**Press release**

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**Fully Implement the Three Major Strategies to Energize Internal Growth Impetus**

**Serve the Real Economy with Prudent Management and Consolidated Advantages**

China Construction Bank Announces 2018 Annual Results

**2018 Financial Highlights (RMB):**

* Total assets amounted to RMB23.22 trillion, representing an increase of 4.96% compared with 2017.
* Net profit reached RMB255.63 billion, representing an increase of 4.93% compared with the previous year, while net profit attributable to equity shareholders improved by 5.11% year-on-year to RMB254.66 billion. Net interest income reached RMB486.28 billion, an increase of 7.48%. Net interest margin (NIM) reached 2.31%, an increase of 10 basis points.
* Return on average assets and return on average equity were 1.13% and 14.04%, respectively.
* Capital adequacy ratio (CAR) was 17.19%; non-performing loan ratio was 1.46% and the allowances to non-performing loan (NPL) ratio was 208.37%.
* Based on a strong business performance, the Board of Directors recommends a final cash dividend of RMB0.306 per share (tax included).

27 March 2019, Beijing and Hong Kong, China - China Construction Bank Corporation (Shanghai stock code:601939, Hong Kong stock code:939; CCB or the “Bank”) today announced its operating results for 2018. As of the end of 2018, CCB’s total assets reached RMB23.22 trillion, a year-on-year increase of 4.96%, in which loans and advances totaled RMB13.78 trillion, an increase of 6.82% over 2017. The Group’s total liabilities reached RMB21.23 trillion, a year-on-year increase of 4.44%, including RMB17.11 trillion in deposits, up 4.55%.

The Bank’s profit maintained solid growth; core indicators remain stable and balanced. The net profit reached RMB255.63 billion, a year-on-year growth of 4.93% or an increase of 0.1 percentage point in growth rate compared to 2017. Net interest income increased by 7.48% and the net interest margin was 2.31%, up 10 basis points year-on-year. Net fee and commission income grew by 4.45%. Return on average assets was 1.13%. Return on average equity was 14.04%. Cost to income ratio was 26.61%. Capital adequacy ratio was 17.19%.

In 2018, CCB continued to uphold its mission and responsibility as a big bank; progressing with the times, developing with the country, prospering with all industries, bringing together all the know-how of its employees, unleashing the power of science and technology, focusing on serving the real economy, fully implementing the three major strategies of House Rental, Inclusive Finance and Fintech, supporting supply-side structural reforms, strengthening internal control risk management, and promoting the high-quality development of the Bank's business to obtain good economic and social benefits.

**Achievements of Three Major Strategies Show New Drivers of Growth from Innovation and Development**

In 2018, CCB fully implemented the “three major strategies” of House Rental, Inclusive Finance and Fintech, focusing on the pain points of people's livelihood, empowering society with the power of finance, and realized new business development in the process of boosting economic and social development.

CCB has advanced the house rental strategy in depth, activating the housing factor market by financial means and stabilizing the leasing relationship and price to promote the development of the house rental market. CCB established the first bank housing service company - Jianxin Housing Services Co., Ltd. It set up a housing rental service platform, on which the cumulative number of online listings and registered users has each exceeded 10 million. CCB has built a "Jian Rong Jia Yuan" long-term rental community to explore the new model of inventory housing business. It has also initiated a housing rental ecosystem and enhanced the scenario-based service functions and professional service, forming a nationwide rental service network.

CCB has comprehensively launched the inclusive finance strategy, integrating modern technology, and exploring a new model of inclusive finance featuring “mass customer acquisition, accurate profiling, automated approval, intelligent risk control, and integrated services”. CCB is leading the industry in terms of outstanding loans and incremental loan growth, promoting new online financing models such as online supply chain, reaching SME clients in small industries through large corporate clients in big industries, and introducing 26 targeted measures to support the private economy and small and micro enterprises. CCB is also committed to creating the “quick loan” product series and the platform-based business model. A total of more than RMB710 billion worth of loans were made, benefitting 550,000 small and micro enterprises. CCB has explored new ways to deepen rural finance, introducing new forms of financial support, including “agricultural quick loan”. Relying on “Shan Rong” e-commerce website, CCB has built a new channel for poverty alleviation, launched "Min Gong Hui", a new platform of exclusive services for migrant workers, and built a one-stop service platform "Hui Dong Ni", so as to expand the coverage of inclusive finance and take a leading position in the industry. At the end of 2018, the Bank's balance of inclusive finance loans was RMB631.02 billion, representing an increase of RMB212.52 billion or 50.78% over the previous year, with the balance and new inclusive finance loans ranking number one in the industry.

