



2008 Interim Results Announcement

Beijing/Hong Kong
25 August 2008

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Strategy and Development

Operating Results

Outlook

Excellent Financial Performance

Key Financials (RMB Bn)	1H2008	1H2007		YoY % change
Operating income	135.736	99.773	↑	36.0%
Net interest income	111.080	89.213	↑	24.5%
Net fee & commission income	20.168	12.660	↑	59.3%
Profit before tax	75.655	50.542	↑	49.7%
Net profit	58.692	34.255	↑	71.3%
Earnings per share (RMB)	0.25	0.15	↑	66.7%

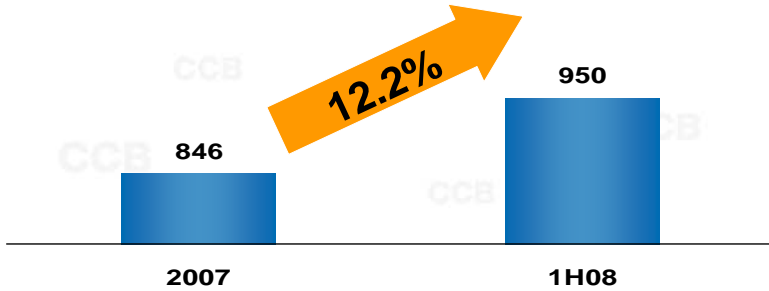
Key Indicators	1H2008	2007		% change vs. 2007
ROAA	1.72% (Annualized)	1.15%	↑	0.57pps
ROAE	26.36% (Annualized)	19.50%	↑	6.86pps
NIM	3.29% (Annualized)	3.18%	↑	0.11pps
Coverage ratio	117.23%	104.41%	↑	12.82pps
NPL ratio	2.21%	2.60%	↓	0.39pps
Cost to income ratio	34.03%	41.83%	↓	7.80pps

Strategy and Development

Actively Re-structure Wholesale Business — Appropriate Policies for Loan Granting

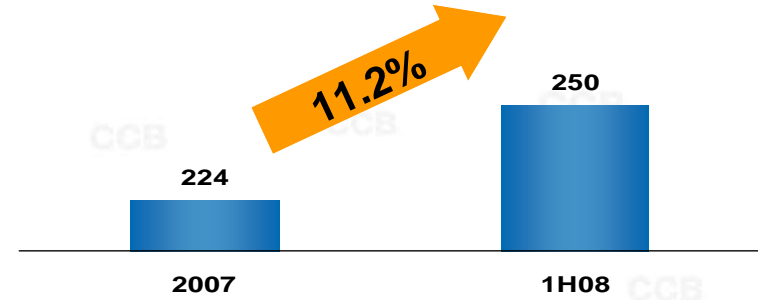
Traditionally dominant Infrastructure Loan
Grew by 12.2%

(RMB Bn)

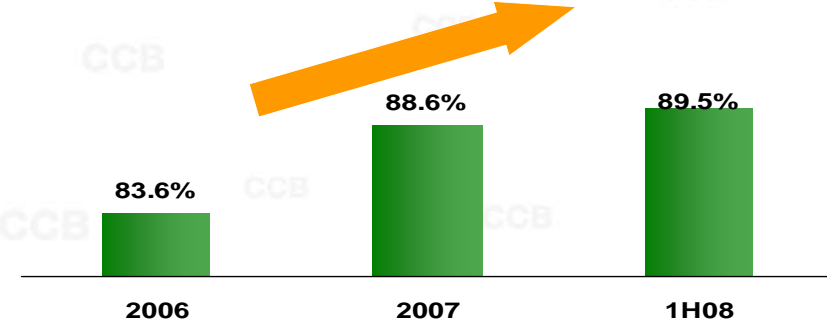


Strategically focused Small Enterprises Loan
Grew by 11.2%

(RMB Bn)

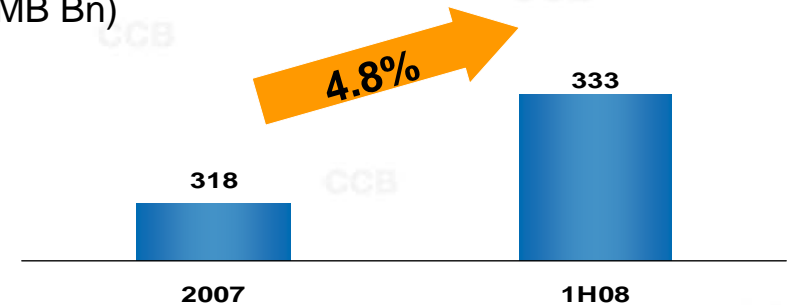


Proportion of Corporate Loan from Grade A
and Above Customers Increased



Real Estate Loan Growth Relatively Slow

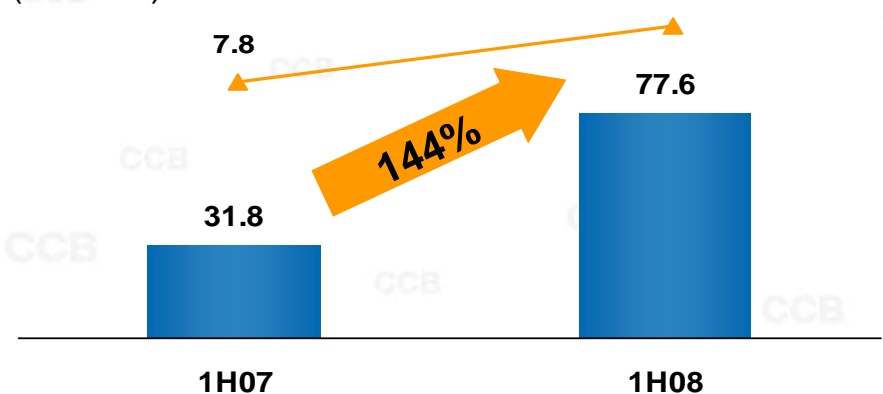
(RMB Bn)



Steadily Develop Retail Business – Remarkable Result in Building Distribution Channel

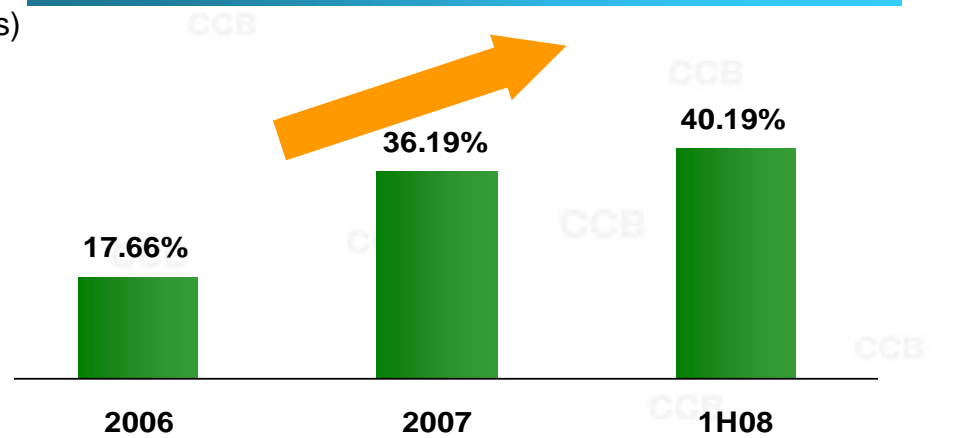
Transaction Volume in e-Banking Doubled

(RMB Tr) 12.0 (mm transactions)



