**Press release**

For immediate distribution

**Innovative Development and Steady Operation**

**In Support of China’s Development**

*China Construction Bank Announces 2018 Interim Operating Results*

**Beijing/Hong Kong, 28 August 2018** – China Construction Bank Corporation (“the Bank” or “CCB”) (A-share stock code: 601939; H-share stock code: 939) released its operating results for the first half of 2018 (the data herein was prepared according to the International Financial Reporting Standards on a consolidated basis and expressed in RMB unless otherwise stated). In the first half of 2018, the Bank’s total assets reached RMB22.81 trillion, up by RMB680.80 billion from the end of the last year, representing a year-on-year increase of 3.08%. Net profit was RMB147.47 billion, up by RMB8.46 billion, or 6.08% year-on-year. Annualized return on average assets (ROA) and annualized return on average equity (ROE) were 1.31% and 16.66% respectively. The Bank’s tier-1 ratio and common equity tier-1 ratio were 13.68% and 13.08% respectively. The non-performing loan (NPL) ratio fell 0.01% to 1.48% from the end of last year.

In a complex and volatile internal and external environment, CCB adhered to steady and compliant operations, showing a steady growth in assets and liabilities, good profit growth, stable asset quality and a high capital adequacy ratio.

**Profitability Continued to Grow and Core Indicators Remained Stable and Sound**

The Bank reported pre-tax profits of RMB181.42 billion, up by RMB9.33 billion, representing an increase of 5.42% year-on-year. Net profit was RMB147.47 billion, increased by RMB8.46 billion or 6.08% over the same period last year. The ROA and ROE were 1.31% and 16.66% respectively. The Bank’s tier-1 ratio and common equity tier-1 ratio were 13.68% and 13.08% respectively.

Thanks to the central bank’s targeted reserve requirement ratio (RRR) cuts, improved returns on assets and a consistent optimisation of the asset and liability structure, the net interest spread and net interest margin reached 2.20% and 2.34%, an increase of 17 basic points and 20 basic points, respectively.

The indicators in the first half of the year were stable overall. Firstly, interest-generating assets achieved moderate growth, and net interest income increased by RMB21.63 billion or 9.93% from the same period last year as a result of loan mix optimization and improvement of pricing capability. Secondly, the net income of fees and commissions remained stable and new products such as credit cards and corporate settlements grew rapidly. Thirdly, operating expenses increased 5.86% year-on-year in line with the growth in efficiency; the cost-to-income ratio of 22.15%, a decrease of 0.16 percentage points year on year, maintained at a good level.

While profitability continued to maintain a good momentum, the Bank’s asset quality has been steadily improving and strengthening. In the first half of 2018, CCB established the first risk measurement centre among the big commercial banks in China to comprehensively improve the effectiveness of the risk monitoring and early warning platform. As of the end of June 2018, the non-performing loan balance was RMB198.75 billion, and the NPL ratio was 1.48%, down by 0.01 percentage points from the end of last year. Special-mentioned loans accounted for 2.82%, down by 0.01 percentage points since the end of 2017.

**Continued Optimisation of the Credit Structure and Serving the Real Economy**

In the first half of the 2018, CCB actively promoted high-quality economic development. With a focus on supply-side structural reform, CCB took the initiative to meet the demands of national economy and social development, made steady progress in credit structure adjustment and helped to strengthen the real economy.

The Bank’s customer deposits totalled RMB16.97 trillion, an increase of RMB601.74 billion or 3.68% from the end of last year. Among them, the deposits from domestic companies amounted to RMB8,989.69 billion, an increase of RMB288.82 billion, or 3.32% from the end of the previous year. The deposits from domestic individuals amounted to RMB7,473.14billion, an increase of RMB367.33 billion, or 5.17% from the end of the previous year.

Loan growth grew steadily, the credit structure was constantly optimized, and the asset quality remained stable. In order to support the development of the real economy, the net amount of loans and advances to CCB customers increased by RMB494.01 billion, or 3.93% since the end of last year. The real increase rate was 4.05% considering the adjustment based on the new financial instrument standards at the initial period.

