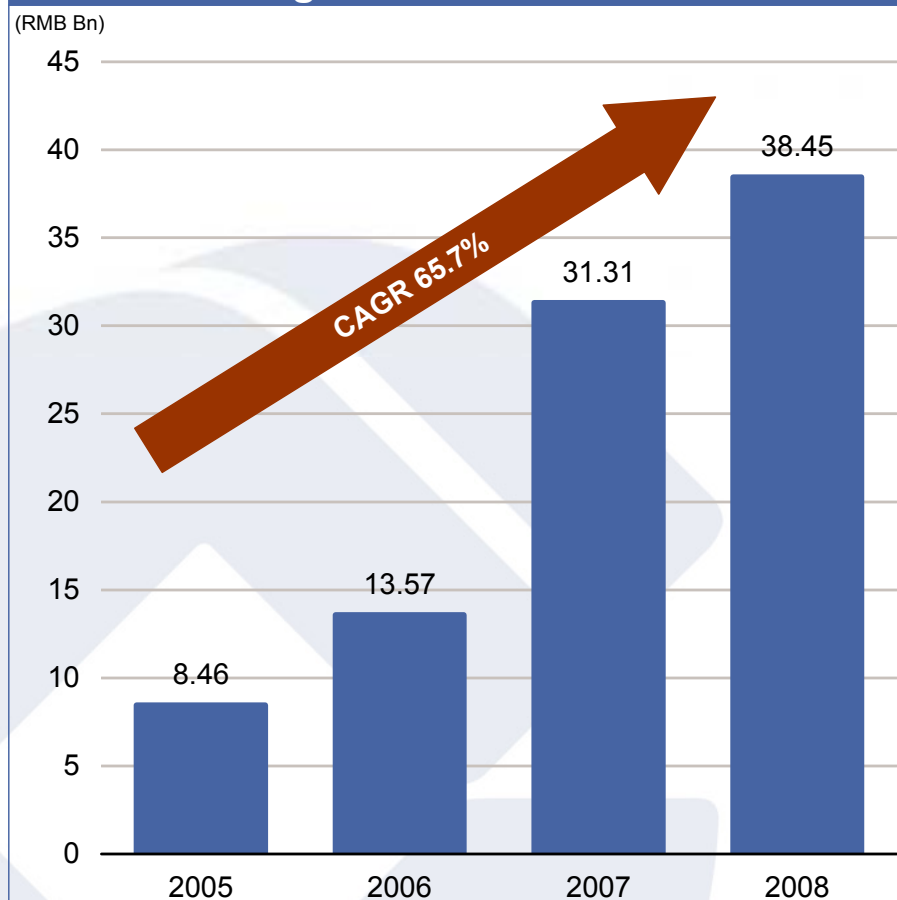
Diversified and Balanced Intermediary Business Income Mix



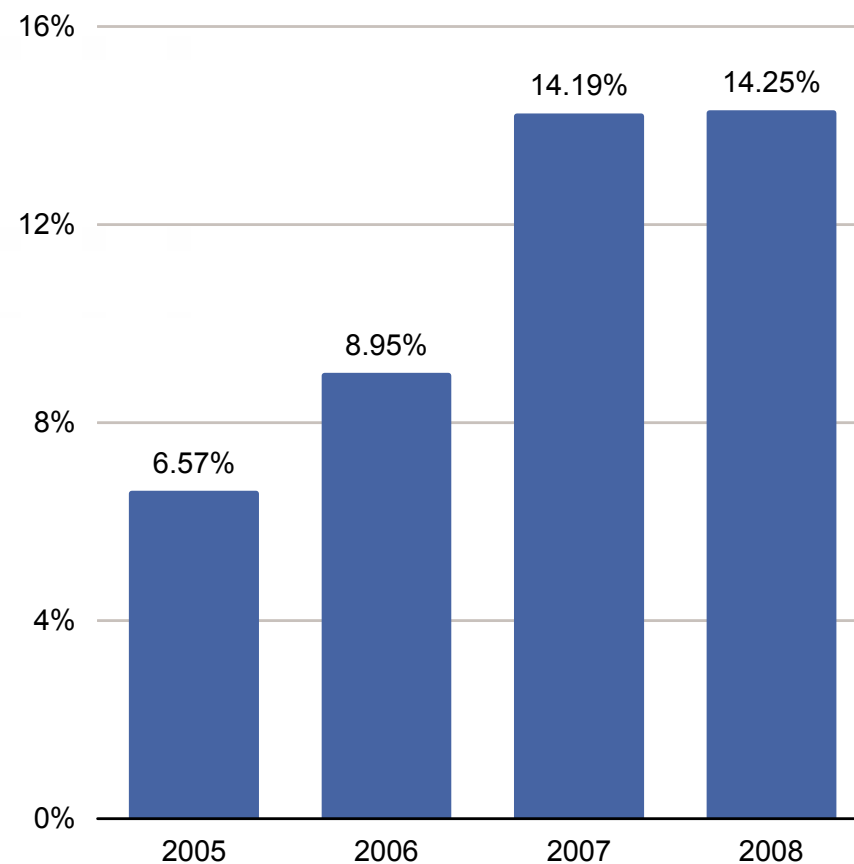


Leading growth in Intermediary Business (Cont'd)

Highest Growth in Net Fee and Commission Income Among Peers



Increasing Fee and Commission Income as % of Operating Income





Accelerated Development of Overseas Business

- Growth of total overseas assets: 35%
- New York branch and London subsidiary to open in due course this year
- The establishment of operations in Sydney on track
- Cross-selling between domestic and overseas businesses
- Increased capital of CCB Asia by US\$800MM



Steady Build-up of Integrated Financial Platform

Investment Banking

- ✦ CCB International's pre-tax profit HK\$1,042MM, ranked top in HK
- ✦ Accumulated underwriting volume of short-term financing bills and mid-term notes ranked #1 for three consecutive years
- ✦ Income from wealth management products 2.7 times of the previous year
- ✦ Gold trade volume YoY growth 664%

Fund Management

- ✦ AuM of Jianxin Fund Company increased by 19% to RMB37.8Bn
- ✦ Net profit of Jianxin Fund Company RMB49.31MM

Financial Lease

- ✦ Jianxin Lease's leasing assets reached RMB3.6Bn
- ✦ Jianxin Lease's Pre-tax profit in the first year of operation RMB141MM

Trust

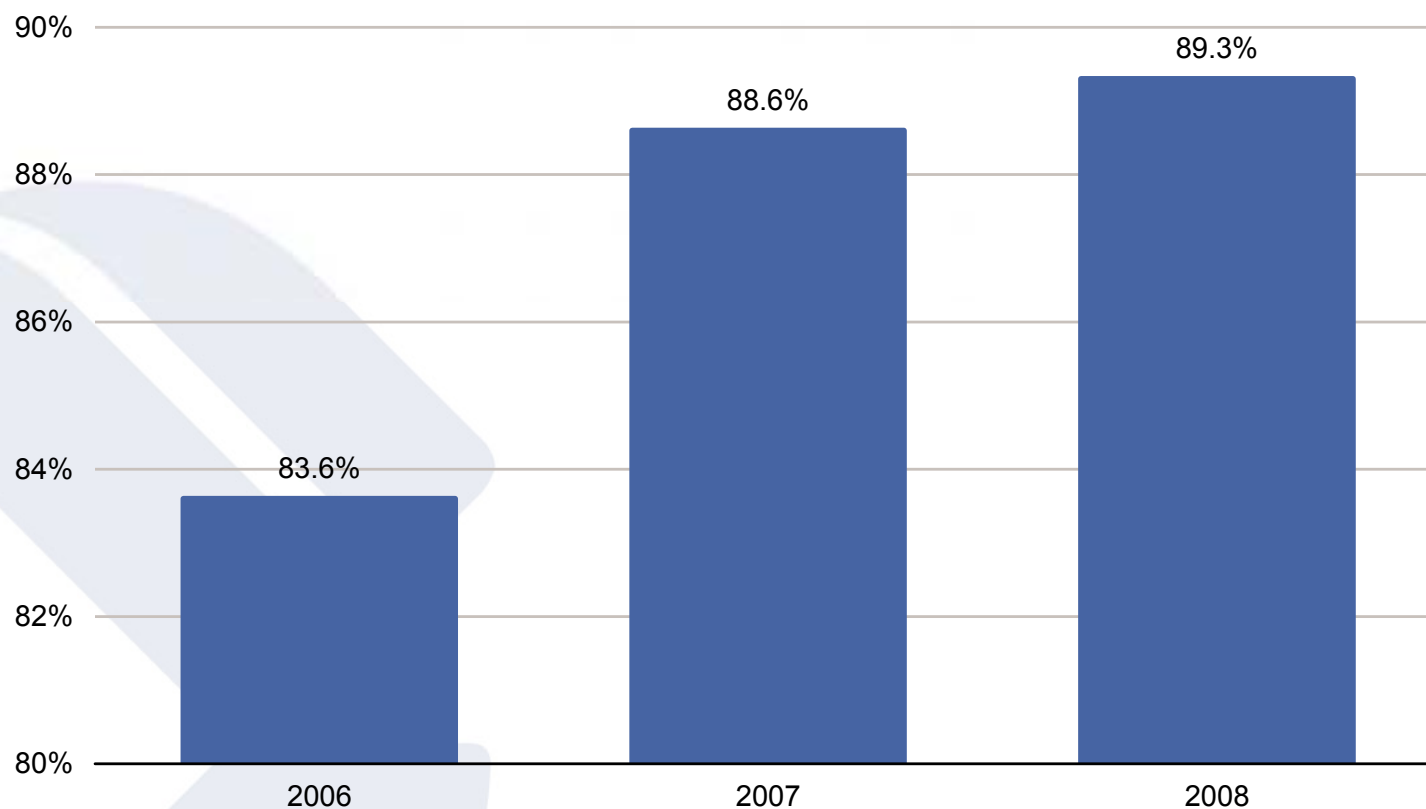
- ✦ Jianxin Trust Investment Company has obtained approval from CBRC
- ✦ Integrating trust products into our offerings



Effective Risk Control

Shifting the Focus to Customers With High Credit Rating

Increasing Loans From Client With A And Above Ratings as % of Total Corporate Loans





