

China Construction Bank Marks the 10th Anniversary of its Historic IPO



Left to right: Mr. Yang Wensheng, Executive Vice President, Mr. Wang Hongzhang, Chairman and Executive Director, Mr. Wang Zuji, President

In 2003, China kicked off its joint-stock system reform of state-owned commercial banks and since then has made significant headway in financial reform. As one of the first pilot banks in the country, China Construction Bank (“CCB” or the “Bank”) completed the process of shareholding reform through financial restructuring, as well as the shareholding system reform and the introduction of strategic investors. In October 2005, CCB went public in Hong Kong, which led to the largest global IPO and highest amount of fundraising by a company listed in Hong Kong till then.

The performance of CCB and its transformation have been outstanding in recent years:

- In terms of total assets as of the first half of 2015, the Bank’s total assets amounted to RMB 18.2 trillion, nearly five times the assets prior to the listing.
- In terms of profitability, since its public listing, profits have amounted to RMB 1.5 trillion. Compound annual growth rate on net profit was 16.6 percent and the annual net profit was nearly five times what it was before public listing.
- In terms of key indicators, CCB’s ROA (Return on Assets) and ROE (Return on Equity) were 1.51 percent and 20.18 percent respectively.
- In terms of investment returns, the Group has consistently distributed profits worth RMB 490 billion since it was publicly listed. Dividends paid by CCB amounted to more than 33 percent of its net income over the years.
- In terms of comprehensive capability, CCB ranked first four times and second three times for its seven core indicators, including capital adequacy ratio (CAR), return on assets (ROA), rate of return on common stockholders equity (ROE) and provision coverage ratio.

• In terms of social responsibility, as a large-scale bank, CCB has always been committed to giving back to society and has integrated the Group’s development with social development.

Since its public listing in 2005, providing clients with the best services has always been CCB’s aim, its measurement of reform and development, as well as the fundamental basis of establishing a world-class bank.

To date, CCB’s client base has gradually strengthened. Customer structure has been optimized over time and currently, CCB serves over 3.7 million corporate clients and 500 million individual clients.

A focus on infrastructure

“Where there is construction, there is China Construction Bank” — this is the motto that defines CCB. As of the first half of 2015, CCB’s loan balance was RMB 10.2 trillion, ranking it first among major banks. The Bank’s infrastructure loans are CCB’s specialty and strength. CCB has launched 268 major investment projects in countries with a total investment of more than USD 460 billion.

In terms of residential housing finance, CCB has been at the forefront in the industry for more than 20 years. The household slogan “Want to buy a house? Go to CCB” has established CCB’s brand image as the go-to bank for residential housing loans.

Multiple key indicators in CCB’s credit card business have ranked first in the industry, establishing CCB’s position as the front-runner in market expansion.

CCB was one of the first banks to launch custody services, with custody assets amounting to RMB 5 trillion.

CCB proactively provides financial services to small and micro businesses, closely integrated with supporting “mass

entrepreneurship and innovation”. To date, small and micro business clients number more than 247,000 with an outstanding loan balance of RMB 1.2 trillion, accounting for 14 percent of all loans and ranking first among peers for two consecutive years.

At present, CCB leads development in e-finance services in the industry. To date, the number of personal online banking customers is in excess of 200 million, the number of mobile banking customers has reached more than 170 million and the number of corporate online banking customers has reached 3.66 million, maintaining the Bank’s leading position among peers.

Developing non-banking businesses

In addition to its banking business, CCB has in recent years has promoted non-banking businesses. To date, CCB has launched six domestic subsidiaries, one overseas non-banking subsidiary and 27 rural banks, ranging from domestic markets to international markets. The non-banking business scope covers multiple industries, including insurance, trust, investment banking, funds, leasing, futures and pensions.

Under the guidance of China’s strategy, large Chinese financial institutions are accelerating their overseas expansion and upgrading their global capacity. China Construction Bank aims to strengthen its presence in Asia Pacific, expand its network in Europe and the Americas, and explore potential in emerging markets.

Based on this strategy, CCB has established 26 tier-one entities across 24 countries and regions, aiming to reach 30 entities by the end of 2015. Global financial service networks have been constructed and function across regions, currencies, time zones, and around the clock. The total assets of overseas entities have exceeded USD 200 billion, with the total profit up 36 percent in the last year, well above industry averages.

With the 10th anniversary of its public listing symbolizing the beginning of a new chapter in the Bank’s growth, CCB is still pursuing its transformation strategy of “integrating, multi-functioning, intensive, creative, and smart banking.” The Bank continues to be China’s front-runner in promoting the best operation and management practices for dealing with “substantial assets, big debts”.



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