CCB has focused on implementing the fintech strategy, launching a new round of fintech "TOP+" strategy, establishing CCB Fintech Corporation, integrating and establishing seven key business groups. CCB is using big data, blockchain, artificial intelligence to empower product innovation, customer service and risk management, and extending the new generation of core systems to overseas institutions and subsidiaries to realize the Group’s information technology capabilities. CCB has built 17 platforms including public cloud service and smart government administration to provide customized technical support services for customers, financial institutions and government departments. CCB has continued to explore market-oriented talent development and incentive mechanisms, working with professional institutions to establish an open platform to build an ecosystem of cutting edge technology, financial scenarios and innovative business models, so as to enhance the ability to absorb, transform and apply modern technology.

**Precise and Effective Support of the Real Economy; Facilitating Supply-side Structural Reforms**

CCB is committed to serving the real economy and making it the top priority of its business operations. It is closely-linked to and proactively supported major national strategic programmes, including “Belt and Road”, Beijing-Tianjin-Hebei Collaboration, the Yangtze River Economic Belt, the Guangdong, Hong Kong, Macao Greater Bay Area and free trade zones. CCB provided the first commercial bank loan for the Xiong'an New District construction project. The Bank launched the “Shan Xing Chen Jian” financial brand to support the construction of urban infrastructure such as smart city and eco-environment protection. At the end of 2018, the Bank’s loan balance for the infrastructure industry sector was RMB3.46 trillion, an increase of 3.04%, maintaining its leading position in the industry.

CCB thoroughly implemented supply-side structural reform, and steadily promoted market-oriented and law-based debt-for-equity swaps, with a total contract amount of RMB723.3 billion, with a total realized amount of RMB153.4 billion, leading the industry. CCB is actively following up on the transformation and upgrading of the economy, actively adjusting the credit structure and re-evaluating the credit policy. It implemented the national strategy of ecological civilization construction and environmental protection, with the green credit balance reaching RMB1.04 trillion. Together with the National Development and Reform Commission, CCB initiated a fund to boost the national strategic emerging industry development. CCB’s balance of strategic emerging industry loans reached nearly RMB400 billion and the credit balance of overcapacity industries continued to decline. It also successfully completed the first green and sustainable development bond issuance. The Bank uses diversified investment and financing means such as bonds, funds, mergers and acquisitions, asset securitization, investment and loan linkages, to support the development of new technologies, new forms of organization and new industrial clusters.

CCB has accelerated the development of its new retail business to meet the needs of consumers’ consumption upgrades. CCB is expanding convenient and easy-to-use financial products such as “quick loans” in line with consumption patterns. The balance of personal self-service loans through electronic channels reached RMB189.93 billion. CCB created the “Long Pay” enterprise-level digital payment brand, with a total of 85.02 million customers, and transaction volume of 316 million. With a new model of "Wealth Management + Ecosystem" intelligent empowerment, CCB launched the personal wealth management and service platform "Long Wealth” for the public. CCB has continuously optimized the credit card business management structure, developed market segments, and expanded services to benefit the public. As of 2018, a total of 121.40 million credit cards were issued, with the annual transactions amounting to RMB2,992.74 billion. Core indicators including total customer volume, loan balance and asset quality continued to lead the industry. Personal mobile banking users exceeded 300 million; the number of users adding CCB account as their WeChat payment method reached 89 million, and the intelligent “small micro” answers questions from WeChat users more than 1 million times a day.

**Steady Development on a Solid Foundation; Comprehensive Enhancement of Risk Management**

With the help of the “new generation” system and big data, CCB has continued to deepen its understanding of the evolution of financial risk migration in the new situation, building a modern bank risk control system based on comprehensive and active management. CCB built an enterprise-level, digital comprehensive risk monitoring and early warning platform, set up the first risk measurement centre in China, as well as enriched and developed risk management technology system and toolkit to improve the digital intelligence level of risk control with modern technology. The Bank also promoted post-lending specialization and intensive management of collateral to improve the efficiency of risk disposal. At the end of 2018, the bank's non-performing loan balance was RMB200.88 billion, and the non-performing loan ratio was 1.46%, a decrease of 0.03 percentage point from the previous year. The allowances to NPLs was 208.37%, an increase of 37.29 percentage points over the previous year.