Effective Risk Control

Further Decelerating Growth of Property Development Loans

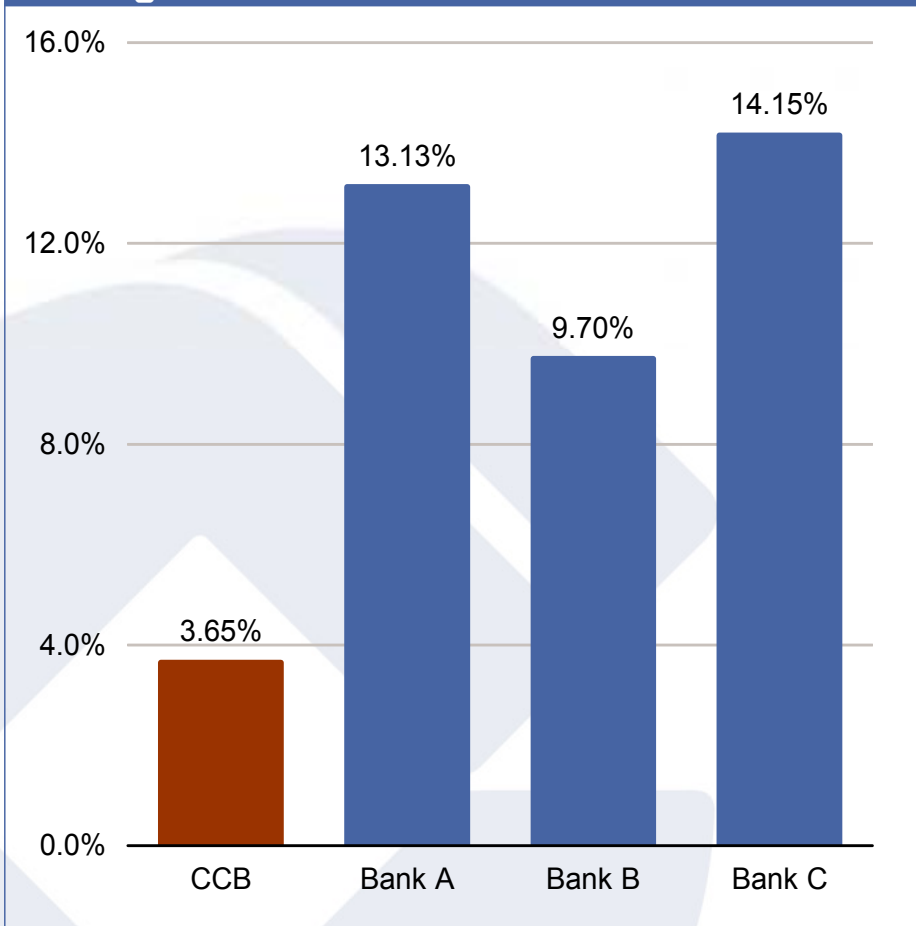
- Apply “Entry and Exit Management Mechanism” in customer management
- Apply “Closed Management” of projects
- Grade A and above loans accounted for 93% of the outstanding loan balance
- Residential projects in compliance with government’s industrial policies
- 79% of development loans directed to ordinary residential projects
- Secured loans: 85%



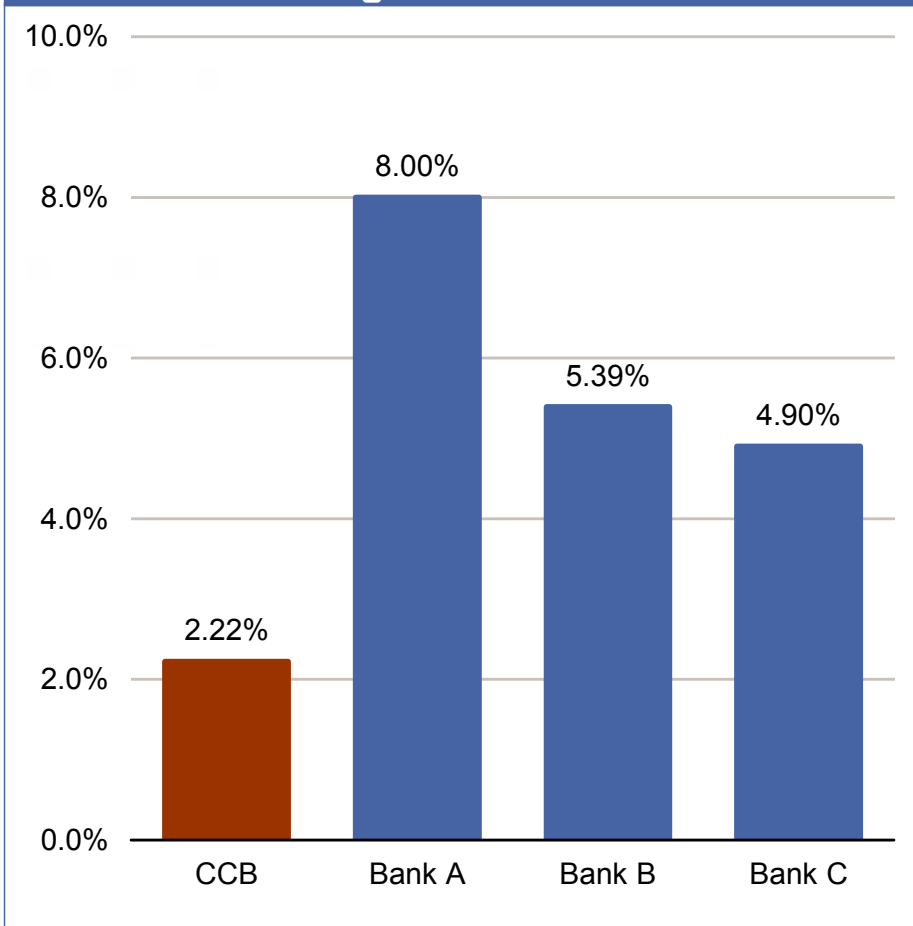
Effective Risk Control

Further Decelerating Growth of Property Development Loans (Cont'd)

Low Growth in Real Estate Loans Among Peers



Low New Real Estate Loans as % of Total New Loans Among Peers

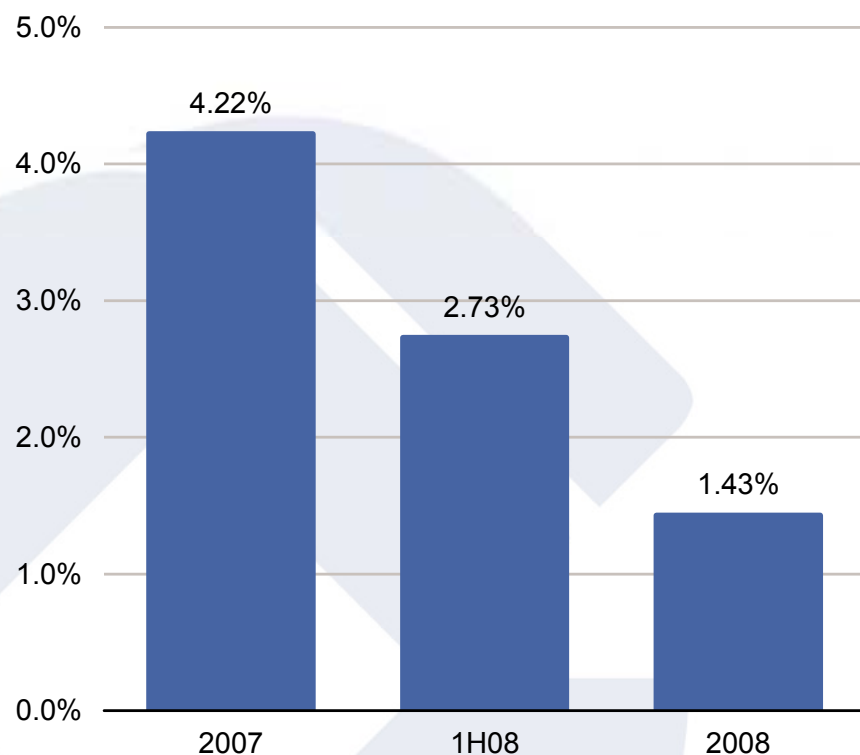




Effective Risk Control

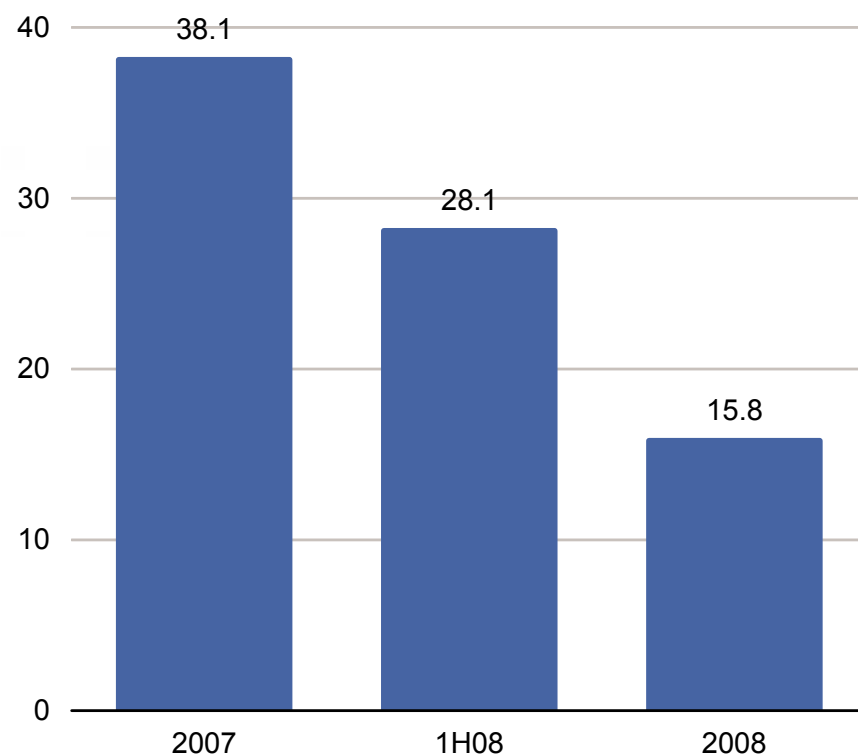
Adjusting Foreign-Currency Bond Investment Portfolio

