

2016 Interim Results Announcement

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Beijing/Hong Kong



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Financial Performance

Business Development

Risk Management

Outlook

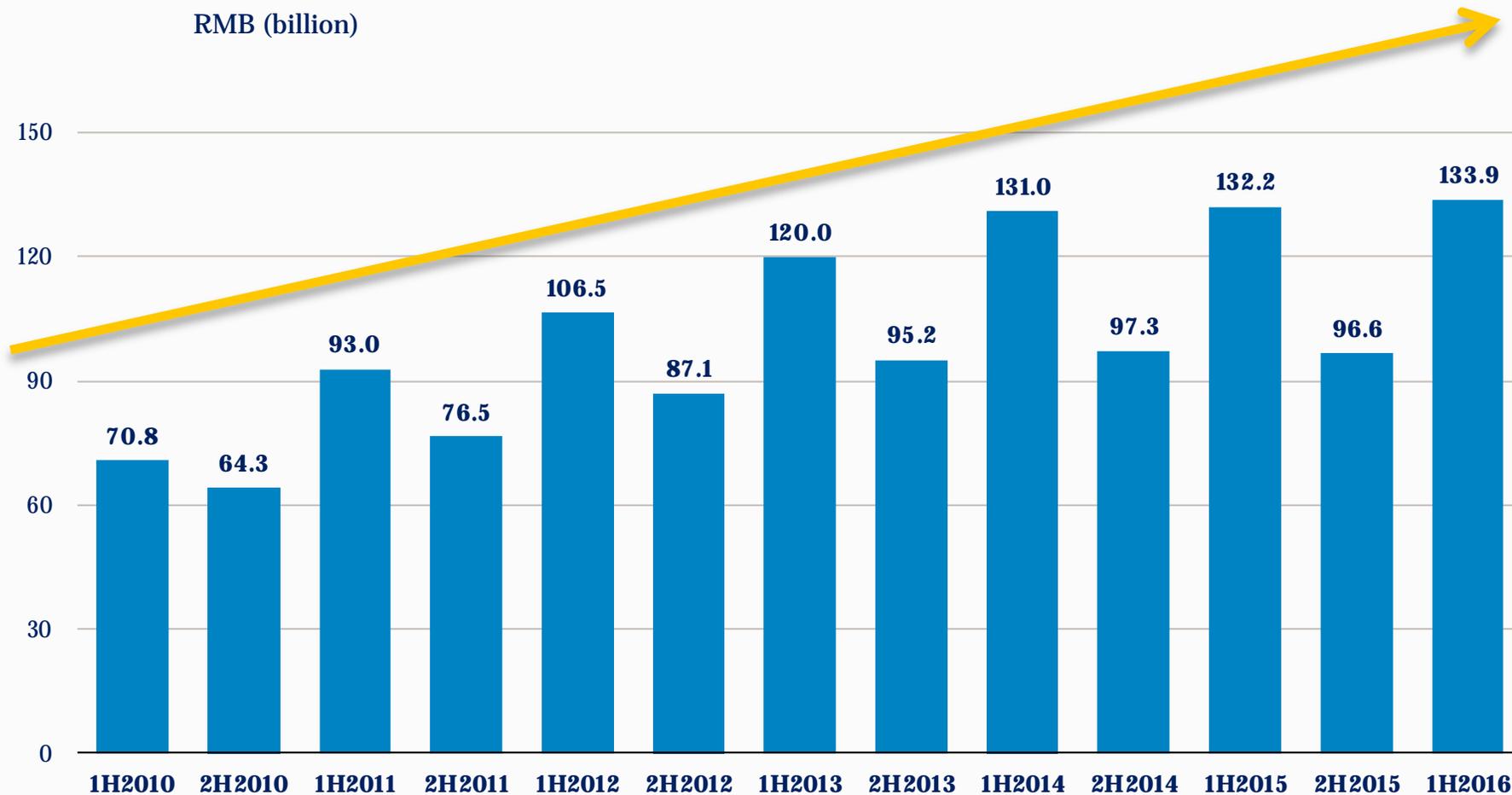


Key financials

RMB (billion)	30 June 2016	31 December 2015		Change
Total assets	19,760.1	18,349.5		7.7%
Loans and advances to customers	11,137.9	10,485.1		6.2%
Total liabilities	18,254.2	16,904.4		8.0%
Deposits from customers	14,675.5	13,668.5		7.4%
Capital adequacy ratio	15.09%	15.39%		0.3pps
	January – June 2016	January – June 2015		Y-o-Y Change
Operating income	295.7	297.8		0.7%
Net fee and commission income	67.2	63.6		5.6%
Net profit	133.9	132.2		1.3%
Earnings per share (RMB Yuan)	0.53	0.53		Even
Cost to income ratio	22.24%	23.23%		1.0pps