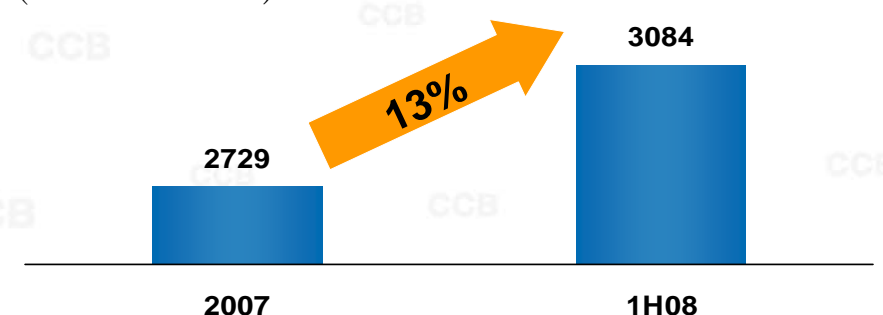
↗ No. of Transaction
 █ Transaction Volume

Proportion of e-Banking to OTC Transactions gone up



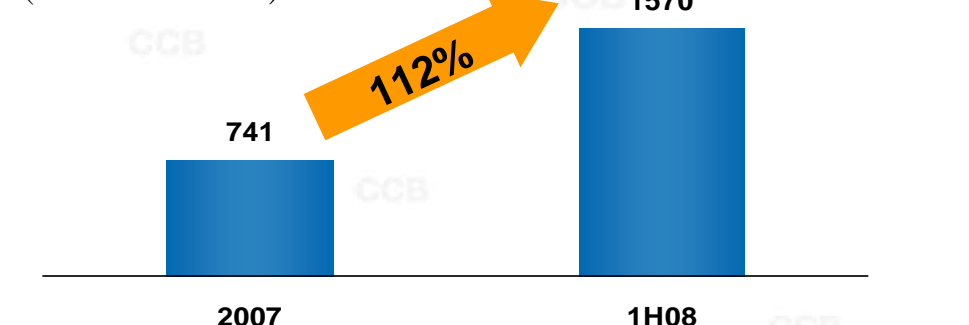
No. of Self-Service Banks Increased by 13%

(No. of Outlets)



No. of Personal Finance Centers Increased by 112%

(No. of Outlets)



Steadily Develop Retail Business – Competitiveness in Credit Card Business Further Enhanced

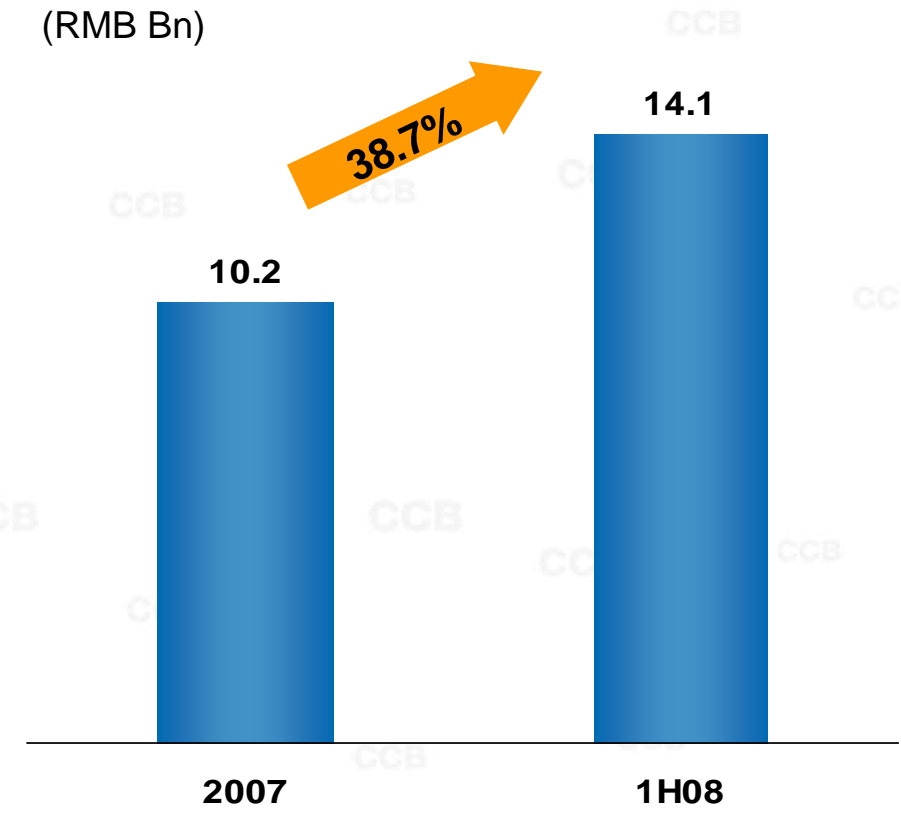
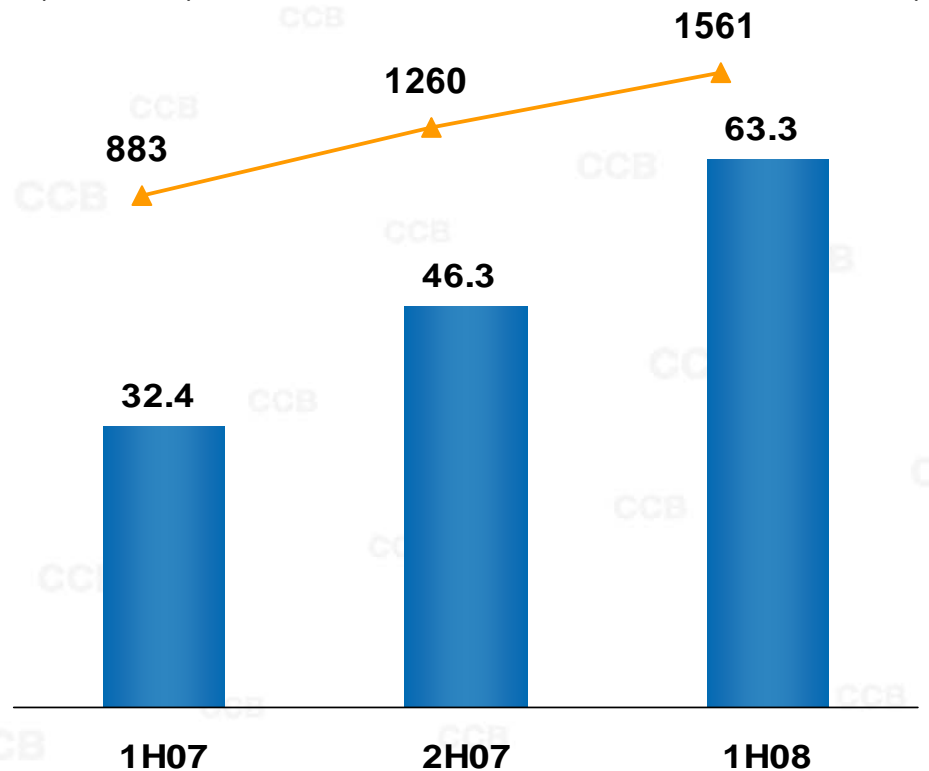
Ranked Top among the Big Four in Dual-Currency Credit Card issued and Consumption Volume