Decreasing Foreign-Currency Bonds as % of Total Assets



Significantly Reduced Foreign-Currency Bonds Exposure

(US\$ Bn)



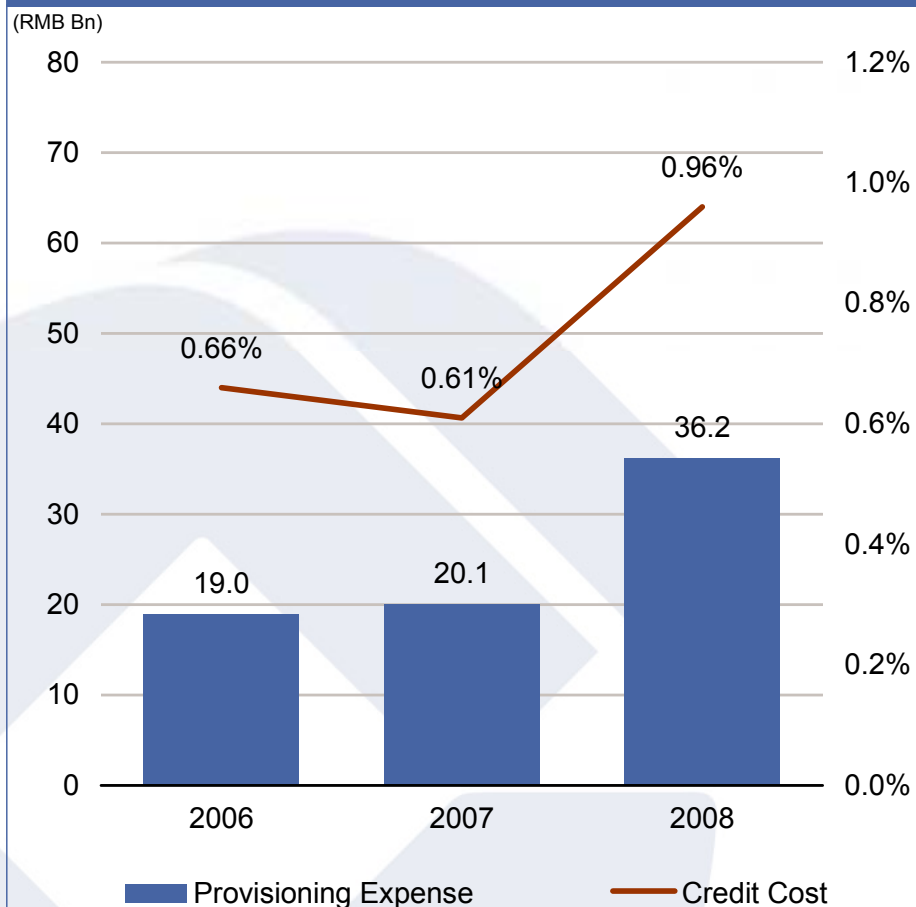
- Adequate provision on foreign-currency bonds
- No material impact on financials



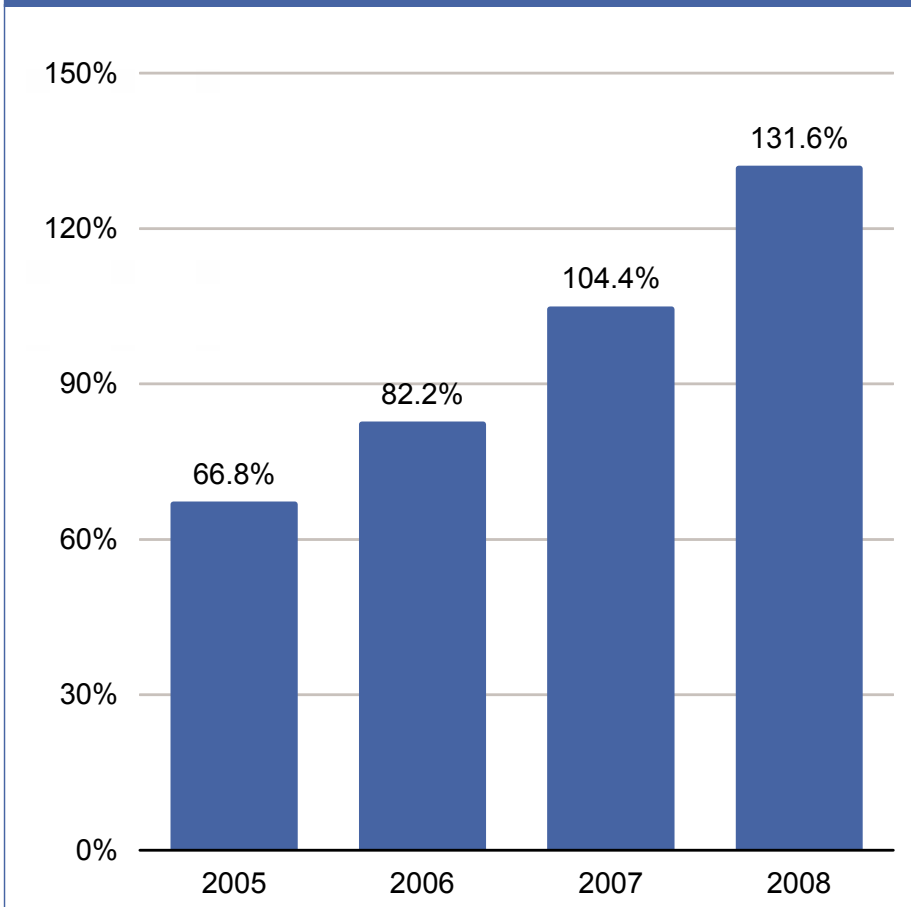
Effective Risk Control

Further Increasing NPL Coverage Ratio

Provisions for Impairment Losses



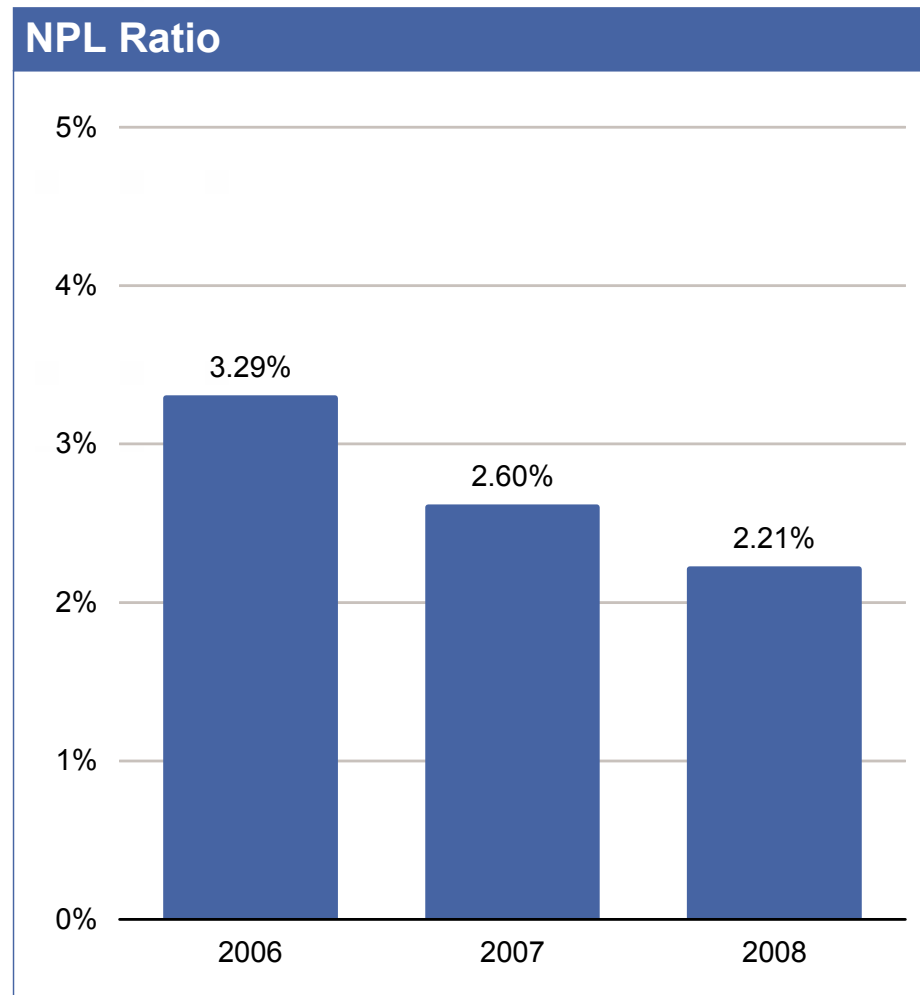
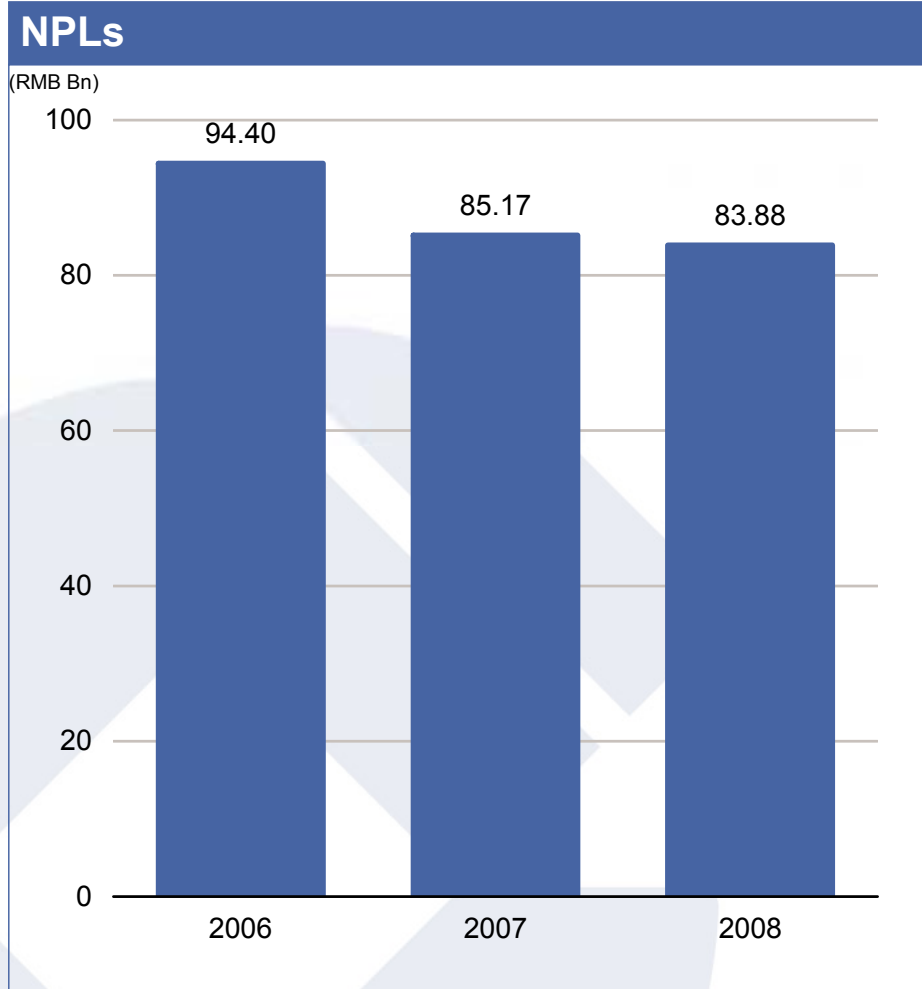
NPL Coverage Ratio