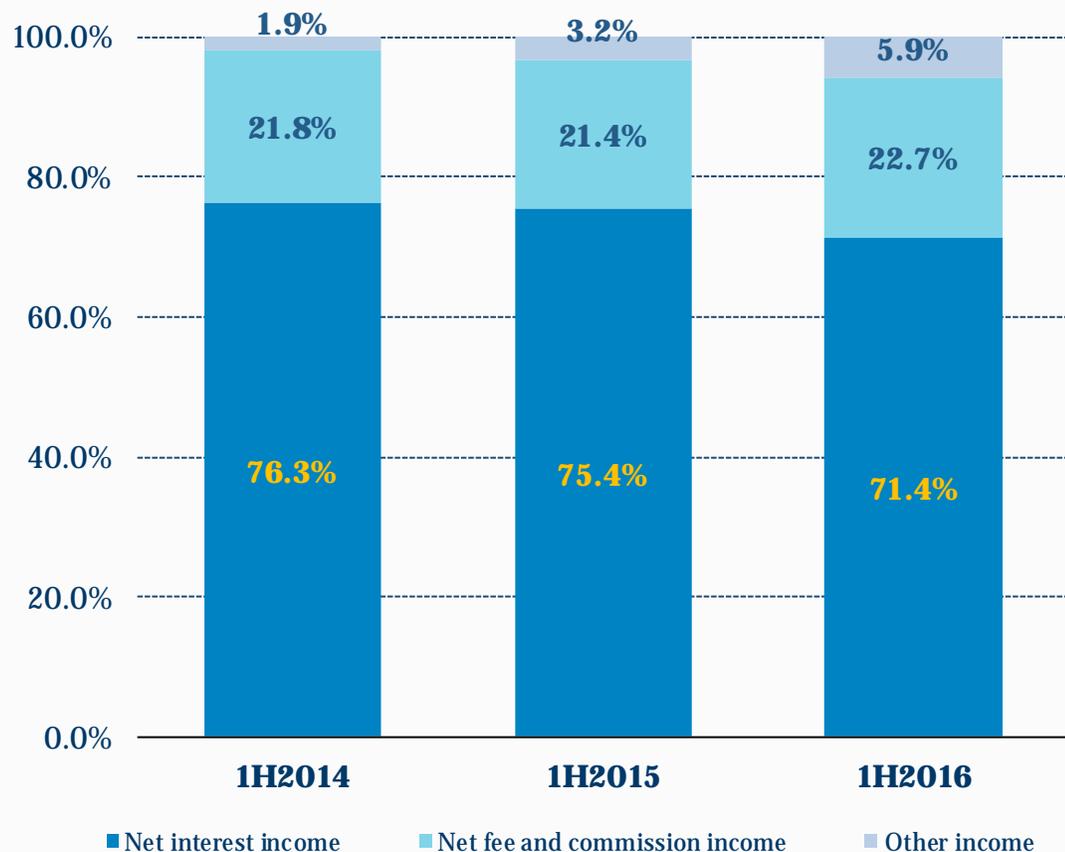
Stable profitability

Net profit up by 1.25% YoY

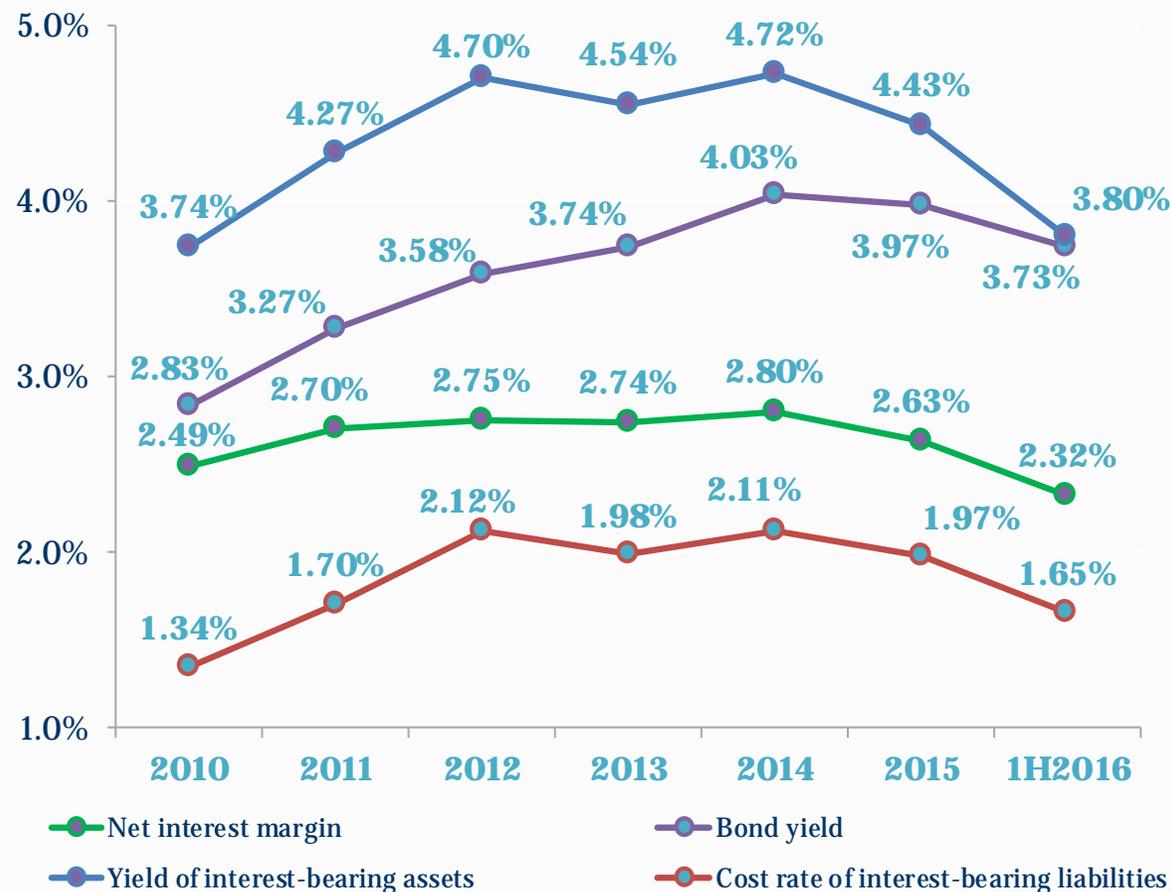


Refined income structure

Increasing proportion of net non-interest income

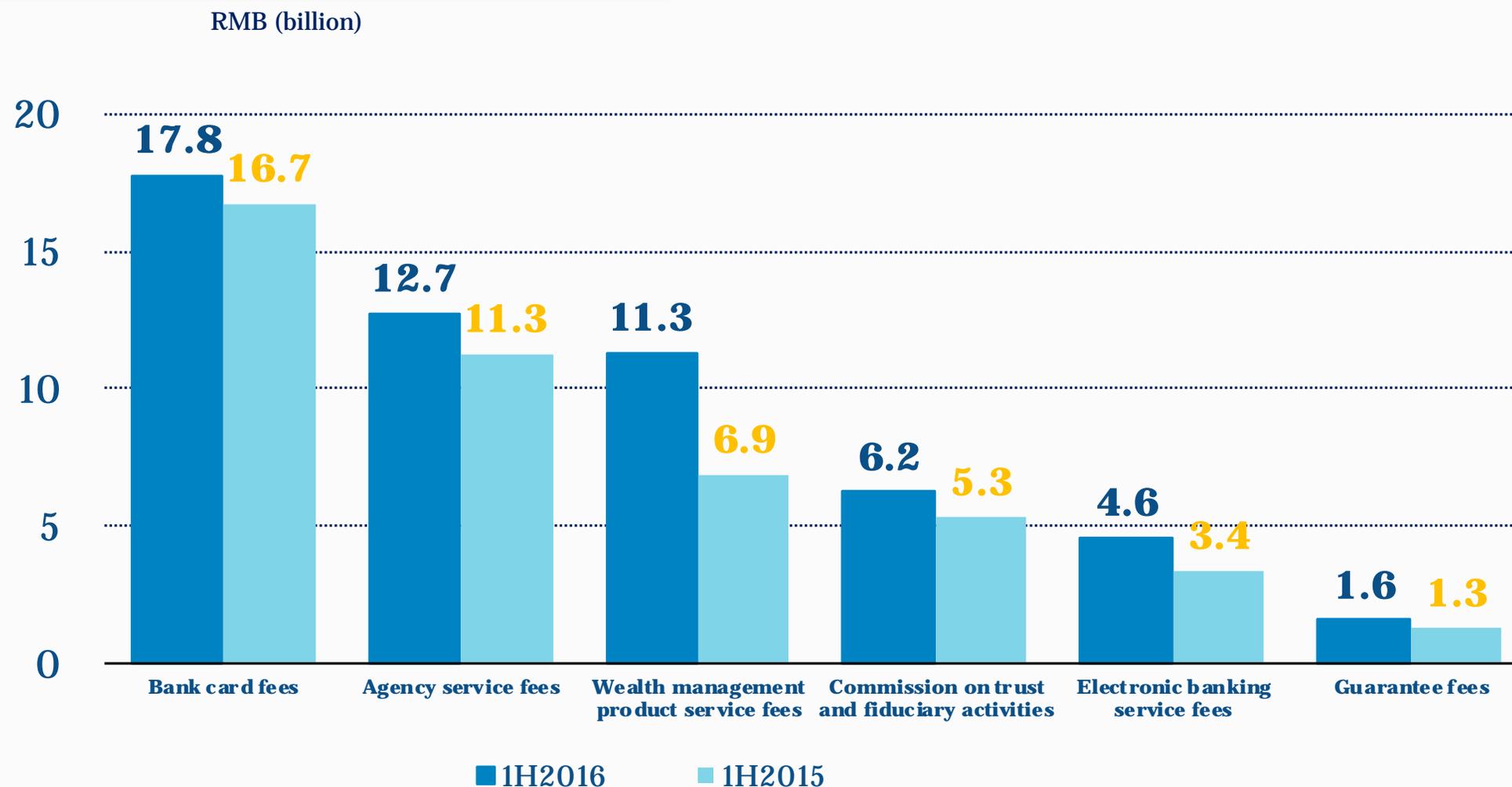


Moderate decrease in net interest margin



Leading in net fee and commission income growth

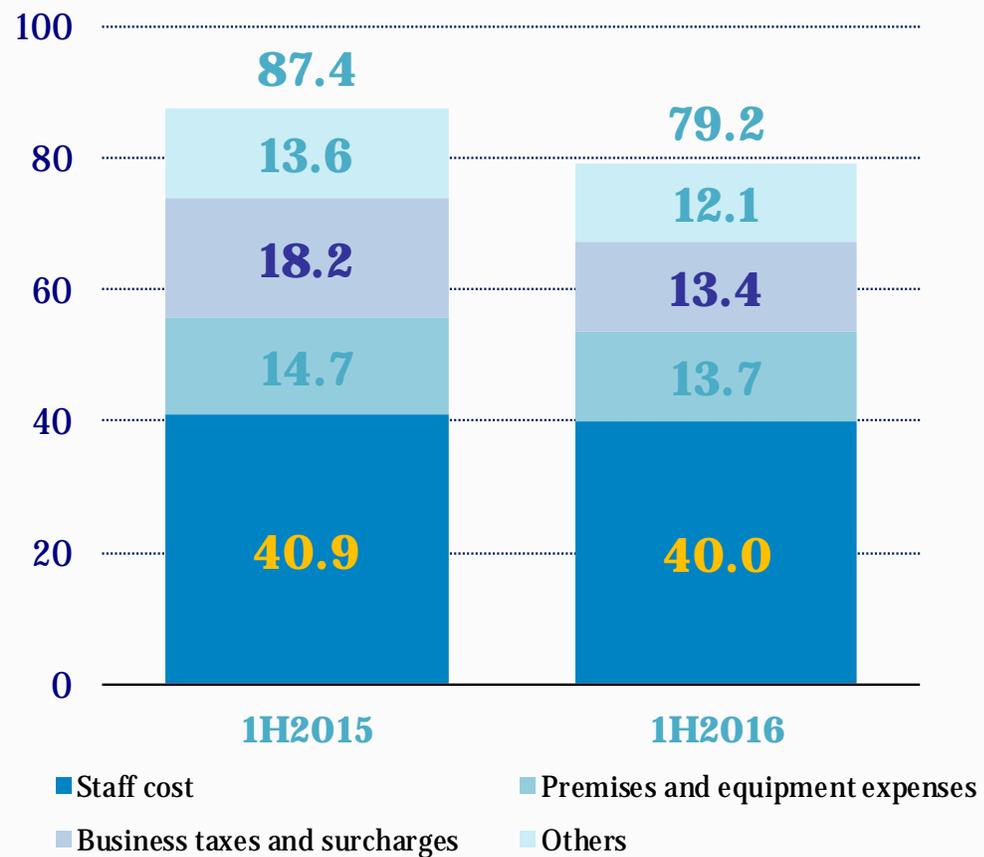
Net fee and commission income up by 5.6%



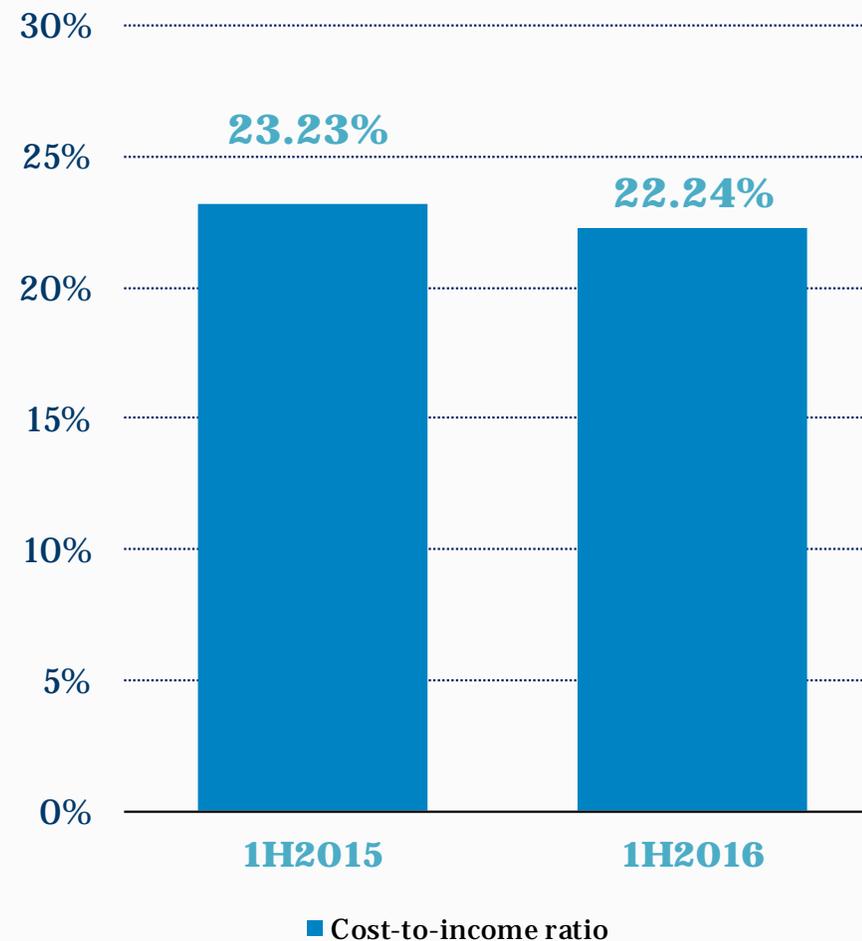
Effective cost control

Operating expenses down by 9.5%

RMB (billion)