Revolving Balance of Dual-Currency Credit Card Grew by 38.7%

(RMB Bn)

('0000 Cards)

(RMB Bn)

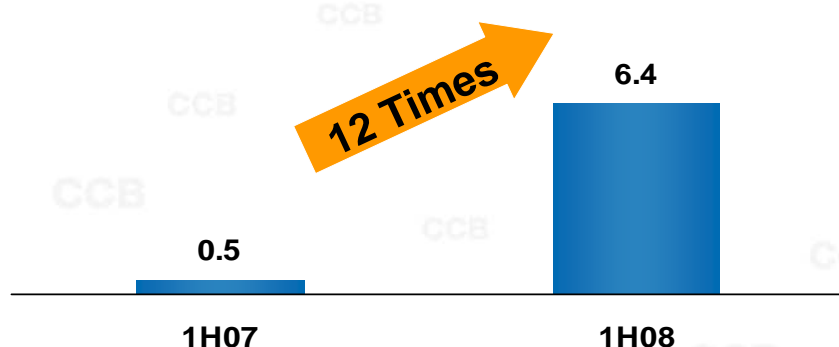


— Cumulative No. of Cards Issued — Consumption Volume

Expediently Push Forward Intermediary Business – Rapid Growth in Wealth Management and Insurance Agency Businesses

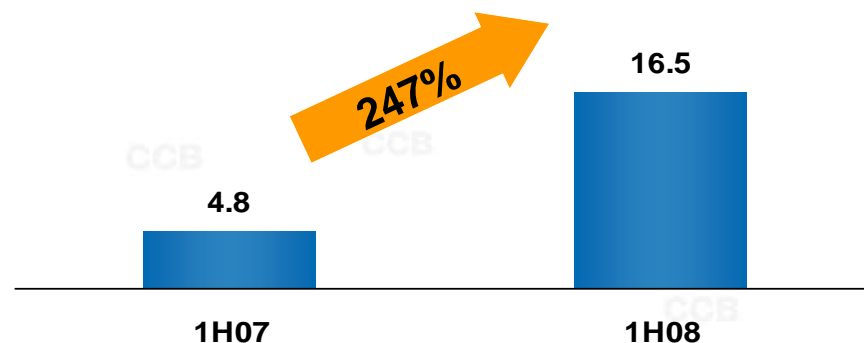
Income from RMB and Foreign Currency Wealth Management Products Grew 12 times

(RMB mm)



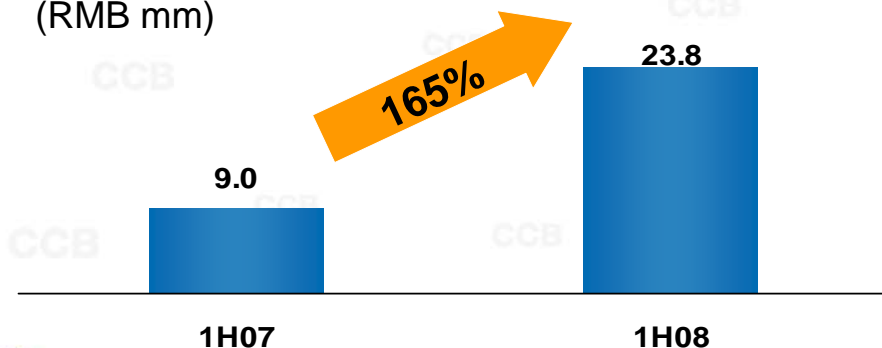
Top Runner in Insurance Agency Business with 247% Growth

(RMB mm)



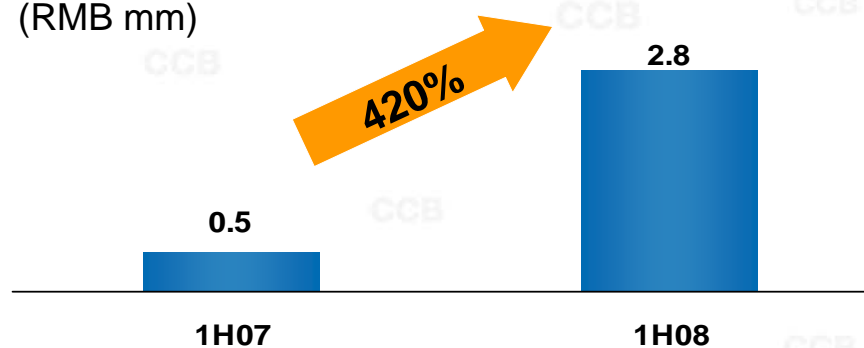
Income from Financial Advisory Service Grew by 165%

(RMB mm)



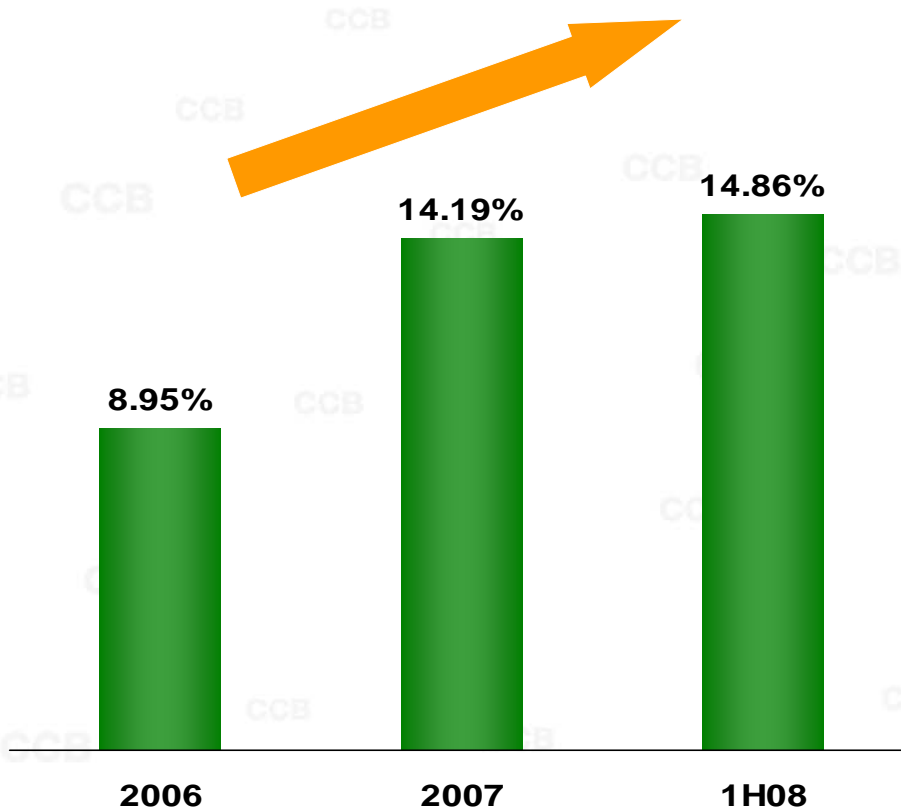
Income from 3rd Party Custodian Fee Grew by 420%

