For immediate release

**Going Full Steam Ahead with Transformation and Achieving Stable and Outstanding Results**

**——*****China Construction Bank announces operating results***

***for the first half of 2016***

China Construction Bank Corporation (“CCB” or the “Bank”) (A-share stock code: 601939; H-share stock code: 939) announced its operating results for the first half of 2016 on 25 August (the data herein were prepared under the International Financial Reporting Standards on a consolidated basis expressed in RMB, unless otherwise stated). As shown in the Bank’s interim report, during the first half of 2016, CCB continued to align itself closely with national development strategies and made solid progress in its transformation development, successfully delivering outstanding operating results. The Bank’s total assets amounted to RMB 19.76 trillion and net profit was RMB 133.90 billion. Annualized return on average assets and annualized return on average equity were 1.41% and 17.80% respectively. The Bank’s capital adequacy ratio and common equity tier 1 ratio were 15.09% and 13.06% respectively.

**Committed to the philosophy of stable and healthy operations and delivered good results on key indicators**

Year-to-date, CCB remained committed to implementing innovation and transformation amid a complex economic and financial environment. The Bank continued to optimize its business structure and achieved expected results on its key financial indicator. As shown in its interim report, during the first half of 2016, CCB maintained stable and healthy operations, and achieved steady and outstanding results. Net profit amounted to RMB 133.90 billion, up 1.25% from the same period of last year. As at the end of June, total assets amounted to RMB 19.76 trillion, an increase of 7.69% from the end of last year. Total loans and advances to customers increased by 6.23% from the end of last year to RMB 11.14 trillion. Deposits from customers rose by 7.37% from the end of last year to RMB 14.68 trillion. Meanwhile, the Bank actively responded to the challenges arising from interest rate liberalization by expanding its customer base and strengthening the innovation of its products. As a result, net fee and commission income increased by RMB 3.55 billion, up 5.57% year-on-year; while other non-interest income grew by RMB 7.95 billion, an increase of 83.18% compared with the same period last year. In addition, CCB continued to control costs and optimize its expenses structure, contributing to a year-on-year decrease of 0.99 percentage points in the cost-to-income ratio to 22.24%.

**Focused on serving the real economy and exploring new growth drivers**

CCB continued to closely monitor and study the business opportunities arising from China’s 13th Five-Year Plan, supply-side structural reform, and the implementation of strategic projects including the Yangtze River Delta Economic Zone, the coordinated development of Beijing-Tianjin-Hebei area and the “One Belt, One Road” initiative. As such, CCB has leveraged its strengths in infrastructure construction, cost advisory services and comprehensive licenses to serve the real economy, and has provided quality and efficient integrated financial services for major projects and important customers.

As at the end of June, CCB’s total loans increased by RMB 652.74 billion from the end of last year and its credit structure was further optimized. The Bank gave priority to major projects related to national strategies; as such, the balance of infrastructure loans increased by RMB 74.79 billion since the end of last year to RMB 2,782.58 billion. The balance of agriculture-related loans reached RMB 1,754.43 billion, of which loans for construction projects in new rural areas totalled RMB 75.71 billion. Catering to the needs of small and micro enterprises, the Bank has continued to increase the amount of credit allocated to these businesses and has remained committed to offering innovation-driven services to small and micro enterprises. As a result, loans to small and micro enterprises increased by RMB 56.69 billion since the end of last year to RMB 1,334.56 billion. The number of small and micro enterprise borrowers increased by 23,362 to 275,306 and the availability rate of loan applications for small and micro enterprises climbed to 93%. The accumulated amount of loans granted through online banking since 2007 amounted to RMB 217.26 billion, covering over 18,800 customers.

Meanwhile, CCB developed comprehensive financial solutions to provide customers with direct financing services in various forms, including bonds, securitization, M&A and funds. The Bank maintained its leadership in housing finance, ranking first among its peers in terms of both the balance and the increase of residential mortgages. By making use of new technologies, such as big data and the internet, the Bank has established the “Quick Credit for Small and Micro Enterprises” and other new service models enabled by financial technology, which continuously improved operations and risk control systems. In addition, the Bank has built an integrated financial service platform for small and micro enterprises and has continued to increase support for these businesses. Moreover, CCB seized new growth opportunities arising from areas related to people’s livelihoods, and adopted new tools and approaches such as the asset-light strategy to expand its presence in county-level markets.