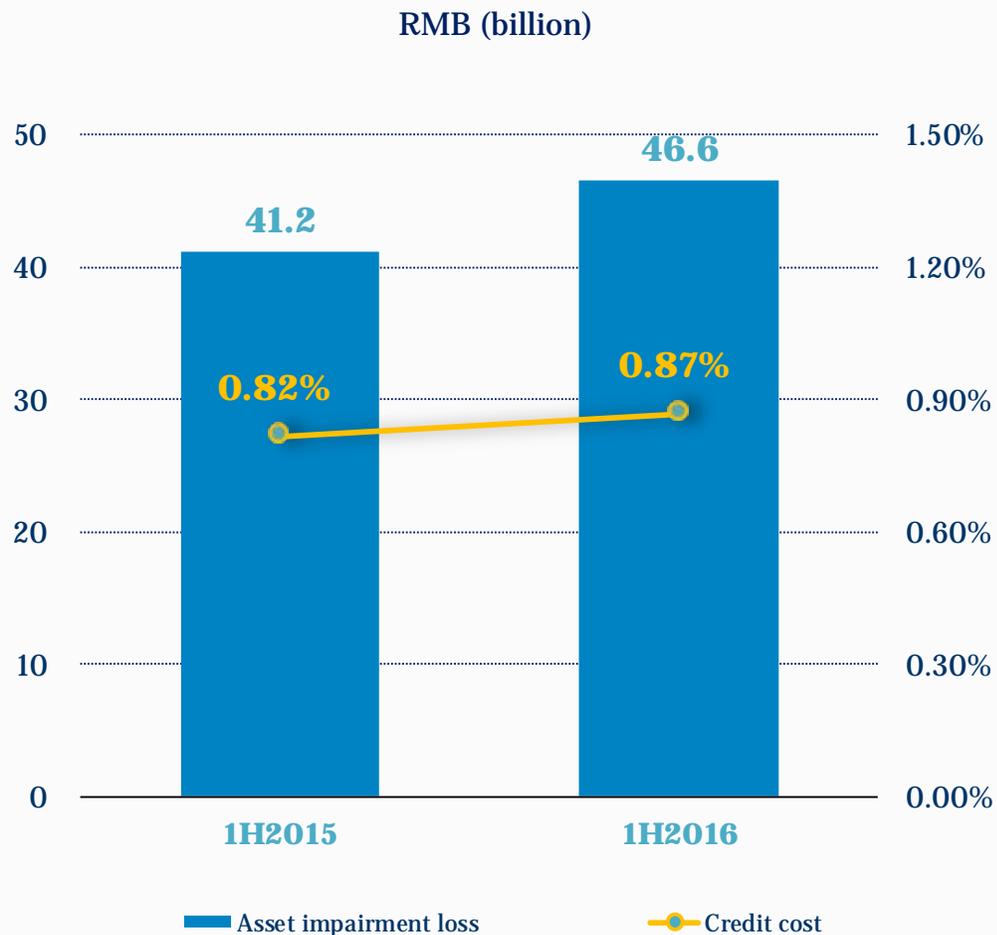


Cost-to-income ratio down by 1.0pps

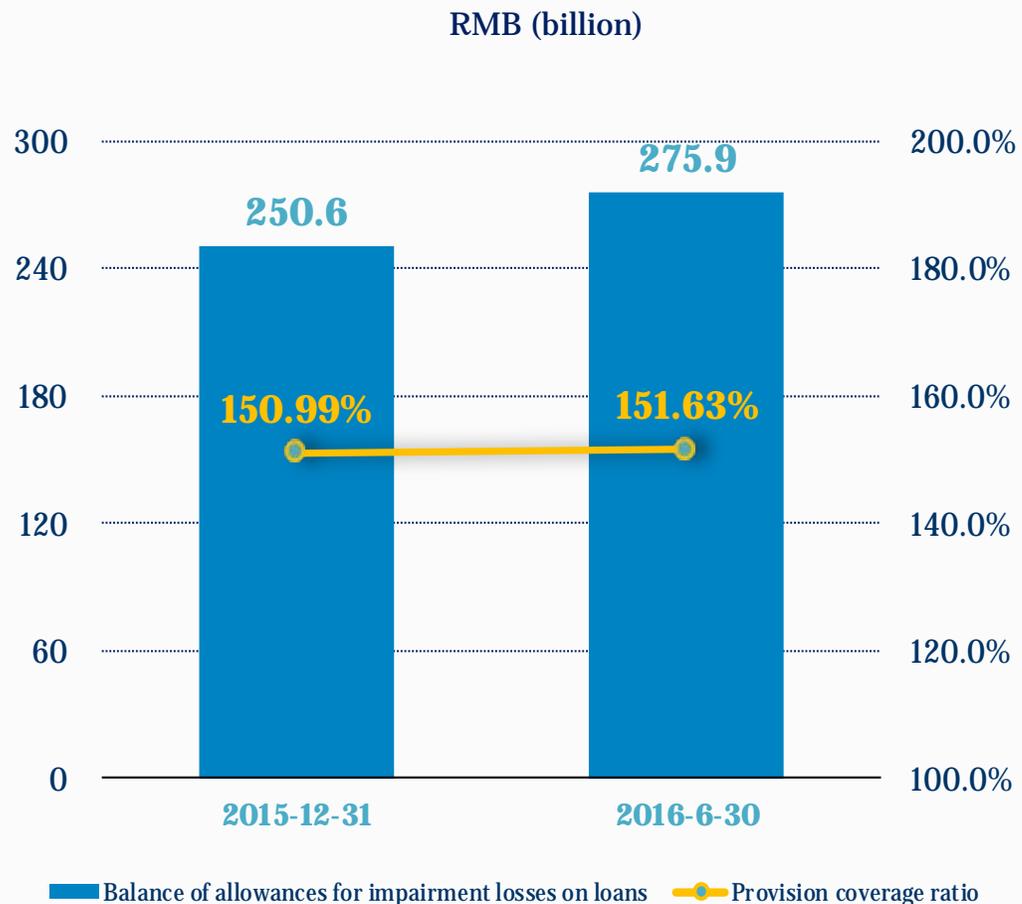


Provisions at a sufficient level

Asset impairment loss up by 13.0% YoY



Provision Coverage Ratio remained stable



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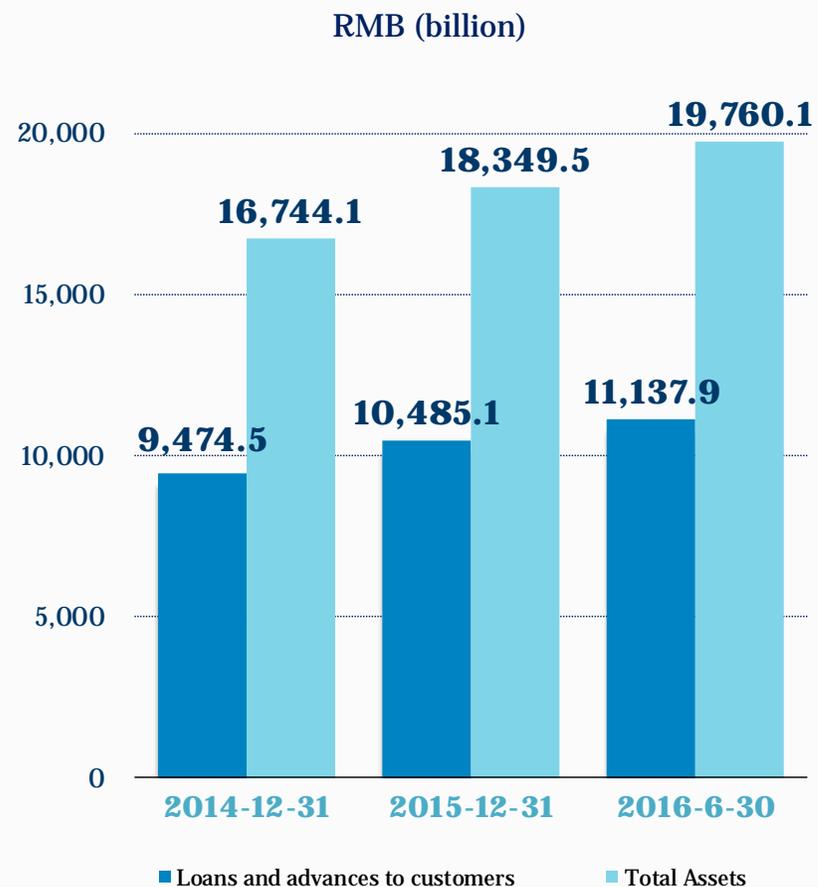


New engines for the Bank's future transformation

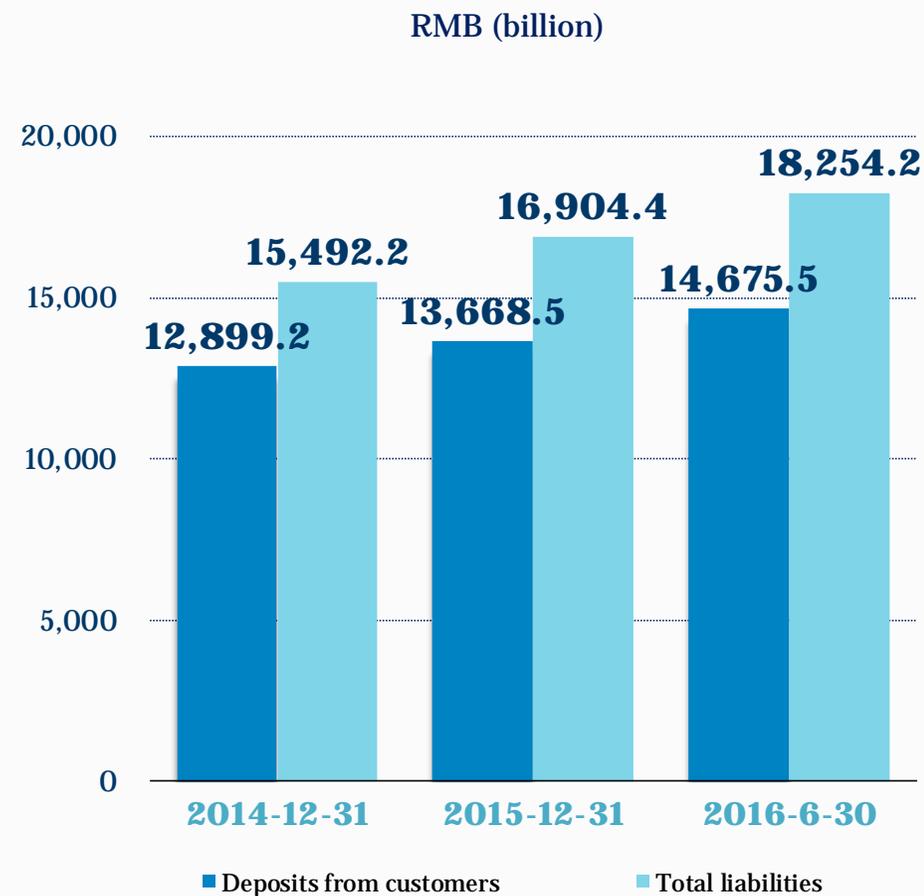
Transformation businesses	Growth%/% YoY
New personal loan customers	9.6%
Consumer credit card transactions	14.4%
Financial IC debit cards	17.7%
AUM of private banking customers	13.8%
Insurance assets under custody	48.4%
Equity investment funds under custody	22.4%
Commission income from insurance agency service for personal customers	176.4%
International trade settlement customers	6.9%
Mobile bank users	10.8%
Net profit of integrated operation subsidiaries	27.7%

