**Press release**

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**Transformation and Development Rooted in the Real Economy, Steady Operation from Rigorous Risk Control**

*China Construction Bank Announces 2017 Interim Operating Results*

**Beijing/Hong Kong, 30 August 2017** – 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 2017 (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 2017, the Bank actively adapted to change, continued to serve the real economy, persisted in steady and compliant operation, conducted overall risk prevention and control, and accelerated its transformation and development. The Bank performed well in its core indicators and achieved measurable improvements in terms of scale, effectiveness and quality. The Bank reported total assets of RMB21.69 trillion, which delivered a net profit of RMB139,009 million, up by 3.81% year-on-year. Annualized return on average assets and annualized return on average equity were 1.30% and 17.09% respectively. The Bank’s total capital ratio and common equity tier-1 ratio were 14.50% and 12.68% respectively.

**Steady Performance in Core Indicators and**

**Profitability Continued to Grow**

In an economic and financial environment that presented both challenges and opportunities, the Bank has continued to evolve and deliver steady growth and its core financial indicators were in line with expectations.

In the first half of 2017, the Bank continued to operate steadily and delivered outstanding results in some areas. The Bank reported a net profit of RMB139,009 million, representing an increase of 3.81% year-on-year. As of the end of June 2017, the Bank’s total assets reached RMB21.69 trillion, an increase of 3.47% since the end of 2016. Gross loans and advances to customers increased by 6.38% since the end of 2016 to RMB12,507.02 billion. Deposits from customers amounted to RMB16,274.39 billion, representing an increase of 5.66% since the end of 2016. Meanwhile, the Bank proactively responded to challenges brought by the liberalisation of interest rates, actively expanded its customer base, and strengthened product innovation, growing its net fee and commission income by nearly RMB900 million year-on-year, or 1.32%. The Bank continued to improve its cost management and optimised its expense structure, achieving a cost-to-income ratio of 22.31% and maintaining overall stability year-on-year.

**Continuing to Tap into the Real Economy and**

**Improving Overall Service Performance**

CCB is resolutely committed to serving the real economy through its business operations and has given its full support to national strategies such as the “Belt and Road Initiative”, as well as the coordinated development of the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt and the construction of the Xiong’an New Area. The Bank leveraged its strengths in infrastructure construction, its engineering cost advisory service and its comprehensive licenses to further strengthen its contribution. As a state-owned financial institution, the Bank played a pivotal role in national economic development by providing superior, efficient and comprehensive financial services to major projects and key clients. The Bank has increasingly improved its integrated services by upholding the customer-centric philosophy.

As of the end of June, the Bank recorded RMB3,223.92 billion in loans to the infrastructure sector, accounting for 50.78% of corporate loans and advances. Agriculture-related loans amounted to RMB1,722.50 billion, of which loans to new countryside construction accounted for RMB42,165 million. Meanwhile, the Bank continued to optimise its credit structure by strictly implementing “name list management” to control loans across five industries with severe overcapacity: iron and steel, cement, electrolytic aluminium, plate glass and shipbuilding.

In the first half of 2017, the Bank set up the Inclusive Finance Division to enhance the application of big data and internet technologies in targeted customer service and precise risk control. The Bank also focused on creating the "Small and Micro Fast Loan", "Yunongtong" and other key products. At the end of June, loans to small and micro enterprises reached RMB1,490.07 billion, representing an increase of RMB48.18 billion since the end of 2016. The number of small and micro enterprise borrowers was 397,400, representing an increase of 88,500 since 2016. The availability rate of loan applications for small and micro enterprises was 92.86%, up by 1.95 percentage points since 2016, fulfilling the regulatory requirements of “Three No Less Than”.

The Bank continued to maintain its core competitiveness in housing finance. At the end of June, residential mortgage loans had increased by 9.50% since the end of 2016 to RMB3,926.19 billion. The Bank steadily carried forward its loan business for indemnificatory housing to meet the self-occupied housing needs of low and middle-income residents and accumulatively granted personal indemnificatory housing loans of RMB5.21 billion in the first half of 2017. Consumer finance grew rapidly and at the end of June, the number of credit cards issued totalled 102 million, with the spending amount reaching RMB1.24 trillion.