CCB has strengthened market risk prevent and direct business management, and steadily responded to fluctuations in the foreign exchange, bond and stock markets to avoid cross-contagion of risks. CCB has adhered to the principle of prudent liquidity risk management, and anticipated changes in the domestic and external capital situation and form in a forward-looking approach. The Bank played the role of market stabilizer for big banks while ensuring payment settlement security. CCB has strengthened statistics on violations losses and post management, promoting the application of management tools to improve internal operational risk management. CCB continued to improve the reputation risk management system and mechanism. It also focused on strengthening the subject and post responsibility of compliance management. The Bank has strictly implemented anti-money laundering, anti-terrorism financing, anti-tax evasion and other relevant regulatory requirements, and established a three-dimensional management mechanism. Audit roles and abilities continue to grow, creating a strong third line of defense.

**Openness, Sharing and Giving Back to Society; Fully Fulfil a Big Bank’s Social Responsibility**

Adhering to the new concept of openness and sharing, CCB has built a total of 14,300 “caring stations” in its branches, sharing CCB’s resources. These provide convenient places and considerate services for labourers such as express deliverers, sanitation workers and taxi drivers. About 30 million people have benefited from the services. CCB has set up the CCB University, integrating various training resources, cooperating with well-known universities at home and abroad. It has also launched the “Industry and Education Integration Alliance for New Financial Talents”, building an open platform for education and training. The implementation of the "Jin Zhi Hui Min" project has spread the modern financial concept to the public and explored a good way of financial vocational education in the new era with the innovative practice of integrating industry, education, research and application.

CCB made solid progress in the work related to agriculture, rural areas and farmers, and poverty alleviation to support rural revitalization. In 2018, the balance of industrial targeted poverty alleviation loans was RMB63.04 billion, an increase of more than 30%. CCB strengthened the deep integration of financial technology and three rural services, innovating the “Blockchain Financial Targeted Platform for Poverty Alleviation” and leveraging “Shanrong Commerce”, an e-commerce platform, to facilitate consumption-led poverty alleviation. By the end of 2018, Shan Rong Business had been used by 3,878 poverty alleviation merchants, achieving a poverty alleviation transaction amount of RMB10.01 billion for the year.

Through the “taking along the staff, customers and organizations to do charity” approach, CCB fulfilled its social responsibility as a state-owned big bank. In 2018, the total donation towards public welfare was RMB89.41 million. The Bank has implemented many long-term public welfare projects including CCB Hope Primary Schools and Development Plans for High School Students, Health Express for Mothers and CCB Financial Aid Plan for Impoverished Mothers of Heroes. In 2018, CCB's comprehensive strength, operational capability and service level continued to be widely recognized by customers and the market. It was awarded the Best Bank of China in 2018 by the *Banker* and the Overall Best State-owned Private Bank by *Asiamoney*; it was awarded, for four consecutive years, Best Mega Retail Bank in China by *The Asian Banker*, and ranked first among National Commercial Banks in the 2018 "Gyro" Evaluation System.

The year 2019 marks the 70th anniversary of the founding of the People’s Republic of China and is a crucial year in securing a decisive victory in building an all-round well-off society. The economic situation at home and abroad is complex, with both opportunities and challenges. The Bank will continue to move forward in its mission of “serving the public to live and work in peace and build a modern and beautiful life.” With patience and perseverance, the Bank will use its finance prowess to relieve the pain points in the economy and society. CCB will enhance its capacity to serve the country, guard against financial risks and increase its international competitiveness. The Bank will create greater value and returns for its shareholders, take on more social responsibility, and contribute to the economic and social development in the new era.

**About CCB**

China Construction Bank Corporation (“CCB” or “the Bank”), headquartered in Beijing, is a leading large-scale joint stock commercial bank in Mainland China, and began operations in October 1954 as China Construction Bank. The Bank was listed on Hong Kong Stock Exchange in October 2005 (stock code: 939) and listed on the Shanghai Stock Exchange in September 2007 (stock code: 601939). At the end of 2018, the Bank’s market capitalisation reached US$207.179 billion, ranking fifth among listed banks in the world. Based on Tier 1 capital, the Bank ranks second among global banks.

With 14,977 branches and 345,971 employees, the bank provides comprehensive financial services including personal banking, corporate banking, investment and wealth management to hundreds of millions of individual and corporate customers. CCB has more than 200 branches and subsidiaries of all levels in 29 countries and regions around the world. The Group’s subsidiaries cover multiple business areas, such as mutual funds, financial leasing, trust, life insurance, property insurance, investment banking, futures and pension.

The Bank upholds its “customer-centric, market-oriented” business philosophy and is dedicated to be the bank with the best value creation capability, accommodating both short-term and long-term benefits, both the goals of business operation and social responsibility, and ultimately maximizing the value for the customers, shareholders, society and employees.