Steady growth in assets and liabilities

Total assets up by 7.7%

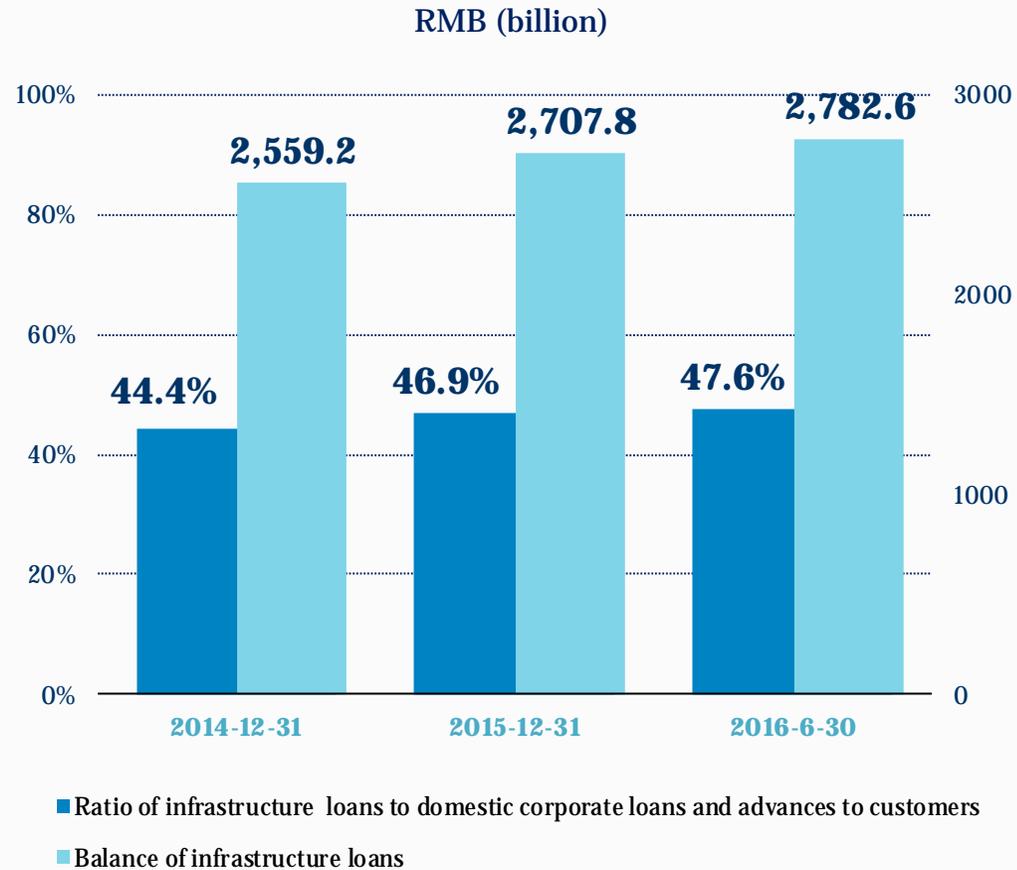


Total liabilities up by 8.0%

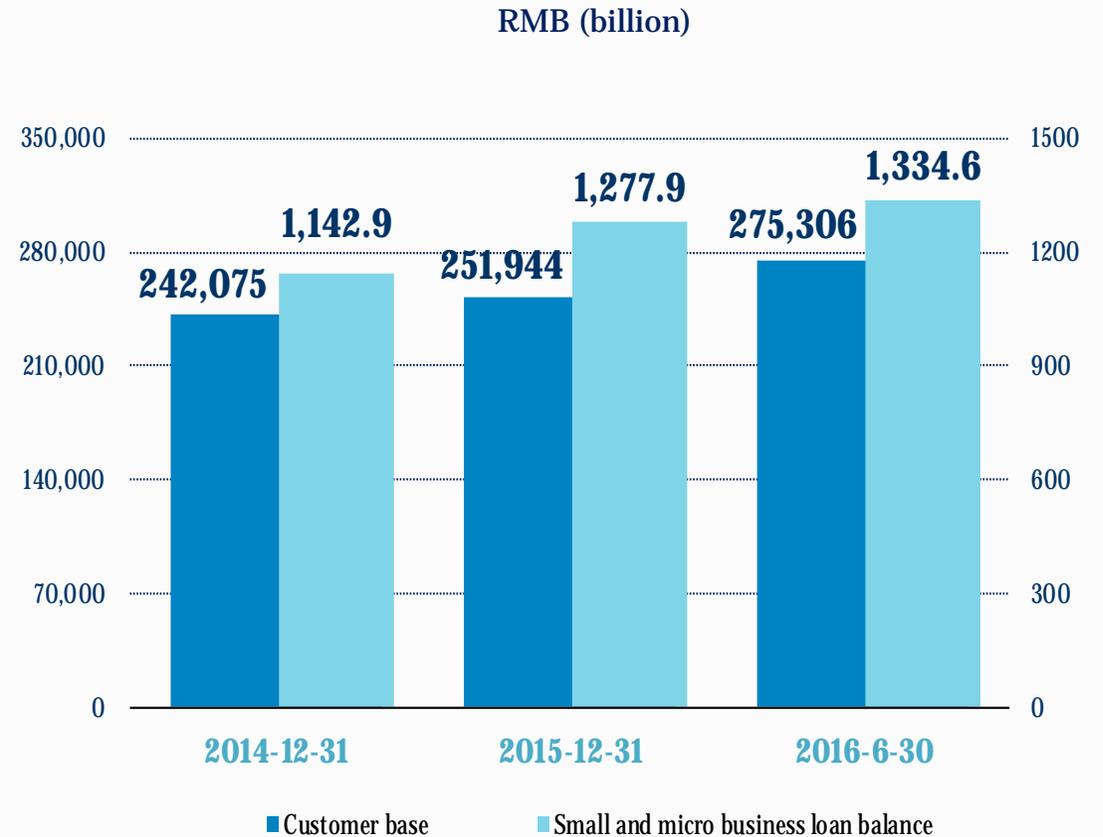


Strong support for the real economy

Steady growth in infrastructure loans

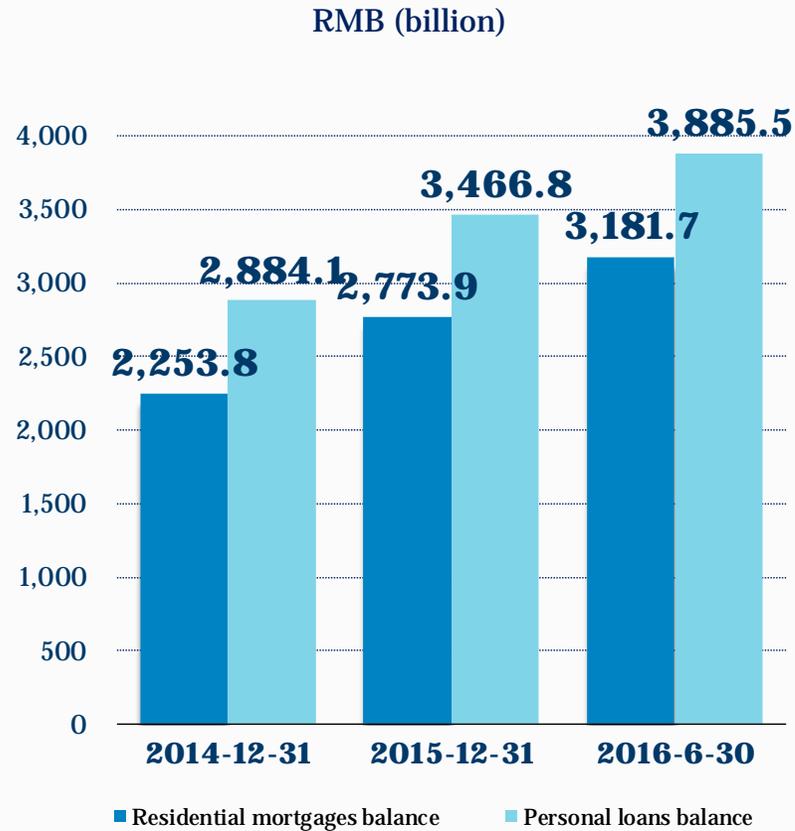


Rapid growth in loan balances for small and micro businesses

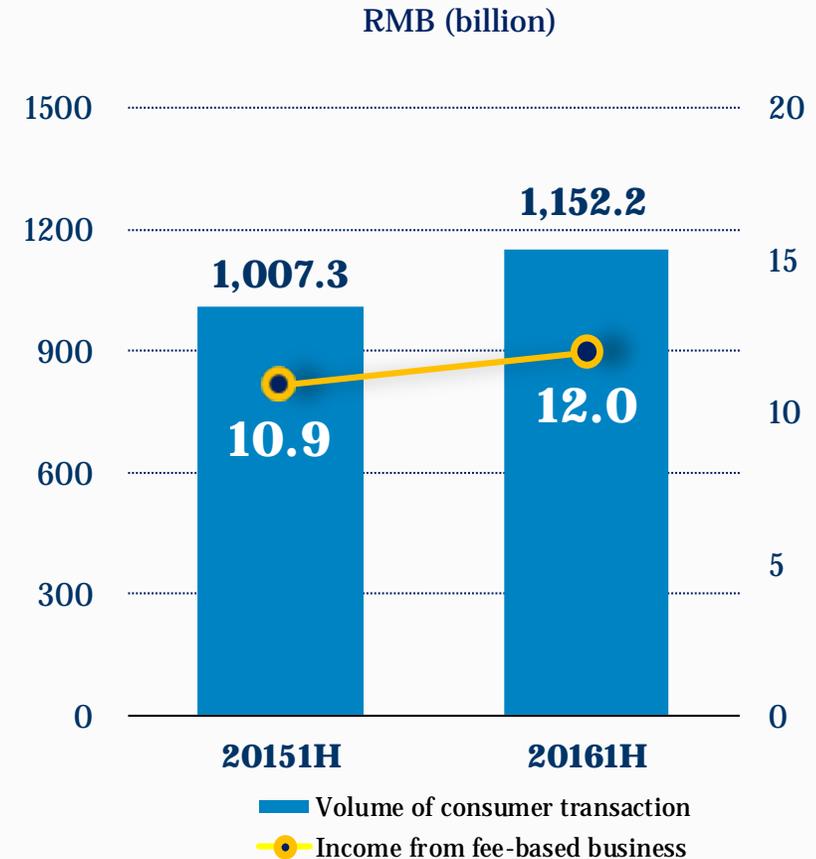


Rapid growth in personal banking

Ranked first in balance and growth of personal loans and residential mortgages

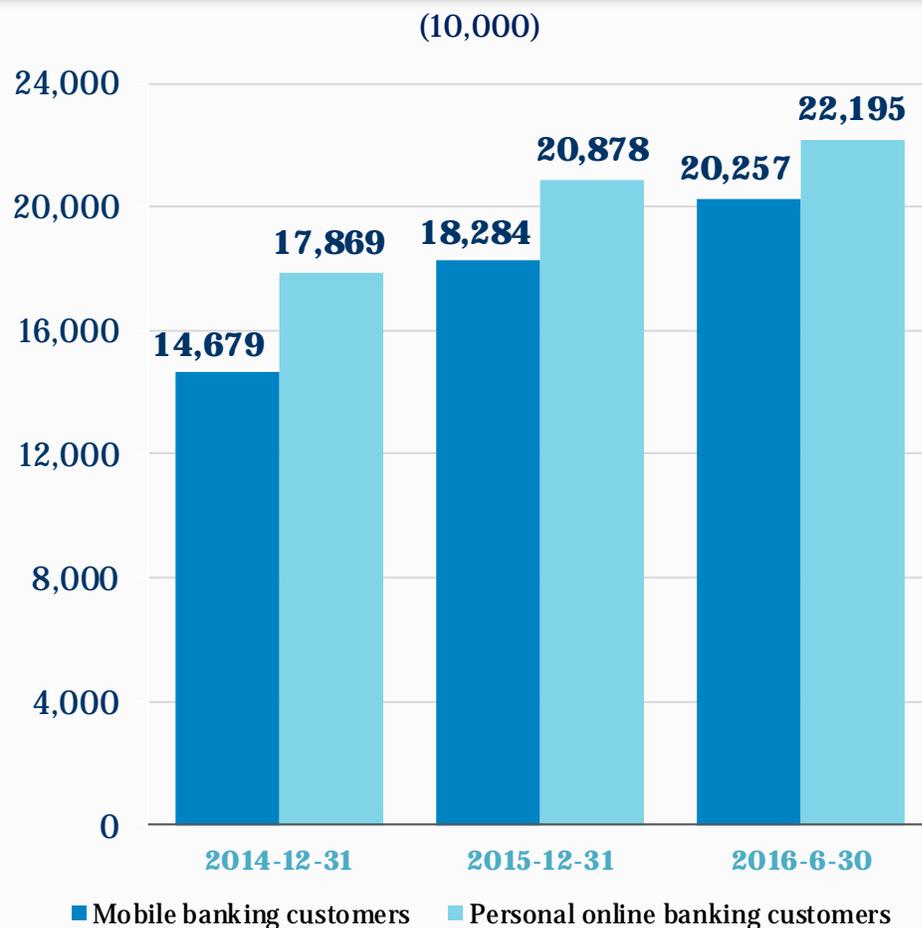


Continued transformation on Credit Card business

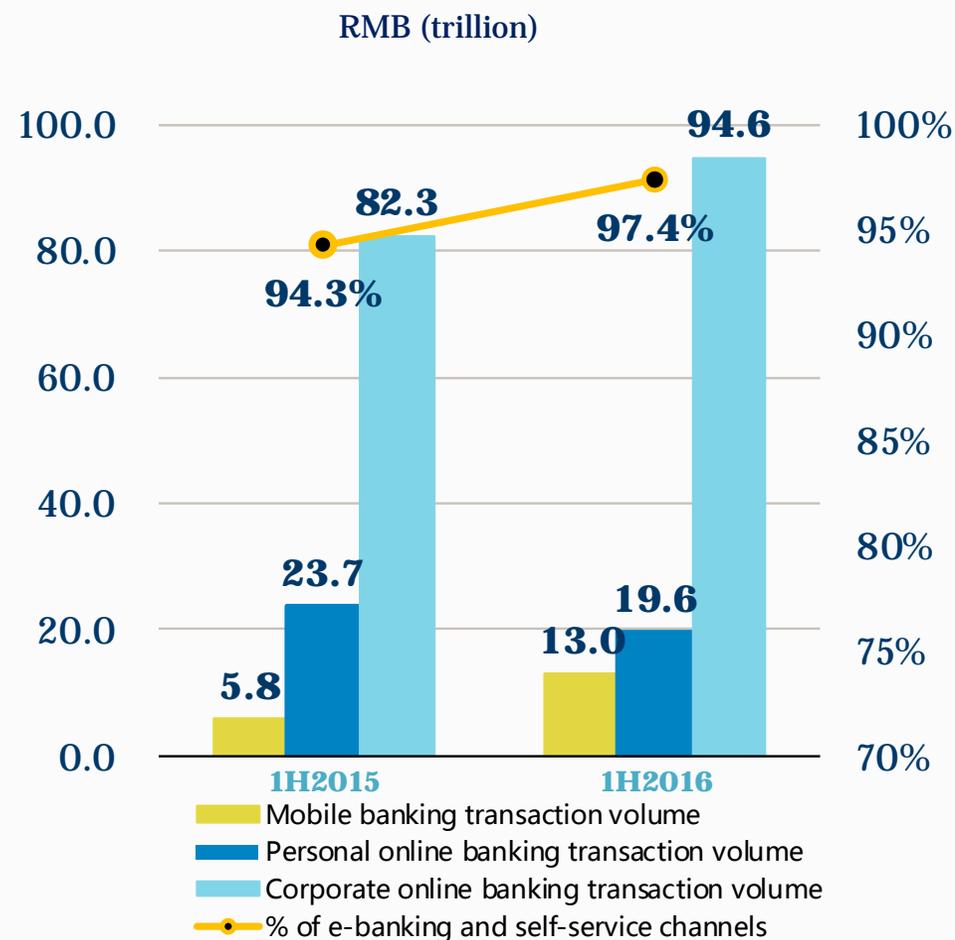


Positive developments in e-banking business

Over 200 million customers use personal online banking and mobile banking

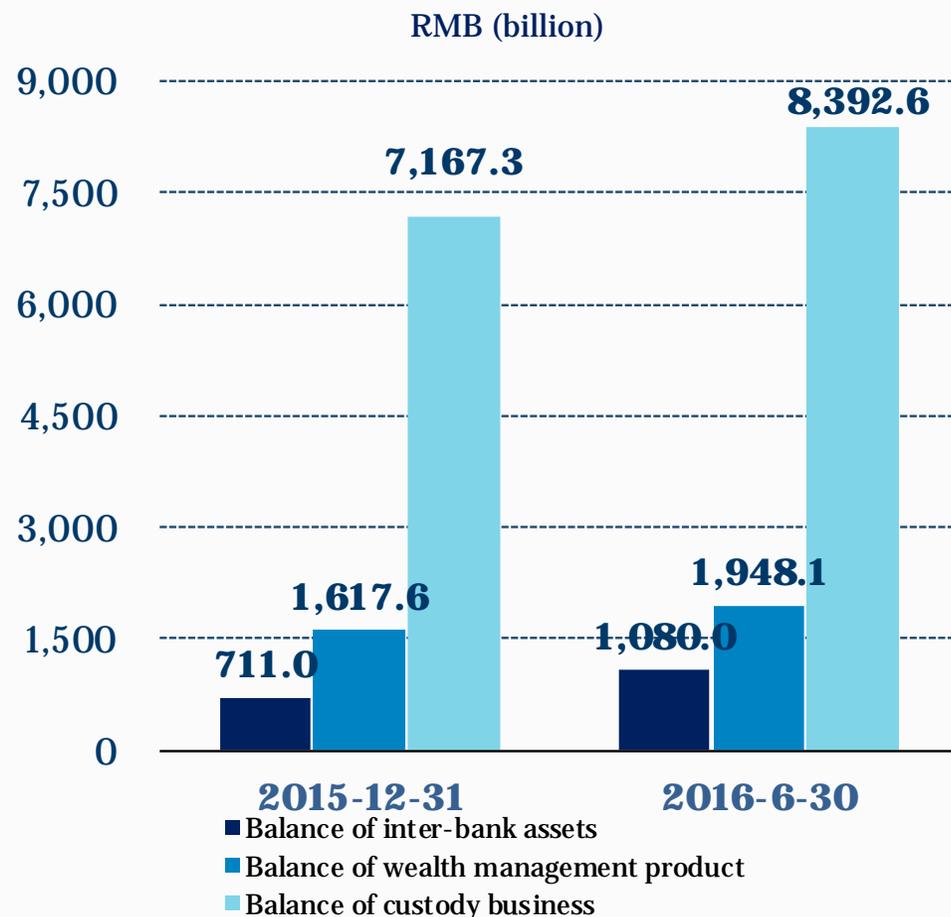


Rapid growth in e-banking business



New breakthroughs in investment banking and asset management

Balance of custody, wealth management and inter-bank assets increased rapidly