**Understanding the Pattern of Financial Risks and**

**Managing the Bottom Line Through Targeted Management and Control**

In 2017, CCB has continued to enhance its risk management system, and study in-depth the evolution pattern of the occurrence, transference and transmission of risks in order to identify and control risks more accurately. Through its business operations, the Bank has conscientiously helped to maintain financial security and create stability in the market through its role as a state-owned financial institution. The Bank has introduced a number of measures to identify, assess and mitigate risks more scientifically, detect risks upfront, improve the cooperative risk-prevention and -management system, and coordinate the liquidity management of the Bank more scientifically.

The Bank focused on embedding comprehensive risk management in all segments of the Bank, covering all types of risks. It strengthened issues monitoring and alerts, the assessment and diagnosis of risks, and enhanced the whole-process risk management system. In addition, the Bank enhanced its issues monitoring across its subsidiaries to assess their business risks in a more systemic manner.

In the first half of 2017, the Bank reported positive trends across all regulatory indicators, and the risks faced by the Bank remained stable and within control. At the end of June, the non-performing loan (NPL) ratio stood at 1.51%, representing a decrease of 0.01 percentage points from 2016. The provision coverage ratio was 160.15%.

**Integrated Operations are Creating Competitive Advantage,**

**Innovation is Driving Strong Vitality**

As of the end of June 2017, the Bank’s total assets across all integrated operation subsidiaries had grown by 10.41% since the end of last year to RMB409.56 billion, and the net profit grew 20.89% year-on-year to RMB3.36 billion. The net profit of overseas commercial banks grew 86.70% year-on-year to RMB5.43 billion during the reporting period. In the first half of 2017, the volume of international settlement amounted to USD578.87 billion, generating income from international settlement of RMB2.74 billion, and the total volume of cross-border RMB-denominated settlement was RMB428.96 billion. The Bank steadily grew its overseas presence: CCB Indonesia was inaugurated in February 2017, and the Bank opened the Warsaw branch of CCB Europe, CCB Malaysia and a branch in Perth, Australia. At the end of June, CCB had a total of 251 overseas branches in 29 countries and regions. Meantime, the Bank’s new services experienced rapid growth: the balance of wealth management products was RMB2 trillion , the underwriting amount of debt financing instruments and the number of deals for non-financial enterprises outstripped competitors, and the assets under custody totalled RMB10 trillion.

In the first half of 2017, CCB continued to turn information technology and product innovation into drivers of development, supporting the Bank’s transformation. The Bank successfully developed its new generation core banking system, promoted the “Long Card” payment system, and improved its mobile finance products. The Bank enacted the national policy requirements for targeted financial poverty alleviation through issuing poverty alleviation bonds and launching innovative projects such as Shan Rong Village-Town Connection and targeted poverty alleviation platforms. In the first half of 2017, the Bank completed 152 product innovation projects and 280 product transplantation projects.

CCB continued to accelerate its channel transformation. The number of integrated outlets accounted for 99% of all outlets. The number of personal online banking users, mobile banking users and WeChat banking users topped 250 million, 240 million and 62 million, respectively. With cutting-edge financial technology products, the Bank achieved whole process control of customer inquiries by developing a 24/7 comprehensive, multi-function, smart cloud customer service system which is available via telephone bank as well as on mobile and online channels.

In the second half of the year, CCB will focus on: supporting the real economy; preventing and controlling financial risks and deepening financial reform; improving governance to ensure compliant and sound business operations; continuing to support national strategies with its advantages; meeting the needs of supply-side structural reform; supporting economic development; increasing efforts to prevent and eliminate risks; and further strengthening its value as a state-owned large commercial bank in advancing economic growth and the healthy development of the financial market.