(RMB mm)

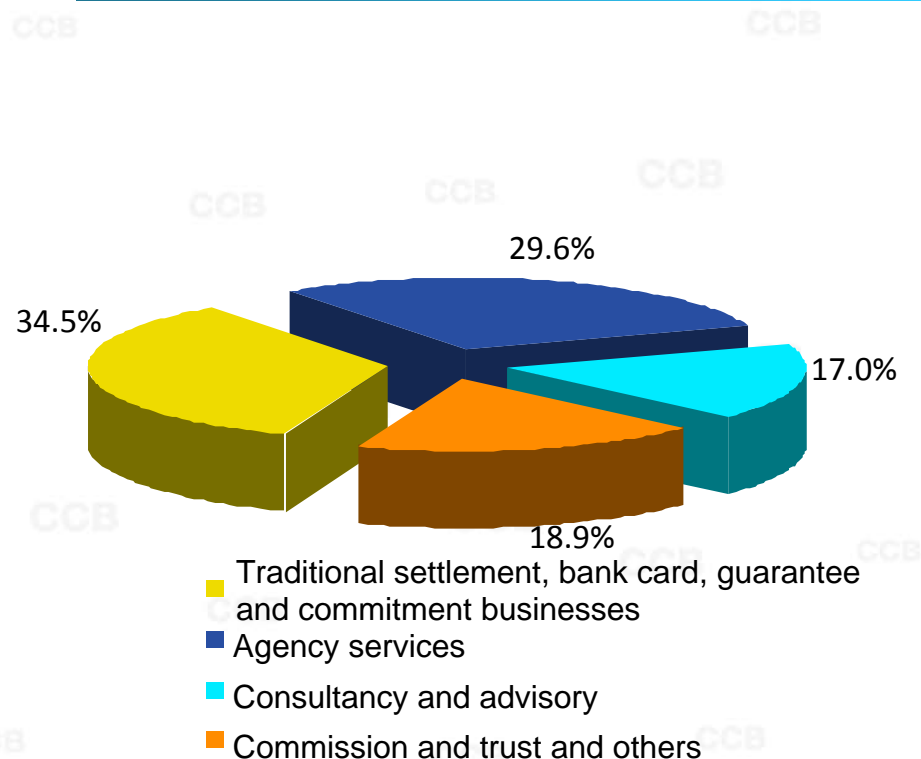


Expediently Push Forward Intermediary Business – Proportion of Fee and Commission Income Continue to Rise

Proportion of Fee and Commission Income to Operating Income Continue to Rise



Composition of Fee and Commission Income



Prudently Push Forward Full Service Banking Operations

Investment Banking

- CCB International realized profit before tax of HKD450 million, an increase of 371% compared to same period last year
- 593 batches of Wealth Management Product sold, RMB548.96 billion funds raised, ranked top in volume issued

Fund Management

- Fund raised by CCB Principal Asset Management increased by RMB10.6bn
- Asset under management reached RMB24.2 bn, ranked top among peers
- Realized RMB42.01m profit before tax

Financial Leasing

- CCB Financial Leasing Company reached co-operation L.O.I. with over 40 clients, contracted financing amounted to RMB1.75bn
- Realized RMB69.69m profit before tax

Enterprise Annuity

- Possesses qualification for Enterprise Annuity Fund Trustee, Custodian, and Account Manager
- Net asset under Custodian exceeded RMB5bn
- Managed 670,000 Enterprise Annuity Accounts

Trust and Rural Area Financial Services

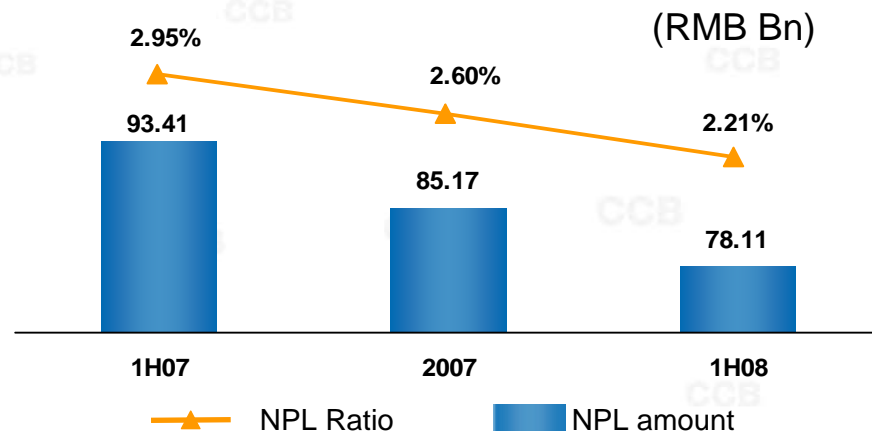
- Actively seize the opportunity to become a controlling shareholder of the trust company
- Explore and study the Trust and Rural Area Financial Services businesses

Comprehensively Strengthen Risk Management – Decline in NPL and NPL Ratio

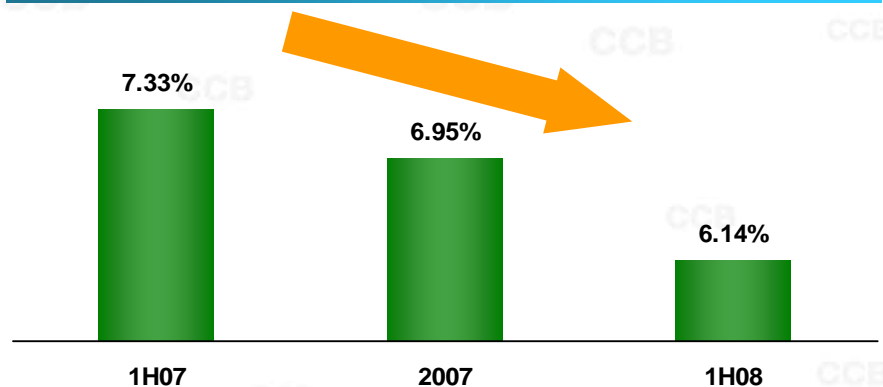
Risk Management Measures

- Stringently managed the name list of industries restricted and monitored by the State
- Fully implemented 12-Grade Real-time classification of Credit Assets, elevate the refinement of credit management level
- Perfected risk monitoring and early warning mechanism
- Increased the intensity for Non-performing Asset Disposal, first among peers to introduce NPL Securitization
- Periodically carried out “Pressure Test”