New breakthroughs in investment banking and asset management

Asset management, a specialized line of business

Wealth management income reached over 10 billion

Ranked first in inter-bank assets and in inter-bank liabilities among the Big Four banks

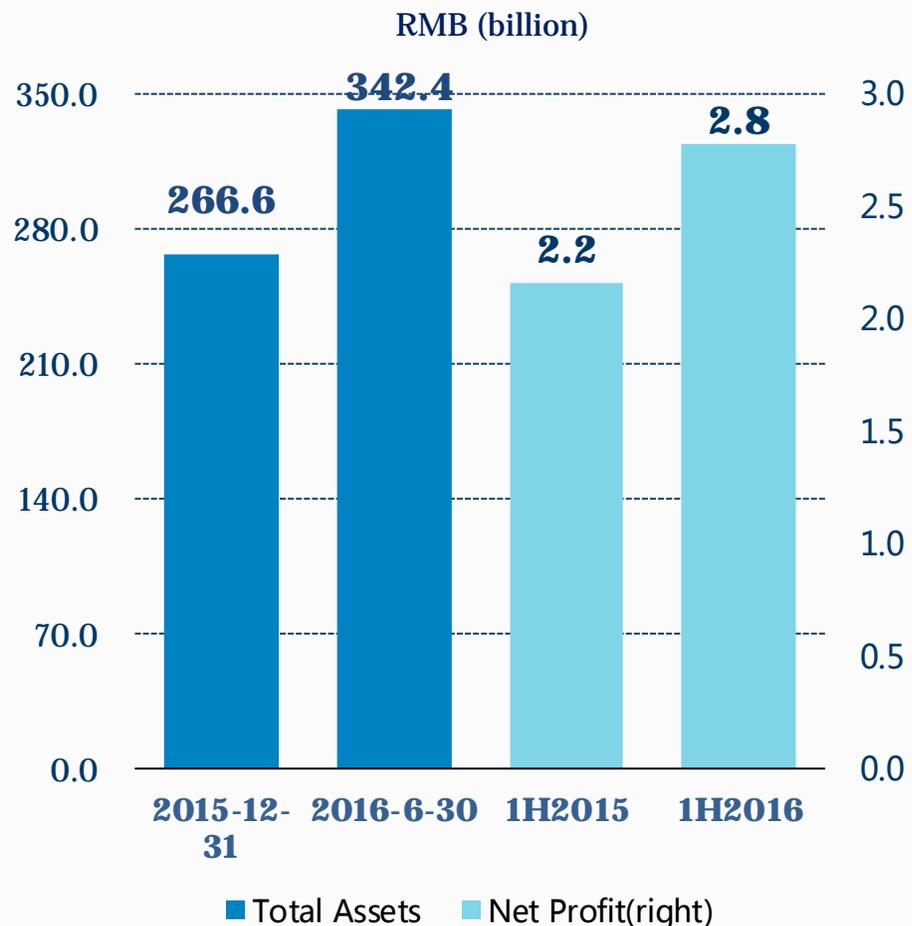
Led the underwriting of non-financial corporate debt for five consecutive years

Launched the first green financial bond with the support and cooperation of other multilateral development institutions in China's bond market

Asset-backed securities which are backed by provident fund loans and developer receivables

Significant progress for integrated operations

Rapid growth in assets and profits of integrated operation subsidiaries



Leading position among peers in terms of possession of integrated operation licenses

CCB gained new licenses in property insurance and cost advisory services

The insurance assets management company of CCB Life was officially launched

CCB Trust ranked first among peers in terms of volume of trust assets under management