Effective Risk Control

Decrease in Both NPLs and NPL Ratio





Enhance Customer Service Capabilities

Professional Teams and Products Innovation

Professional Teams

• Big Corporate Clients service team	• 254 SME business centers
• Direct product sales team	• 500 personal loan centers
• 676 discounted bills centers	• 106 wealth management centers
• 141 project cost consultancy centers	• 2,068 private wealth management centers
• 38 corporate annuity centers	• 3 private banking centers located in Beijing, Shanghai and Guangdong

Products Innovation

• More than 370 new products / product improvements	• Establish client experience center
• Product Innovation Laboratory	• Analyze market data



Enhance Customer Service Capabilities

Network Transformation and Optimized Process and Procedures

Transformation of Retail Network

- 87% of the network have been successfully transformed
- Daily average sales volume increased by 85%
- Transaction efficiency increased by 39%
- Customers' waiting time shortened by 35%

Business Process Optimization

- 362 projects to optimize and standardize process and procedures
- 60 counter services with separated front desk and back-office and centralized back-office
- Number of cash vaults reduced by 36%
- 100% centralized delivery of cash among urban branches
- Processing of lost non-locally originated deposit certificates upon reporting in all covered areas

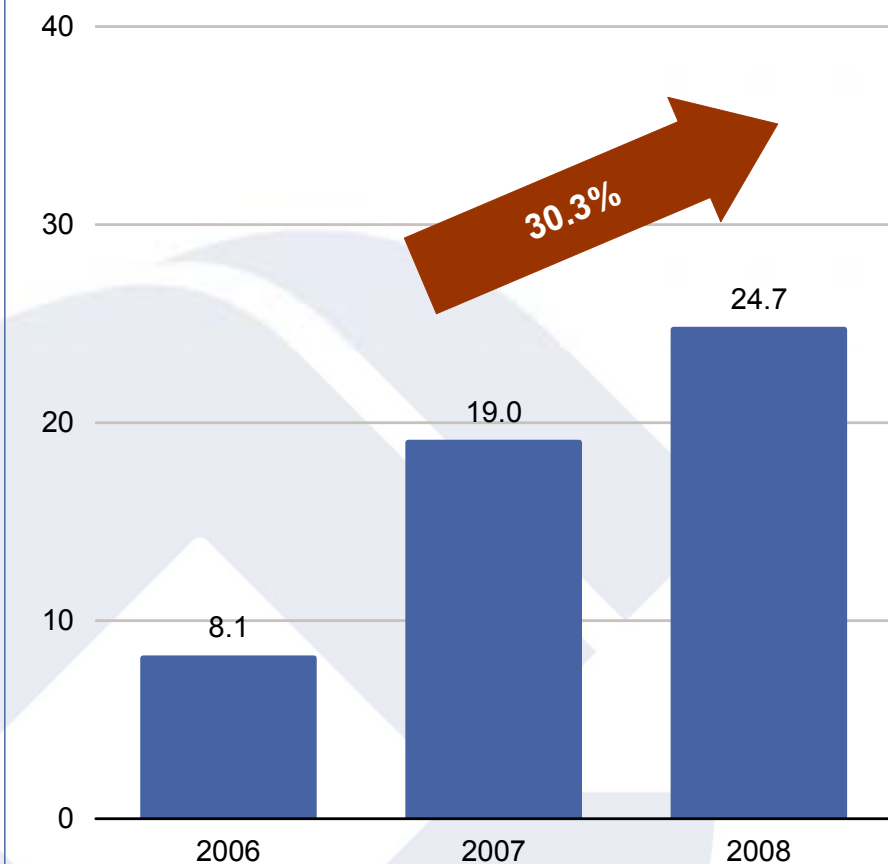


Enhance Customer Service Capabilities

Distribution Channel Build-up

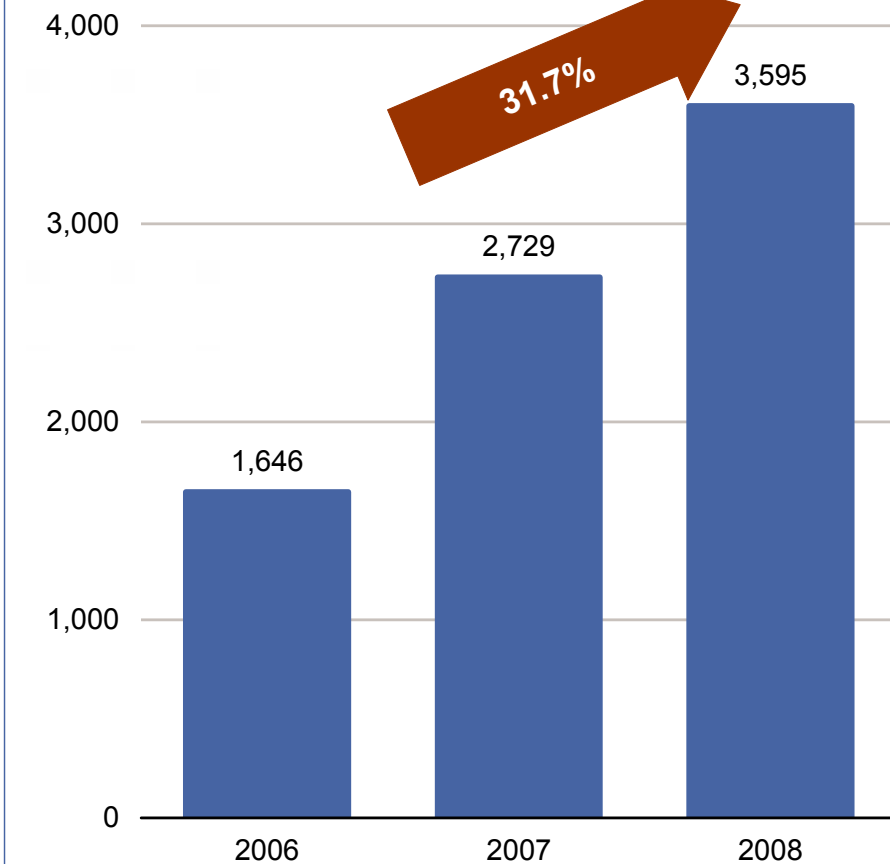
E-banking Trade Volume Growth: 30.3%

(100MM Transactions)



Self-service Banking Growth: 31.7%

(Units)