Decline in NPL and NPL Ratio



Proportion of Special Mention Loans Continue to Decline



Comprehensively Strengthen Risk Management – Effectively Control Credit Risks of Real Estate Market and Small Enterprises

Real Estate Related Loans

- Residential Mortgage Loans were mainly granted to primary market and region with stable pricing. Proportion of mortgage to property value was 48%
- Proportion of real estate loan taken up by Grade A and above customers was 92.3%
- Proportion of land reserve loan taken up by Grade A and above customers was 96.5%
- Decline in NPL and NPL Ratio for Real Estate Loan

Small Enterprises Loans

- Small Enterprises Loans were mainly granted to industries with low NPL and economically developed regions such as the Yangtze River Delta, Pearl River Delta and Bohai Rim region
- Carried out risk weighted pricing policy, return effectively covered the risk
- Promoted such low risk products as supply chain financing
- NPL for 2008 new loans was 0.01%

Comprehensively Strengthen Risk Management – Effectively React to Bond Market Risk

US sub-prime mortgage backed securities

- Carrying amount of USD273 million, a decrease of USD97 million compared to the beginning of 2008
- Cumulative allowance for impairment losses USD671 million, an increase of USD41 million compared to the beginning of 2008

Alt-A

- Carrying amount of USD357 million, a decrease of USD158 million compared to the beginning of 2008
- 98.95% were AAA Grade

Fannie Mae and Freddie Mac Bonds

- Collateral bonds guaranteed by Fannie Mae and Freddie Mac with carrying amount of USD695 million, all of AAA Grade
- Agency bonds issued by Fannie Mae & Freddie Mac with carrying amount of USD2.555 billion, 98.35% were AAA Grade
- Allowance for impairment losses of USD10.5 million

Intensify Strategic Cooperation – Increase Value Creation Ability

Strategic Co-operations with the Bank of America and Fullerton Financial

**13 Strategic
Assisting Projects**

**7 Consulting
Projects**

**11 Experience
Sharing Projects**

**Business
Cooperations**

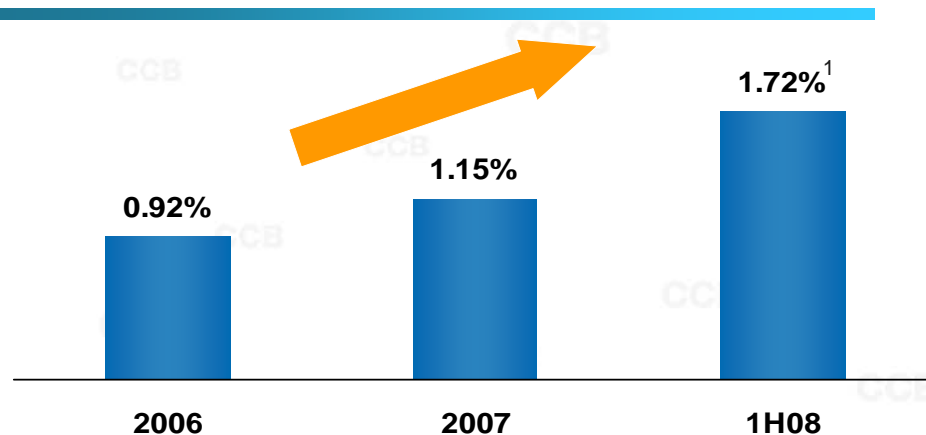
- Completed functional transformation of 3,941 retail outlets in 1H08, daily sales volume increased and work efficiency improved
- Set up 5 “customer experience centre”, enhanced VIP customer sales and service process, improved customer service experience
- Activated scorecard system for mortgage loan and credit cards, unify the standard of retail risk
- Formulated IT development strategy to improve IT management ability
- Developed SME products and risk management technology, enhanced competitiveness of SME business