**Transformation has unleashed strong growth dynamics with comprehensive operations delivering a number of bright spots**

Since the full implementation of its strategic transformation at the Group level, CCB has seen a number of bright spots in key areas of business transformation, achieving notable progress in its transformation development and further enhancing its customer-orientated comprehensive services capability. The Bank vigorously expanded its consumer finance business and saw total credit card spending amount to RMB 1.15 trillion, while accumulated credit card issuance reached 87.89 million, leading its peers in a number of performance indicators. The Bank’s emerging businesses also saw rapid growth, with the balance of wealth management products amounting to RMB 1.95 trillion, which helped CCB to maintain its leadership in terms of growth in this segment. The Bank was also a leading player in terms of the accumulated underwriting amount and in terms of debt financing instruments for non-financial enterprises. The assets under custody of the Bank totalled RMB 8.39 trillion, an increase of 17.02% compared with the end of last year, while the total revenue of businesses at the center of the Bank’s transformation, including insurance, wealth management and precious metals, increased 43% year-on-year.

At the end of June 2016, total assets of CCB’s integrated operation subsidiaries increased by 28.44% and net profit increased by 27.72%. The volume of assets under management of CCB Trust and the total leasing amount of CCB Financial Leasing both ranked first among peers, while CCB Life gained the highest premium income among the Bank-affiliated insurance companies. The numbers of projects for which CCB International acted as securities sponsor, underwriter and as M&A financial advisor was high compared with the rest of the market. Meanwhile, the Bank obtained approval to establish CCB Property Insurance Company Limited, CCB International successfully completed the acquisition of 75% equity interests in Medist, and the insurance asset management company under CCB Life was officially open for business. The increasingly strong market competitiveness of CCB’s subsidiaries have consolidated and expanded the Bank’s notable advantage in terms of the number of non-banking licences it possesses. Total assets of CCB’s overseas commercial banks were RMB 1,340.28 billion, an increase of 12.85% compared with the end of 2015, and net profit was RMB 2.91 billion, a year-on-year increase of 31.65%. In the first half of 2016, the volume of international settlement amounted to USD 638.53 billion, a year-on-year increase of 5.04%, and the volume of cross-border RMB settlement stood at RMB 1.09 trillion. With the openings of its Zurich Branch and Chile Branch, the Bank’s internationalization process continued to pick up rapidly and now has over 140 overseas institutions in 26 countries and regions.

At the same time, CCB continued to accelerate the transformation of its operation channels with the total number of multi-functioned outlets reaching 14,500. Both the numbers of personal online banking and mobile banking customers exceeded 0.2 billion, while the number of WeChat banking customers stood at 30 million. The Bank continued to enhance its capability to innovate its products, having completed 318 product innovation projects and 64 innovative duplication projects in the first half of 2016, all of which have supported the business development and transformation of the Bank. Phase 3.1 of the “New Generation Core Banking System” was successfully launched with the main engineering work expected to be completed by the end of 2016, which will further improve the corporate-level procedures and systems.

**Continued to reinforce risk management systems and yielded solid results in solving both incidental and fundamental issues**

Since the beginning of 2016, CCB has continued to carry forward the necessary de-stocking activities and put a lot of effort into reinforcing the management of the entire credit granting process. The Bank established a comprehensive differentiation mechanism for credit review and credit approval to refine the credit ratings assigned to customers. It also conducted a comprehensive re-examination of credit grants and an annual review. By accelerating the establishment of the risk management system for its three directly-run business segments (financial market transaction centre, inter-bank transaction centre and asset management centre), the Bank has effectively strengthened its risk management capabilities. In addition, CCB optimized its disposal structure and improved disposal efficiency by drawing upon various disposal measures, such as cash recovery, revitalising existing assets, writing-off bad debts and batch transfer of NPLs. During the first half of 2016, CCB’s NPL ratio was 1.63% and the ratio of allowances to NPLs was 151.63%.

During the first half of 2016, CCB’s achievements in every aspect were widely recognized by the market and the industry. The Bank received over 40 important accolades from renowned domestic and global organisations. CCB was named the “Best Bank in China 2016” by UK magazine, *Euromoney*, and “Best Bank for Liquidity Management in Asia Pacific 2016” and “Best Treasury and Cash Management Bank in China 2016” by US Magazine, *Global Finance*. The Bank also received the “Best Social Responsibility Financial Institution Award of the Year” from the China Banking Association. The Bank maintained its second place in UK magazine, *The Banker*’s “Top 1,000 World Banks” ranking in terms of tier 1 capital. In addition, it ranked 22nd in *Fortune*’s 2016 “Fortune Global 500”, up seven places from the previous year.

Looking forward to the second half of 2016, CCB will continue to align itself with China’s 13th Five-Year Plan and leverage its strengths to fuel the country’s real economic development. The Bank will seek to continuously innovate, build upon its competitive advantages, and reinforce efforts to prevent risk and boost control to ensure sound asset quality. In addition, CCB will continue to ensure the balanced and coordinated development of its assets and liabilities, and will further refine its management to strengthen its operating capabilities. CCB will take further advantage of the current trends and serve the interests of society at large while making timely adjustments to optimise its policies and drive innovation. Guided by the principles of “innovative, coordinated, green, open and inclusive development”, CCB will drive its transformation development to a new level of success.