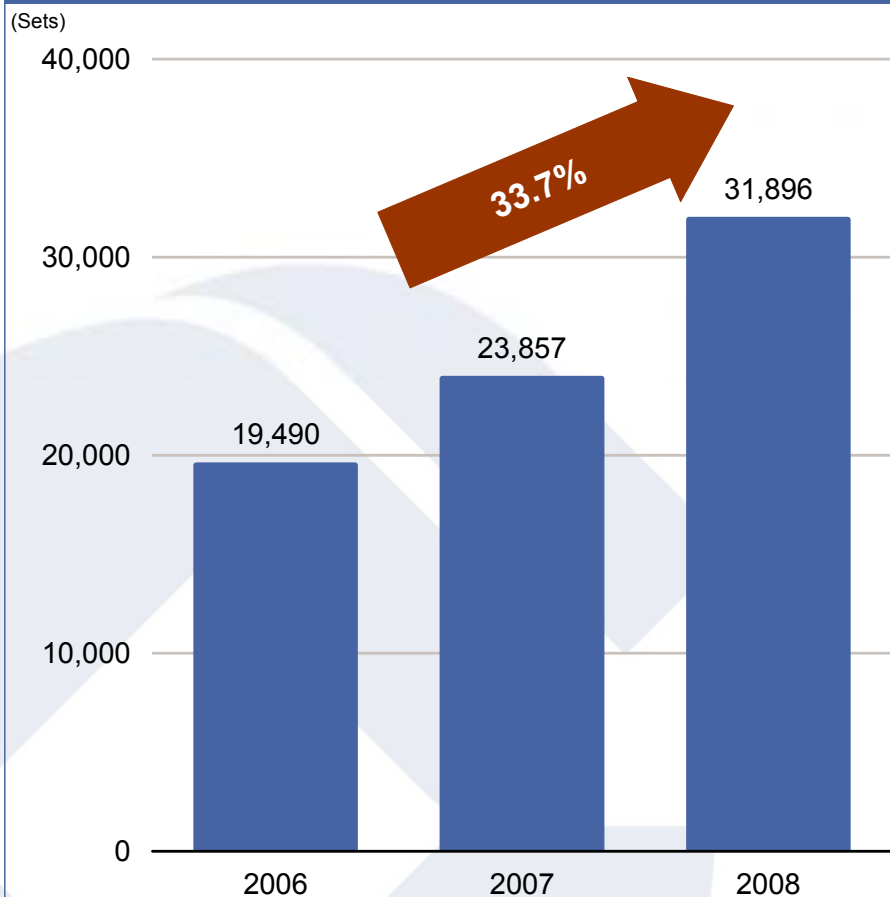




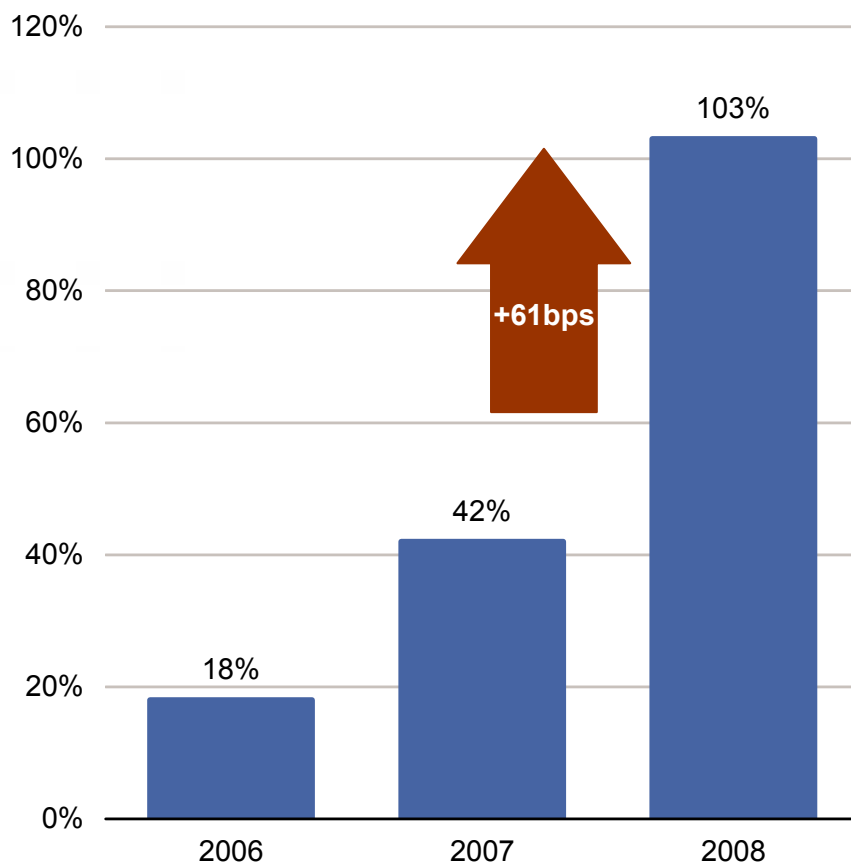
Enhance Customer Service Capabilities

Distribution Channels Construction (Cont'd)

The Most Number of ATMs Globally



Significant Increase in Self-served Channel to Counter Transaction Ratio





Enhance Customer Service Capabilities Customer Satisfaction

- According to a survey conducted by IPSOS, CCB's personal customers satisfaction higher than industry average by 360 bps
- According to a survey conducted by TNS, the average score of network service quality is 91.3 points, 10 points over our peers average
- First bank to establish a "Customer Experience Center" to improve the quality of the customer service
- First bank to establish "Customer Day" to listen to their voices
- "Mysterious Shopper Checks" to improve customer service
- 95533 Customer Service Chengdu Center recognized as the "Best Customer Service Center in Asia Pacific" by Asia Customer Service Association



Effective Strategic Cooperation

Bank of America



- Executed 136 cooperative projects with BOA in the last 3 years
- Launched 16 strategic assistance projects in 2008
- 42 experience sharing and training projects in 2008
- All BOA options exercised in 2008
- Currently holds 16.73% interest after 2.41% sell-down in 2009

ASIA FINANCIAL HOLDINGS

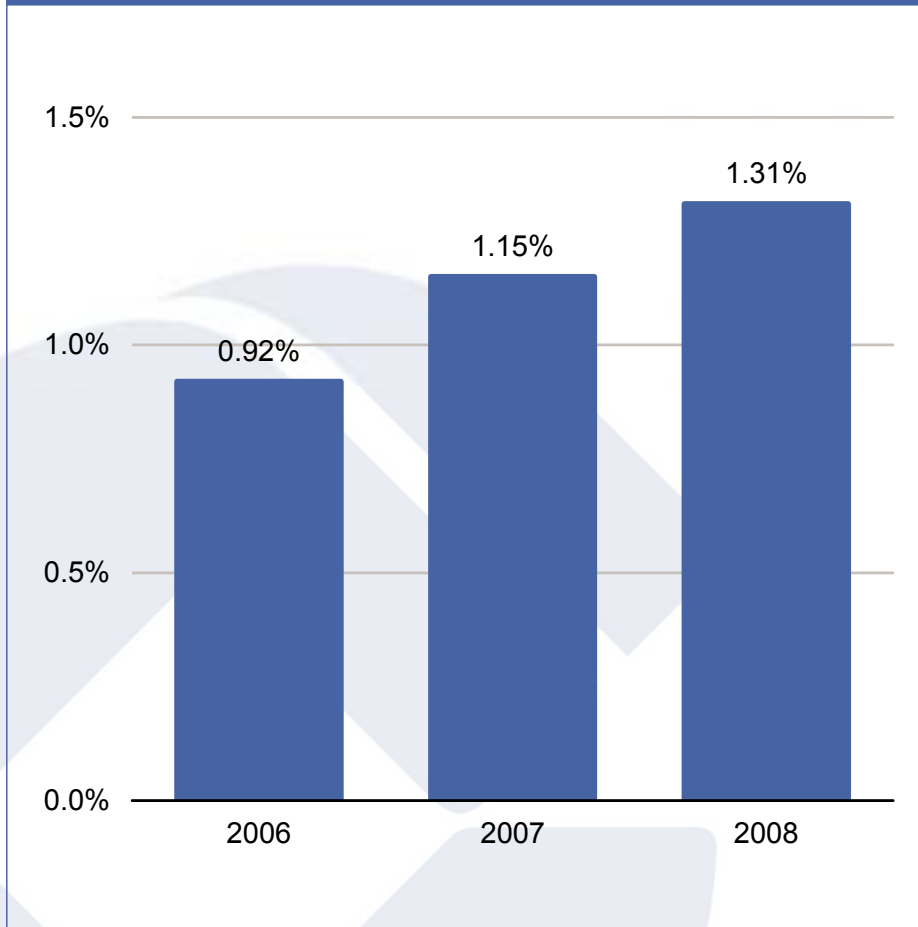
- Established “Zhenjiang Small Enterprise Business Model”
- SME guarantee business cooperation