**Effectively improve
customer service
ability and risk
management level**

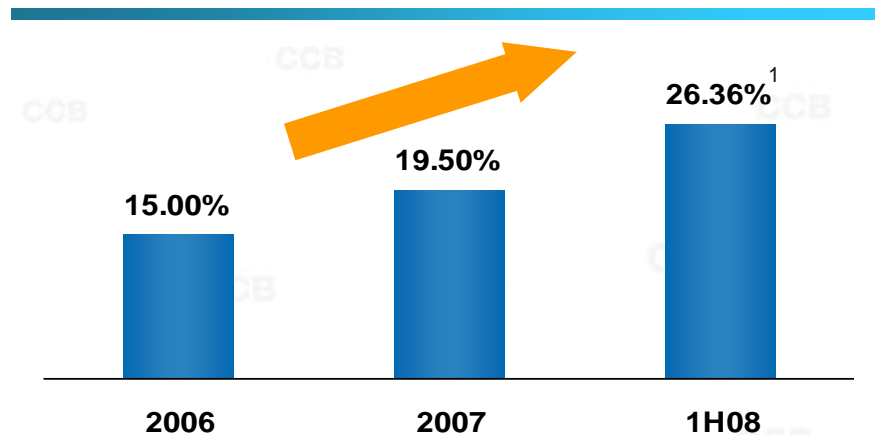
Operating Results

Industry Leader in Profitability

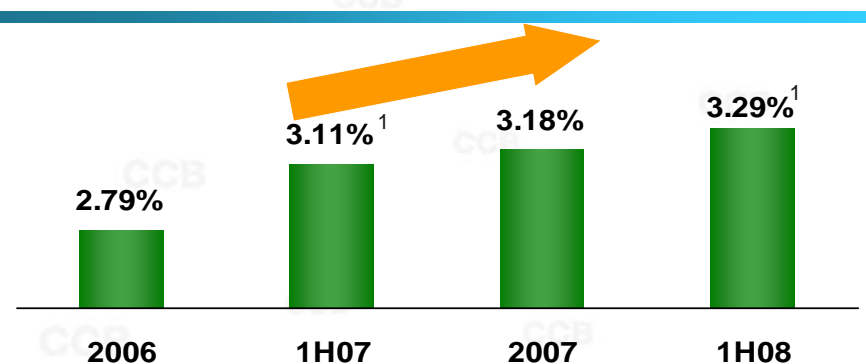
ROAA



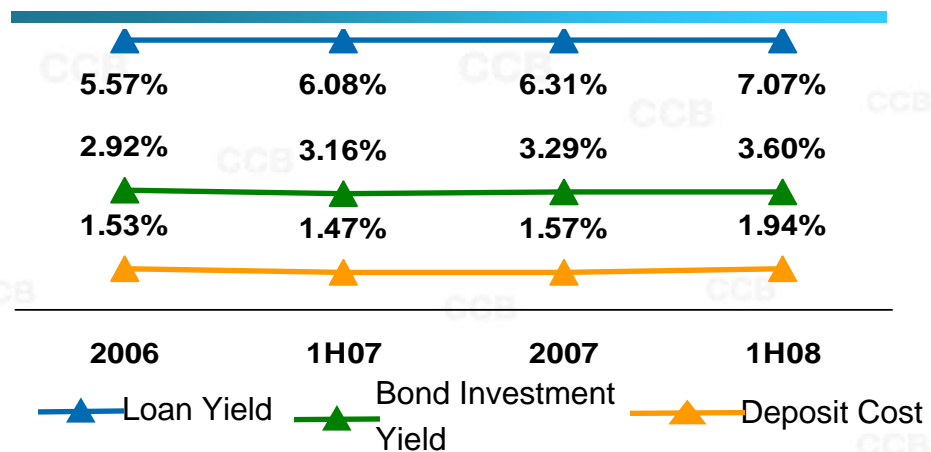
ROAE



Leading position in NIM



Yield & Cost Ratio

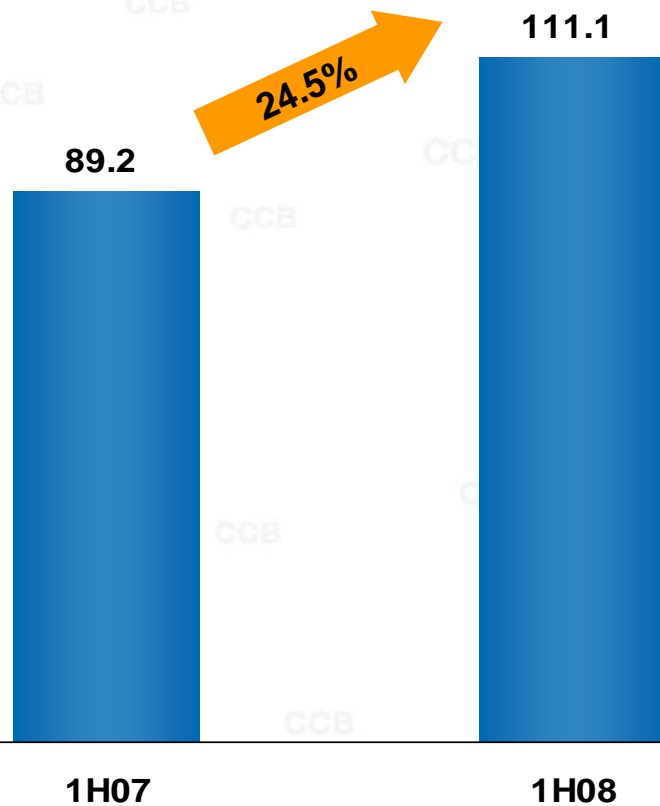


1: Annualized

Operating Income Continue To Grow Rapidly

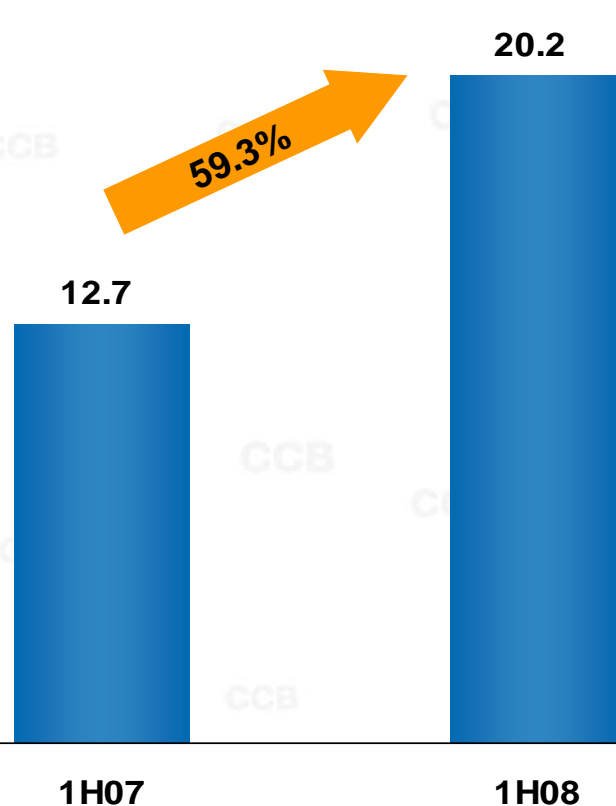
Net Interest Income Grew by 24.5%

(RMB Bn)



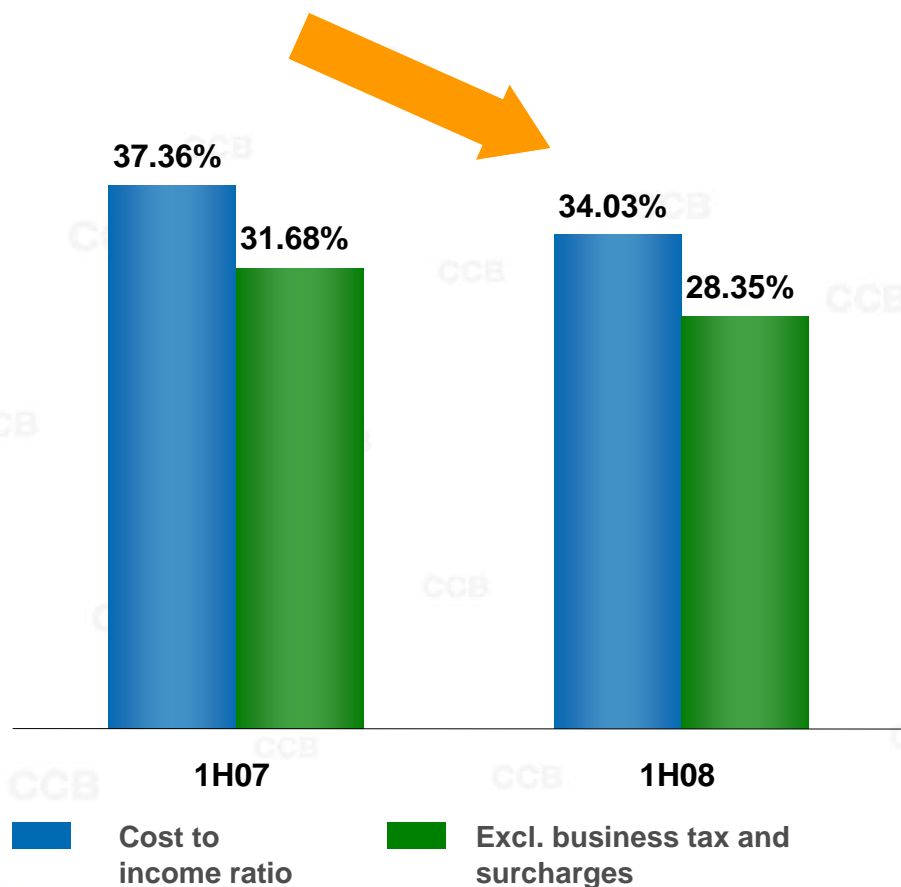
Fee and Commission Income Grew by 59.3%

(RMB Bn)