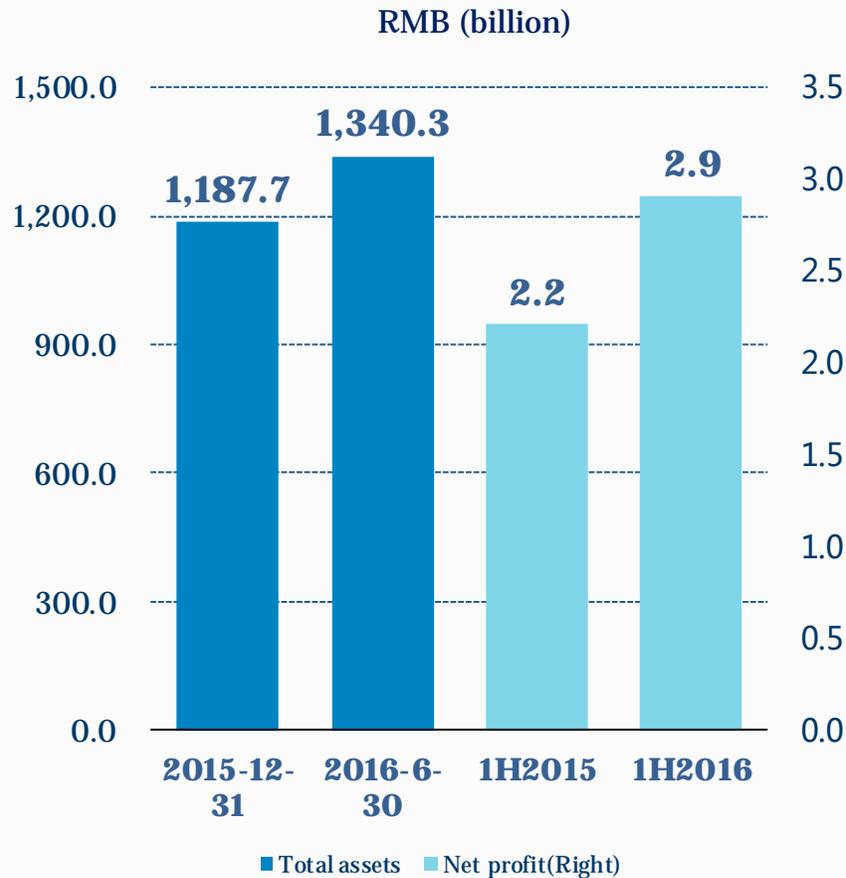
CCB Life came out on top in terms of premium income in the banking industry

CCB International ranked first in terms of number of international M&As and IPOs among Chinese investment banks in Hong Kong

CCB Financial Leasing ranked first in terms of leasing volume among peers in the leasing industry

Rapid development of international and overseas businesses

Fast growth in overseas commercial banks' net profits



Improved capacity of global financial services

The Zurich Branch and Chile Branch were launched; the Group has established over 140 overseas outlets in 26 countries and regions

Financial services in 137 countries and regions; the RMB clearing network covered 45 counties and regions

The revenue from international settlements in mainland China amounted to RMB2.56 billion, ranking first among the Big Four banks

Cross-border RMB settlement volume totaled RMB1.1 trillion and the Bank won the “2015 RMB Internationalization Service” Diamond Award from *Institutional Investors*

Initial successes for the intensive development strategy, and in innovative and smart banking

Continual improvement in business processes

Three business segments (asset management, inter-bank transaction and financial market transaction) were directly run by the Bank

Significant achievements in the development of three-integrated outlets

- Integrated outlets account for 98% for the total
- Integrated tellers accounted for 93.5%
- 22,000 integrated marketing teams were established, covering all integrated outlets

Remarkable achievements in integration of mid and back office

- Intensive operation services was successful in their engagement in the foreign currency business
- Business processing efficiency improved by 60%

The Phase 3.1 project of the new generation core system was successfully put into operation

Develop innovative and smart banking

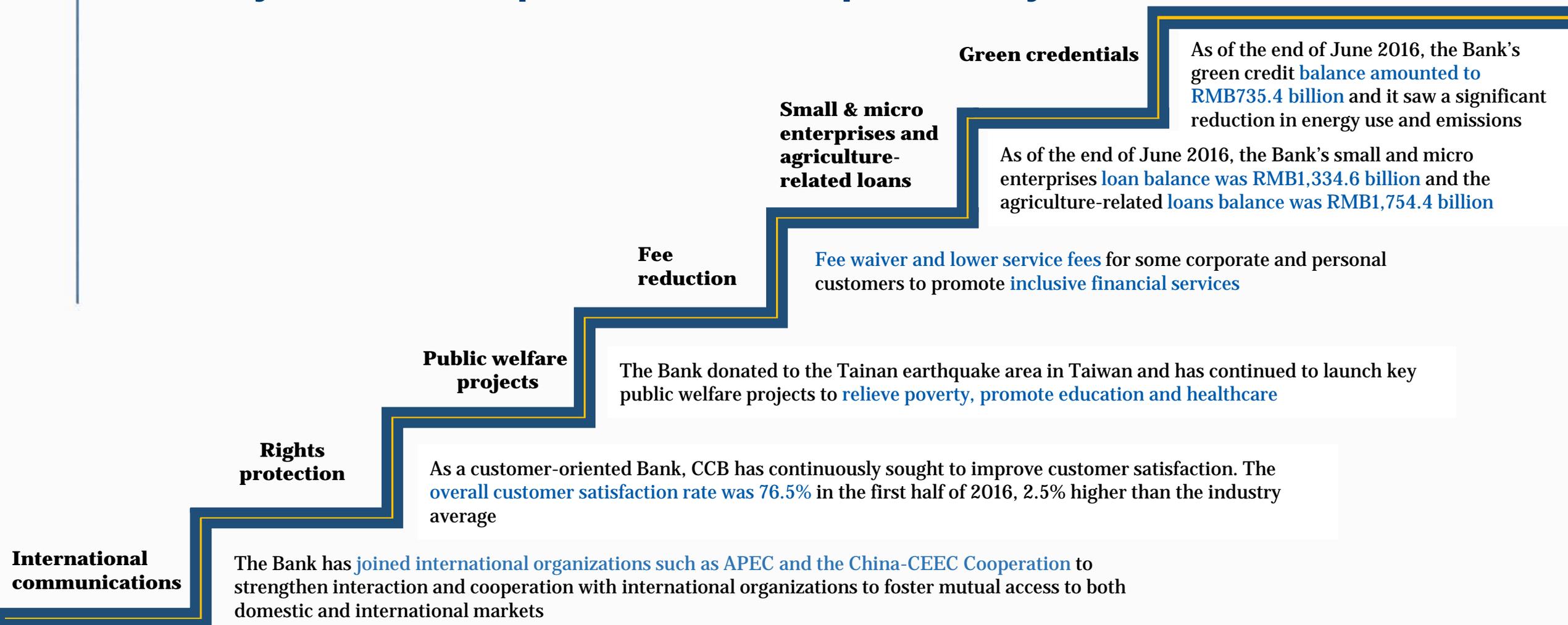
Intensified product innovation

- Supported major national strategies
- Seized new opportunities to develop technological infrastructure
- Strengthened the Group's internal cooperation
- Completed 318 product innovation projects and 64 product migration projects

Accelerated the development of smart banking

- Installed over 20,000 smart ATMs
- The handling volume of our smart customer service was 1.5 times the total of our manual customer service
- Strengthened research in key big data projects
- Promoted the application of big data in major businesses

Actively fulfilled corporate social responsibility

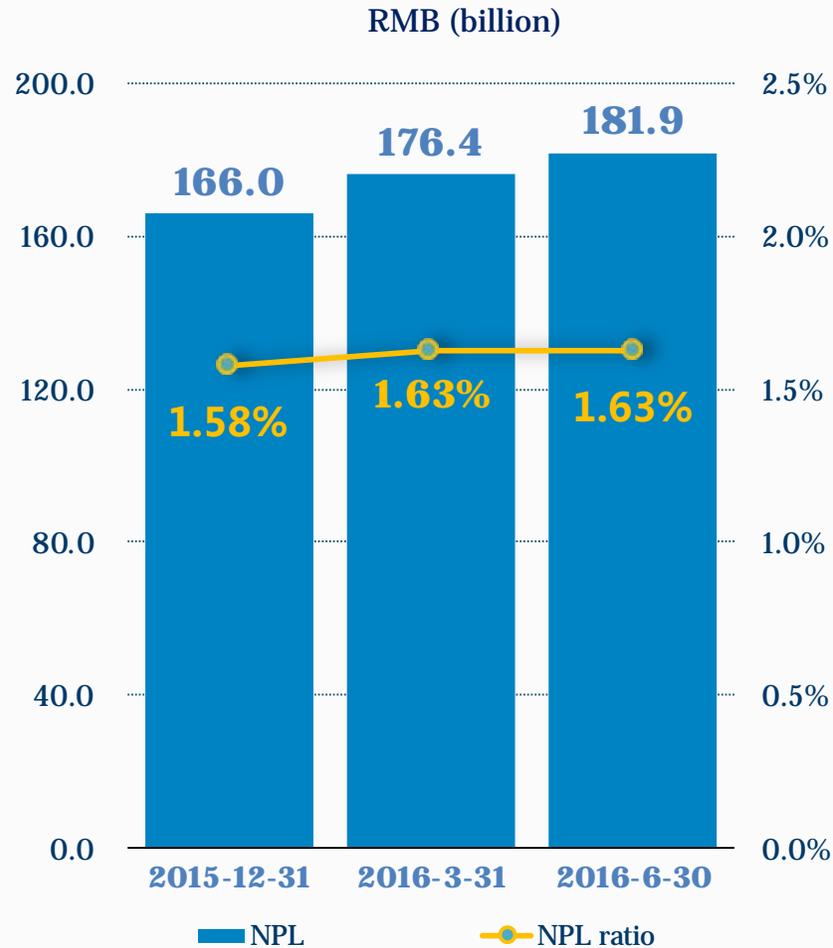


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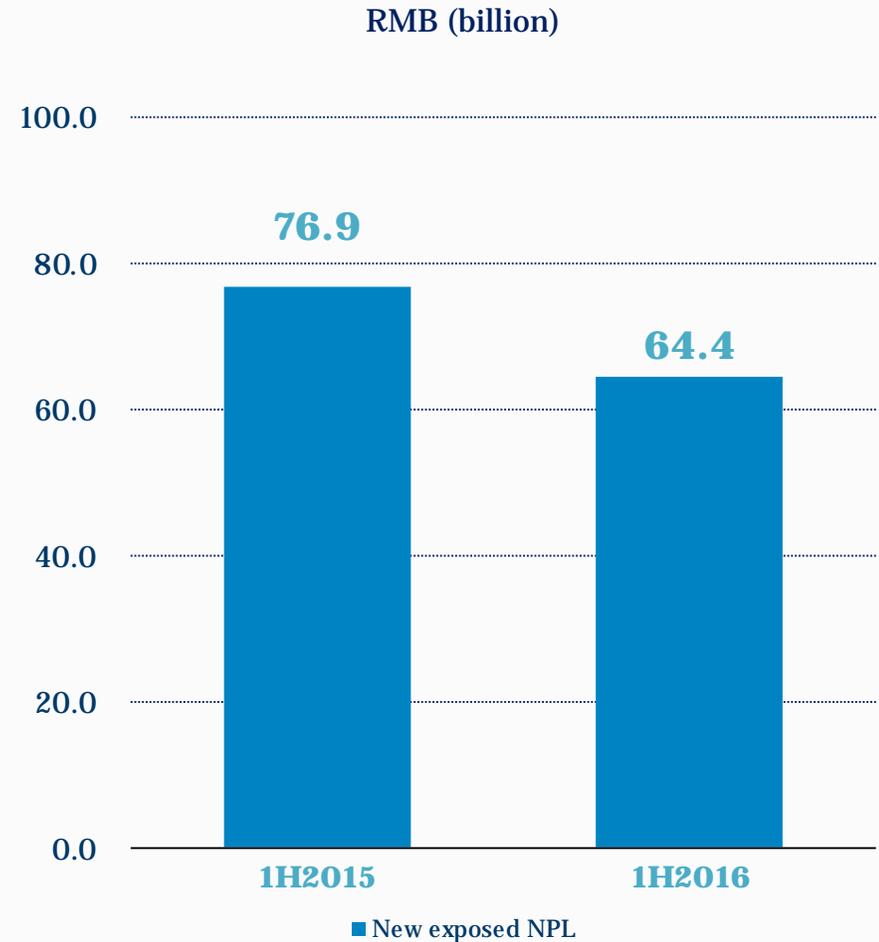