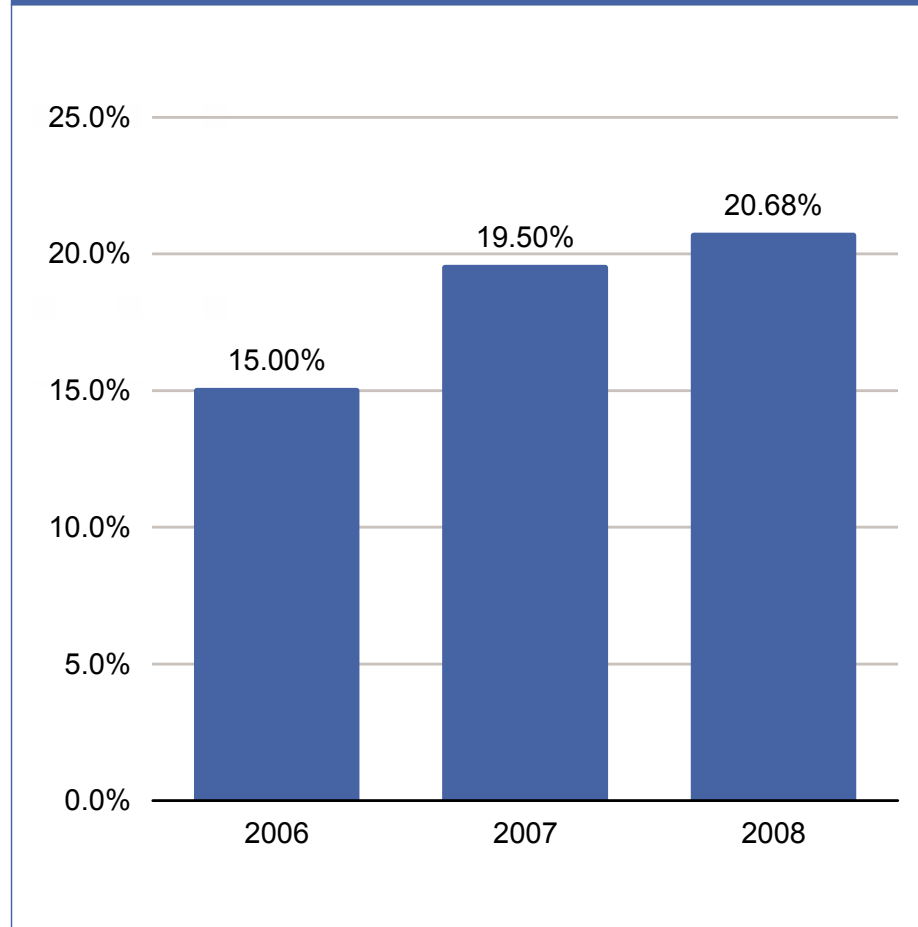
Industry-Leading Profitability

ROAA and ROAE

ROAA



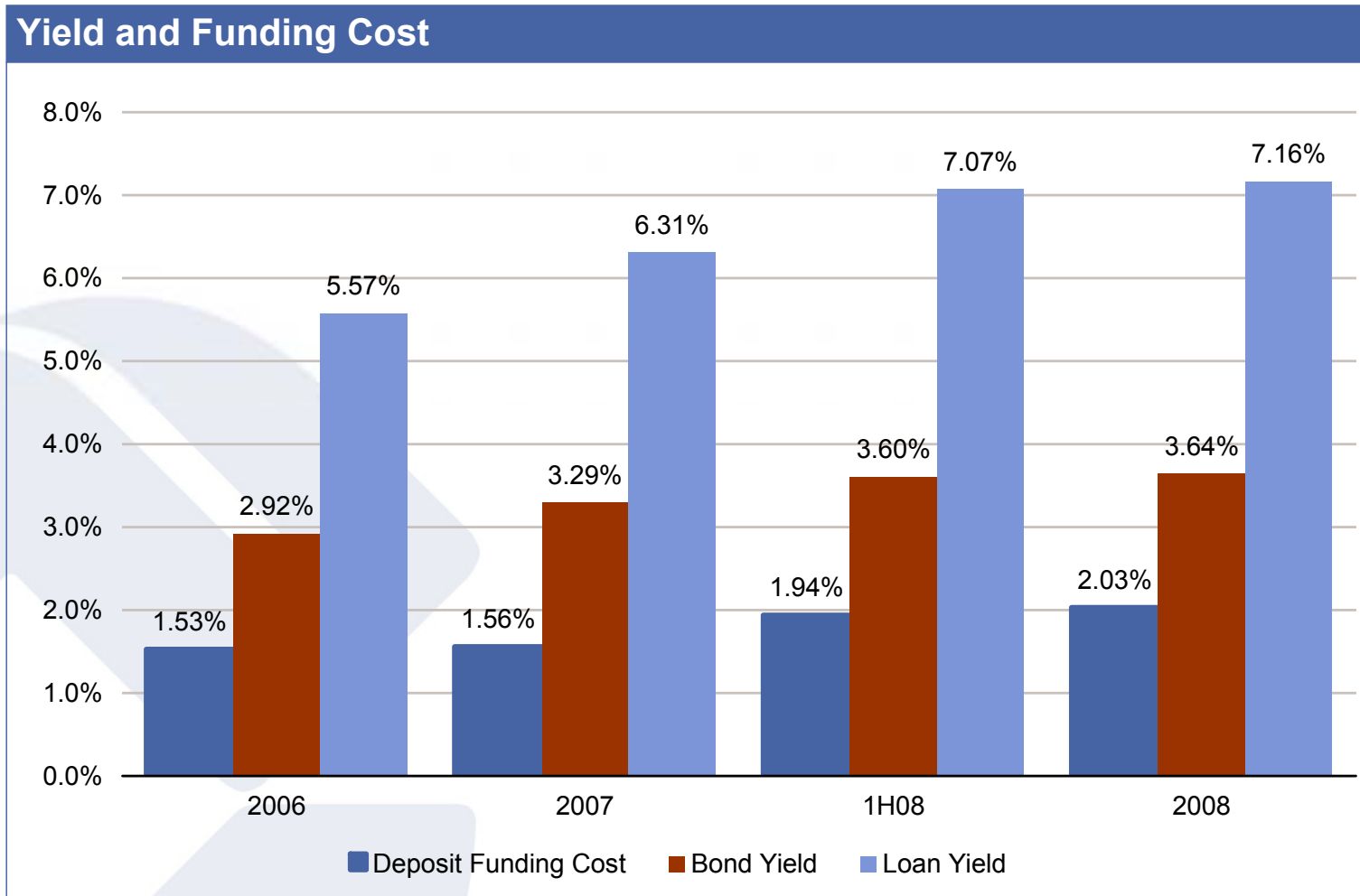
ROAE





Industry-Leading Profitability

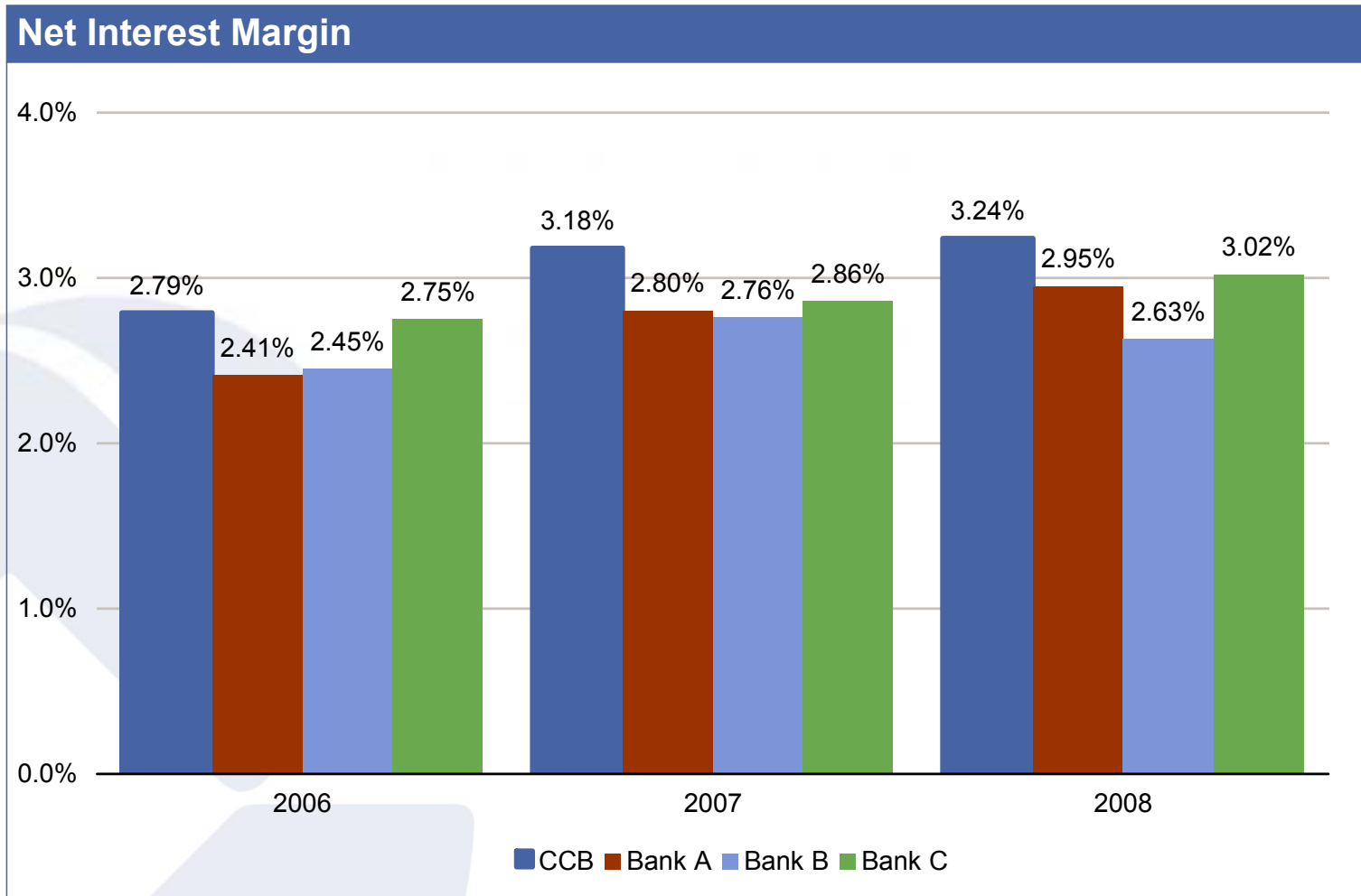
Yield and Funding Cost





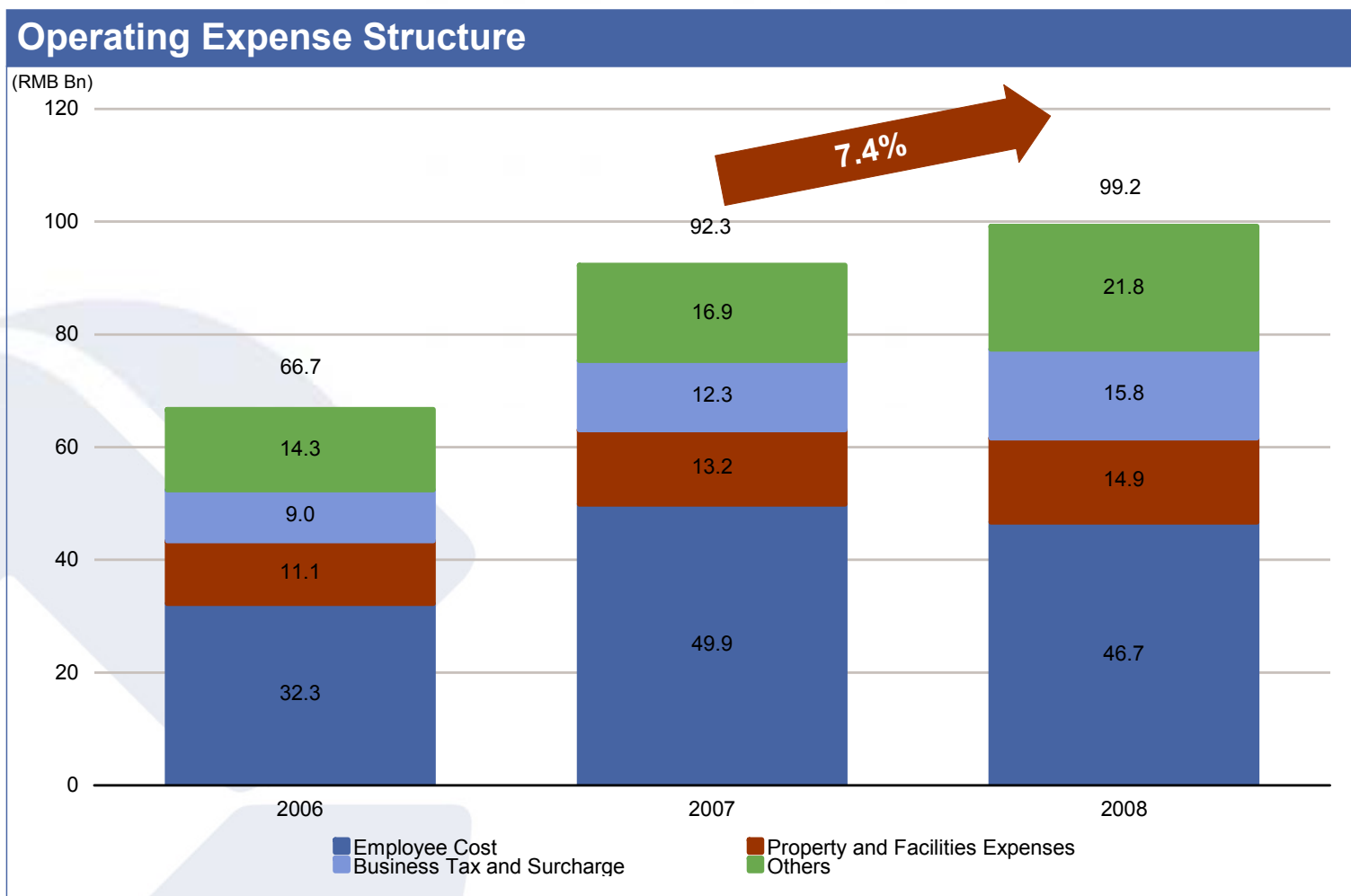