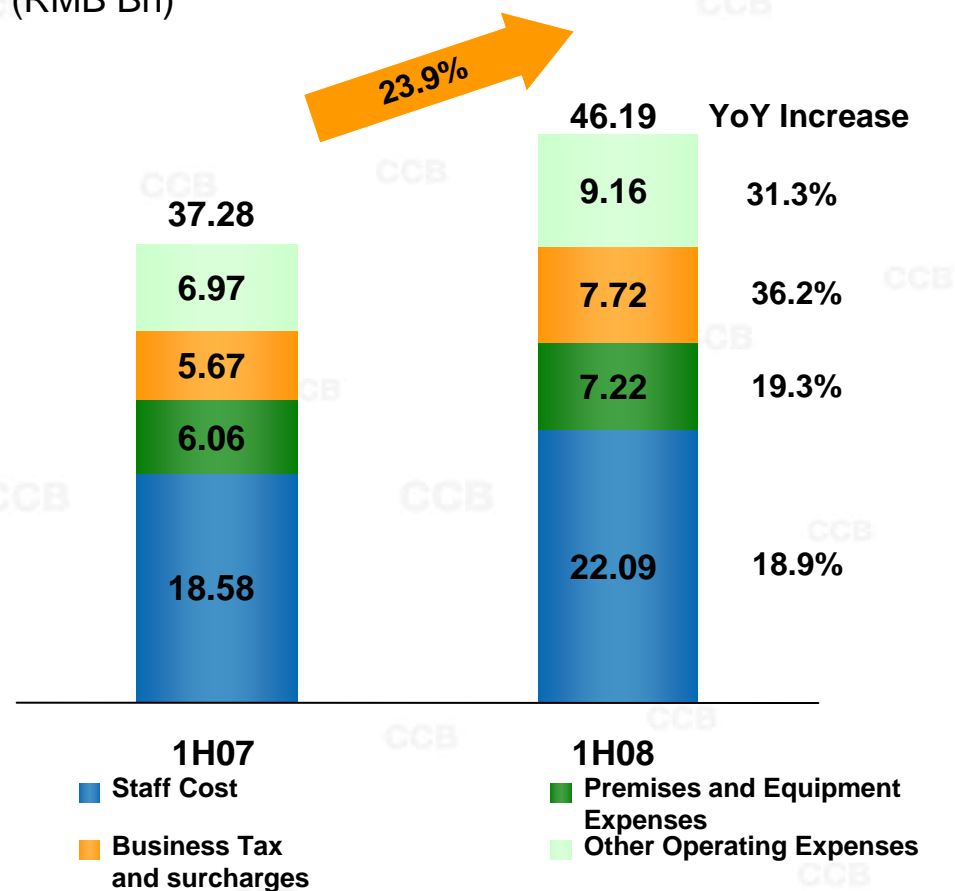
Cost Control Further Strengthened

Cost to Income Ratio Continued to Drop



Expenses Maintained Reasonable Growth

(RMB Bn)

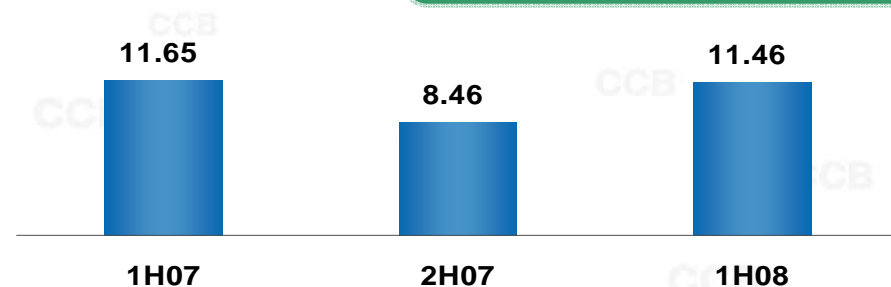


Sufficient Provision for Loan Impairment Losses

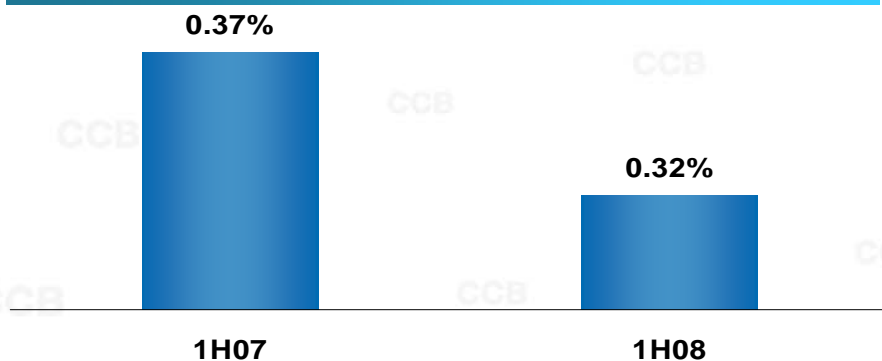
Provision for Impairment Loss

(RMB Bn)

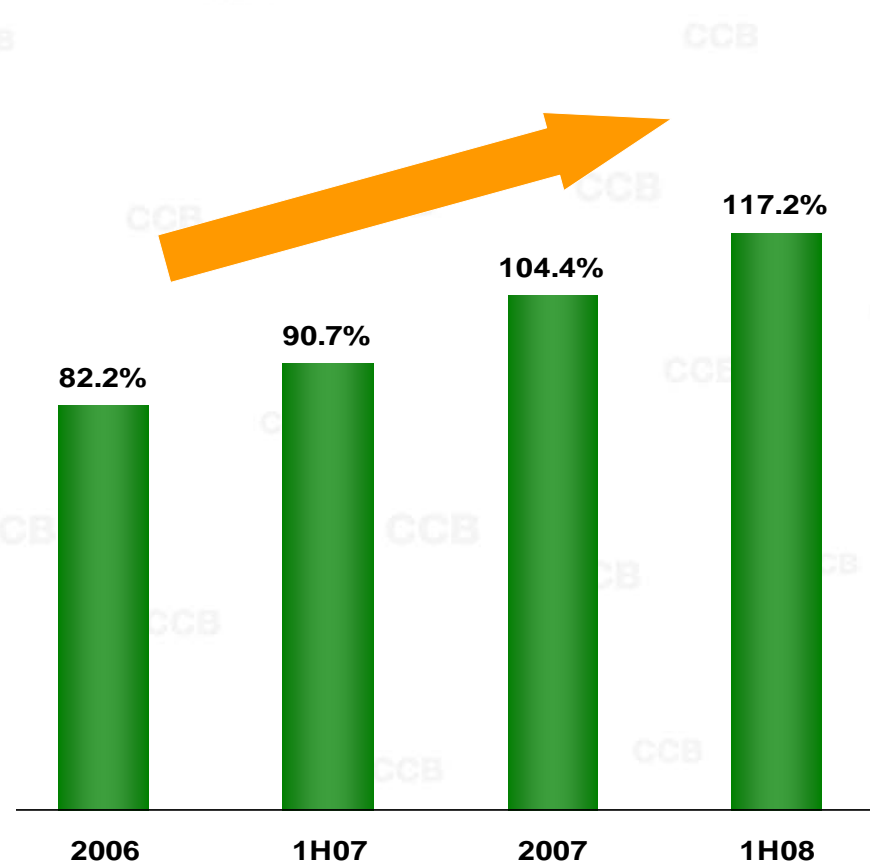
Provision for impairment loss of RMB3.49 bn for disaster such as earthquake, etc.