Stable overall asset quality

Flat NPL ratio

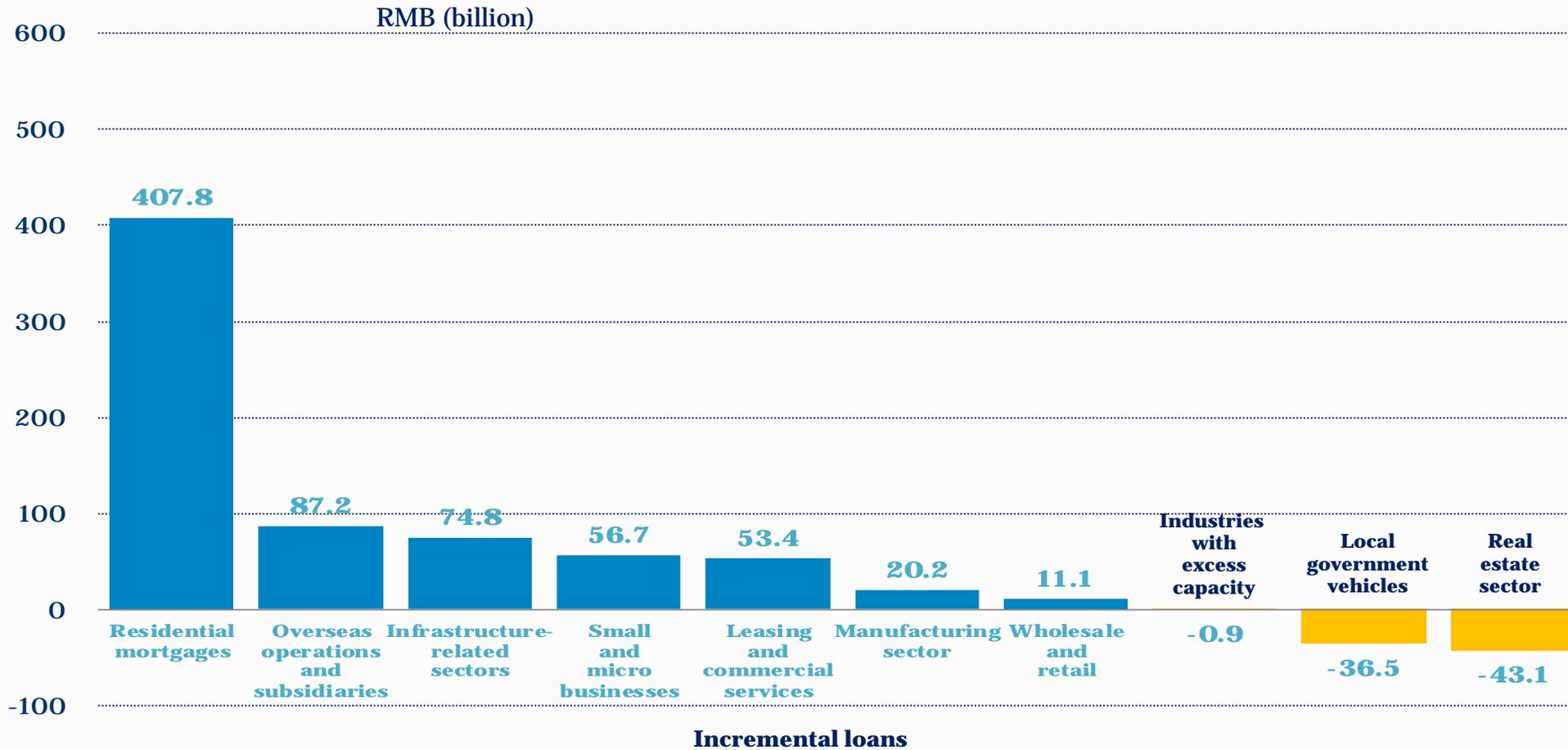


Decreased new NPL exposure (YoY)



Optimized credit structure

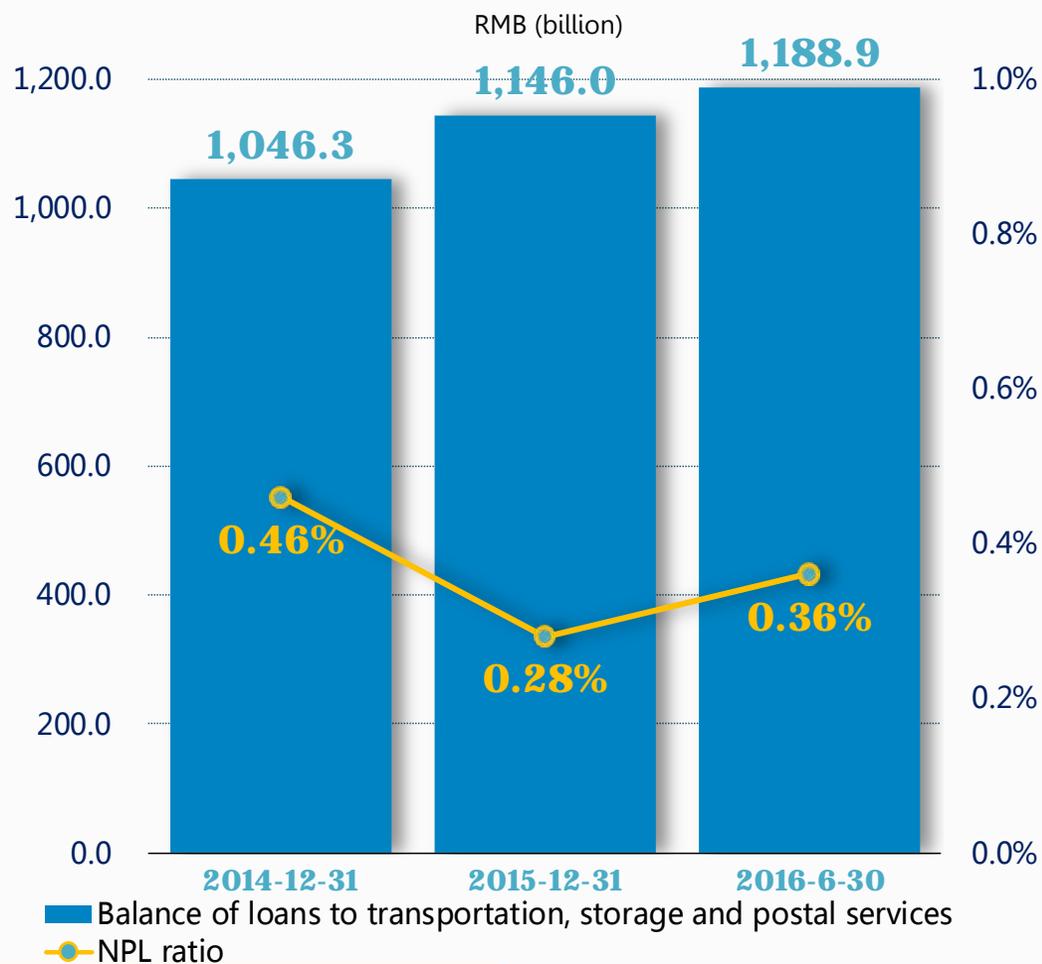
Continual adjustment of credit structure



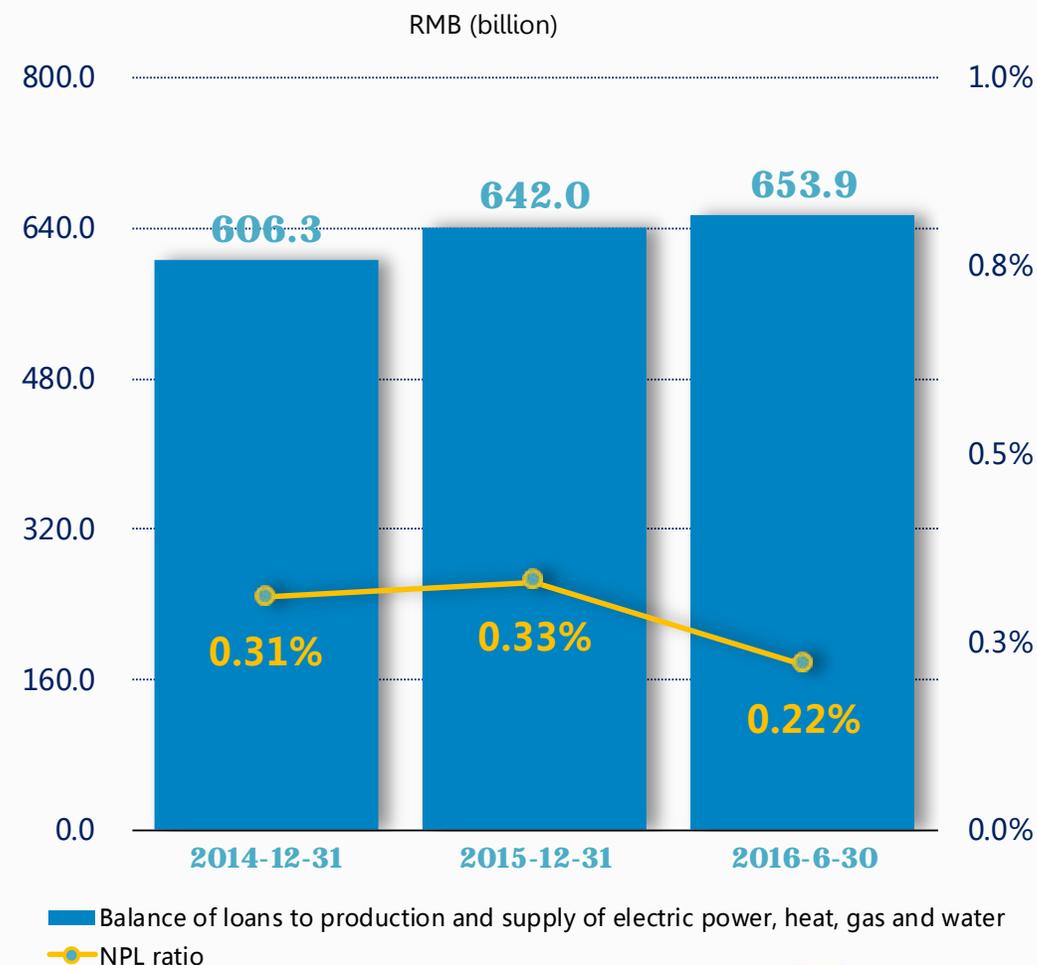
Note: Industries with excess capacity include steel, cement, electrolytic aluminum, plate glass, and shipbuilding.