Industry-Leading Profitability

NIM





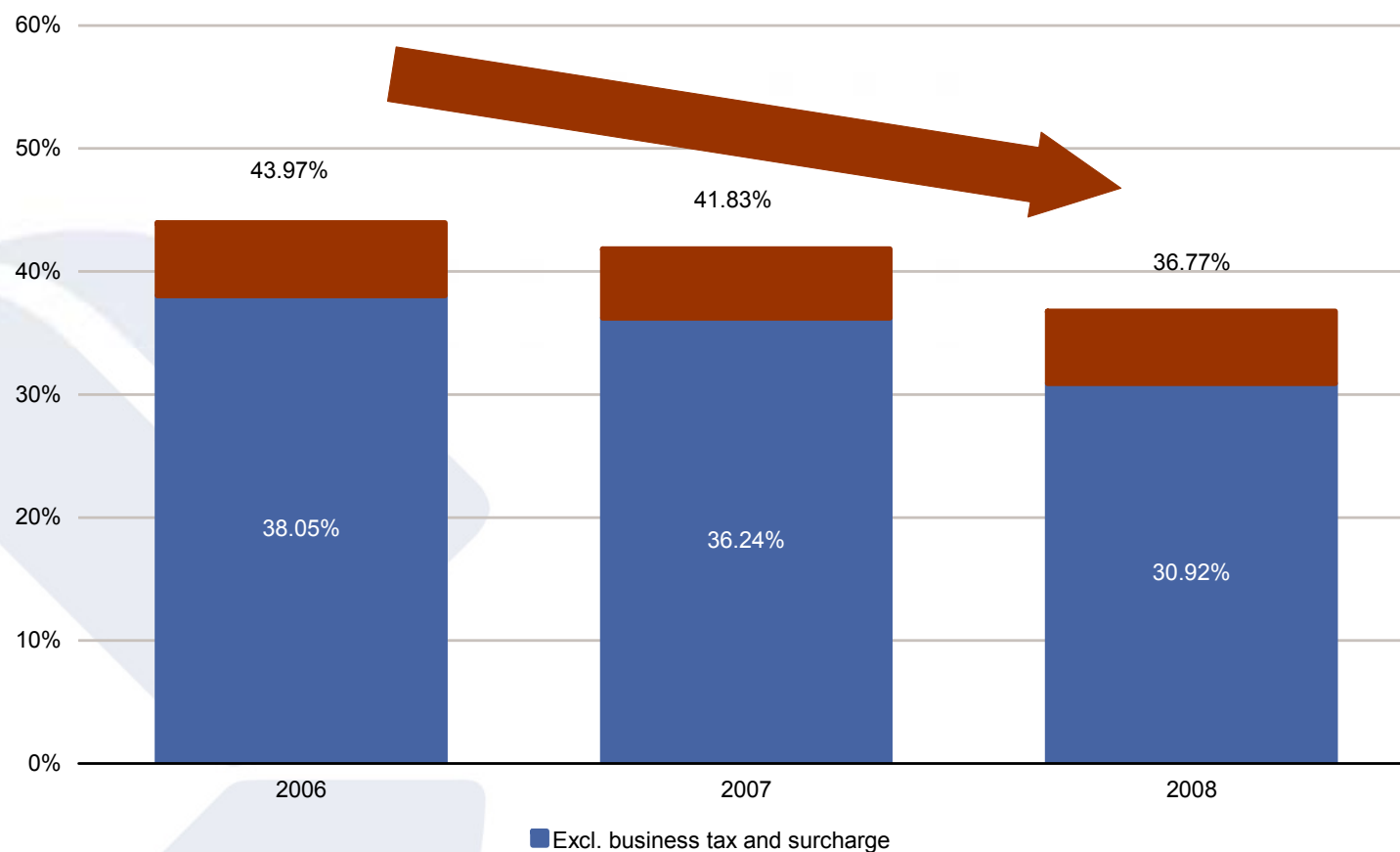
Moderate Operating Expense Growth





Further Strengthening Cost Efficiency

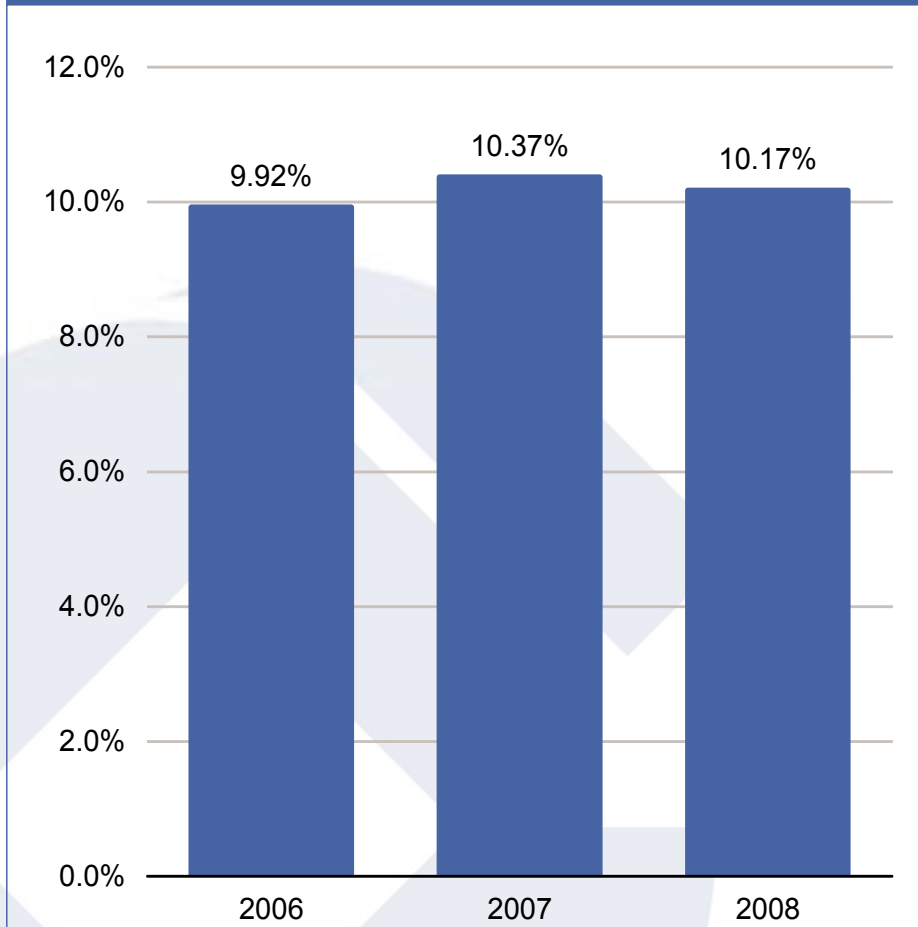
Cost- to-Income Ratio Continues to Trend Down