The loan balance in the infrastructure sector was RMB3,490.79 billion, an increase of RMB133.35 billion since the end of last year, or 3.97%, accounting for 52.55% of the total loan balance. At the same time, the Bank strictly implemented the list management, with a loan balance of RMB127.98 billion for serious overcapacity industries and a loan balance of RMB360.12 billion for real estate development, mainly supporting high-quality real estate clients and ordinary commodity housing projects. The loan balance for agriculture was RMB1,746.18 billion.

At the same time, CCB actively promoted the set-up of a national level strategic emerging industry development fund jointly with the National Development and Reform Commission. Through bonds and asset securitization, RMB17.94 billion was channelled into the housing rental market. The Bank’s first single-debt-to-equity asset-backed bill business opened up new channels for market-based fund-raising for debt-to-equity swap projects. The total underwriting of 277 non-financial corporate debt financing instruments were RMB195.77 billion.

To support the green economy, CCB continued to leverage its position as an exclusive lead underwriter to provide green asset-backed note issuance services to customers in the green financial reform and innovation pilot areas. The Bank promoted the issuance of the first green construction panda bond and green bonds in the inter-bank market. Total registered green bonds reached RMB11.80 billion.

**Significant Progress in Reform and Innovation**

The Bank is committed to building a better life and enabling people to enjoy the achievement of modern financial development. In the first half of 2018, CCB’s operations and innovation focused on the "three major strategies" of housing leasing, fintech and inclusive finance, the operation and innovation established a good momentum of financial technology-driven, financial concept-led and strategic coordinated development.

Housing leasing continued to lead the market. The Bank was proactive in its responsibility and mission as a state-owned bank and leveraging traditional housing finance and the technological prowess of its New Generation Core System, took the lead to introduce comprehensive housing rental solutions in the banking sector and built a housing rental service platform with five systems integrated into one. The Bank, working with the Government and enterprises, created a long-term rental community. CCB launched the first housing rental price index. It also established Jian Xin Housing Services Co. Ltd. to create the service brand - "To Lease a Home, Go to CCB". So far, the Bank have signed housing leasing cooperation agreements with more than 300 cities at prefecture level and above, and 243 cities have been equipped with the online platform. It has cooperated with 1,500 enterprises in the leasing market. The platform has accumulated more than 350,000 apartments online and rented nearly 90,000.

Fintech as a driving force has been significantly enhanced. CCB has established CCB Fintech Co., Ltd., mapped out its fintech strategic plan for the next five years and set up the Fintech Innovation Committee. By continuously improving its control over e-banking security and promoting security measures such as biometric authentication, CCB continued to build its smart and proactive cloud security system. Following the launch of an online platform for comprehensive housing rental services, CCB continued to introduce and promote social platforms for smart governance, elderly care, religious affairs, Party and community services.

The win-win effect of inclusive finance is remarkable. CCB adopted the Strategy for Supporting Small Industries and Small Enterprises. By leveraging the fintech strength of the “New Generation” core banking system, CCB innovatively optimized products including Quick Loans for SMEs, cloud tax loans, collateralized fast loans, account clouds and launched products including inclusive financial asset securitization, Bank for Yinghuo Makers and Huinongbao No. 1. Nearly 300 small business operation centres have been set up based on the "credit factory" model and more than 1,500 individual credit centres have been built. As of the end of June, the balance of inclusive financial loans was RMB491.29 billion, up by RMB72.79 billion from the end of last year, and a year-on-year increase of 44.33%. The number of customers with inclusive finance loans was 868,500, a year-on-year increase of 383,400.

The Bank has been committed to fully fulfilling its social responsibility and contributing to a caring society. Adhering to the concept of “openness, sharing and being responsible”, Following the people-oriented development philosophy, CCB aims at serving the public in pursuit of a better life. It proactively seeks to solve social challenges with its financial strength, further promotes the opening up and sharing of network service resources and enhances the network service capacity. Since the first half of 2018, the Bank has launched “Caring Stations” in outlets, creating a new brand for serving people's livelihood. So far, it has been listed in over 14,000 outlets with a view to provide beneficial services for the public, in particular for outdoor workers including sanitation workers, taxi drivers, traffic police, urban management workers, delivery workers, volunteers as well as social groups in need of special care such as the elderly, the weak and disabled, the pregnant, missing children and examinees.