Excellent asset quality of infrastructure loans

Good quality of loans to transportation, storage and postal services

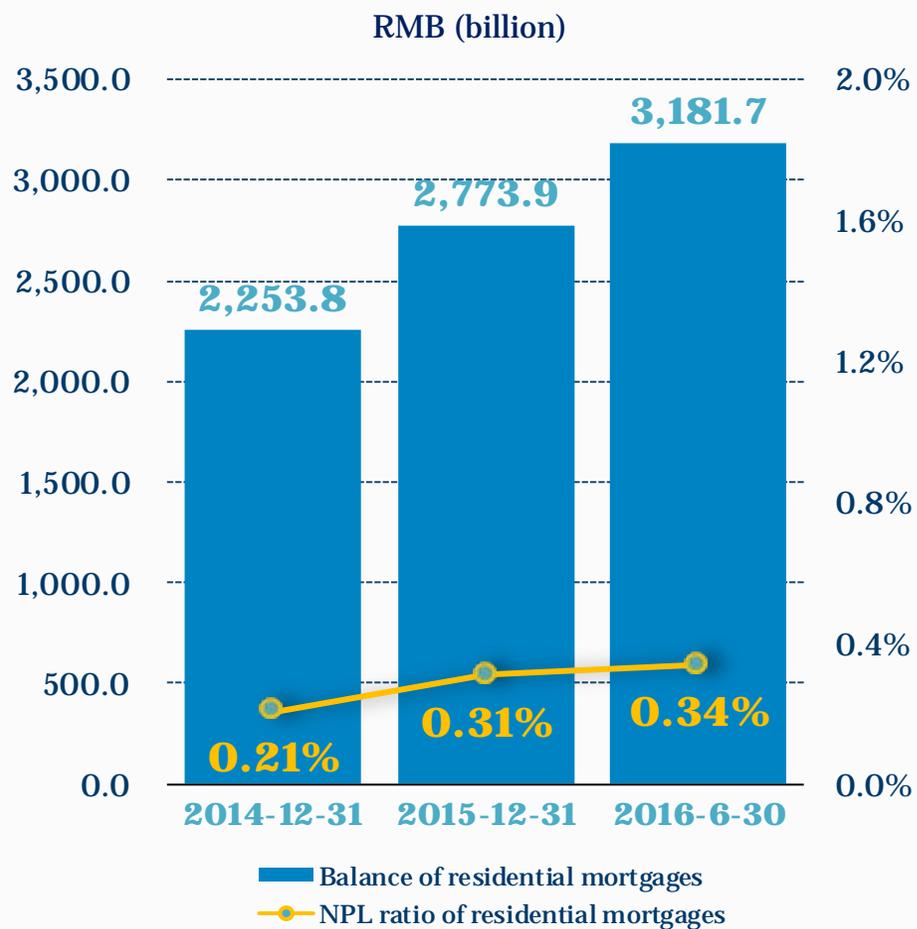


High quality of loans to production and supply of electric power, heat, gas and water

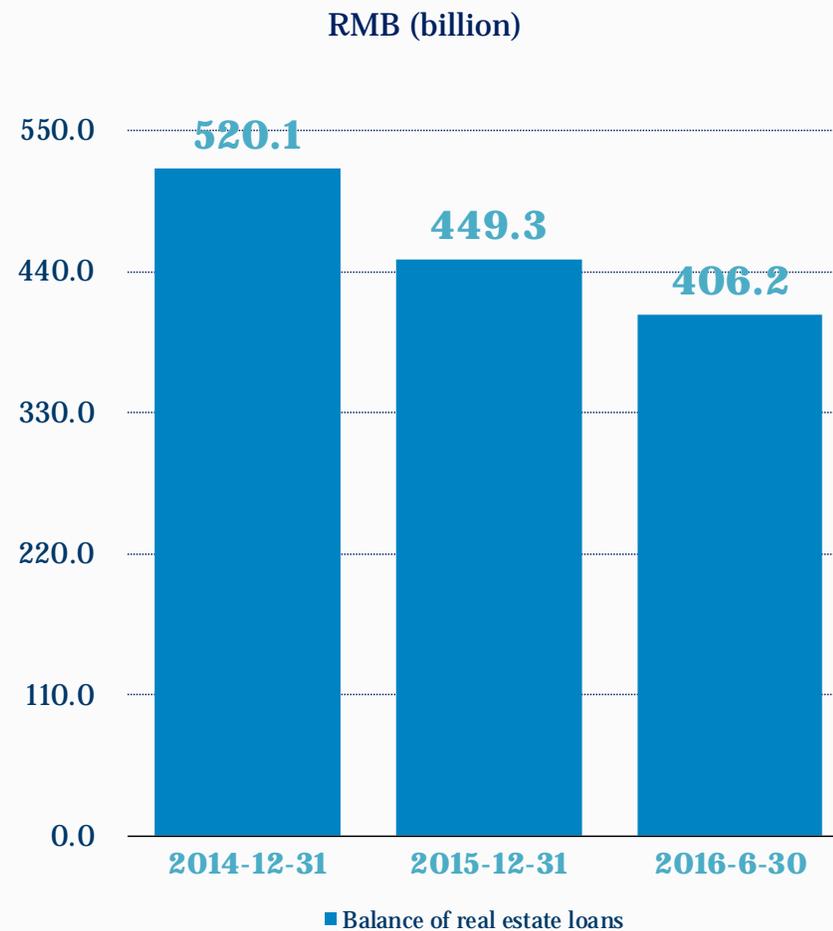


Asset quality of real estate loans under control

Asset quality of residential mortgages outperformed peers



Decreasing balance of real estate loans



Effective risk management in emerging sectors

Strict control over financial market risks

Credit debt risk identification

Strengthened post-investment management of credit debt

New generation of financial market processing IT system

Proactive initiation of Brexit emergency management

Keep an eye on euro and sterling rate risks

Strengthened risk control over asset management and inter-bank transactions

Management and control of asset management risks

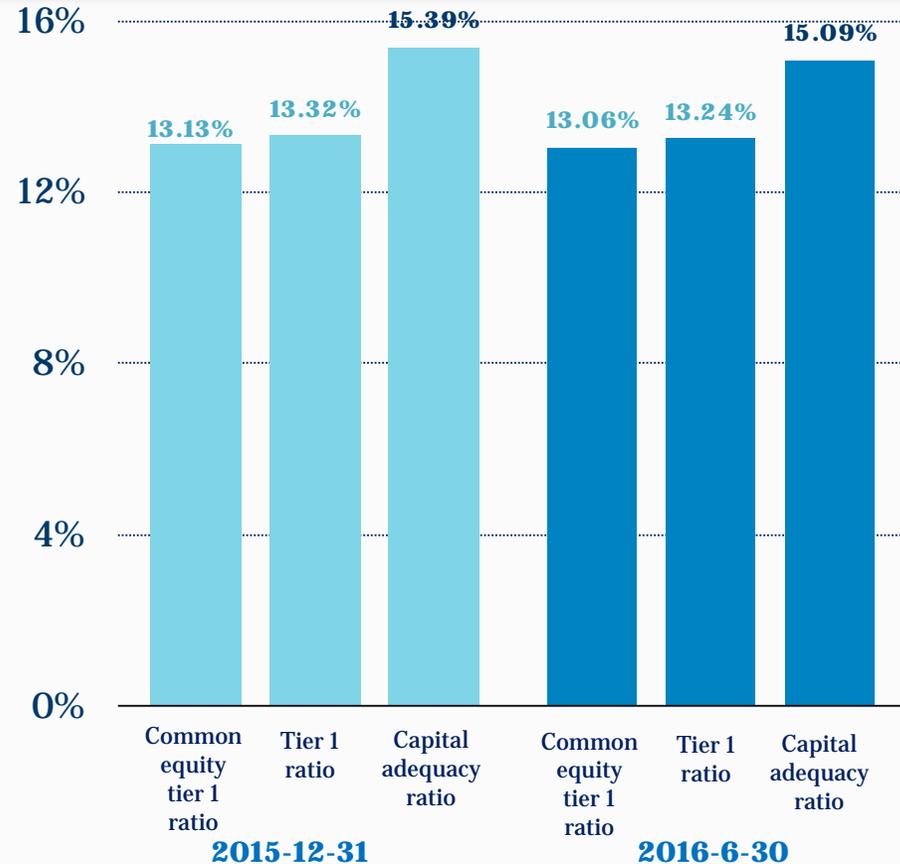
- Unified credit authorization system
- Routine checkup and reporting system
- Provisions for reputation risks and wealth management product risks

Management and control of inter-bank transactions

- Coordinated credit authorization and list management
- All-process market risks monitoring
- Upgraded liquidity risk management
- Improved level of systematic construction and automatic risk control

Intensified capital management

Highest capital adequacy ratio among peers



CAR was calculated in accordance with the Measures for Capital Management of Commercial Banks (Trial) using Advanced Measurement Approach, parallel period rules applicable.

Strengthened development of capital management capability

Recovery and disposal plan

Preparation for domestic preference shares

Intensified capital operation

Advanced credit risk internal rating-based approach

Advanced operating risk measurement approach

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Opportunities and challenges

Opportunities

Steady short-term growth of US and emerging economies

Optimization of domestic economic structure

Accelerated reform of supply-side structure

Implementation of major national strategies

Momentum in the development of the new economy

Challenges

Continuing low growth of the global economy

Lasting aftershocks of Brexit; likely declining growth in Eurozone

Rising risks of deflation in Japan

Great downward pressure faced by the Chinese economy

Influence of “de-capacity, de-stocking, de-leverage, cost-reduction and weakness-remedies” over asset quality

Increased operational requirements by regulators in the banking industry

Counter measures

Accelerating our transformation strategy to be a strong, first-class and big bank

To grasp current trends and serve the interests of society at large, support the development of the real economy

Constantly promote the implementation of strategic transformation and to build a more solid foundation for operation management

Make timely adjustments to operation policies and unleash development potential

Proactively explore new markets to adapt to supply-side structural reform

Support entrepreneurship and innovation to make small businesses big

Strictly control risks and ensure asset quality

Well recognized in the industry



The
Banker

2nd in the
"Top 1000 World Banks"



FORTUNE

22nd in the
"Fortune Global 500"



EUROMONEY
AWARDS FOR EXCELLENCE
2016

Best Bank in China 2016
by *Euromoney*



中国银行业协会
CHINA BANKING ASSOCIATION

Best Social Responsibility by a Financial Institution
China Banking Association award



**GLOBAL
FINANCE**

Best Liquidity Management Bank 2016 in Asia Pacific
by *Global Finance*



THE ASIAN BANKER®
STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY

Best Large-Scale Retail Bank 2016
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