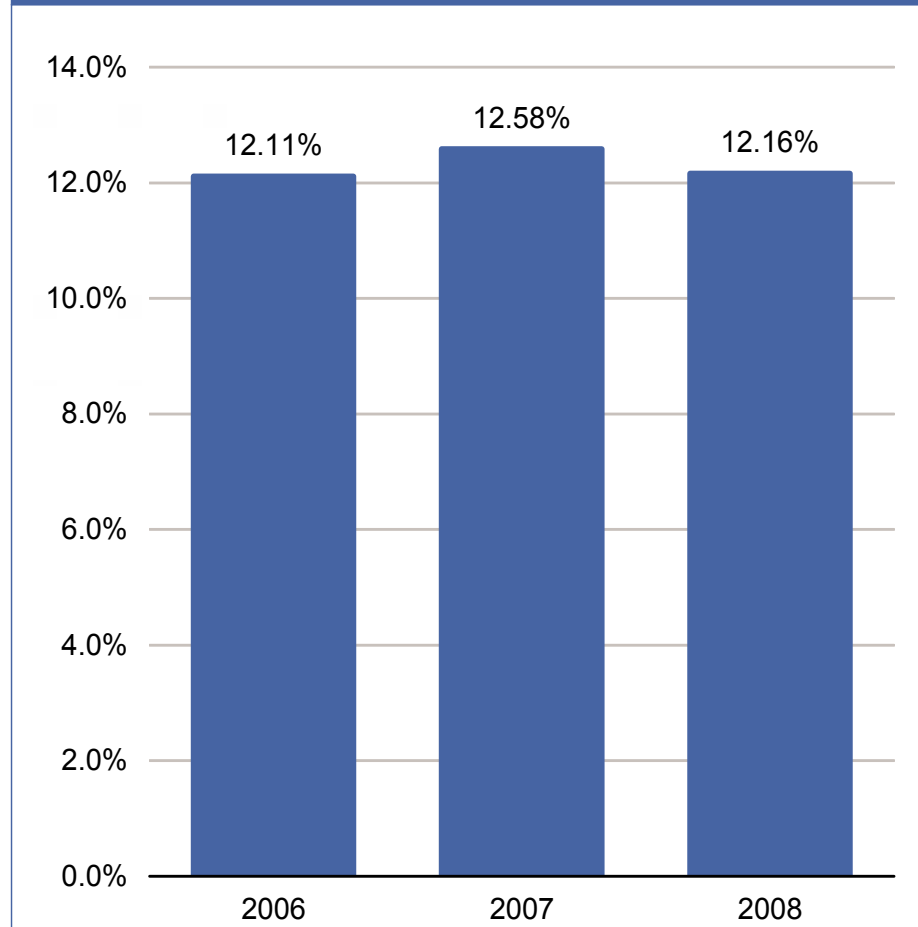


Effective Capital Management

Tier 1 Ratio



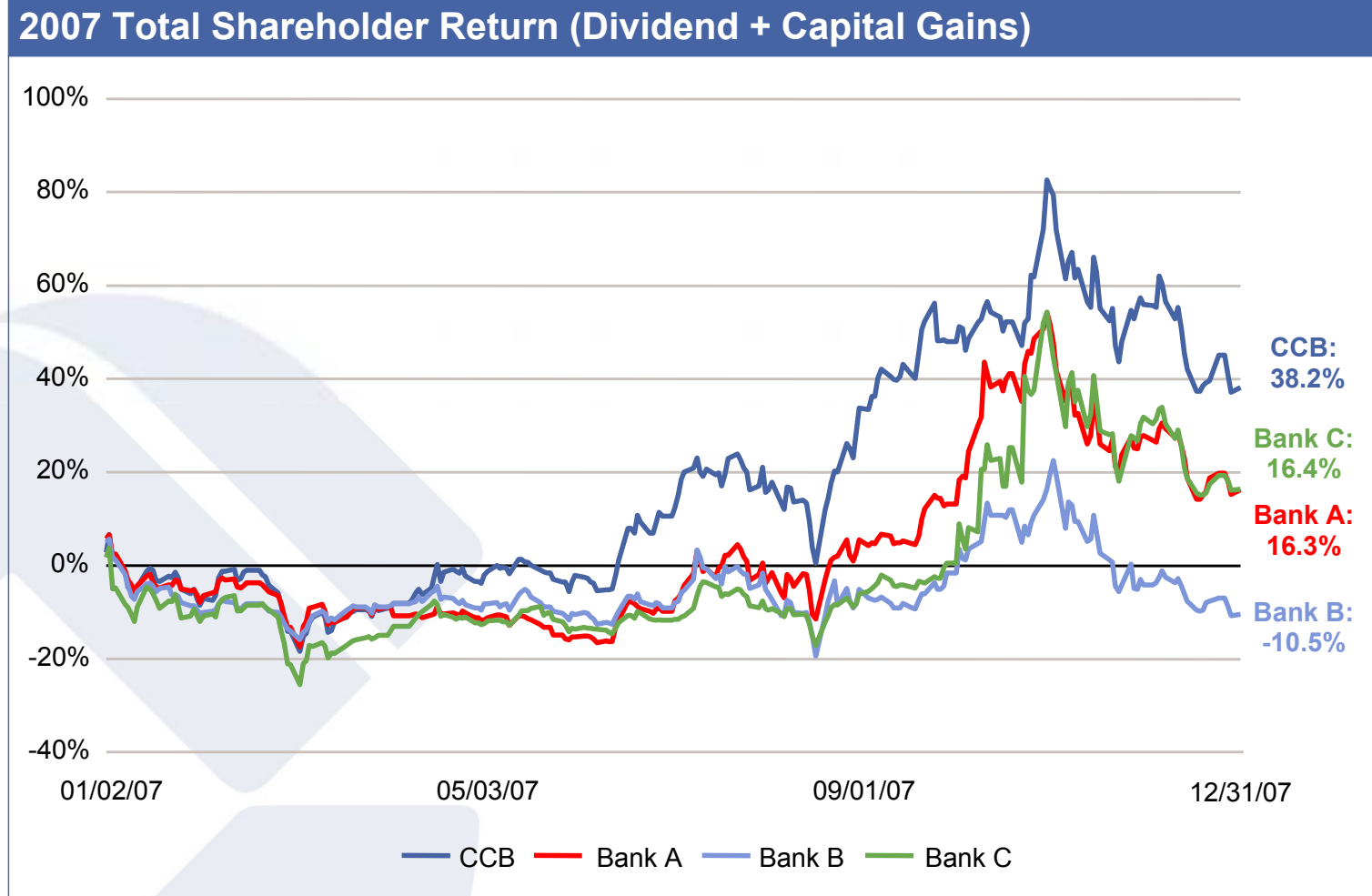
Total CAR



- Planning to issue RMB 80Bn sub-debt to enhance capital adequacy



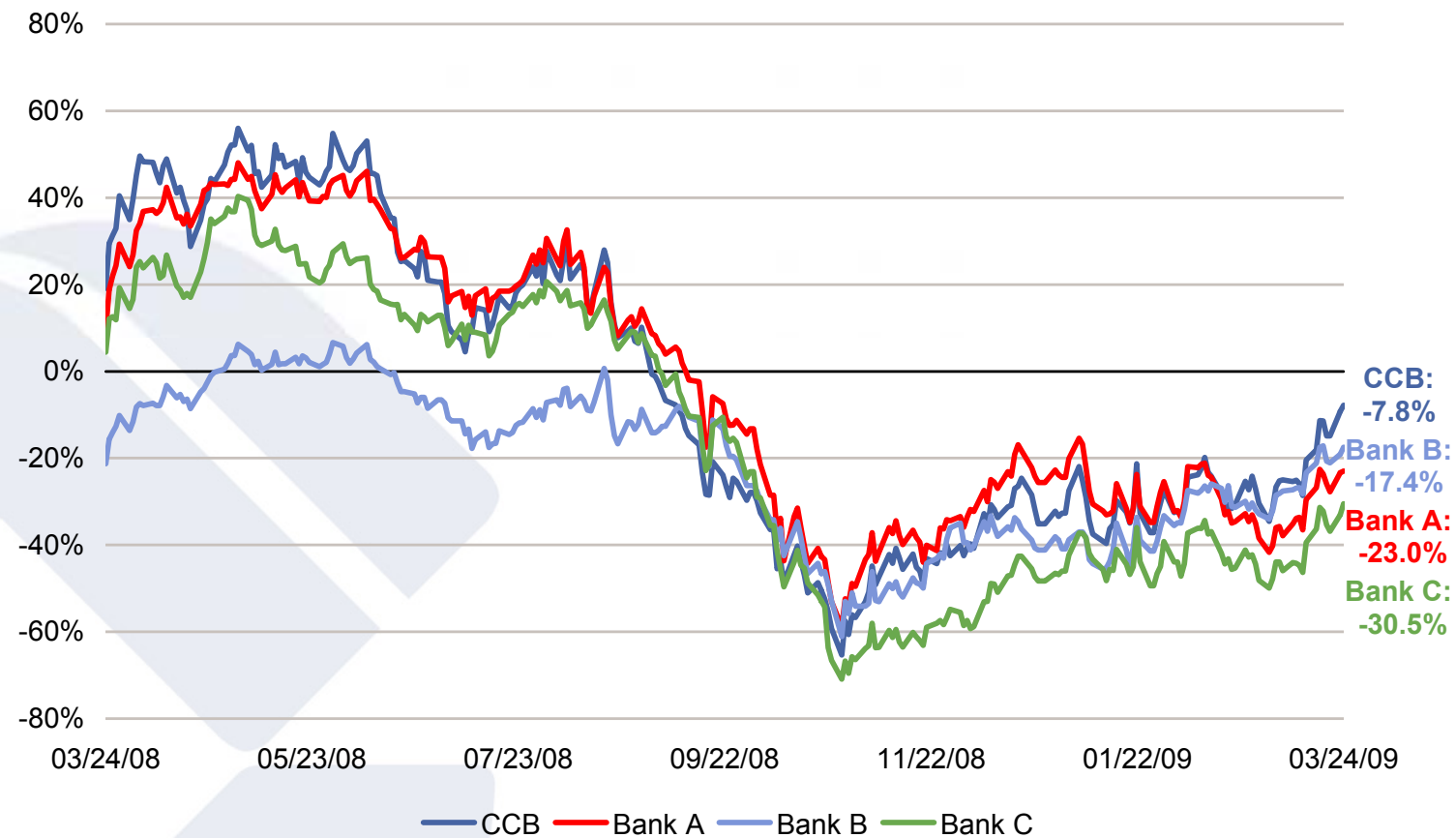
Outperforming Peers in Stock Market





Outperforming Peers in Stock Market (Cont'd)

Least Drop in Total Shareholder Return in Last 52 Weeks





Social Responsibilities

Actively Take on Social Responsibilities and Participate in Charity Events

- RMB 211MM donation (including RMB179MM to disaster-stricken regions in Sichuan earthquake)
- Issued RMB 55.8Bn recovery loans in the aftermath of the snow storm and earthquake disasters
- Established “Green Credit Channels” and emergency funding channels for clients in disaster-stricken regions in the earthquake
- Sponsored 26,668 financially needy high school students from 546 schools nationwide
- Provided RMB 4.98MM subsidy to 1,787 financially needy mothers of heroes
- Promoted energy conservation, reduced emission and “Green Credit”
- Provided multi-currency exchange and multi-language phone banking services during the Olympics



Social Responsibilities (Cont'd)

CSR^{ASIA}

企业社会责任亚洲

- Ranked #12 in Business Entity and #1 in Banking Sector by Corporate Social Responsibility in Asia



- The Most Responsible Enterprise Award



- Corporate Social Responsibility Award



- Diamond Award



- 2008 Top 50 Social Wealthy Enterprises in China



- Greatest Passion for Children Award



External Recognition

The **Banker**

#13 in the Top 1000
Banks Globally
in 2008

#9 in the Top 500
Financial Brands Globally
in 2009

GLOBAL
FINANCE

Best Corporate Loan
Bank

Best Mortgage Bank

财富
FORTUNE

#171 on Global 500

Corporate
Governance
EXCELLENCE
AWARDS 2008

Outstanding
Corporate
Governance Award

Readers
Digest

Reader's Digest Gold
Trusted Brand Award
of Banking Sector in
Greater China

福布斯
Forbes

Top 50 Listed
Enterprises in Asia
Pacific



银行家
The Chinese Banker

Best Commercial Bank
Ranked #1 on
Commercial Banking in
China by
Competitiveness
(Financially)



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Opportunities and Challenges

Opportunities

- Industrialization, urbanization and informatization continue to progress
- Macro-adjustment measures begin to take effect
- Accelerated pace for the adjustment and upgrading of industry structure
- New waves of infrastructure constructions
- Domestic consumption and investment will likely accelerate

Challenges

- Global economy may record negative growth
- Economic growth slowdown in China
- Rising corporate default rates
- Shrinking interest spread
- Increased competition in banking sector



Prudent Development with Enhanced Confidence

- ❖ Implement positive and prudent operating guidelines
- ❖ Leverage traditional strengths in infrastructure and housing finance
- ❖ Optimize business process and product innovation
- ❖ Proactively adjust credit structure
- ❖ Enhance risk management and internal control
- ❖ Enhance cost management and infrastructure development



Outlook

Strategic Visions and Missions

Strategic Vision

- ✦ Continue to be at the forefront of China's economic modernization and strive to become a world class bank

Core Value

- ✦ Integrity, Fairness, Prudence, Innovation

Mission

- ✦ Provide better service for customers
- ✦ Create greater value for shareholders
- ✦ Build a broader career development platform for employees
- ✦ Take on comprehensive corporate social responsibility



Thank You