Credit Cost

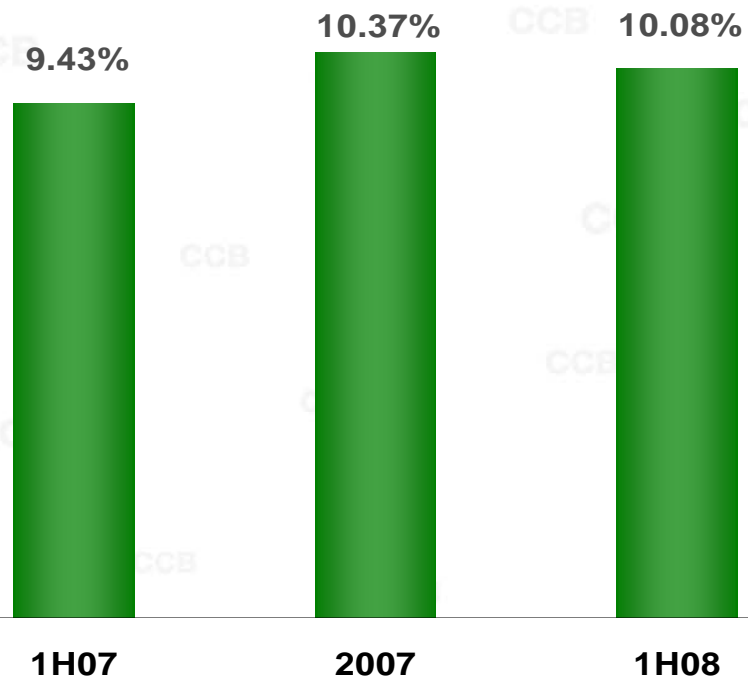


Coverage Ratio

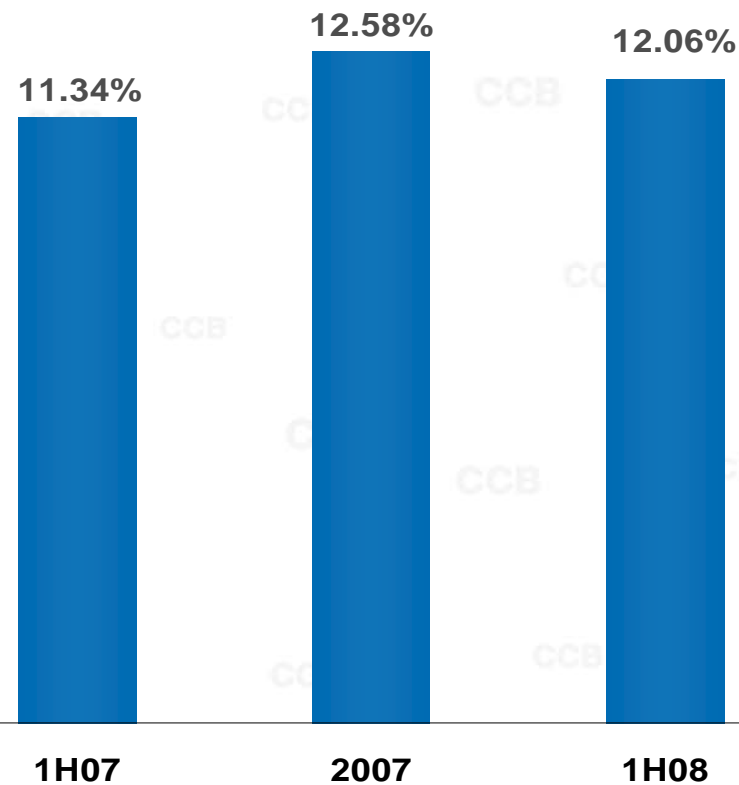


Effective Capital Management

Core CAR



CAR



Earnest Undertaking Of Corporate Social Responsibility

Provided Donations and Financial Supports for Earthquake Relief and Home Rebuilding

- Donated RMB156 million to earthquake-stricken areas, granted RMB12.5 billion of loans for post-disaster reconstruction and continued to provide financial supports
- Donated RMB12 million to the snowstorm stricken areas and granted RMB24 billion of disaster relief loans
- Took the lead in implementing a series of contingency measures including a free-of-charge express channel for donations and remittances and an “Express Credit Channel” for providing emergency credit support services

Provided Quality and Efficient Financial Services to the Olympics and Paralympics

- Set up designated foreign exchange counters and channels in Olympic city branches
- Expedited the installation of ATMs and cash withdrawal/deposit integrative machines and improved the acceptance environment for external credit cards
- Offered English-speaking services for the 95533 customer service hotline and provided translation services in Japanese, French, German, Russian and Korean in all branches

Rankings and Awards



THE ASIAN BANKER

亚洲银行家



The **Banker**

EUROMONEY



- Ranked 20th in the “FT Global 500”
- Elected as one of the “FT Top 10 Chinese World-class Brands”
- Excellence in Retail Risk Management Award
- Best Subcustodian Bank, China
- Highly commended in the Best Deals and Products Category of the Awards for Derivatives and Structured Products
- Best Trade Finance Provider
- Best Trade Finance Bank in China
- Ranked 18th in the “Global 500 Financial Brands 2007”
- The Best Commercial Bank 2007
- First in profitability in the Chinese Commercial Bank Competitiveness Award
- Best Real Estate Investment, China
- Ranked 62nd in the “Forbes Global 2000”
- Outstanding Retail Bank in China

Outlook

Outlook – Opportunities and Challenges

Opportunities & Challenges

- Increasing uncertainties and instabilities in the global environment, domestic producer price index (PPI) has gone up by more than 10%, pressure of inflation will continue to build up
- Pace of structural adjustments to national economy will expedite, some industries and enterprises will continue to face the pressure
- The State will sustain continuity and stability in macro-economic policies, national economy will maintain stable and relatively rapid development
- The State will continue to tighten and timely fine-tune its monetary policy and carry out appropriate policies for loan granting
- Greater volatility for domestic capital market, increased uncertainty for real estate market
- Fluctuations in RMB Exchange Rate and Interest Rate

Outlook – Moves for 2H2008

Grasp Opportunity, Control Risk, Create Greater Shareholder Value

- Pay close attention to and strengthen analysis on the domestic and international macro-economy and changes in policies, lay down measures to respond to the impact of liquidity risk, interest rate risk, and force majeure
- Continue to push forward strategic transformation, increase adjustment level of loan structure and control possible risk of real estate market
- Innovate new products and improve services from the perspective of customers needs
- With risk prevention as the main concern, develop new business areas, and render greater support to SME loans and rural industry related loans
- Continue to deepen reform of internal management

Q & A

Thank you